

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

Report of the Trustees and
Financial Statements for the Year Ended 30 September 2016
for
Action Deafness

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

Action Deafness

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for the Year Ended 30 September 2016

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Action Deafness

Report of the Trustees for the Year Ended 30 September 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charitable objectives of the charitable company are the relief of persons who are Deaf, deafblind, deafened or hard of hearing.

The charity aspires to:

"A society where we have shared understanding between Deaf, Deafened, Deafblind, Hard of Hearing and Hearing people, and where communication is seamless."

Action Deafness aims to improve quality of life by promoting independence and equality of opportunity for Deaf, deafened, deafblind and hard of hearing people.

The charity aims to:

- i) Promote effective communication and improve access to services.
- ii) Increase the status and participation of Deaf and hard of hearing people from diverse backgrounds.
- iii) Provide specialist support, learning and community services.

Firstly, as service providers, we seek to offer creative and diverse services in order to respond to the identified wishes, aspirations and requirements of the people who we serve and support. Whilst understanding the real lives and concerns of the local and surrounding community, we actively promote participation in everyday experiences, opportunities and decision making. Ultimately being about people, our services are underpinned by a strong foundation that values and fosters all aspects of personal development for service users.

Secondly, we understand that our ability to deliver these ideals is inextricably linked with effective working partnerships with all stakeholders which bring about continual improvement in the quality and value of the services we offer. We have recruited and are constantly developing a staff team that is competent, motivated, sensitive, proactive and responsive to the needs of users in order to achieve Action Deafness's aims and standards.

Significant activities

Action Deafness's charitable objectives focus on the delivery of a range of services throughout the UK with primary delivery/focus on the Midlands and Sussex. We retain the primary focus on Leicester, Loughborough, Leicestershire & Rutland whilst we continue, as charitable company, to offer services that benefit the Deaf, hard of hearing, deafened and deafblind communities throughout the Midlands region and beyond.

Services provided during 2015-2016 to benefit Deaf, hard of hearing, deafened and deafblind people and services to increase awareness amongst the hearing community are as follows:

- AD Cultural (Hear Now Forward Project - BME communities)
- AD Community
- AD Communications (Interpreting & VRS/I Service)
- Access to Work Assessments covering Greater London & South Eastern England
- AD Knowledge (BSL & Deaf Awareness Training Courses)
- AD Tech

Public benefit

As a charitable company, Action Deafness provides a public benefit to Deaf, hard of hearing, deafened and deafblind beneficiaries through its provision of AD Communications services which assist in communication and interpreting between the hearing and the non-hearing community.

The Trustee Directors have had due regard to the Charity Commission's guidance on public benefit.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2016

OBJECTIVES AND ACTIVITIES

Health & safety statement

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

Safeguarding statement

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

Complaints

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

ACHIEVEMENT AND PERFORMANCE

This review provides assurance of delivery of AD's strategic objectives as per AD Strategic Plan 2015 -2018 (approved by the Board of Trustees in March 2015).

This confirms the year-end position as at 30th September 2016 regarding all objectives from the departmental operating plan 2015-2016

Action Deafness Community:

AD Community has been restructured and following changes to its liaison and advocacy services, has quickly expanded its services and grew its support hours from 9,000 hours per year to around 11,000 by the end of September 2016.

AD Community achieved Care Quality Commission registration status as personal care / domiciliary care provider, in February 2016. Our Manager, Mhairi Simpson, was successful in her application to become Registered Manager. .

AD Community created first consortium of local, regional and national deaf organisations to assist with the development and eventual delivery of PA services in their own catchment areas. YOUchoose brand and website were launched in May 2016 in London during the Deaf Awareness Week and presented by Jim Fitzpatrick MP, Chair of All-Party Parliamentary Group on Deafness.

Upon the cessation of Hear Now Forward project, our Head of Services, Jaz Mann, took up the operational responsibility for the delivery of Community services in May 2016.

AD Community continues to work closely with Deaf Cultural & Outreach Group (COG) based in Eastbourne, Sussex to assist with the development of PA Services.

AD Community also developed a partnership agreement with Cambridgeshire Deaf Association to develop and deliver personal care services for three Deaf clients based in Huntingdon. This service commenced May 2016.

AD Community set up new offices in Derby and Cambridge to complement its work and partnership in both areas.

Leicester User Groups

Action Deafness has continued to contribute towards venue costs for groups to meet at both The Firs and All Nations Centre in Leicester in line with the charitable objectives of the organisation.

Loughborough User Group

Action Deafness has continued to contribute towards venue costs for the hard of hearing group's informed choice of using Loughborough Baptist Church for their regular place for social meetings/activities.

AD Tech:

AD Tech has carried out assessments for, and delivered equipment to Deaf, deafened, hard of hearing and deafblind people from Leicester in the last year under our contract with Leicester City Council. We were successful in obtaining a contract extension to March 2018.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2016

ACHIEVEMENT AND PERFORMANCE

AD Knowledge:

AD Knowledge made a conscious and operational decision in Summer 2016 to disband its BSL Level 1 and 2 courses due to lack of student participation.

AD Knowledge continues to provide regular and termly BSL Taster and Deaf Awareness Training Courses along with block courses at University of Leicester and Richard III Centre.

AD Cultural (HearNow Forward Project):

The final year of the 3 year Lottery funded HearNow Forward project was extremely successful with all objectives achieved in all areas.

A full report was subsequently sent to The Big Lottery and received commendation for the successful project completion with objectives achieved. Congratulations extended to the Hear Now Team of Jaz Mann, Sonali Tanna, Gurpreet Santini, Aarti Vaitha and Sonia Sarpal for their commitment and hard work.

Access to Work Assessments:

AD's pool of freelance assessors carried out assessments under the RBLI/DWP contract during 2015-2016 which is now in its fourth year, covering London and the Home Counties. A high proportion (90%) of assessments happened within a ten day target period. The contract ceased in December 2016.

AD Communications (ADC)

Communications Services increased capacity during 2015-2016 through successfully delivering specialist mental health interpreting services at St. Andrew's Healthcare in Northampton, as well as obtaining Brighton & Hove CCG/Sussex Partnership NHS Trust/Surrey & Borders NHS Trust and Sussex framework contracts to deliver BSL interpreters & lipspeakers.

AD Communications was accepted on to Health Trust Europe's (HTE) Agreement Framework which enables ADC to increase the geographical area covered by the provision of services.

AD Communications also continues to deliver the same service as part of the sub-contracted agreement with Pearl Linguistics and Clarion under the Leicestershire & Rutland NHS contract stipulations.

Following the contracts obtained in Brighton, AD Communications now has three new in-house BSL interpreters plus one on a retainer agreement, forming a team of staff consisting of: a manager, a full-time senior in-house BSL interpreter (East Midlands), six in-house BSL interpreters and two full-time booking coordinators.

Action Deafness Communications' Head of Interpreting and the CEO liaised with SignLive in July 2016 to set up a new video interpreting facility and delivered interpreting services on behalf of SignLive. Red Dot Connect brand name has been temporarily suspended, and its contacts and contracts transferred to SignLive as part of the agreement.

FINANCIAL REVIEW

Summary of the year

Income for the 12 months amounted to £1,725,554. Expenditure for the same period amounted to £1,777,821. As a result the deficit for the period (before other recognised gains and losses) was £52,267.

The defined benefit scheme liability increased to £462,000 during the year. Last year's liability of £407,000 was included within the accounts of Leicester & County Mission for Deaf People, prior to the reorganisation referred to elsewhere in the accounts.

In addition, in accordance with FRS102, a pension liability has been recognised in relation to the multi-employer defined contribution pension scheme (TPT Retirement Solutions - the Growth Plan) of which the charitable company is a part. This amounts to £22,517 which is the present value of the deficit funding agreed.

Funds on hand at the Balance Sheet date comprise restricted Funds of £8,623 and designated funds (excluding the pension liability noted above) of £12,387 - these comprise the charity's tangible fixed assets and fixed asset investments. Free Reserves, excluding the pension liability, amount to £282,401.

FINANCIAL REVIEW

Investment policy and objectives

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

Reserves policy

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

However, due to the decrease in the level of year end reserves due to the pension liability, the level of reserves will be insufficient to maintain designated funds.

As a direct response the trustees recognise the importance of ensuring that, a suitable level of reserves are maintained.

The board is committed to monitoring the financial position of the organisation on an on-going basis.

Going concern

Due to the negative reserves of the charity, it's future ability to continue in operation remains a concern. The charitable company has operated at a reduced deficit during the current year, compared to the deficits in the past several years, as a result of strict cost control.

The defined benefit liability, however, increased to £462,000 (previously £407,000 in the accounts of Leicester & County Mission for Deaf People) due to factors outside the control of the Trustees.

In addition, a pension liability (in relation to our participation in the multi-employer scheme with TPT Retirement Solutions) of £22,517 has been required to be recognised in this year's accounts, as a result of transition to the FRS102 accounting standard. Again, this liability is due to factors outside the control of the Trustees.

Despite this, the charity maintains a healthy bank balance and debtor book.

It is for the above reasons that the trustee directors continue to adopt going concern principles in the financial statements.

Pension liability

The pension liability represents the total of the following:

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

The defined benefit pension liability was previously included in the accounts of Leicester & County Mission for Deaf People (operating as Action Deafness) prior to the transfer of that charity's net assets into Action Deafness on 1st October 2015.

The defined contribution pension liability has been recognised for the first time in these accounts as a requirement of the new accounting standard, FRS102.

The pension liability continues to be a significant drain on reserves - unrestricted reserves excluding the pension liability amount to £294,788 but are in deficit by £189,729 after the liability is included.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2016

FUTURE PLANS

The list below highlights identified developments in line with the AD Strategic Plan (2015-2018) objectives for the financial year of 2016-2017

AD Communications - consolidating current contracts and expanding to win further tender opportunities for BSL interpreting throughout the UK. ADC will build on the successes to date of high customer satisfaction while providing value for money and quality interpreting.

AD Community - expanding the success of individual contracts beyond the East Midlands. Working strategically according to capacity by targeting opportunities in the Midlands and beyond with the help of YOUchoose partnership.

AD Communications - consolidating the delivery of video relay services via interpreting from AD Communications on behalf of SignLive

AD Community (User Groups) - continuing to contribute towards the meeting venue costs for user groups.

AD Knowledge & AD Tech - continuing to deliver BSL Taster & Deaf Awareness training and deliver referred equipment services via Leicester City Council.

AD Employment (Access to Work assessments) - winding down RBLI secondary contract to December 2016

Summary

The information above identifies developments in line with the second year section of the AD Strategic Plan 2015-2018.

Service users/clients have greatly benefitted from a range of the highest quality services provided by Action Deafness despite the reduced resources and capacity. Tireless effort by staff, trustees and volunteers has delivered much needed change while providing excellent services. The support from contractors, commissioners and funders has also contributed to the successful delivery of services.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure, governance and management constitution

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

Please note that both the former charities, Leicester & County Mission for Deaf People and Loughborough & District Mission for Deaf People, were dissolved and their net assets as at 1st October 2015 were transferred to the current charity, Action Deafness.

Trustee directors

The management of the company is the responsibility of the Trustee Directors who are elected and co-opted under the new and revised terms of the Articles of Association. The persons who served as Trustee Directors during the year are listed within the Reference and Administrative Details section of the report.

Organisational structure

The charitable company is organised into three components (or teams) as follows:

1. Central services (CEO, finance, operations, ISO & administration)
2. Business solutions services (AD Communications, AD Community)
3. Projects & services (AD Books/Tech/Knowledge, Access-to-work assessments & AD Cultural, Community drop-in)

The range of services falls into three broad areas in order of priority:

1. Statutory services carried out on behalf of local and health authorities as per contractual obligations
2. Trading and commercial services
3. Non-statutory services provided by voluntary funds and other sources

Action Deafness

Report of the Trustees for the Year Ended 30 September 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Decision making

The day to day running of the charitable company is delegated to the Chief Executive Officer (CEO) who reports to the Trustee Directors.

The CEO operates within a wide ranging delegated remit. It has always been the policy that, where specific Trustee Directors have expertise which may be helpful, the CEO and the individual Trustee Directors will work collaboratively.

The business of Action Deafness is managed through a Board formed of all the appointed Trustee Directors. The Board meets formally at least four times a year and on additional occasions where decisions are required before the next formal meeting. The Trustee Directors have given the CEO the authority needed to conduct the day to day working business of the charity and the CEO attends and reports to each meeting of the Board.

Induction and training of new trustee directors

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

Key management remuneration

The key management personnel of the charitable company include the Trustee Directors and the Senior Management Team, which consists of CEO, Finance Manager, Head of Interpreting and Head of Services.

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Wider network: Service Level Agreements, Contracts & Grants 2015-2016

Action Deafness has several service level agreements and grants, which are listed below:

1. St Andrew's Healthcare Trust contract for the delivery of a specialist BSL interpreting service at the medium-secure residential unit in Northamptonshire
2. Brighton & Hove Clinical Commissioning Group, Brighton & Sussex University Hospitals & Sussex Partnership Foundation NHS Trust for the delivery of BSL interpreting & lipspeaking services within Brighton & Sussex
3. East Sussex County Council (SUSTI) framework contract for the delivery of BSL interpreting & lipspeaking with 20 other local, district and health agencies throughout Sussex
4. Surrey & Borders NHS Foundation Trust for the delivery of BSL interpreting & lipspeaking in Surrey, Kent and Sussex
5. Health Trust Europe - Agreement Framework for the delivery of BSL interpreting in the NHS Trusts based in the Midlands and surrounding counties
6. NHS London Procurement Partnership - Agreement Framework for the delivery of BSL interpreting in the NHS Trusts based in Greater London areas
7. SignLive Video Relay Service contract agreement for the delivery of video relay services utilised by BSL interpreters throughout the UK
8. Spot purchasing contract for medical interpreting provision with University Hospitals of Leicester, Clinical Commissioning Groups and Leicestershire and Rutland NHS Trusts (via Pearl Linguistics & later with Clarion; on a sub-contracted basis)
9. Numerous individual contract agreements via Personal Budgets & Direct Payments for the delivery of community support throughout Leicestershire, Derbyshire, Nottinghamshire, Warwickshire, Staffordshire and Northamptonshire
10. Leicester City Council Technical Equipment contract to assess for, and provide where appropriate, aids and equipment throughout the city related to hearing loss
11. Walsall Council framework contract agreement for delivery of BSL interpreting & lipspeaking services (until June 2016)
12. Royal British Legion of Industries (RBLI) subcontracted delivery of AtW assessments in Greater London and the south of England
13. Final Year Lottery grant for AD Cultural (Hear Now Forward Project) to July 2016
14. Leicestershire Partnership NHS Foundation Trust for delivery of contracted BSL interpreting provision within Leicester City (via Communication Plus on an ad-hoc basis since April 2016)
15. Numerous individual contract agreements with external clients for the delivery of interpreting support via Access to Work
16. Partnership agreement with Cambridge Deaf Association to deliver personal care services in May 2016
17. YOUchoose consortium - partnership with 5 other local, regional & national Deaf organisations to assist with the development of Personal Assistant services in May 2016.

Action Deafness

Report of the Trustees for the Year Ended 30 September 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Re-organisation

With effect from 1st October 2015, Action Deafness took on the assets, liabilities and continuing service obligations of Leicester and County Mission for Deaf People (registered charity number 226864) and Loughborough Mission for Deaf People (registered charity number 244891). Both of these charities were closed down by voluntary agreement of their trustees and as ratified by the Charity Commission.

The comparatives in these accounts relate only to Action Deafness and have been reclassified only to comply with applicable charity law - no reclassification as to the nature of income, expenditure, assets or liabilities has been required.

Consolidated comparatives are available within the 2015 accounts for Leicester & County Mission for Deaf People, which can be obtained from the Charity Commission website.

Risk management analysis

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

The Trustee Directors use a risk register to manage risk which considers the key areas of governance, operations, finance, environment and compliance. Each area is reviewed for potential risks, potential impact of risks and steps for mitigation. The Trustee Directors, together with the CEO, review all operations and update the register annually in conjunction with ISO 9001 Quality Management and SORP regulations.

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

At the year end, all reserves are unrestricted but in advance, the Trustee Directors set aside designated funds in order to ensure that assets, critical to the operation of the charity, can be purchased when needed. The charitable company is of a size that allows it to be flexible and responsive to changes in the needs of its client base.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06706042 (England and Wales)

Registered Charity number

1163758

Registered office

The Peepul Centre
28 Orcharadson Avenue
Leicester
Leicestershire
LE4 6DP

Trustees

Mrs B Gregory	Director	- resigned 30.6.16
R F Hilton	Director	
P J Kendall	Director	- resigned 14.3.17
Mrs A Lewis	Director	
A Palmer	Director	
Mrs K Read	Director	
B J A Stephens	Director	
Mrs E Allen	Director/Trustee	- appointed 14.3.17

Company Secretary & Chief Executive

C A Crowley MBE

Action Deafness

Report of the Trustees for the Year Ended 30 September 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

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

Solicitors

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

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Action Deafness for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS


The auditors, Charnwood Accountants & Business Advisors LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Action Deafness

Report of the Trustees
for the Year Ended 30 September 2016

Approved by order of the board of trustees on13/06/2017..... and signed on its behalf by:


.....
R F Hilton - Trustee

Report of the Independent Auditors to the Trustees of Action Deafness

We have audited the financial statements of Action Deafness for the year ended 30 September 2016 on pages thirteen to thirty. 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).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page nine, 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.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Report of the Independent Auditors to the Trustees of
Action Deafness

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Charnwood Accountants & Business Advisors LLP

Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

The Point

Granite Way

Mountsorrel

Loughborough

Leicestershire

LE12 7TZ

Date:13/06/17.....

Action Deafness

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 30 September 2016

		Unrestricted funds £	Restricted funds £	30.9.16 Total funds £	30.9.15 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	6,768	-	6,768	-
Charitable activities	5				
BME project		-	73,788	73,788	-
Communications		1,248,251	-	1,248,251	1,545,470
Community support		315,349	-	315,349	-
Learning		8,399	-	8,399	-
Other charitable projects		-	5,000	5,000	-
Books, DVDs & AD Tech		43,148	-	43,148	66,946
Other trading activities	3	22,322	-	22,322	4,679
Investment income	4	392	-	392	-
Other income		2,137	-	2,137	500
Total		1,646,766	78,788	1,725,554	1,617,595
EXPENDITURE ON					
Raising funds	6	443	-	443	958
Charitable activities	7				
BME project		27,026	73,789	100,815	-
Communications		1,180,888	-	1,180,888	1,508,933
Community support		357,787	-	357,787	35,779
Learning		35,180	422	35,602	-
Support for social groups		8,138	-	8,138	-
Other charitable projects		1,457	1,422	2,879	-
Books, DVDs & AD Tech		91,269	-	91,269	71,925
Total		1,702,188	75,633	1,777,821	1,617,595
Net revaluation gains on investments		907	-	907	-
NET INCOME/(EXPENDITURE) excluding pension		(54,515)	3,155	(51,360)	-
Net actuarial losses on pension liabilities		(64,199)	-	(64,199)	-
Net movement in funds		(118,714)	3,155	(115,559)	-
RECONCILIATION OF FUNDS					
Total funds brought forward		-	-	-	-
Introduction of funds from connected charity on reorganisation		(71,015)	5,468	(65,547)	-
TOTAL FUNDS CARRIED FORWARD		(189,729)	8,623	(181,106)	-

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Action Deafness

Registered Company Number: 06706042 (England and Wales)

Registered Charity Number: 1163758

Balance SheetAt 30 September 2016

		Unrestricted funds £	Restricted funds £	30.9.16 Total funds £	30.9.15 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	14	3,505	-	3,505	-
Investments	15	<u>8,882</u>	<u>-</u>	<u>8,882</u>	<u>-</u>
		12,387	-	12,387	-
CURRENT ASSETS					
Stocks	16	7,755	-	7,755	8,561
Debtors	17	406,323	-	406,323	318,185
Cash at bank and in hand		<u>133,730</u>	<u>8,623</u>	<u>142,353</u>	<u>3,286</u>
		547,808	8,623	556,431	330,032
CREDITORS					
Amounts falling due within one year	18	<u>(265,407)</u>	<u>-</u>	<u>(265,407)</u>	<u>(330,032)</u>
NET CURRENT ASSETS		<u>282,401</u>	<u>8,623</u>	<u>291,024</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		294,788	8,623	303,411	-
PENSION LIABILITY (defined benefit)	21	(462,000)	-	(462,000)	-
PENSION LIABILITY (multi-employer)		<u>(22,517)</u>	<u>-</u>	<u>(22,517)</u>	<u>-</u>
NET ASSETS/(LIABILITIES)		<u>(189,729)</u>	<u>8,623</u>	<u>(181,106)</u>	<u>-</u>
FUNDS	20				
Unrestricted funds				(189,729)	-
Restricted funds				<u>8,623</u>	<u>-</u>
TOTAL FUNDS				<u>(181,106)</u>	<u>-</u>

The notes form part of these financial statements

Action Deafness

Registered Company Number: 06706042 (England and Wales)

Registered Charity Number: 1163758

Balance Sheet - continued

At 30 September 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2016.


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

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on13/06/2017..... and were signed on its behalf by:



.....
R F Hilton -Trustee

Action Deafness

Cash Flow Statement
for the Year Ended 30 September 2016

	Notes	30.9.16 £	30.9.15 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(75,024)</u>	<u>(17,065)</u>
Net cash provided by (used in) operating activities		<u>(75,024)</u>	<u>(17,065)</u>
Cash flows from investing activities:			
Interest received		75	-
Dividends received		<u>317</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>392</u>	<u>-</u>
Cash flows from financing activities:			
Introduced from connected charity on reorganisation		<u>213,699</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>213,699</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>139,067</u>	<u>(17,065)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>3,286</u>	<u>20,351</u>
Cash and cash equivalents at the end of the reporting period		<u><u>142,353</u></u>	<u><u>3,286</u></u>

Notes to the Cash Flow Statement
for the Year Ended 30 September 2016

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

	30.9.16 £	30.9.15 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(115,559)	-
Adjustments for:		
Depreciation charges	3,830	-
Interest received	(75)	-
Dividends received	(317)	-
Donation of profit to charity	-	(35,779)
Decrease in stocks	806	3,614
Increase in debtors	(88,138)	(60,516)
Increase in creditors	65,185	75,616
Difference between pension charge and cash contributions	<u>59,244</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>(75,024)</u>	<u>(17,065)</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Due to the negative reserves of the charitable company, its future ability to continue in operation remains a concern. However, the bank balance and debtor book remain healthy and reserves excluding the pension liability continue to be positive. For this reason, the going concern basis is considered appropriate.

Income

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

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

1. ACCOUNTING POLICIES - continued

Expenditure

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

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

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

Governance costs

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

Allocation and apportionment of costs

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

Tangible fixed assets and fixed asset investments

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

Computer equipment	- 20% on cost
--------------------	---------------

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

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

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

Stocks

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

Taxation

The charity is in the process of registering with HMRC to gain exemption from corporation tax on its charitable activities.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2016

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

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

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The charitable company operates a defined benefit final earnings pension scheme, which was closed to new members with effect from 1998. The charity's contributions are set after advice from an independent actuary. The cost of employer contributions and net interest are recognised in the Statement of Financial Activities; unrealised gains and losses are recognised within Other Comprehensive income within the Statement of Financial Activities, and the net pension liability is recognised in the Balance Sheet.

The charitable company is part of a multi-employer defined benefit pension scheme, which is treated as a defined contribution scheme in accordance with FRS102. The charitable company has agreed deficit funding with the Scheme's administrator. The cost of employer deficit contributions and net interest are recognised in the Statement of Financial Activities; unrealised gains and losses are recognised within Other Comprehensive income within the Statement of Financial Activities, and the net pension liability (equal to the present value of the agreed deficit funding) is recognised in the Balance Sheet.

Reorganisation

With effect from 1st October 2015, Action Deafness took on the assets, liabilities and continuing service obligations of Leicester and County Mission for Deaf People (registered charity number 226864) and Loughborough Mission for Deaf People (registered charity number 244891). Both of these charities were closed down by voluntary agreement of their trustees and as ratified by the Charity Commission.

The comparatives in these accounts relate only to Action Deafness and have been reclassified only to comply with applicable charity law - no reclassification as to the nature of income, expenditure, assets or liabilities has been required.

Consolidated comparatives are available within the 2015 accounts for Leicester & County Mission for Deaf People, which can be obtained from the Charity Commission website.

2. DONATIONS AND LEGACIES

	30.9.16	30.9.15
	£	£
Gifts	4,798	-
Legacies	1,970	-
	<u>6,768</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2016

3. OTHER TRADING ACTIVITIES

	30.9.16	30.9.15
	£	£
Provision of support to other charities	16,921	-
Commission	<u>5,401</u>	<u>4,679</u>
	<u>22,322</u>	<u>4,679</u>

4. INVESTMENT INCOME

	30.9.16	30.9.15
	£	£
Dividends received	317	-
Deposit account interest	<u>75</u>	<u>-</u>
	<u>392</u>	<u>-</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	30.9.16	30.9.15
		£	£
Grants	BME project	73,788	-
Course fees	Communications	25,526	-
BSL interpreting	Communications	986,768	1,334,311
Deaf staff support income	Communications	175,657	211,159
Access to Work assessments	Communications	60,300	-
Community support income	Community support	315,349	-
Course fees	Learning	8,399	-
Grants	Other charitable projects	5,000	-
Books, DVD & AD Tech sales	Books, DVDs & AD Tech	<u>43,148</u>	<u>66,946</u>
		<u>1,693,935</u>	<u>1,612,416</u>

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

	30.9.16	30.9.15
	£	£
Other grants	<u>78,788</u>	<u>-</u>

6. RAISING FUNDS

Raising donations and legacies

	30.9.16	30.9.15
	£	£
Fundraising costs	443	-
Advertising	<u>-</u>	<u>958</u>
	<u>443</u>	<u>958</u>

Action Deafness

Notes to the Financial Statements - continued for the Year Ended 30 September 2016

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 9)	Totals
	£	£	£
BME project	73,789	27,026	100,815
Communications	1,102,721	78,167	1,180,888
Community support	228,483	129,304	357,787
Learning	30,813	4,789	35,602
Support for social groups	6,681	1,457	8,138
Other charitable projects	1,422	1,457	2,879
Books, DVDs & AD Tech	84,252	7,017	91,269
	<u>1,528,161</u>	<u>249,217</u>	<u>1,777,378</u>

8. GRANTS PAYABLE

	30.9.16	30.9.15
	£	£
Community support	<u>-</u>	<u>35,779</u>

Grants payable to institutions in the previous year amounted to £35,779 and represented a gift of the entire profits of Action Deafness to Leicester & County Mission for Deaf People.

9. SUPPORT COSTS

	Central overheads	Finance	IT & telephones
	£	£	£
BME project	13,518	7,829	2,369
Communications	40,561	23,479	7,106
Community support	67,597	39,132	11,842
Learning	1,763	1,019	309
Support for social groups	-	-	-
Other charitable projects	-	-	-
Books, DVDs & AD Tech	2,940	1,701	515
	<u>126,379</u>	<u>73,160</u>	<u>22,141</u>

	Professional fees	Governance costs	Totals
	£	£	£
BME project	1,855	1,455	27,026
Communications	5,565	1,456	78,167
Community support	9,276	1,457	129,304
Learning	241	1,457	4,789
Support for social groups	-	1,457	1,457
Other charitable projects	-	1,457	1,457
Books, DVDs & AD Tech	404	1,457	7,017
	<u>17,341</u>	<u>10,196</u>	<u>249,217</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2016

9. SUPPORT COSTS - continued

Activity	Basis of allocation
Central overheads	Full time equivalents
Finance	Full time equivalents
IT & telephones	Full time equivalents
Professional fees	Full time equivalents
Governance costs	Evenly across main expenditure types

10. NET INCOME/(EXPENDITURE)

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

	30.9.16	30.9.15
	£	£
Auditors' remuneration	-	4,000
Auditor's remuneration	6,340	-
Depreciation - owned assets	3,830	-
Hire of plant and machinery	1,582	-
Other operating leases	<u>23,269</u>	<u>-</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

During the year, travel expenses of £273 (2015: £Nil) were re-imbursed to one trustee. No other remuneration, benefits or expenses were paid to trustees during either year.

12. STAFF COSTS

	30.9.16	30.9.15
	£	£
Wages and salaries	542,525	287,070
Social security costs	38,990	24,223
Other pension costs	<u>1,778</u>	<u>3,209</u>
	<u>583,293</u>	<u>314,502</u>

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

	30.9.16	30.9.15
Central services	1	-
Charitable activities	<u>23</u>	<u>9</u>
	<u>24</u>	<u>9</u>

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

Notes to the Financial Statements - continued
for the Year Ended 30 September 2016

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Communications	1,545,470	-	1,545,470
Books, DVDs & AD Tech	66,946	-	66,946
Other trading activities	4,679	-	4,679
Other income	500	-	500
Total	1,617,595	-	1,617,595
EXPENDITURE ON			
Raising funds	958	-	958
Charitable activities			
Communications	1,508,933	-	1,508,933
Community support	35,779	-	35,779
Books, DVDs & AD Tech	71,925	-	71,925
Total	1,617,595	-	1,617,595
NET INCOME/(EXPENDITURE)	-	-	-
RECONCILIATION OF FUNDS			
Total funds brought forward	-	-	-
TOTAL FUNDS CARRIED FORWARD	-	-	-

14. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
Additions	7,335
DEPRECIATION	
Charge for year	3,830
NET BOOK VALUE	
At 30 September 2016	3,505
At 30 September 2015	-

Additions in the year represent assets transferred in from Leicester & County Mission for Deaf People following the reorganisation from 1st October 2015 referred to elsewhere in the accounts. The assets have been transferred in at their net book value.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2016

15. FIXED ASSET INVESTMENTS

	Cash and settlements pending £
MARKET VALUE	
Additions	7,975
Revaluations	<u>907</u>
At 30 September 2016	<u>8,882</u>
 NET BOOK VALUE	
At 30 September 2016	<u>8,882</u>
At 30 September 2015	<u>-</u>

There were no investment assets outside the UK.

Additions in the year represent the value of investments transferred in from Leicester & County Mission for Deaf People following the reorganisation from 1st October 2015 referred to elsewhere in the accounts.

16. STOCKS

	30.9.16 £	30.9.15 £
Stocks	<u>7,755</u>	<u>8,561</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.16 £	30.9.15 £
Trade debtors	384,703	312,090
Prepayments	<u>21,620</u>	<u>6,095</u>
	<u>406,323</u>	<u>318,185</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2016

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.16	30.9.15
	£	£
Trade creditors	174,197	136,808
Amounts owed to group undertakings	-	149,743
Social security and other taxes	12,341	-
VAT	44,440	39,205
Other creditors	1,383	276
Accruals and deferred income	33,046	4,000
	<u>265,407</u>	<u>330,032</u>

Deferred income amounts to £9,483 (2015: £Nil) and is included within accruals & deferred income above. The income has been deferred as it has been invoiced prior to the year end but relates to the provision of goods or services delivered after the year end.

The balance comprises the following:

Income from charitable activities: £9,337 (2015: £Nil)

Other income: £146 (2015: £Nil)

19. LEASING AGREEMENTS

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

	30.9.16	30.9.15
	£	£
Within one year	25,000	-
Between one and five years	<u>10,330</u>	<u>-</u>
	<u>35,330</u>	<u>-</u>

Total lease payments recognised as an expense during the year amount to £18,236.

20. MOVEMENT IN FUNDS

	At 1.10.15	Net movement in funds	At 30.9.16
	£	£	£
Unrestricted funds			
General fund	-	282,401	282,401
Fixed assets	-	3,505	3,505
Fixed asset investment fund	-	8,882	8,882
Pension reserve	<u>-</u>	<u>(484,517)</u>	<u>(484,517)</u>
	-	(189,729)	(189,729)
Restricted funds			
Over 50's Club	-	5,045	5,045
Church Urban Fund	<u>-</u>	<u>3,578</u>	<u>3,578</u>
	-	8,623	8,623
TOTAL FUNDS	<u>-</u>	<u>(181,106)</u>	<u>(181,106)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2016

20. 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	1,646,766	(1,703,314)	338,949	282,401
Fixed assets	-	(3,830)	7,335	3,505
Pension reserve	-	4,955	(489,472)	(484,517)
Fixed asset investment fund	-	-	8,882	8,882
	1,646,766	(1,702,189)	(134,306)	(189,729)
Restricted funds				
BME Project	73,788	(73,788)	-	-
Church Urban Fund	5,000	(1,422)	-	3,578
Over 50's Club	-	(422)	5,467	5,045
	78,788	(75,632)	5,467	8,623
TOTAL FUNDS	<u>1,725,554</u>	<u>(1,777,821)</u>	<u>(128,839)</u>	<u>(181,106)</u>

21. EMPLOYEE BENEFIT OBLIGATIONS

DEFINED BENEFIT SCHEME

Following the reorganisation referred to elsewhere in the accounts, the charitable company took on the obligations relating to a defined benefits final earnings pension scheme (the Scheme) previously run by Leicester & County Mission for Deaf People, which was closed to new members with effect from 1998. Comparatives have not been provided in the disclosures below as this is the first year of it being a liability of Action Deafness.

The charitable company's contributions are set after advice from an independent actuary. The pension costs for the period were £22,000. There were no unpaid pension contributions due at the current year end.

The latest actuarial valuation of the Scheme was prepared as at 30th September 2016. The method used for this valuation was the projected unit credit method and the main assumptions are set out below.

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

The amounts recognised in the balance sheet in respect of both Schemes are as follows:

	Defined benefit pension plans		Multi employer pension	
	30.9.16	30.9.15	30.9.16	30.9.15
	£	£	£	£
Present value of funded obligations	(1,395,000)	-	(22,517)	-
Fair value of plan assets	<u>933,000</u>	-	-	-
	<u>(462,000)</u>	-	<u>(22,517)</u>	-
Deficit	<u>(462,000)</u>	-	<u>(22,517)</u>	-
Liability	<u>(462,000)</u>	-	<u>(22,517)</u>	-

Notes to the Financial Statements - continued
for the Year Ended 30 September 2016

21. EMPLOYEE BENEFIT OBLIGATIONS
- continued

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

	Defined benefit pension plans		Multi employer pension	
	30.9.16	30.9.15	30.9.16	30.9.15
	£	£	£	£
Net interest charge on net defined benefit asset/liability	19,000	-	373	-
	<u>19,000</u>	<u>-</u>	<u>373</u>	<u>-</u>
Actual return on plan assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	Defined benefit pension plans		Multi employer pension	
	30.9.16	30.9.15	30.9.16	30.9.15
	£	£	£	£
Defined benefit obligation	1,333,000	-	18,273	-
Contributions by employer	-	-	(2,328)	-
Interest cost	61,000	-	373	-
Benefits paid	(156,000)	-	-	-
Obligation: other remeasurement	<u>157,000</u>	<u>-</u>	<u>6,199</u>	<u>-</u>
	<u>1,395,000</u>	<u>-</u>	<u>22,517</u>	<u>-</u>

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

	Defined benefit pension plans		Multi employer pension	
	30.9.16	30.9.15	30.9.16	30.9.15
	£	£	£	£
Fair value of scheme assets	926,000	-	-	-
Interest income on plan assets	42,000	-	-	-
Contributions by employer	22,000	-	-	-
Benefits paid	(156,000)	-	-	-
Return on plan assets (excluding interest income)	<u>99,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>933,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	Defined benefit pension plans		Multi employer pension	
	30.9.16	30.9.15	30.9.16	30.9.15
	£	£	£	£
Obligation: other remeasurement	(157,000)	-	(6,199)	-
Return on plan assets (excluding interest income)	<u>99,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(58,000)</u>	<u>-</u>	<u>(6,199)</u>	<u>-</u>

21. EMPLOYEE BENEFIT OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	30.9.16	30.9.15
Equities	72%	0%
Bonds	18%	0%
Property	9%	0%
Cash	1%	0%

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

	30.9.16	30.9.15
Discount rate	2.3%	0%
Future salary increases	3.3%	0%
Future pension increases	2%	0%

MULTI-EMPLOYER PENSION SCHEME

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

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional deficit contributions to the scheme as follows:

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

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

21. EMPLOYEE BENEFIT OBLIGATIONS
- continued

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

22. RELATED PARTY DISCLOSURES

During the year, expenses of £273 were claimed by trustees - at the year end a balance of £104 had not yet been reimbursed.

During the year, the charitable company purchased services to the value of £55 from a company of which one of the trustees is a director. The purchase was at normal market terms and had been fully paid by the year end.

During the year, the charitable company undertook a joint Community Support project with Cambridgeshire Deaf Association, of which one of the trustees is the CEO. Fees of £2,202 were charged by Cambridgeshire Deaf Association at normal market terms, and a balance of £1,602 remained outstanding at the year end.

23. PURPOSE OF RESTRICTED FUNDS

BME

This project is aimed at Deaf and Hard of Hearing and Deafened people from black, minority and ethnic (BME) backgrounds. The project is funded by the Big Lottery and based within Leicester City area to help BME people. The aim is to work alongside people to encourage participation in and access to a wide range of services such as accessibility to voluntary work, employment, housing advice, benefit advice, one to one and/or group support, communication/language support and outreach work.

Over 50's Club

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

Church Urban Fund

This was a grant received from Near Neighbours, which is administered by the Church Urban Fund. The funds are to be used to support the Deaf Friends Group in order to encourage expansion, training and the provision of arts and crafts activities.

24. FINANCIAL INSTRUMENTS

Financial assets carried at amortised cost amount to £384,703.

Financial assets measured at fair value through the SOFA amount to £8,882, on which £907 has been recognised in the SOFA this year.

Financial liabilities carried at amortised cost amount to £197,760.