

Registered Company No: SC396876

Registered Charity No: SC009898



**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

DEAF ACTION

(A company limited by guarantee)

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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees: Keith Hyland
William Nicol
Tommy Robertson
Rosie Addis
Tania Allan
Trudi Collier (Appointed 29/08/2018)

Secretary: Phillip Gerrard

Principal Office: 49 Albany Street
Edinburgh
EH1 3QY

Charity Number: SC009898

Company Number: SC396876

Independent Auditors Wylie & Bisset LLP
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Bankers Bank of Scotland
PO Box 10, St Andrew's Square
Edinburgh
EH2 2YR

Solicitors Morton Fraser LLP
Quartermile Two
2 Lister Square
Edinburgh
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Investment Advisers Brewin Dolphin
7 Drumsheugh Gardens
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12 Melville Crescent
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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019

The Board of Trustees of Deaf Action present their Annual Report together with the audited financial statements for the year ended 31st March 2019.

Financial Statements

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), 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.

Reference and Administrative Details

The legal and administrative information on page one forms part of this report

The organisation was formally constituted at a public meeting held in Edinburgh on 18 November 1835.

On 1 April 2011, Deaf Action incorporated as a Registered Charity (SC009898) and a Registered Company (SC396876), having been previously been a registered friendly society.

Deaf Action is a Company limited by guarantee with each of the members surrendering £1.

The directors of the company were as follows:

Keith Hyland (*current trustee*)
Thomas Robertson (*current trustee*)
Rev. Rosie Addis (*current trustee and Chair of the Board*)
William Nicol (*current Trustee*)
Pamela Brunt (resigned 31 August 2018)
Anthony Pelosi (resigned 31 March 2019)
Kenneth MacDonald
Tania Allen
Trudi Collier (appointed 28 August 2018)

Philip Gerrard, Chief Executive Officer of Deaf Action, serves as Company Secretary (since September 2017).

OVERVIEW – OBJECTIVES & ACTIVITIES

The constitution of Deaf Action sets out its main charitable objective as "...[promoting] any charitable purpose for the benefit of deaf people and those with other sensory and support needs by providing education, encouraging social interaction and participation and providing, for the interests of social welfare, facilities for recreation and other leisure time occupation so that conditions of life for such people may be improved".

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

Deaf Action is the very first formally constituted deaf organisation in the world. For over 180 years, it has been at the forefront of progress and change within the Deaf community.

Deaf Action delivers a range of services to deaf people in Scotland with sensory support needs, including those who are blind, partially sighted, deaf, deaf-blind and hard of hearing.

There are an estimated 945,000¹ people living with some form of hearing loss in Scotland. Of this figure, it is estimated that 76,000 people have severe to profound hearing loss, and 567,500 people need hearing aids. This number is set to grow with a fast-growing ageing population.

It is estimated that there are at least 3,174 deaf children across all 32 Local Authorities in Scotland².

Since its inception in 1835, Deaf Action has performed an integral role in the lives of deaf and hard of hearing people in Scotland, providing specialist support and services to promote equal access and participation in society.

Deaf Action offers the following specialist services;

Communication & Interpreting
Specialist Equipment Provision
Multimedia & Translation (BSL Video Production)
Befriending
Social Care
Outreach & Support Services
Training

Deaf Action has become synonymous with community, leadership and collaboration. Our work involves working closely with key stakeholders to identify and remove barriers for deaf* people.

Deaf Action is committed to its vision of *“Working together to achieve a sustainable and integrated organisation, delivering an equal and better future for deaf* people”*

The Scottish Government recognises the need to realise this vision. In 2015, the British Sign Language (BSL) Act³ was passed. Deaf Action was partly instrumental in its success alongside other high-profile deaf organisations.

¹ Hearing Matters: Why Urgent Action is Needed on Deafness, Hearing Loss & Tinnitus Across Scotland – Action on Hearing Loss Scotland. Web link: <https://www.actiononhearingloss.org.uk/about-us/our-work-across-the-uk/scotland/policy-and-research-in-scotland/>

² CRIDE, Scotland (2017) Web link: http://www.ndcs.org.uk/professional_support/national_data/cride.html

³ British Sign Language (Scotland) Act 2015. Web link: <http://www.parliament.scot/largePDFfiles/SPPB220.pdf>

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

Deaf Action welcomes this progress and is working closely with key stakeholders to help realise the aims and objectives of the BSL National Plan 2017 – 2023⁴.

2018/19 has been a year for assessing and reflecting upon the challenges the charity – and indeed many if not all charities - faces, and how Deaf Action can rise to these challenges.

The Board has been working closely with the chief executive officer, who has been in post since August 2017, to review and consider areas of change within the organisation. This has provided an opportunity to examine the infrastructure including management and internal procedures. This has ultimately led to the renewal of the strategic aims for Deaf Action.

The Board looks forward to seeing the implementation of the new strategic framework for 2019-24 and continuing to oversee the vital work undertaken by Deaf Action.

VISION, MISSION & VALUES

Vision

Working together to achieve a sustainable and integrated organisation, delivering an equal and better future for deaf* people

Mission

To improve the quality and conditions of life for deaf* people

* Deaf in this context is defined as 'deaf and a British Sign Language user, deafened, hard of hearing or deafblind'.

Values

Values show how we should behave; towards each other as a staff team and with our customers.

Through 'Deaf Action Ambassador's' customer research last year, we highlighted four main values we would like to achieve as an organisation

These values are as follows (TICK):

Trustworthy

Inclusive

Compassionate

Knowledgeable

⁴ British Sign Language (BSL): National Plan 2017 – 2023. Web link:
<https://www.gov.scot/Resource/0052/00526382.pdf>

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

STRATEGIC & BUSINESS PRINCIPLES

Strategic Aims

- Increase access to services & equipment
- Increase deaf awareness
- Reduce health inequalities; improve physical & mental health
- Improve employability & confidence
- Greater social integration; reduced isolation
- Sustain & develop Deaf Action

Business Principles

- Work closely with Government, government bodies and public bodies (NHS, local authorities, OSCR)
- Raise awareness, champion rights and challenge discrimination towards *deaf people
- Plan three to five years and beyond
- Build a sustainable Deaf Action using careful budget planning

Working Practice

- Be forward thinking while working with a positive approach
- Deaf-led – specialists in deafness
- Focus on outcomes which benefit the user
- Focus on delivering our company values and vision
- Match communications to different people's needs
- Develop services in line with available funding
- Deliver excellent customer service to our customers, each other and partners

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

- Developing the skillset of our Board, staff and volunteers
- See things through the eyes of the customer

ACTIVITIES – ACHIEVEMENT & PERFORMANCE

Services

Deaf Action provides a wide range of statutory and non-statutory services that are geared towards reducing inequalities and removing barriers for deaf* people.

These include a communication agency, specialist equipment provision, multimedia & translation, a social care team, support services including self-directed support and independent living, and training which includes courses in British Sign Language, lipreading and deaf awareness.

We also deliver essential projects including a befriending service and an employability service.

Furthermore, we have a BSL Partnership project in which we focus on two specific outcomes for the BSL National Plan 2017-23 working with further and higher education institutions to improve deaf students' experiences, and working with public bodies to better meet their obligations in relation to the BSL (Scotland) Act 2005.

Our services are in accordance with Section 149 of the Equality Act 2010⁵, in which it places the onus on service providers, employers, public bodies, and those performing public functions to make reasonable adjustments for those with a disability or other protected characteristics in order to:

"...Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it..."

Communication & Interpreting

Deaf Action provide a communication and interpreting agency through which we provide registered British Sign Language interpreters, lip-speakers, electronic notetakers and communication support workers.

Deaf Action has been providing various forms of communication support since its inception in 1835 thus we are able to offer uniquely specialist services with extensive experience and experience.

⁵ <https://www.legislation.gov.uk/ukpga/2010/15/section/149>

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

The agency is registered with the Scottish Association of Sign Language Interpreters (SASLI). All our communication professionals must adhere to their registered body's guidelines and principles of professional practice.

The agency was awarded ISO9001:2015 accreditation in December 2018.

This means we can be relied upon to operate to the highest technical and ethical standards in accordance to communication professional standards.

We provide information including deaf awareness, communication awareness, and how to use communication professionals. This information is also available on the website.

Figure 1 - Communication Bookings Information 2018/19 & 2017/18

	Fulfilled Bookings	Total Hours	Unfulfilled Bookings
2018/19	3,328	9,565	232
2017/18	3,167	8,958	321

As *Figure 1* shows, there is a 5.1% increase in the number of fulfilled bookings and 6.8% increase in the hours of work undertaken. We are pleased to report a decrease of 27.7% in unfulfilled bookings despite an exponentially high demand for communication support.

There is an acute shortage of interpreters and communication professionals in Scotland, so Deaf Action is proud to continue to deliver this service despite the challenges posed by the shortage of professionals available.

Specialist Equipment Provision

Deaf Action provides specialist equipment catering to the needs of deaf and hard of hearing individuals as well as organisations that need to comply with accessibility requirements under the Equality Act 2005.

For people that experience a hearing or sight loss, having specially designed equipment can mean increased independence and improved communication experiences. There are many different products available to suit different sensory needs.

We supply and often install equipment in peoples' homes, residential care homes and in public buildings and private companies.

Each sensory loss is different; every person with a hearing or sight loss will have varying requirements for equipment. We don't believe in a one size fits all solution which is why we have created a specially designed Display Room to allow people to test, handle and sample products before they buy.

Our main Display Room is located in our Head Office in Edinburgh. We also have a smaller room in the Sensory Support Centre on the grounds of St John's Hospital** in Livingston.

Our Head Office in Edinburgh is a registered BT Try Before You Buy centre. This centre is a part of our Display Room which showcases the equipment we have available. All the

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telephones we have on offer are hearing aid compatible and designed to be used by those with a hearing loss.

The equipment service works closely with the social care team and the following local authorities to supply equipment; Aberdeenshire, East Lothian, City of Edinburgh, Midlothian, West Lothian.

Figure 2 - No. of Equipment Installations for each Local Authority 2018/19 & 2017/18

	Aberdeenshire	City of Edinburgh	Midlothian	East Lothian	West Lothian	Total
2018/19	145	241	65	53	44	548
2017/18	141	214	31	45	73	504

As Figure 2 shows, there is an overall increase of 8.7% in demand for equipment.

However, this does not take into account the information and advice drop in service provided across eight towns in Aberdeenshire, which includes information on equipment. This is an immensely popular service, with a 10% increase in numbers of people attending from the previous financial year (2017/18) and an average attendance of 22 people per drop-in session.

Figure 3 - Equipment Referrals & Home Visits 2018/19 & 2017/18

	Referrals	Home Visits
2018/19	497	294
2017/18	528	292

Deaf Action was commissioned by Edinburgh Airport to check and install loop systems – a major contract.

Deaf Action will continue to provide specialist equipment services and are looking into how we can translate this into a working business model as part of the overall strategic framework for 2019 – 24.

Multimedia & Translation (BSL Video Production)

Also known as BSL Video Production, this service consists of translating information from English to British Sign Language for videos. It also includes additional aspects of accessibility such as subtitling and voice-over.

As a result of our training programme, we have several skilled deaf presenters who we employ on an ad hoc basis to translate on camera. This supports our charitable aims in that we are empowering the deaf community and creating employment opportunities.

Launched in 2016, this service has gone from strength to strength. Our client base has increased by a third compared to 2017/18. Deaf Action have worked with the Scottish Government, Inclusion Scotland, NHS Health Scotland and many local authorities.

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

Figure 4 - Multimedia & Translation Figures 2018/19 & 2017/18

	Clients	External Clips	Internal Clips
2018/19	41	169	52
2017/18	20	28	32

As shown in the table above, there has been a 105% increase in clients, with a 62% increase in internal clip production and a 396.4% increase in external clip production.

In 2018/19, we translated 18 BSL Local Plans for local authorities, supporting the BSL National Plan 2017-23 by providing the opportunity for the Scottish Government and local authorities to make their consultations accessible to deaf* people.

In addition to our video translation services, we provide live-streaming for events. One example is a BSL consultation event with NHS Lothian, which attracted 1000 viewers. Deaf Action also hosted and provided live-streaming for a community event by Heriot-Watt University, increasing community reach and demonstrating partnership working.

Befriending (Sound Sense)

Commissioned by Dundee Council until 2021, this service is designed to maintain independence and quality of life for hard of hearing people who reside in Dundee. The team comprises of a coordinator, administrator and volunteer befrienders – all staff and volunteers have specialist skills in communicating with deaf people.

All staff and volunteers are PVG checked and receive training from Deaf Action. They either possess or are working towards BSL qualifications.

All befrienders are matched to their client, and regular reviews take place to ensure the client is happy.

Figure 5 - Total Volunteer Befriending Hours 2018/19 & 2017/18

	Total Befriending Hours
2018/19	1890
2017/18	2016

Figure 5 shows a 6.6% decrease in volunteer befriending hours from the previous year. However, this is an overall increase of 23.8 % compared to 2016/17 in which 1440 hours were recorded.

Social Care

Deaf Action has an in-house specialist social work team, with social workers and community support workers who have in-depth knowledge of deafness. They work with local authorities to carry out assessments and reviews. They also hold weekly duty drop-in sessions, in which clients can seek information and advice about a wide range of issues including welfare, benefits, housing, health care and education.

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

The social work team works closely with our specialist equipment service and interpreting agency, ensuring that clients receive the support they need and signpost accordingly.

Our social care team carries out assessments in the following areas – City of Edinburgh, Midlothian, East Lothian and West Lothian.

Figure 6 - Social Care Assessments & Duty Sessions 2018/19 & 2017/18

	Assessments & Reviews	Duty Sessions (Total No. of People)
2018/19	56	628
2017/18	24	272

As can be seen from *Figure 6*, there is a 133.3% increase in assessments & reviews compared to the previous year, and a 131% increase in the number of people attending duty sessions.

However, it must be noted that this increase may be partly due to Deaf Action's review of internal information recording procedures, with data made more readily available this year. Nevertheless, there is a consistently high demand for social services support with a lack of specialist knowledge in deafness within many social services.

In addition to assessments, reviews and duty drop-in, our social care team also offers interpreting duty sessions in which clients can see a BSL interpreter to translate letters, make phone calls and anything else with which they may need communication access.

Figure 7 - Interpreting Duty Sessions 2018/19 & 2017/18

	Interpreting Duty Sessions (No. of People)
2018/19	374
2017/18	170*

* This number is lower due to incomplete data recording for 2017/18

Support Services

Deaf Action also provides support services for vulnerable deaf people who may need additional support to live independently. This can be via self-directed care, outreach support and independent living.

We support people in 15 flats within the 120 flat Dunedin Canmore Housing Association development at Slateford Green in Edinburgh.

In addition to this, we provide an outreach support service to people in their own homes across five local authorities: City of Edinburgh, East Lothian, Midlothian, West Lothian and Fife.

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Figure 8 - Total Support Hours & Beneficiaries 2018/19 & 2017/18

	Outreach & Support Hours	No. of Beneficiaries
2018/19	28,227.25	59
2017/18	32,000	59

Training

Deaf Action has a dedicated training department offering SQA accredited courses in deaf awareness, British Sign Language and lipreading.

The courses we deliver help achieve our charitable aims. Raising awareness of the issues faced by deaf* people will help reduce stigma and isolation. Services for deaf* people will also improve with increased awareness of their needs and how to meet those needs.

Lipreading classes have a dual purpose – they teach essential communication skills and provide a space for people with a hearing loss to meet others who share common experiences.

The courses also have an additional benefit to Deaf Action through the opportunity to disseminate information about our services and activities to a wider audience. It also supports volunteer recruitment.

Figure 9 - Deaf/BSL Awareness Course Delivery & Attendance 2018/19 & 2017/18

	BSL Awareness Courses	Bespoke Deaf Awareness Courses	Total Courses Delivered	Total People Attended
2018/19	9	17	26*	337
2017/18	21	15	36	103

** Funding for CAB & BSL Partnership ended which explains the lower total of courses delivered in 2018/19*

Despite the lower total of BSL/deaf awareness courses in 2018/19 compared to the previous year, attendance and demand has increased dramatically by 227.2%. We attribute this to the BSL (Scotland) Act and the need for service providers to comply with regulations as directed by the Scottish Government.

The growing profile of BSL due to the BSL (Scotland) Act has also increased demand for BSL training with a 97.1% increase in numbers, and a 66.7% increase in courses delivered in 2018/19.

Figure 10 - BSL Course Delivery & Attendance 2018/19 & 2017/18

	Intro to BSL	Level 1 BSL	Level 2 BSL	Level 3 BSL	Taster Sessions	Total Courses Delivered	Total Attendance
2018/19	4	4	3	1	7	25*	276
2017/18	4	3	3	1	4	15	140

** Total for 2018/19 includes 2 family BSL classes, 1 course for medical students & 3 bespoke BSL courses.*

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In addition to increased attendance and course delivery, Deaf Action was awarded the FaME Award from University of Tayside and NHS Tayside for the best SSC course at the university.

Lipreading

Classes are held in Tayside, Fife and Edinburgh, with an increase in classes offered in Edinburgh and Fife this year.

Figure 11 - Total Attendance for Lipreading Classes 2018/19 & 2017/18

	Total Attendance
2018/19	113
2017/18	86

Figure 11 shows a 31.4% increase in attendance for lipreading classes compared to the previous year.

Youth Services

The aim of this service is to provide activities for young people aged between 10-18 who are deaf*. This is made possible by Big Lottery funding and grants/donations.

These activities provide the opportunity for deaf children to get together and share experiences and - most importantly - enjoy themselves.

91 children are registered with Deaf Action's youth service. These children have a diverse range of hearing loss and use various communication modalities. This number includes hearing siblings.

Figure 12 – Total Youth Activities & Beneficiaries 2018/19 & 2017/18

	Activities	Beneficiaries
2018/19	39	322
2017/18	115	224

Figure 12 shows a 43.8% increase in beneficiaries for the youth service. Please note that a new service was launched mid-year with a new source of funding so the number of activities are not comparable as of yet.

Employability

Funded by the Big Lottery, this service aims to support deaf* adults over 18 with enhancing their chances of successfully getting a job. It covers Edinburgh, the Lothians and Fife.

This support includes workshops and one-to-one support geared towards teaching employability skills such as writing a CV, searching and applying for jobs, and interview practice.

This project has had great success in developing partnership networks with employers and support organisations including the DWP, Fair Start Scotland, Inclusion Scotland, Scottish

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Union of Supported Employment (SUSE), Skills Development Scotland, the Scottish Government, Action on Hearing Loss, NHS Lothian, and Deaf Links – to name but a few.

The team worked with Heriot Watt University to deliver a bespoke employability presentation for 4th year interpreting students and contributed to the DESIGNS⁶ research project into deafness, education and unemployment.

They also organised a very successful 'Hidden Talent' seminar for employers to explore their recruitment, retention and staff development policies.

In recognition of the Employability team's work, they were recently awarded the "Joined Up for Integration Quality Standard for Effective Integrated Practice" via the Capital City Partnership Strategy in Edinburgh which is designed to continually improve customer experience and set a customer care quality standard for provider organisations.

They also achieved Capital City Partnership Integration Charter status – a quality standard for customer experience.

Figure 13 - Employability Service Figures 2018/19 & 2017/18

	Total in Employment	Total in Voluntary Work	No. of New Beneficiaries	Workshop Attendance
2018/19	7	3	41	93
2017/18	11	3	39	70

As can be seen from *Figure 13*, this financial year has seen great success with an 32% increase in workshop attendance. There has also been a 7.7% increase in new beneficiaries (not including continuing beneficiaries), showing the high demand for employability services for deaf people. Furthermore, it has helped 10 people find work.

KEY ACHIEVEMENTS

Deaf Action is proud to report the following achievements – it has been a busy year and we are delighted to be recognised for our efforts, and the quality of our services. We will endeavour to maintain and improve upon our success.

- ISO9001:2015 Accreditation for the Communication and Interpreting Agency awarded
- SQA Accreditation continued following an inspection visit – and a 100% positive report
- The Employability team's work was awarded the "Joined Up for Integration Quality Standard for Effective Integrated Practice" via the Capital City Partnership Strategy in Edinburgh.

⁶ http://www.designsproject.eu/DESIGNS_project/About.html

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- Employability also achieved Capital City Partnership Integration Charter status – a quality standard for customer experience.
- Our Equipment service was contracted by Edinburgh Airport to install and review loop systems.
- Translating the Deaf Self – Deaf Action and the community were part of this project and now proudly display the creations of the community as well as those commissioned by deaf artists Ruaridh Lever-Hogg and Christopher Sacre in the Learning Centre at Albany Street.
- There has been an overall increase in the numbers of people using Deaf Action services with successful outcomes.
- The training department has enjoyed success with a 120.7% uptake in numbers and 66.7% increase in BSL courses offered.
- Deaf Action was also awarded the FaME Award from University of Tayside and NHS Tayside for the best SSC course at the university after delivering a course in deaf awareness to medical students.
- Deaf Action's AGM was live-streamed for the first time ever in December 2018 thanks to the expertise of the Multimedia & Translation team.
- NHS Lothian also reported an unprecedented 1,000 viewers for the live streaming of their consultation event, again delivered by Multimedia & Translation.

UNDERPINNING ACTIVITIES

Marketing & Social Media

We have a dedicated marketing officer whose role involves managing our digital presence and increase our outreach. Our platforms include Facebook, Twitter and our website.

There has been discussion about website development with a view to invest in this next financial year.

Our marketing team works closely with the Multimedia & Translation service to ensure information is accessible to everyone including internal staff.

They also work to gather information across services for case studies to gather evidence for fundraising purposes and showcase our work to the public, demonstrating examples of good practice when working with deaf people.

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Fundraising

The business development and fundraising team have worked together to develop and implement a fundraising strategy.

Fundraising targets were set in response to the need for clarity over what and how much is needed to safeguard specific projects and services.

The main aim for this financial year was to raise unrestricted funds to reduce the budget deficit. We also set out to find funding for youth services and the employability project due to funding coming to an end relatively soon.

However, the new fundraising strategy was not as successful as hoped, with many targets not reached including the aim to raise unrestricted funds to reduce the budget deficit.

To address this, a new strategy is being reviewed for the next financial year.

Networking

Deaf Action recognises the need for robust networks in order to identify collaborative and strategic opportunities and to raise the profile of deafness across a variety of sectors.

We are members of the Scottish Government Parliamentary Cross-Party Group on Deafness and attend regular meetings.

Deaf Action is also a member of a national forum of CEOs of regional deaf organisations (COG). In October 2018, Deaf Action invited a representative of the Scottish Government to present information about the BSL (Scotland) Act 2015 to COG.

We work with local statutory organisations, voluntary sector organisations, and community groups.

Business networking is achieved through our membership with the Chamber of Commerce.

Deaf Action have been invited to a number of Parliamentary receptions which provide an excellent opportunity for networking with a wide range of organisations and individuals.

QUALITY ASSURANCE

Deaf Action places high importance on quality assurance across all areas of operations and governance.

All Deaf Action personnel (staff and governance) are aware of the importance of meeting customer needs and requirements and of their responsibilities in this area. We are committed to making the most effective use of employees' skills with staff development and training a fundamental part of our new strategic framework for 2019-24.

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We hold the following standards:

ISO9001:2015 (achieved in December 2018) for our Communication and Interpreting Agency

SQA Accredited Course Provider

Investors in People

Living Wage Employer

Care Inspectorate Registration

Outreach Visiting Support Service - CS2004068811

Care and Support Grade 5 (Very Good)

Staffing Grade 5 (Very Good)

Care at Home and Housing Support Combined- CS2008181608

Care and Support Grade 5 (Very Good)

Staffing Grade 5 (Very Good)

Deaf Action has reviewed IT governance and implemented a full IT and systems upgrade with a new integral phone system installed.

Two new databases have been purchased for outreach support services and general enquiries with a view to integrating other services into this database. This ensures we meet GDPR and care quality standards.

Training will be provided to all staff to ensure their confidence in using the new systems.

The Board received a full day of governance training in February 2019, of which the senior management team was also a part of.

COMPLAINTS

The culture within the organisation should be one that welcomes complaints as an indication of its approachability and the faith our customers have in our ability to listen to their concerns. Complaints enable us to review our services and make adaptations where required to maintain high standards.

Historically, we have not formally recorded complaints for reporting purposes. However, as part of our quality assurance process, we wish to be transparent and proactive about meeting our customers' needs. Our complaint policy is being reviewed to reflect this aspiration.

In 2018/19 we received 28 complaints, 26 of which are resolved and 2 are ongoing.

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FINANCE

The accounts this year show a deficit of £191,948.

The breakdown of this is a surplus on our unrestricted funds of £45,712 and a deficit on our restricted funds of £237,660. Our income for the year was £42,480 higher than 2018 at £2,267,456 mainly due to an increase in legacies received. Income from our commercial services Interpreting, Training and Multimedia remained strong as did our statutory work in our Support and Outreach Services.

Our costs increased by £150,854 to £2,459,404 mainly due to the timing of our projects and expansion of our commercial services. We continue to invest in our Head Office at Albany Street with external and internal repairs, including our external lift to ensure we remain a fully accessible office in the New Town, together with IT and communication improvements.

Staffing costs have risen across the organisation by £100,726 to £1,519,543 due to project starts and expansion as well as a restructure within our SMT requiring some redundancy expense. Deaf Action remains committed to be a Scottish Living Wage employer and as a result many staff received an above inflation increase in April 2018.

To compensate for our losses in trading we did receive gains in our investment values to the value of £91,577 compared to the loss we made last year of £53,166.

Deaf Action remains committed to working with all its partners that include Local Authorities, Scottish Government and project funders to provide specialist services as part of our charitable objectives but this must be on a full cost recovery model to ensure our deficit is reduced to a nil or to at least a manageable level where fundraising can negate future losses.

The board and the management team are aware of the problems and are working to rectify the financial situation.

Reserves Policy

Our total funds at 31 March 2019 reduced to £2,115,374 of which £220,388 is made up of restricted funds and £1,894,986 unrestricted funds. Of these unrestricted funds £568,968 is represented by fixed assets currently used by the charity and these funds are therefore not free to be spent on our charitable work.

This leaves £1,326,018 of unrestricted reserves at the year end, however the Trustees wish to designate £105,000 as the agreed trading budget for the year 2019/20 reducing free reserves to £1,221,018.

The reserves policy is reviewed and approved by the Board annually, based on a rigorous assessment of available resources v's requirements to meet existing commitments and future strategy.

The Trustees current policy is to achieve free reserves equating to 9 months of annual expenditure. The trustees consider that reserves at this level will be sufficient to ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current specialist activities (due to a lack of alternative skilled providers) while consideration is given

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

to ways in which additional funds may be raised or services transferred to other providers. The current free reserves are therefore underfunded by £623,535.

Breakdown of funds held on 31 March 2019:

		Notes
Total funds of the charity	£2,115,374	
Less: restricted funds	£220,388	Restricted funds are subject to specific conditions imposed by the donor and binding on the Trustees. They can only be spent on the purpose intended.
 Total unrestricted reserves	 £1,894,986	
Less: unrestricted tangible fixed assets	£568,968	This value can only be realised by disposing of our property, equipment / fixtures / fittings and/or motor vehicles and is therefore not free to be spent
Less: amounts designated for essential future spending*	<u>£105,000</u>	Trustees have budgeted for a deficit in 2018/19 to maintain services while they seek alternative income streams *
Free reserves (£)	<u>£1,221,018</u>	
Annual expenditure	£2,459,404	
Free reserves available	6 months	(Free reserves / Annual expenditure)
 Target reserves	 9 months	
Equating to £	£1,844,553	(9/12 Annual expenditure = target)
 Current Shortfall	 <u>£623,535</u>	Target less free reserves = shortfall

Note on Terminology

- a) Reserves: These are the funds that Deaf Action has which can be spent on any of our charitable purposes quite legitimately.
- b) Restricted income: funds given to Deaf Action either from any source if they are for specific purposes for example – the youth project – then they can only be used for this purpose.
- c) Unrestricted income: Funds given to Deaf Action that are not given for any specific purpose can be used for anything that Deaf Action choose, provided they fit with our charitable purposes.
- d) Working capital: The amount of working capital needed by Deaf Action is a measure of our ability to pay for our short-term, day to day, month to month obligations.

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

MANAGEMENT, STRUCTURE & GOVERNANCE

Governance

The Board of Trustees oversee the work and delegate day to day management of Deaf Action to Philip Gerrard, Chief Executive Officer. The Board are kept fully informed of all relevant operational information via quarterly board meetings, financial & personnel sub-committee meetings, and written briefings.

Board meetings are held quarterly. During those meetings, there is a set agenda including routine conflict of interest declarations. Senior management are invited to present quarterly reports, so the board are aware of what is happening on an operational level across all areas. Occasionally team leaders are invited to give an "on the ground" view.

All relevant documents are made available prior to meetings, including minutes from the previous meeting for approval.

In keeping with Deaf Action's ethos of accessibility and good practice, sign language interpreters and a note taker are present at every board and sub-committee meeting.

Finance & Personnel Sub-Committee

This sub-committee gathers quarterly, and comprises of the treasurer, finance manager, chief executive officer, chair of the board and two trustees.

Trustee Responsibilities

According to the Charities and Trustees Investment (Scotland) Act 2005, trustees must comply with the following duties;

"...Trustees must act in the interests of the charity;

- *They must seek in good faith to ensure the charity operates in a manner consistent with its purposes;*
- *They must act with care and diligence;*
- *They must manage any conflict of interest between the charity and any person or organisation who appoints trustees.*

Trustees must comply with the Charities and Trustees Investment (Scotland) Act 2005 in the following areas of responsibility;

- *Charity details on the Scottish Charity Register*
- *Reporting to OSCR: Making changes to your charity*
- *Financial records and reporting*
- *Fundraising*
- *Providing information to the public..."*

Governance Training

Deaf Action believe that good governance is the foundation for a charity to carry out its charitable objectives and activities.

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

One aspect of good governance is updating and maintaining skills and knowledge.

In 2017/18, it was identified that there is a need for governance training to ensure that the skills of the Board are in accordance to OSCR standards.

Governance training was delivered in February 2018 to all members of the Board. Senior management were also present. This enabled unified understanding of the roles and responsibilities of the Board and how the organisational aspect of Deaf Action fits with the overall strategic framework.

During this training, a draft strategic framework for 2019 – 24 was developed with final approval given by the Board in March 2019.

It is this strategic framework that is referred to throughout this annual report.

RISK ASSESSMENT 2018/19

The Board of Trustees regularly examines the major operational and business risks faced by the organisation. The following risks have been identified;

- Ongoing budget deficit meaning the charity is using its reserves
- Inconsistent information recording with different databases in use by different services
- Lack of clarity over contractual obligations and service targets
- Inefficient communication between departments
- Contracts due to end within the next two financial years
- Charity shop in Kirkcaldy making a consistent loss
- IIP status to be renewed in October 2019 – need to maintain standard
- Failure to achieve fundraising targets

Steps Taken to Mitigate Risks

- Strategic restructure at senior management level – three posts into one – Head of Operations
- Decision made to close the Kirkcaldy charity shop to prevent further losses
- Investment in IT system and equipment using Office 365 to comply with IT governance standards and improve internal communication

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

- Introduction of a new Risk Register so that the Board and SMT can more easily clearly identify and discuss key risks with SMART actions
- New strategic framework for 2019-24 approved by the board in March 2019
- Review of all contracts undertaken by Head of Operations as part of job description to check costs and match to cost recovery model
- Renegotiation of council contracts where possible to reflect full cost recovery model
- BSL Local Plan reviews to explore opportunities for future income generation from public bodies for Multimedia Services
- Planned marketing activities with public bodies to promote Deaf Action's Multimedia service
- Development of new fundraising strategy and targets, with a view to bring in external consultancy
- Development of Performance Management strategy
- Purchase of new database for support services to comply with GDPR and care standards, and to improve recording processes

LOOKING AHEAD

Future Plans

- Implement new fundraising strategy
- Implement new strategic framework with training for all staff to be given at next staff away day
- Continue to employ fundraising consultant with proven success to help achieve the aim of reducing the budget deficit with unrestricted funding
- Negotiate new contracts and renew old ones at increased value for Deaf Action
- Training in Office 365 to be delivered in 2019/20 to support the aim of improving internal communications
- Continue to review expenditure and services
- Internal systems audit to review information recording procedures

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

- Investment in CRM database to unify services and improve consistency in information recording and sharing

Priorities Going Forward

- Maximise our services and products to meet customer requests
- Grow the company into new business areas
- Improve the company set up including; technology, processes and HR
- Improve company reputation as being professional and trustworthy
- Create procedures and clear structure in the organisation
- Use evidence and research before making decisions
- Increase the number of ways to generate income

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Deaf Action for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 the financial statements, 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2019 (Continued)

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure to the Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charity auditor is 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 auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime of the Companies Act 2006.

Approved by the trustees on and signed on their behalf by:

A handwritten signature in black ink that reads "R. Addis". The signature is written in a cursive style with a large initial 'R'.

Name: Rosie Addis
Date: 20 November 2019

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF DEAF ACTION FOR THE YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Deaf Action (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2016; Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF DEAF ACTION FOR THE YEAR ENDED 31 MARCH 2019

Other information (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the report of the executive committee, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the executive committee has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the report of the executive committee.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the directors report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 22 and 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF DEAF ACTION FOR THE YEAR ENDED 31 MARCH 2019

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jenny Simpson (Senior Statutory Auditor)
For and on behalf on Wylie & Bisset LLP, Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

Date: 20 November 2019

Wylie & Bisset LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2019

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Income and endowments from:							
Donations and legacies	4	71,506	79,016	150,522	54,812	19,000	73,812
Charitable activities	5	979,216	950,771	1,929,987	1,003,905	1,047,097	2,051,002
Other trading activities	6	128,550	-	128,550	40,057	-	40,057
Investments	7	53,093	-	53,093	52,165	-	52,165
Other	8	5,304	-	5,304	7,940	-	7,940
Total Income		1,237,669	1,029,787	2,267,456	1,158,879	1,066,097	2,224,976
Expenditure on:							
Raising funds							
Other trading activities	9	234,259	-	234,259	132,870	-	132,870
Investment & management	10	10,576	-	10,576	14,112	-	14,112
Charitable activities	12	947,122	1,267,447	2,214,569	915,822	1,245,746	2,161,568
Total Expenditure		1,191,957	1,267,447	2,459,404	1,062,804	1,245,746	2,308,550
Net income/(expenditure) and net movement in funds before gains and losses on investments		45,712	(237,660)	(191,948)	96,075	(179,649)	(83,574)
Net (losses)/gains on investments		86,460	5,117	91,577	(51,202)	(1,964)	(53,166)
Net income/(expenditure) before transfers		132,172	(232,543)	(100,371)	44,873	(181,613)	(136,740)
Transfers between funds		(184,253)	184,253	-	(130,596)	130,596	-
Net expenditure for the year		(52,081)	(48,290)	(100,371)	(85,723)	(51,017)	(136,740)
Actuarial (losses)/gains on defined benefit pension schemes		(4,000)	-	(4,000)	7,000	-	7,000
Net movement in funds		(56,081)	(48,290)	(104,371)	(78,723)	(51,017)	(129,740)
Funds reconciliation							
Total Funds brought forward	24	1,951,067	268,678	2,219,745	2,029,790	319,695	2,349,485
Total Funds carried forward	24	1,894,986	220,388	2,115,374	1,951,067	268,678	2,219,745

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

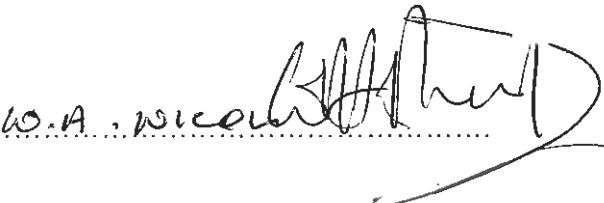
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BALANCE SHEET AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets:			
Tangible assets	16	568,968	553,299
Investments	17	1,415,328	1,636,811
Total fixed assets		<u>1,984,296</u>	<u>2,190,110</u>
Current assets:			
Stocks	18	11,875	9,690
Investments	19	200,000	-
Debtors	20	415,242	425,235
Cash at bank and in hand	27	170,070	304,724
Total current assets		<u>797,187</u>	<u>739,649</u>
Liabilities:			
Creditors falling due within one year	21	(320,109)	(293,014)
Net current assets		<u>477,078</u>	<u>446,635</u>
Total assets less current liabilities		2,461,374	2,636,745
Creditors: Amounts falling due after more than one year	23	(346,000)	(417,000)
Net assets		<u>2,115,374</u>	<u>2,219,745</u>
The funds of the charity:			
Restricted income funds	24	220,388	268,678
Unrestricted funds	24	1,894,986	1,951,067
Total charity funds		<u>2,115,374</u>	<u>2,219,745</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the Trustees and signed on their behalf by:

Name: R. ADDIS  Name: W.A. WICKER 

Date: 20 November 2019

REGISTERED COMPANY NO: SC396876

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 MARCH 2019

	Note	2019 £	2018 £
<i>Cash flows from operating activities:</i>			
Net cash (used in) operating activities	26	(247,270)	(181,876)
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		53,093	52,165
Purchase of investments		(241,254)	(194,145)
Proceeds from sale of investments		354,314	202,386
Purchase of property, plant and equipment		(53,537)	(53,965)
Net cash provided by investing activities		112,616	6,441
Change in cash and cash equivalents in the year		(134,654)	(175,435)
Cash and cash equivalents brought forward	27	304,724	480,159
Cash and cash equivalents carried forward	27	170,070	304,724

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102.

The charity's presentation currency is sterling and amounts in the financial statements are rounded to the nearest £.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

(b) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 24.

(c) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service deferred until the criteria for income recognition are met (see note 22).

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including management & administration costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

- Costs of raising funds comprise the costs of commercial trading including investment management costs and certain legal fees and their associated management & administration costs;
- Expenditure on charitable activities includes wages and salaries and other costs of activities undertaken to further the purposes of the charity and their associated management & administration costs;

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102) general volunteer time is not recognised. Refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(f) Allocation of management & administration and governance costs

Management & administration costs have been allocated between governance costs and other management & administration costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and management & administration costs.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

Governance costs and management and administration costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing research grants, salary support grants and postgraduate scholarships are broadly equivalent. The allocation of management & administration and governance costs is analysed in note 11.

(g) Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and valued at historical cost. Depreciation is charged as follows:

	Basis
Freehold property	2.5% straight line per annum
Fixtures and fittings	20% and 33.3% straight line per annum
Motor vehicles	20% straight line per annum

(h) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(i) Stock

Stock is included at the lower of cost or net realisable value.

(j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

(m) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 13. There were no outstanding contributions at the year end.

The charity participates in a multi-employer scheme which provides benefits to non-associated employers. As the scheme is in deficit, the charity has agreed to a deficit funding arrangement and 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.

The money purchase plan is managed by The Pension Trust and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age.

(n) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

(o) Operating leases

The charity classifies the lease of various equipment as operating leases; the title to the equipment remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

(p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(q) Taxation

The company is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

2. Legal status of the Charity

The charity is a registered Scottish charity and a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

3. Related party transactions and trustees' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2018: £nil). Expenses paid to the trustees in the year totalled £946 (2018: £12). These expenses were paid to 2 trustees (2018: 1).

During the year the 9 Trustees (2018: 8) waived their right to expenses of £335 (2018: £518).

During the year, no Trustee had any personal interest in any contract or transaction entered into by the charity (2018: none).

4. Income from donations and legacies

	2019	2018
	£	£
Donations	43,868	54,453
Legacies	64,554	19,359
Grants	42,100	-
	<u>150,522</u>	<u>73,812</u>

5. Income from charitable activities

	2019	2018
	£	£
Provision of statutory services	969,155	978,342
Supported Housing	615,658	629,805
Social Club	29,411	25,563
Other charitable projects	315,763	417,292
	<u>1,929,987</u>	<u>2,051,002</u>

6. Income from other trading activities

	2019	2018
	£	£
Commercial trading activities	128,550	40,057
	<u>128,550</u>	<u>40,057</u>

7. Investment income

	2019	2018
	£	£
Dividends - equities	52,666	52,165
Interest	427	-
	<u>53,093</u>	<u>52,165</u>

8. Other income

	2019	2018
	£	£
Other income	5,304	7,940
	<u>5,304</u>	<u>7,940</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

9. Raising funds – expenditure on other trading activities

	Direct Costs £	Management & Administration Costs £	Total 2019 £	Total 2018 £
Fundraising and publicity	143,313	90,946	234,259	132,870
	<u>143,313</u>	<u>90,946</u>	<u>234,259</u>	<u>132,870</u>

10. Raising funds - Investment management costs

	Direct Costs £	Management & Administration Costs £	Total 2019 £	Total 2018 £
Investment management fees	10,576	-	10,576	14,112
	<u>10,576</u>	<u>-</u>	<u>10,576</u>	<u>14,112</u>

11. Allocation of governance and management & administration costs

The breakdown of management & administration costs and how these were allocated between governance and other management & administration is shown in the table below:

Cost type	Total allocated £	Governance related £	Other Management & Administration costs £	Basis of apportionment
Staff costs	411,763	15,654	396,109	Staff time
HQ costs	117,267	1,129	116,138	Staff time
Depreciation	37,865	349	37,516	Staff time
Premises expenses	172,166	906	171,260	Staff time
General office expenses	48,077	302	47,775	Staff time
Pension	8,000	77	7,923	Staff time
Total	<u>795,138</u>	<u>18,417</u>	<u>776,721</u>	

Governance costs:

	2019 £	2018 £
Audit Fee	8,868	8,580
Legal Fees	12,145	5,731
Management & Administration	18,417	8,143
	<u>39,430</u>	<u>22,454</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

11. Allocation of governance and other management & administration costs (continued)

	Management & Administration costs	Governance cost	2019	2018
	£	£	£	£
Raising funds	88,975	1,971	90,946	42,047
Provision of Statutory services	200,388	3,943	204,331	168,639
Supporting Housing costs	274,427	3,943	278,370	257,604
Social Club	7,421	3,943	11,364	6,018
Other charitable activities	205,510	25,630	231,140	204,810
Total allocated	776,721	39,430	816,151	679,118

12. Analysis of expenditure on charitable activities

	Provision of Statutory Services	Supporting Housing costs	Social Club	Other charitable activities	2019 Total	2018 Total
	£	£	£	£	£	£
Staff costs	328,244	415,077	8,134	234,381	985,836	996,571
Direct costs	343,849	62,872	11,975	84,832	503,528	527,926
Governance costs (Note 11)	3,943	3,943	3,943	25,630	37,459	21,152
Management & Administration costs (Note 11)	200,388	274,427	7,421	205,510	687,746	615,919
	876,424	756,319	31,473	550,353	2,214,569	2,161,568

13. Analysis of staff costs and remuneration of key management personnel

	2019	2018
	£	£
Salaries and wages	1,361,035	1,290,298
Social security costs	107,198	98,543
Pension costs	51,310	29,976
Total staff costs	1,519,543	1,418,817
Key management personnel remuneration	318,451	279,416

Included within salaries and wages are redundancy payments totalling £9,569 (2018: £Nil) relating to 2 employees (2018: Nil).

The charity made £113,078 (2018: £89,945) of contributions to the pension plan on behalf of the employees (including past service deficit contribution of £61,768 (2018: £59,969)).

No employees had employee benefits in excess of £60,000 (2018: none).

	2019	2018
	No.	No.
The average number of persons, by headcount, employed by the charity during the year was:	76	74

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

14. Net income/(expenditure) for the year

This is stated after charging:	2019	2018
	£	£
Depreciation	37,868	33,145
Auditor's remuneration: Audit fees	8,868	8,580
	<u>46,736</u>	<u>41,725</u>

15. Government Grants

	2019	2018
	£	£
East Lothian – Social Work, CSA and SES	50,025	50,025
Midlothian – Social Work, CSA and SES	37,094	37,094
Edinburgh – Social Work, CSA and SES	202,263	202,263
West Lothian – Social Work and SES	60,500	60,500
NHS Health Project	26,212	26,212
Scottish Government - SDS	-	69,012
Dundee City Council – Sound Sense	27,879	27,133
Scottish Legal Aid Board – Money Matters (from Proceeds of Crime)	-	42,827
Scottish Government – Deaf Sector Partnership	65,689	69,750
Edinburgh and Lothians Councils – support services	615,658	629,805
Aberdeenshire Council – Equipment and Advice	71,400	71,400
Big Lottery – Employability Project	154,575	150,390
Big Lottery – Youthworks Project	30,933	-
	<u>1,385,055</u>	<u>1,436,411</u>

There are no unfulfilled conditions and contingencies attached to the grants or any indications of other forms of government assistance.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

16. Tangible Fixed Assets

	Property £	Equipment, Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation				
At 1 April 2018	667,938	154,099	54,549	876,586
Additions	-	53,537	-	53,537
Disposals	-	(16,289)	-	(16,289)
At 31 March 2019	<u>667,938</u>	<u>191,347</u>	<u>54,549</u>	<u>913,834</u>
Depreciation				
At 1 April 2018	183,607	88,284	51,396	323,287
Charge for the year	16,699	19,591	1,578	37,868
Eliminated on disposals	-	(16,289)	-	(16,289)
At 31 March 2019	<u>200,306</u>	<u>91,586</u>	<u>52,974</u>	<u>344,866</u>
Net book value				
At 31 March 2019	<u>467,632</u>	<u>99,761</u>	<u>1,575</u>	<u>568,968</u>
At 31 March 2018	<u>484,331</u>	<u>65,815</u>	<u>3,153</u>	<u>553,299</u>

17. Fixed Asset Investments

Movement in fixed asset listed investments	2019	2018
	£	£
Market value brought forward	1,636,811	1,698,218
Add: additions to investments at cost	241,254	194,145
Disposals at carrying value	(338,961)	(198,681)
Add net gain on revaluation	76,224	(56,871)
Market value carried forward	<u>1,615,328</u>	<u>1,636,811</u>
 Disclosed as:		
Fixed asset investments	1,415,328	1,636,811
Current asset investments	<u>200,000</u>	<u>-</u>
	<u>1,615,328</u>	<u>1,636,811</u>

Net cash released from investments in the year was £113,063 (2018 net cash invested: £7,050)

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

DEAF ACTION**(A company limited by guarantee)****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019****17. Fixed Asset Investments (continued)**

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. In terms of specific risks including foreign exchange and credit risks, the charity uses specialist investment managers to balance and limit the overall financial risk by operating a portfolio which provides a high degree of diversification of holdings within a fairly wide band of investment asset classes all of which are quoted on recognised stock exchanges. In addition, the charity does not make use of riskier derivatives or more complex financial instruments in this area. Liquidity risk is expected to be low as all assets are traded in markets with high trading volumes and not in any markets subject to exchange controls or trading restrictions. In terms of potential Brexit implications, the charity, like most other entities, is monitoring developments closely but at this stage is relatively confident that the current portfolio and future plans for it will shield it from any significant risks when that process is completed.

18. Stock

	2019	2018
	£	£
Stock	11,875	9,690
	<u>11,875</u>	<u>9,690</u>

19. Investments

	2019	2018
	£	£
Current asset investments	200,000	-
	<u>200,000</u>	<u>-</u>

20. Debtors

	2019	2018
	£	£
Trade debtors	354,314	356,579
Other debtors	60,928	68,656
	<u>415,242</u>	<u>425,235</u>

21. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	92,171	114,365
Accruals and deferred income (note 22)	116,914	81,582
Taxation and social security	42,024	35,067
Past service deficit – pension scheme	69,000	62,000
	<u>320,109</u>	<u>293,014</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

22. Deferred income

Included within accruals and deferred income above is deferred income as follows:

	£
Balance as at 1 April 2018	58,927
Amount released to income earned from charitable activities	(58,927)
Amount deferred in year	93,950
Balance as at 31 March 2019	<u>93,950</u>

Deferred income comprises grants received in advance.

23. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Past service deficit – pension scheme	346,000	417,000
	<u>346,000</u>	<u>417,000</u>

The charity participates in the scheme, a multi-employer scheme 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 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 the 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 bases on withdrawal from the scheme.

The pension fund debt comprises:

	2019	2018
	£	£
Pension liability – present value of all future contributions payable	415,000	479,000
	<u>415,000</u>	<u>479,000</u>

Reconciliation of opening and closing provisions:

	2019	2018
	£	£
Provision at 1 April 2018	479,000	540,000
Interest expense	8,000	6,000
Deficit contributions paid	(76,000)	(60,000)
Remeasurements – impact of change in assumptions	4,000	(7,000)
Provision as at 31 March 2019	<u>415,000</u>	<u>479,000</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

23. Creditors: amounts falling due after more than one year (continued)

Income and expenditure impact:

	2019 £	2018 £
Interest expense	8,000	6,000
Remeasurements – impact of change in assumptions	4,000	(7,000)
	12,000	(1,000)

24. Analysis of charitable funds

Analysis of Fund movements 2019	Balance b/fwd £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	Fund c/fwd £
Unrestricted funds						
Designated Fixed Asset fund	553,299	-	37,868	-	53,537	568,968
Essential Future Spending	130,000	-	-	-	(25,000)	105,000
Total designated funds	683,299	-	37,868	-	28,537	673,968
General funds	1,267,768	1,237,669	1,154,089	82,460	(212,790)	1,221,018
Total unrestricted funds	1,951,067	1,237,669	1,191,957	82,460	(184,253)	1,894,986
Restricted funds						
Tayside Deaf Association	190,330	-	45,373	5,117	-	150,074
Local Authority Grants	-	615,658	752,376	-	136,718	-
Health Improvement	9,946	26,687	27,445	-	-	9,188
Tayside Development Officer	305	-	-	-	-	305
Building Fund	850	-	-	-	-	850
Sound Sense	4,238	27,879	35,331	-	3,214	-
Highland Video Project	4,596	-	-	-	-	4,596
175 th Anniversary	1,314	-	-	-	-	1,314
Youth Project	-	44,043	48,510	-	4,467	-
Family BSL	1,145	-	-	-	-	1,145
Employability Project	27,921	154,575	219,408	-	36,912	-
Lipreading	-	24,806	27,748	-	2,942	-
Learning centre	-	19,350	19,350	-	-	-
Deaf Sector Partnership	28,033	65,689	50,606	-	-	43,116
Training	-	9,000	-	-	-	9,000
Access to Work	-	42,100	41,300	-	-	800
Total restricted funds	268,678	1,029,787	1,267,447	5,117	184,253	220,388
TOTAL FUNDS	2,219,745	2,267,456	2,459,404	87,577	-	2,115,374

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

24. Analysis of charitable funds (continued)

Analysis of Fund movements 2018	Balance b/fwd £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	Fund c/fwd £
Unrestricted funds						
Designated Fixed Asset fund	532,479	-	33,145	-	53,965	553,299
Essential Future Spending	-	-	-	-	130,000	130,000
Total designated funds	532,479	-	33,145	-	183,965	683,299
General funds	1,497,311	1,158,879	1,029,659	(44,202)	(314,561)	1,267,768
Total unrestricted funds	2,029,790	1,158,879	1,062,804	(44,202)	(130,596)	1,951,067
Restricted funds						
Tayside Deaf Association	227,766	-	35,472	(1,964)	-	190,330
Local Authority Grants	-	629,805	742,052	-	112,247	-
Health Improvement	8,488	26,212	24,754	-	-	9,946
Tayside Development Officer	305	-	-	-	-	305
Fife Sensory Project Building Fund	1,145	69,012	85,436	-	15,279	-
Sound Sense	850	-	-	-	-	850
Sound Sense	4,238	27,133	35,943	-	8,810	4,238
Highland Video Project	4,596	-	-	-	-	4,596
175 th Anniversary	1,314	-	-	-	-	1,314
Youth Project	-	31,680	43,928	-	12,248	-
Family BSL	1,145	-	-	-	-	1,145
Employability Project	28,382	150,390	150,851	-	-	27,921
Lipreading	-	19,000	21,007	-	2,007	-
Learning centre	-	288	15,272	-	14,984	-
Money Matters	24,669	42,827	32,517	-	(34,979)	-
Deaf Sector Partnership	16,797	69,750	58,514	-	-	28,033
Total restricted funds	319,695	1,066,097	1,245,746	(1,964)	130,596	268,678
TOTAL FUNDS	2,349,485	2,224,976	2,308,550	(46,166)	-	2,219,745

The unrestricted funds are available to be spent for any purposes of the charity.

The Trustees have created the following designated funds:

- i. **The Designated Fixed Asset Fund** represents the funds designated by the Trustees to cover the value of fixed assets held by the charity at the year end.
- ii. **Essential Future Spending** represents the forecasted loss for the year's trading as agreed by the Trustees in their annual budget review.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

24. Analysis of charitable funds (continued)

Restricted funds comprise of:

- i. Tayside Deaf Association** funds represent the funds transferred on 31 March 2011 to Deaf Action. These funds will be used over the next few years to support work with the deaf in the Tayside area.
- ii. Local authority grants** are provided to fund the provision of support services in their given area,
- iii. Health Improvement fund** represents income specifically provided for a health improvement project under a Service Level Agreement with NHS Lothian from April 2011 to March 2015.
- iv. Tayside Development Officer** is specific donations received to support their work.
- v. Fife Sensory** project is to assist in the development of a sensory service in Fife.
- vi. Building fund** represents a donation towards the development of the Learning Centre.
- vii. Sound Sense** is a befriending project for deaf people in Dundee.
- viii. The Highland Video Project** is funding agreed for development of use of videophones in the Highland region. Following discussions with Highland Council it has been agreed that the balance of the fund will be utilised to support the development of an online interpreting service in Highland.
- ix. 175th Anniversary funding** is donations received towards the cost of events in 2010 to mark the 17th anniversary of the funding of Deaf Action. Funds are being held for any future anniversary events.
- x. Youth Project** is a youth Service funded by BBC Children in Need and provides children and young people aged 10-15 with opportunities to meet others with a shared experience, to feel included regardless of their level of communication, to promote independence, self-esteem and confidence and to encourage the development of communication and life skills.
- xi. Family BSL** classes are funded by the Big Lottery's Communities and Families Fund and are designed to improve the communication skills of parents and children under 8 by learning sign language in a stimulating and family friendly environment.
- xii. Employability Survey** was funded by a Big Lottery Development Grant and was undertaken as part of a stage 2 application to the Investing in Communities initiative.
- xiii. Lipreading** is donations and trust income towards the cost of providing courses for Adults in Tayside.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

24. Analysis of charitable funds (continued)

- xiv. Learning centre** project funding is used to support the development and operation of the Learning Centre at Albany Street.
- xv. Money Matters** is a project funded by the Scottish Legal Aid Board. Its aim is to provide an accessible money advice service for deaf people, including BSL users, on a wide range of money related issues. It provides a face to face service in Lothian (including drop in and home visits) and a remote, webcam service across Scotland.
- xvi. Deaf sector partnership** – funded by Scottish Government, Deaf Action work in partnership with four other Deaf organisations to engage with Deaf/Deafblind BSL Communities so that they can contribute to the development of BSL plans required by the BSL (Scotland) Act 2015 and support public bodies to better understand/meet the needs of Deaf and Deafblind BSL users.
- xvii. Training** – funding to provide BSL training courses for staff and members of the public.
- xviii. Access to Work** – Annual funding from Department of Work and Pensions for BSL interpreting and admin support.

Transfers into restricted funds during the year represent HQS expenditure being spread across projects as a result of sufficient unrestricted income

25. Net assets over funds

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Tangible assets	568,968	-	568,968
Investments	1,415,328	-	1,415,328
Current Asset Investments	49,926	150,074	200,000
Stocks	11,875	-	11,875
Debtors	412,004	3,238	415,242
Cash	102,994	67,076	170,070
Creditors falling due within one year	(320,109)	-	(320,109)
Creditors falling due after more than one year	(346,000)	-	(346,000)
	<u>1,894,986</u>	<u>220,388</u>	<u>2,115,374</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

25. Net assets over funds (continued)

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £
Tangible assets	553,299	-	553,299
Investments	1,636,811	-	1,636,811
Stocks	9,690	-	9,690
Debtors	425,235	-	425,235
Cash	36,046	268,678	304,724
Creditors falling due within one year	(293,014)	-	(293,014)
Creditors falling due after more than one year	(417,000)	-	(417,000)
	<u>1,951,067</u>	<u>268,678</u>	<u>2,219,745</u>

26. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure) for the year (as per the Statement of Financial Activities)	(104,371)	(129,740)
Adjustments for:		
Depreciation charges	37,868	33,145
Dividends, interest and rents from investments	(53,093)	(52,165)
(Gain)/loss on investments	(91,577)	53,166
Loss/(gain) on pension scheme	4,000	(7,000)
Increase in stocks	(2,185)	(5,012)
Decrease/(Increase) in debtors	9,993	(30,973)
(Decrease)/Increase in creditors	(47,905)	(43,297)
Net cash (used in) operating activities	<u>(247,270)</u>	<u>(181,876)</u>

27. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	170,070	304,724
Total cash and cash equivalents	<u>170,070</u>	<u>304,724</u>



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Registered Company No: SC396876

Registered Charity No: SC009898

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