

Registered Company No: SC396876

Registered Charity No: SC009898



## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018



Mark McMillan, Employability Advisor – a Big Lottery funded project

# DEAF ACTION

(A company limited by guarantee)

[www.deafaction.org](http://www.deafaction.org)

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**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

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**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

<b>Trustees:</b>	Keith Hyland Pamela Brunt William Nicol Tommy Robertson Ken Macdonald (Terminated 31 March 2018) Rosie Addis Anthony Phillip Pelosi Tania Allan (Appointed 24 May 2017)
<b>Secretary:</b>	Paul Mills (Terminated 08 January 2018) Phillip Gerrard (Appointed 08 January 2018)
<b>Principal Office:</b>	49 Albany Street Edinburgh EH1 3QY
<b>Charity Number:</b>	SC009898
<b>Company Number:</b>	SC396876
<b>Independent Auditors</b>	Wylie & Bisset LLP Chartered Accountants 168 Bath Street Glasgow G2 4TP
<b>Bankers</b>	Bank of Scotland PO Box 10, St Andrew's Square Edinburgh EH2 2YR
<b>Solicitors</b>	Morton Fraser LLP Quartermile Two 2 Lister Square Edinburgh EH3 9GL
<b>Investment Advisers</b>	Brewin Dolphin 7 Drumsheugh Gardens Edinburgh EX3 7QH  Barclays Wealth 12 Melville Crescent Edinburgh EH3 7LU

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**Report of the Executive Committee for the year ended 31 March 2018**

**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 published on 16 July 2014.

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

The Board of Trustees of Deaf Action present their Annual Report together with the audited financial statements for the year ended 31 March 2018.

**Reference and Administrative Details**

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

Deaf Action incorporated on 1 April 2011 as a Registered Charity Number SC 009898, Registered Company Number SC 396876, having 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:

Keith Hyland	William Nicol
Tommy Robertson	Anthony Pelosi
Pamela Brunt	Tania Allan (Joined August 2018)
Rev Rosie Addis	
Ken Macdonald (Resigned January 2018)	

Paul Mills, Finance & Administration served as company secretary until CEO was appointed.

Chief Executive Philip Gerrard was appointed in September 2017 and became company secretary.

Robert Clark continued as a Treasurer to the Board.

Other organisational advisers in 2017/2018 were:

- The Bank of Scotland, PO Box 10, St Andrew's Square, Edinburgh, EH2 2YR
- Barclays Wealth, 12 Melville Crescent, Edinburgh, EH3 7LU
- Brewin Dolphin, 7 Drumsheugh Gardens Edinburgh, EH3 7QH
- Wylie & Bisset LLP, Chartered Accountants and Registered Auditors, 168 Bath Street, Glasgow, G2 4TP
- Morton Fraser LLP, Quatermile Two, 2 Lister Square, Edinburgh EH3 9GL

The Organisation's registered office is 49 Albany Street, Edinburgh, EH1 3QY

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**Report of the Executive Committee for the year ended 31 March 2018 (continued)**

**Governance**

Deaf Action's elected Board of Trustees consists of a Chair, Vice Chair and a Committee of not less than 5 and no more than 15 people, with a majority where possible of those who themselves have sensory needs. One third of the elected members retire each year but may stand for re-election at the AGM. All members are circulated with invitations to nominate Trustees prior to the AGM advising them of the retiring Trustees and requesting nominations for the AGM. Information relating to the work of the organisation, including the Articles of Association, the Scottish Regulator's Guidance on Trustee Duties and the Strategic Plan, are provided to new Trustees on induction and briefing meetings held with the Chair and Chief Executive as part of ongoing training and support. Training courses in Deaf Awareness and governance are made available.

The Board of Trustees meets four times a year, in addition to the AGM, and reviews organisational policy and direction, operating plans and budgets. The organisation is also supported by a Finance & Personnel Sub Committee, Services Sub Committee and Sports and Social Club Committee with delegated responsibilities, but which regularly report back to the Board so that recommendations may be fully ratified. Twice a year a meeting is held between Senior Managers, the Trustees and Treasurer to review work, service targets and the strategic direction of the charity. Risk assessments in relation to the major business and operational activities of the organisation are carried out and a Corporate Risk Register is reviewed by the Board of Trustees quarterly so that steps may be taken where necessary to reduce these risks. These key risks are detailed later in the Report under Risk Statement.

Later in 2018 there are changes in the standards and regulation of data management and sharing with third parties through the General Data Protection Regulations (GDPR). Deaf Action have been proactive in preparing for this with appropriate audits and IT reviews. The area of IT Governance is a specific element of governance that historically Deaf Action has not integrated into its strategic discussions, planning and actions. This will now be amended as it is recognised that IT Governance is critical to the overall governance of the organisation and specifically will impact on the success of being awarded new contracts and the sustainability and maintenance of those already established.

**Objectives and Activities**

Deaf Action's objectives are to promote the welfare of deaf people and those with other sensory and support needs by providing social work, community development, communication support, and technical equipment services to assist with research connected with deafness and provide information and training. It also supports specialist accommodation, and social and leisure activities.

Its vision is to work for an equal and better future for all deaf people, as well as those with other sensory and support needs, to raise awareness of their needs and rights, challenge discrimination and provide services to promote independence and quality of life. We further aim to achieve this through:

- **Equality** – we will treat others fairly and honestly and value the contribution they can make.
- **Diversity** – we will ensure that everybody's needs and requirements are understood and responded to within employment practice and service design and delivery.
- **Integrity** – we will be fair, honest, transparent and trustworthy in all our dealings with staff, volunteers, service users and partners.

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**Report of the Executive Committee for the year ended 31 March 2018 (continued)**

**The strategies used to achieve Deaf Action's aims and objectives are to:**

- **Quality** – we will always seek to improve the quality of our work, now doing this by introducing ISO accredited standards across the organisation in a gradual programme during the coming years. This will support the development of our monitoring and evaluation processes, listening to and learning from our staff, volunteers, service users and partners.
- **Innovation** – we will create and deliver services that test new ideas and approaches that keep us at the forefront of Scotland's sensory support thinking
- **Partnership** - we will work in partnership with the local authorities and the NHS to secure the necessary funding required to deliver specialist social work contracts, communication support, specialist equipment, rehabilitation services and supported accommodation services and where it is required community outreach services.

*Success is measured by: the number of contracts that we are successful at bidding for at a sustainable cost and as a direct result of this, the number of service users supported; the number of hours delivered in communication support, the number of specialist equipment assessments that are completed and the consequential items of equipment installed and or repaired, offering sustained independence for many people. To ensure that we continually improve our performance as a charity we regularly look for feedback in internal evaluations and questionnaires, in addition to feedback from external evaluations.*

- Through the membership of the BSL (Scotland) Act 2015 Partnership Deaf Action works with the Scottish Government and secured the necessary funding to develop and promote the National British Sign Language Plan. The National Plan is designed to implement the BSL (Scotland) Act 2015.

*Success is measured by: Meeting agreed targets identifying, engaging with and empowering Deaf BSL speakers aged 18-30 (16/17 if in full time education within FE/HE sector), including these with protected characteristics, across Scotland so that they can participate in and engage effectively in society and with structures and bodies as well as several different activities we are contracted to provide. This also includes meeting our targets for the number of people we have delivered BSL Awareness training to who work in the public sector, supporting YNAG representatives by identifying key learning and training needs and meeting these, delivering BSL Act awareness in schools, supporting consistency in participation of those involved in the YNAG and the NAG.*

- Offering deaf awareness, lip reading and SQA approved BSL classes to individuals and organisations.

*Success is measured by: the number of courses delivered, the numbers of attendees, feedback from evaluations and questionnaires are used to improve the programme and wherever possible collecting evidence of the positive social impact this has.*

- Present a broad range of social and leisure activities devised in consultation with service users.

*Success is measured by: the number of courses delivered, number of attendees, with feedback from evaluations and questionnaires.*

- Provide facilities for deaf clubs to meet and socialise.

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### **Report of the Executive Committee for the year ended 31 March 2018 (continued)**

*Success is measured by: number of clubs accessing the facilities, the number of attendees, feedback from evaluations and the positive relationships developing between Deaf Action and the deaf community.*

- Submit funding applications to support essential services like the Youth Service and additional partnership relationships.

*Success is measured by: the number of successful funding applications made, number of service users supported, relationships built with partners for joint partnership funding.*

- Engage with social media to promote events and services.

*Success is measured by: the reach and engagement of our social media, the number of views of videos, pages and retweeting.*

#### **Background**

After the passing of the BSL (Scotland) Act in 2015, during this last year we worked as part of the BSL (Scotland) Partnership to deliver activities that support the implementation of the Act. Deaf Action worked to enable the National Advisory Group (NAG) and the Youth National Advisory Group (YNAG) to develop their draft and then finalise the publication of the first National Plan for Scotland.

The implementation of the See Hear Strategy to support improvement for individuals with sensory needs continues at local authority level. As part of these activities Deaf Action worked with the Edinburgh Council to map the pathways for those with acquired hearing loss. In Aberdeenshire, although funding was not available to continue as part of the steering group for the Aberdeenshire Sensory Impairment Strategy Group, Deaf Action did participate in an employability seminar for employers, offering advice and guidance on effective practice when working with someone who is deaf. Deaf Action, with knowledge on the rehabilitation of people with an acquired hearing loss, also supported this group to create a training programme that they plan to deliver.

The redesign of services within Scotland to support the integration of health and social care continues. Deaf Action will continue to engage at a strategic level with the Integrated Joint Boards, across the different geographic areas, to raise deaf awareness with decision makers and ensure the potential opportunities to prioritise the needs of people who are deaf happens.

In December the funding for the Youth Service came to an end as we were unfortunately not successful in our bid to obtain on going funding from Children in Need. However, we have been able to sustain a programme of activities with the ongoing support of the youth workers and volunteers. There are funding applications that have been submitted to continue to build the youth service in the coming three years and we are hopeful that these will indeed be successful. The evidence gathered during the last three years of developing this service clearly demonstrates the value to young people and their families. The increasing numbers who have been accessing the service clearly demonstrates the current unmet need within a wide a geographic area of up to ten local authorities, so young people are prepared to travel some distance to participate.

#### **Service Delivery**

As 2017/18 comes to an end we have seen a decrease in the number of projects we are offering. Funding for projects continues to reduce with a greater number of organisations applying for fewer funding opportunities. However, we have been able to develop our services



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### **Report of the Executive Committee for the year ended 31 March 2018 (continued)**

in alignment with changing needs of the deaf community, the changing legal and policy landscape with the associated changing expectations of public bodies and services.

One clear example was the development of our Multi Media Service with a permanent member of staff. This service focuses on all aspects of the production being deaf led and we anticipate

it will grow from strength to strength as the demand develops, offering a full-time position plus additional work. This brought additional creativity and energy to the charity as it also involves coaching and educating commissioners on what the changing expectations are from the deaf community in relation to accessibility of information and services.

Our **Communication Interpretation Agency** provided 3,167 individual assignments in 2017/18 throughout Edinburgh, the Lothians, Highland and Tayside areas. This resulted in over 8,534 hours of support for deaf people via BSL/English Interpreters, Electronic Notetakers, Lipspeakers and Communication Support Workers. This compares to last year when we delivered 6,522 hours of support. In the analysis of the increase of 17.4% in assignments, the demand can be seen to be happening across all public bodies, the NHS in particular. One interpretation of why this is, relates to the work around the BSL (Scotland) Act and the consultations in relation to the National and Local Plans increasing deaf awareness. This has in turn resulted in actions taken to support improved accessibility of services for deaf people.

The CIA will be the first department to complete the relevant ISO 9001 standard in the organisation. Work began on this during the autumn and is anticipated to complete in late summer. In addition to improving our quality assurance policies and practices it will also upskill staff involved in the assessment processes along with raising awareness of the senior management team of the processes involved and how they can make a contribution.

The **Training Team** delivers a range of courses from introductory courses through to SQA level 3, all our British Sign Language (BSL) courses are SQA accredited and delivered by highly qualified and experienced deaf\* tutors. In 2017/18 the numbers attending courses dropped slightly to 103 people, however because of the launch of the BSL national plan, we forecast this number to increase dramatically from increased awareness and a more focused approach to marketing.

We delivered 30 Deaf Awareness sessions to public bodies, advice services and education authorities. This was funded through the BSL(Scotland) Act 2015 Partnership by the Scottish Government.

A specialist two-week course in deaf awareness, BSL, Deaf culture and community was again delivered to 2<sup>nd</sup> and 3<sup>rd</sup> year students at the University of Dundee Medical School. This unique model means that future doctors are anticipated in being much more aware of the importance of high quality communication support and care for deaf patients and their families. Strategically this supports the challenging of health inequalities that deaf patients continue to experience. It is anticipated that this course will be extended in length next year.

Our **Adult Learning Centre** continues to run courses for Deaf and hard of hearing people and this year this included a very wide range of topics from gardening workshops, mono printing to Hate Crime Awareness, with 139 deaf adults using this service, almost a 100% increase on last year. Many of the courses that were run link into our Health Project. This considers both physical and mental wellbeing and the courses and topics offered reflect this. Our ever-popular

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**Report of the Executive Committee for the year ended 31 March 2018 (continued)**

Double H group for hard of hearing people continues to flourish with our support and offers a range of activities and talks as well as support to those who have lost their hearing.

2017 saw the newly set up **Multimedia** service within Deaf Action continue to grow and develop. This department translates information from English into BSL via video. We can also add subtitles and voiceover to clips giving full access to people who are Deaf, hard of hearing and blind and partially sighted. During this last year the department worked directly with 29 clients, an almost 500% increase. The service, which is deaf led, now has a part time permanent post. It is anticipated that the market place for this work will continue to develop and grow expediently over the immediate future, supported by the work on the local and National Plans. This offers the opportunity to develop a new sustainable service that will offer a future revenue stream for Deaf Action at the same time really enabling deaf people across

Scotland to enjoy improved access to services, information and knowledge provided by public bodies, previously unavailable to them.

As part of this multi-media development Deaf Action continue to enable and support the use of deaf presenters in all of our productions.

Our four-year Big Lottery funded, **Employability Service** entered its third year by. During 2017 we expanded out from Edinburgh City, to cover all the Lothians and continue to work across Fife, Perth & Kinross and the City of Dundee. During this period, we took on an additional staff member allowing us to engage with more employers and reach out and support 35 service users, a 49% increase from the previous year and run employability workshops for 65 users. The additional work now being done to engage with employers directly and other agencies involved in employability is leading to an increase in our networks that will better support our clients and support us to develop sustainable partnerships for effective cross referral.

In Edinburgh and Lothian during 2017/18, 417 people with a hearing loss were referred to our **Specialist Equipment Team** for assessment with follow up visits to install 634 items of equipment. The team also repaired or replaced 380 items.

Our **Specialist Equipment Service in Aberdeenshire** - in partnership with Aberdeenshire Council we offer a service where we assess the type of equipment individuals need, then supply and install it in their home.

We also delivered 'drop in' sessions across this geographically spread region in 8 locations - Banchory, Ellon, Fraserburgh, Huntly, Inverurie, Peterhead, Stonehaven and Banff. 921 people attended these sessions, an increase of 20 % from last year. With the distances involved for many people to travel to the Audiology services these drop-in clinics are proving to be extremely important and valued by all parties providing additional capacity in the system to meet the growing demand.

In Dundee, our **Sound Sense volunteer befriender project** enabled people to continue to feel part of their community. Designed to maintain independence and quality of life and delivered by staff and volunteers who have specialist skills in communicating with deaf people, Sound Sense helped to reduce the social isolation faced by 15 people with a hearing loss. Volunteers donated 2016 hours of their time to the project, an increase of 47 % on last year.

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### **Report of the Executive Committee for the year ended 31 March 2018 (continued)**

**9 Lip-reading classes** were held in Tayside, Fife and Edinburgh. Designed for people with any degree of deafness, our informal, friendly and fun classes are funded by several different trust and grant foundations. This is one additional course from the previous year. These courses aim to boost deaf people's confidence when communicating with others.

Over the year these were attended by 85 people, a slight reduction on last year, but with an increasing number on the waiting list we anticipate the numbers attending across all our classes to increase. with many seeing an increase in social confidence following the course.

Our **Specialist Social Work** team, one of a very small group of specialist teams left in the UK who are skilled and experienced in working with deaf people who may need support at any stage in their lives, continued to be extremely busy. Last year we continued to offer a high-quality service completing 272 pieces of duty work.

From our staff base within the Dunedin Canmore Housing Association development at Slateford Green we provided **Support Services** to people who are deaf and who have additional needs. We support people in 15 flats within the 120 flat development in addition to providing valuable support to people in their own homes through our outreach service over five local authorities: Edinburgh, East Lothian, Midlothian, West Lothian and Fife. In 2017/18, with our 30 plus specialist staff team we provided over 32,000 hours of support to 59 people, this is a 7% increase from last year.

We were grateful to the Scottish Legal Aid Board for their continued support that enabled us to deliver our **Money Matters Advice Service**. Money Matters provides a range of benefits and debt advice to sign language users, both face-to-face and on-line. This year due to long term illness of our specialist worker we were able to redeploy the support to create training materials to be used when delivering training. We also delivered 10 training sessions across Scotland to Citizen Advice Bureau in deaf awareness and how to work with an interpreter.

2017/18 has been another exciting year for Deaf Action's **Youth Service**. Our Youth Service, that was funded by Children in Need until October 2017, offers young people who are deaf or affected by deafness, opportunities to build their self-confidence, communication skills and make friendships outside of school with others facing the same barriers.

With 115 activities provided during the last year, 224 young people benefitted from the service, a 61% increase from the previous year. Our regular groups on Fridays and Saturdays are well attended and we look forward to providing more activities going forward with a new funding grant from the Big Lottery Fund and the recruitment of a new Youth Service Coordinator later in 2018.

But what do the young people and their families think of the Youth Service?

*'Our daughter struggles to make friends and find the right social activities as young people of her own age are more socially able. Through Deaf Action Youth Group she has been able to have a regular social activity meeting other young people and being supported to participate in a variety of different activities. Parent, Youth Service, Edinburgh*

### **Charity Shop**

In March 2018, Deaf Action opened their new charity shop in Kirkcaldy. Located on the High Street, the shop boasts clothes, textiles, furniture, electrical appliances and sports equipment. It also offers an excellent opportunity for local people to volunteer their time and develop new skills.

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**Report of the Executive Committee for the year ended 31 March 2018 (continued)**

Unfortunately, there were delays with the opening of the shop due to unplanned building work and accessibility issues. These issues were unforeseen but have been documented as part of our ongoing review process to inform future planning of any additional shops we may open.

In the first month of opening we were able to recruit 11 volunteers donating 160 hours of their time.

As well as a charity shop, the new venue is also home to Deaf Action's Fife Employability Service and will also be offering British Sign Language (BSL) Classes, later in the year.

**Partnerships**

We continued our involvement in Partnerships with other deaf organisations, previously named the Deaf Sector Partnership now called the BSL (Scotland) Act 2015 Partnership, funded by the Scottish Government to support the implementation of the British Sign Language (Scotland) Act 2015, the development of the National Plan and Local Plans.

Scotland's first British Sign Language (BSL) National Plan was launched in 2017. The plan sets out Scotland's ambition to be the best place in the world for BSL users to live, learn, work and visit. Its objective is to make public services more accessible in early years and

family support; education; training and work; health and wellbeing; culture and the arts; transport; justice and democracy

Deaf Action has been working with the Scottish Government to engage with 48 further and higher education institutions on how best to develop their own BSL Plans. Currently we have helped 96% of these institutions and attended roadshows throughout Scotland to help increase awareness.

The **Lothian Sensory Partnership** continued to be developed, RNIB and Deaf Action working closely together to deliver joint sensory services, in collaboration with the City of Edinburgh Council, to support their relevant strategic aims.

Our Self-Directed Support (SDS) project, delivered in partnership with Fife Society for the Blind, provided information sessions to local authority and third sector organisation staff on topics such as: Introduction to Deafblind Awareness, Visual Awareness, Accessible Technology, and Daily Living, Introduction to Deafblind Awareness, and Life and Work: The Importance of Access, Accessible Technology for blind/partially sighted people. Sessions were hosted by peer volunteers and project staff.

Project staff and peer volunteers have now completed the online guidance to support improved accessibility to information. This can be found here:

**Guide to Accessible Information**

The project has funded the purchase of high quality equipment for use with Deaf Action's new Multimedia Service which has, and continues to be, put to good use creating information about Sensory Awareness and Self-Directed Support as part of our commitment to the Scottish Government.

Deaf Action continued to be members of the Scottish Parliament's Cross Party Group on Deafness and the Scottish Council on Deafness.

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### **Report of the Executive Committee for the year ended 31 March 2018 (continued)**

We continued to host the NHS Lothian Deaf Community Mental Health Service in our Edinburgh office. We know that deaf people are significantly more likely than the general public to experience mental health problems and were pleased to continue working with our NHS colleagues to address this situation.

#### **Future Developments**

The past year has seen Deaf Action review its services and focus activity on the expressed need of service users and stakeholders. In the light of this, in the coming year we are looking to:

- Further develop our Employability Service for deaf adults through relationships with local employers, other organisations providing employability services and the Edinburgh Chamber of Commerce.
- Continue to support the development of local Plans in relation to the implementation of the National Plan.
- Promote our Multimedia Services, raising deaf awareness across public sectors in Scotland to improve accessibility to information and services.
- Continue to develop our social media presence and how we use it to promote Deaf Action and its services.
- Develop our charity shop bases and review opportunities for commercial activities.
- Develop and improve our IT infrastructure with the introduction of different data management systems.
- Continue to work with public bodies to improve access to services for deaf people.
- Expanding our relationships with businesses based locally, through the Edinburgh Chamber of Commerce.
- Develop our political networks locally and nationally to promote the needs of deaf people and raise awareness on the current services we offer.
- Identifying and building relationships with a broad range of funding agencies including trusts and grant-giving organisations.
- Investing in IT Governance to support our effective compliance and the integration of IT systems into how we do our work at Deaf Action.

#### **Risk Statement**

The Board of Trustees regularly examines the major operational and business risks faced by the charity, both within its organisational strategic planning review process and departmental reviews. Systems are in place to identify and manage such risks to mitigate any possible impact they may have. A rolling annual review of all departmental risks is undertaken and monitored via a sub-committee of the Board. Internal controls have been reviewed and the

Board regularly considers financial results, variance from budget and non-financial performance indicators to ensure risks may be quickly identified and corrective action taken.

The Trustees have highlighted the following as presenting the greatest potential risks to the effective and efficient running of the organisation:

- Currently there is no contract in place with NHS Lothian as they continue to develop their approach to communication support for deaf people, making strategic planning of the service at Deaf Action challenging.
- On going funding for projects coming to an end means that highly skilled staff leave.
- The commissioning of contracts from public bodies does not include budget that takes account of the needs of deaf people.

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**Report of the Executive Committee for the year ended 31 March 2018 (continued)**

- Data management remains an area of exposure without an integrated approach across the organisation
- Failure to establish a database that supports optimal data management and fundraising.
- Failure to consider the topic of IT Governance as integral to overall governance in the organisation
- Failure to offer training to new Board members
- Failure to comply with external contractual obligations
- Failure to manage finance and systems.

Accordingly, the following steps have been taken to mitigate the risk:

- The finance manager and the business development manager are in consistent contact with NHS Lothian procurement team
- Changing the way Deaf Action prepares for the end of a project by involving team members in development and future funding discussions.
- To develop relationships with procurement and commissioning bodies to improve the deaf awareness of individuals or groups designing and releasing commissions and tenders.
- Board agreement to introduce new data base systems to support data management across different parts of the organisations.
- Business development manager and finance manager working together with other IT providers and specialists to identify what actions need to be taken to change data management systems and processes at Deaf Action.
- Business development manager and finance manager to implement the findings of a report from an external IT consultant on how to improve IT governance.
- Chair has committed to organise training for new Board members.
- Commissioning bodies are aware of the mitigating circumstances of difficulties for specialist recruitment and the impact on contractual targets.
- Finance and systems have been modified and will be consistently reviewed during the coming year to make improvements.

**Financial Review for the Year to 31 March 2018**

The accounts this year show a deficit of £129,740. The breakdown of this is a deficit on our unrestricted funds of £78,723 and a deficit on our restricted funds of £51,017. Our income for the year was £150,353 higher than 2017 at £2,224,976. Income from Interpreting Services continued to show growth and Support Services benefited from an increase in income due to an hourly uplift from City of Edinburgh Council.

Our costs were £71,072 higher than the previous year at £2,308,550. We have continued to invest in our Head Office at Albany Street with external and internal repairs and refurbishment and experienced increased costs in energy, broadband and IT security. Staffing costs have risen across the organisation, especially in marketing, finance and general office but we were proud to have been accredited as a Scottish Living Wage employer in 2017. Legal and professional fees increased this year as we renegotiated the lease of our charity shop in South Queensferry and opened a second larger shop in Kirkcaldy which will also be a base for Employability and BSL and Lipreading Training in Fife. We also obtained legal opinions on VAT and pensions. An additional factor in our achieving a deficit is the loss we have made on the value of our investment portfolio which amounted to £53,166, compared to a gain in the previous year of £230,163.

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**Report of the Executive Committee for the year ended 31 March 2018 (continued)**

The greatest financial risk the charity faces is the continued pressure on funding from our major public sector partners and the difficulties in covering the rising costs of providing these specialist services. We have been unable to balance the income we receive with the costs of running these services and continue to make deficits which is not a sustainable position in the long term. The board and the management team are well aware of the problems and are working to rectify the situation with these funders as well as seeking additional commercial and fundraising initiatives to compensate.

**Reserves Policy**

Our total funds at 31 March 2018 were £2,219,745 of which £268,678 were made up of restricted funds and £1,951,067 unrestricted funds. Of these unrestricted funds £553,299 is represented by fixed assets used by the charity and these funds are therefore not free to be spent on our charitable work. This leaves £1,397,768 of free unrestricted reserves at the year end, however the Trustees wish to designate £130,000 as the agreed trading budget for the year 2018/19 reducing reserves to £1,267,768.

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

The Trustees current policy is to reduce the target of free reserves from a period of 12 months 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 while consideration is given to ways in which additional funds may be raised or services transferred to other providers.

Breakdown of funds held on 31 March 2018:

		<b>Notes</b>
<b>Total funds of the charity</b>	<b>£2,219,745</b>	
Less: restricted funds	£268,678	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	£1,951,067	
Less: unrestricted tangible fixed assets	£553,299	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>£130,000</u>	Trustees have budgeted for a deficit in 2018/19 to maintain services while they seek alternative income streams *
<b>Free reserves (£)</b>	<b><u>£1,267,768</u></b>	
Annual expenditure	£2,308,550	
Free reserves available (months)	5.5 months	
<b>Target reserves</b>	<b>9 months</b>	
Equating to	£1,731,413	
<b>Current Shortfall</b>	<b><u>£463,645</u></b>	

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**Report of the Executive Committee for the year ended 31 March 2018 (continued)**

**Investments**

As at the 31 March 2018, the value of the Deaf Action and Tayside portfolios stood at £1,524,051 and £128,940 respectively. In total return terms, the value of the Deaf Action portfolio was behind 0.26% over the 12 months to 31 March 2018, compared to a rise in the benchmark of 2.0%. The Tayside portfolio, meanwhile, added 1.1% in total return terms, compared to a rise of 1.90% in the value of its benchmark. The level of income being generated by the investments has held up well over the year with the Deaf Action and Tayside portfolios generating gross annual estimated incomes of £47,521 and £3,679 respectively, equivalent to gross yields of 3.1% and 2.9%.

Many global stock markets reached record highs in 2017, with the strong run continuing in spite of significant global geopolitical uncertainties. While economic data continues to suggest positive momentum, equity markets saw a renewed level of volatility at the turn of the year. US equities started 2018 strongly, riding the tailwind of the Senate tax bill passed by Congress and the expectations for improved profitability from lower corporate taxes. This enthusiasm juddered to a halt as strong employment data led to inflationary concerns which worried markets. Concerns over a trade war with China, news of a data leak at Facebook and Twitter attacks on Amazon by President Trump all added to concerns and markets fell back. Volatility is likely to remain as the Federal Reserve moves to normalise rates throughout the year, but corporate profitability remains robust and the US economy remains on a positive trajectory.

UK equities continued to lag other major developed markets, a pattern in place since the June 2016 vote to leave the European Union. Uncertainty regarding Brexit and the possibility of leaving without a deal has unsettled markets and depreciated sterling. This macro-economic environment led holdings such as Galliford Try and Kier within the portfolio to struggle over the last year. As the price of crude oil increased throughout 2017 and into 2018, the heavy weighting of Oil and Gas companies within the UK benchmark was reflected within benchmark returns. The Deaf Action and Tayside portfolios achieved diversification at the cost of being underweight oil, gas and tech therefore returns lagged the FTSE. Opportunities continue to arise within the Asian-Pacific region and subsequently Coupland Cardiff Japan Income & Growth has been added to both portfolios and Invesco Perpetual Asian to Deaf Action. Periods of volatility should be expected, as central banks begin to remove the vast amount of monetary stimulus from global markets, and it is in these short-term pullbacks in markets where the importance of well diversified portfolios, both geographically, and by asset class becomes evident.

Markets will continue to be highly sensitive to political uncertainties. While there has been an abundance of attention grabbing headlines, global GDP remains sound and market indicators do not signal any change in recessionary risk. Company earnings remain strong and we believe that income should hold up. We believe that equities will continue to offer the best long-term value even if the journey continues to be more rocky in 2018 than it was in 2017.

**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).



**DEAF ACTION**  
**(A company limited by guarantee)**

**Report of the Executive Committee for the year ended 31 March 2018 (continued)**

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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.

**Statement of Disclosure to the Auditor**


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.

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 13 November 2018 and signed on their behalf by:

Name:   
ROSIE ADDIS

**DEAF ACTION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF DEAF ACTION FOR THE YEAR ENDED 31 MARCH 2018**

**Opinion**

We have audited the financial statements of Deaf Action (the 'charitable company') for the year ended 31 March 2018 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 2018, 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.

**DEAF ACTION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF DEAF ACTION FOR THE YEAR ENDED 31 MARCH 2018**

**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 13 and 14, 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.

**DEAF ACTION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF DEAF ACTION FOR THE YEAR ENDED 31 MARCH 2018**

**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](http://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: 13 November 2018*

**DEAF ACTION**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2018**

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017
		£	£	£	£	£	£
<b>Income and endowments from:</b>							
Donations and legacies	4	54,812	19,000	73,812	70,336	27,989	98,325
Charitable activities	5	1,003,905	1,047,097	2,051,002	850,613	1,028,871	1,879,484
Other trading activities	6	40,057	-	40,057	42,536	-	42,536
Investments	7	52,165	-	52,165	47,830	-	47,830
Other	8	7,940	-	7,940	6,448	-	6,448
<b>Total Income</b>		<b>1,158,879</b>	<b>1,066,097</b>	<b>2,224,976</b>	<b>1,017,763</b>	<b>1,056,860</b>	<b>2,074,623</b>
<b>Expenditure on:</b>							
Raising funds							
Other trading activities	9	132,870	-	132,870	108,380	-	108,380
Investment & management	10	14,112	-	14,112	13,218	-	13,218
Charitable activities	12	915,822	1,245,746	2,161,568	825,015	1,290,572	2,115,587
Other	13	-	-	-	293	-	293
<b>Total Expenditure</b>		<b>1,062,804</b>	<b>1,245,746</b>	<b>2,308,550</b>	<b>946,906</b>	<b>1,290,572</b>	<b>2,237,478</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>		<b>96,075</b>	<b>(179,649)</b>	<b>(83,574)</b>	<b>70,857</b>	<b>(233,712)</b>	<b>(162,855)</b>
<b>Net (losses)/gains on investments</b>		<b>(51,202)</b>	<b>(1,964)</b>	<b>(53,166)</b>	<b>214,451</b>	<b>15,712</b>	<b>230,163</b>
<b>Net income/(expenditure) for the year</b>		<b>44,873</b>	<b>(181,613)</b>	<b>(136,740)</b>	<b>285,308</b>	<b>(218,000)</b>	<b>67,308</b>
Transfers between funds		(130,596)	130,596	-	(211,219)	211,219	-
<b>Other recognised (losses)/gains</b>		<b>(85,723)</b>	<b>(51,017)</b>	<b>(136,740)</b>	<b>74,089</b>	<b>(6,781)</b>	<b>67,308</b>
Actuarial gains/(losses) on defined benefit pension schemes		7,000	-	7,000	(17,000)	-	(17,000)
<b>Net movement in funds</b>		<b>(78,723)</b>	<b>(51,017)</b>	<b>(129,740)</b>	<b>57,089</b>	<b>(6,781)</b>	<b>50,308</b>
<b>Funds reconciliation</b>							
Total Funds brought forward	24	2,029,790	319,695	2,349,485	1,972,701	326,476	2,299,177
<b>Total Funds carried forward</b>	24	<b>1,951,067</b>	<b>268,678</b>	<b>2,219,745</b>	<b>2,029,790</b>	<b>319,695</b>	<b>2,349,485</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

**DEAF ACTION**  
**(A company limited by guarantee)**

**BALANCE SHEET AS AT 31 MARCH 2018**

		2018	2017
	Note	£	£
<b>Fixed assets:</b>			
Tangible assets	17	553,299	532,479
Investments	18	1,636,811	1,698,218
<b>Total fixed assets</b>		<u>2,190,110</u>	<u>2,230,697</u>
<b>Current assets:</b>			
Stocks	19	9,690	4,678
Debtors	20	425,235	394,262
Cash at bank and in hand	27	304,724	480,159
<b>Total current assets</b>		<u>739,649</u>	<u>879,099</u>
<b>Liabilities:</b>			
Creditors falling due within one year	21	(293,014)	(280,311)
<b>Net current assets</b>		<u>446,635</u>	<u>598,788</u>
<b>Total assets less current liabilities</b>		2,636,745	2,829,485
Creditors: Amounts falling due after more than one year	23	(417,000)	(480,000)
<b>Net assets</b>		<u>2,219,745</u>	<u>2,349,485</u>
<b>The funds of the charity:</b>			
Restricted income funds	24	268,678	319,695
Unrestricted funds	24	1,951,067	2,029,790
<b>Total charity funds</b>		<u>2,219,745</u>	<u>2,349,485</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: Keith A. Hyland  
 ROSIE ADDIS KEITH HYLAND

Date: 13 November 2018

REGISTERED COMPANY NO: SC396876

**DEAF ACTION**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDING 31 MARCH 2018**

	Note	2018 £	2017 £
<b><i>Cash flows from operating activities:</i></b>			
<b>Net cash (used in) operating activities</b>	26	(181,876)	(299,456)
<b><i>Cash flows from investing activities:</i></b>			
Dividends, interest and rents from investments		52,165	47,830
Purchase of investments		(194,145)	(177,457)
Proceeds from sale of investments		202,386	112,055
Purchase of property, plant and equipment		(53,965)	(6,674)
<b>Net cash provided by/(used in) investing activities</b>		6,441	(24,246)
<b>Change in cash and cash equivalents in the year</b>		(175,435)	(323,702)
Cash and cash equivalents brought forward	27	480,159	803,861
<b>Cash and cash equivalents carried forward</b>	27	304,724	480,159

**DEAF ACTION**  
**(A company limited by guarantee)**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**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) issued on 16 July 2014, 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



**DEAF ACTION**  
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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**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.

## **DEAF ACTION**

**(A company limited by guarantee)**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

#### **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.

**DEAF ACTION**  
**(A company limited by guarantee)**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**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 14. 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) 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.

**(o) 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.

**(p) 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.

**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 (2017: £nil). Expenses paid to the trustees in the year totalled £12 (2017: £589). These expenses were paid to 1 trustee (2017: 1).

During the year 8 (2017: 10) trustees waived their right to expenses of £518 (2017: £590).

**DEAF ACTION**  
(A company limited by guarantee)

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**3. Related party transactions and trustees' expenses and remuneration (continued)**

During the year no trustee had any personal interest in any contract or transaction entered into by the charity (2017: none).

**4. Income from donations and legacies**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Donations	54,453	88,755
Legacies	19,359	9,570
	<u>73,812</u>	<u>98,325</u>

**5. Income from charitable activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Provision of statutory services	978,342	834,857
Supported Housing	629,805	580,972
Social Club	25,563	25,989
Other charitable projects	417,292	437,666
	<u>2,051,002</u>	<u>1,879,484</u>

**6. Income from other trading activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Commercial trading activities	40,057	42,536
	<u>40,057</u>	<u>42,536</u>

**7. Investment income**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Dividends - equities	52,165	46,545
Interest	-	1,285
	<u>52,165</u>	<u>47,830</u>

**8. Other income**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other income	7,940	6,448
	<u>7,940</u>	<u>6,448</u>

**9. Raising funds – expenditure on other trading activities**

	<b>Direct</b>	<b>Management &amp;</b>	<b>Total</b>	<b>Total</b>
	<b>Costs</b>	<b>Administration</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>Costs</b>	<b>£</b>	<b>£</b>
		<b>£</b>		
Fundraising and publicity	90,823	42,047	132,870	108,380
	<u>90,823</u>	<u>42,047</u>	<u>132,870</u>	<u>108,380</u>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**10. Raising funds - Investment management costs**

	<b>Direct Costs £</b>	<b>Management &amp; Administration Costs £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Investment management fees	14,112	-	14,112	13,218
	<u>14,112</u>	<u>-</u>	<u>14,112</u>	<u>13,218</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:

<b>Cost type</b>	<b>Total allocated £</b>	<b>Governance related £</b>	<b>Other Management &amp; Administration costs £</b>	<b>Basis of apportionment</b>
Staff costs	419,257	7,033	412,224	Staff time
HQ costs	84,642	397	84,245	Staff time
Depreciation	30,092	141	29,951	Staff time
Premises expenses	93,917	402	93,515	Staff time
General office expenses	30,899	145	30,754	Staff time
Pension	6,000	25	5,975	Staff time
<b>Total</b>	<u>664,807</u>	<u>8,143</u>	<u>656,664</u>	

**Governance costs:**

	<b>2018 £</b>	<b>2017 £</b>
Audit Fee	8,580	11,702
Legal Fees	5,731	13
Management & Administration	8,143	8,202
	<u>22,454</u>	<u>19,917</u>

**Allocation of governance and other management & administration costs:**

	<b>Management &amp; Administration costs</b>	<b>Governance cost</b>	<b>2018 £</b>	<b>2017 £</b>
Raising funds	40,745	1,302	42,047	27,141
Provision of Statutory services	162,295	6,344	168,639	175,380
Supporting Housing costs	248,525	9,079	257,604	244,721
Social Club	5,882	136	6,018	3,665
Other charitable activities	199,217	5,593	204,810	153,439
<b>Total allocated</b>	<u>656,664</u>	<u>22,454</u>	<u>679,118</u>	<u>604,346</u>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**12. Analysis of expenditure on charitable activities**

	<b>Provision of Statutory Services</b>	<b>Supporting Housing costs</b>	<b>Social Club</b>	<b>Other charitable activities</b>	<b>2018 Total</b>	<b>2017 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	298,902	427,759	6,395	263,515	996,571	1,031,213
Direct costs	348,814	56,689	12,448	109,975	527,926	507,169
Governance costs (Note 11)	6,344	9,079	136	5,593	21,152	19,164
Management & Administration costs (Note 11)	162,295	248,525	5,882	199,217	615,919	558,041
	<u>816,355</u>	<u>742,052</u>	<u>24,861</u>	<u>578,300</u>	<u>2,161,568</u>	<u>2,115,587</u>

**13. Other expenditure**

	<b>Direct Costs</b>	<b>Management &amp; Administration Costs</b>	<b>Total 2018</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loss on disposal of assets	-	-	-	293
	<u>-</u>	<u>-</u>	<u>-</u>	<u>293</u>

**14. Analysis of staff costs and remuneration of key management personnel**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Salaries and wages	1,290,298	1,286,931
Social security costs	98,543	90,354
Other employee benefits	29,976	33,845
Total staff costs	<u>1,418,817</u>	<u>1,411,130</u>
Key management personnel remuneration	<u>279,416</u>	<u>271,438</u>

The charity made £89,946 (2017: £92,468) of contributions to the pension plan on behalf of the employees (including past service deficit contribution of £59,969 (2017: £58,623)).

No employees had employee benefits in excess of £60,000 (2017: Nil).

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
The average number of persons, by headcount, employed by the charity during the year was:	<u>74</u>	<u>75</u>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**15. Net income/(expenditure) for the year**

<b>This is stated after charging:</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation	33,145	33,400
Loss/(Gain) on disposal of fixed assets	-	293
Auditor's remuneration:		
Audit fees	8,580	9,200
Prior year under-accrual	-	2,502
	<u>41,725</u>	<u>45,395</u>

**16. Government Grants**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
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	70,734
Dundee City Council – Sound Sense	27,133	27,074
Scottish Legal Aid Board – Money Matters (from Proceeds of Crime)	46,827	46,635
Scottish Government – Deaf Sector Partnership	69,750	68,750
Edinburgh and Lothians Councils – support services	629,805	580,972
Aberdeenshire Council – Equipment and Advice	71,400	72,360
	<u>1,290,021</u>	<u>1,242,719</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 2018**

**17. Tangible Fixed Assets**

	Property £	Equipment, Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2017	719,021	224,529	66,289	1,009,839
Additions	7,117	46,848	-	53,965
Disposals	51,082	124,396	11,739	187,217
At 31 March 2018	<u>675,056</u>	<u>146,981</u>	<u>54,550</u>	<u>876,587</u>
<b>Depreciation</b>				
At 1 April 2017	217,991	202,128	57,241	477,360
Charge for the year	16,698	10,552	5,895	33,145
Eliminated on disposals	51,082	124,396	11,739	187,217
At 31 March 2018	<u>183,607</u>	<u>88,284</u>	<u>51,397</u>	<u>323,288</u>
<b>Net book value</b>				
At 31 March 2017	<u>501,030</u>	<u>22,401</u>	<u>9,048</u>	<u>532,479</u>
At 31 March 2018	<u>491,449</u>	<u>58,697</u>	<u>3,153</u>	<u>553,299</u>

**18. Fixed Asset Investments**

<b>Movement in fixed asset listed investments</b>	<b>2018</b> £	<b>2017</b> £
Market value brought forward	1,698,218	1,402,653
Add: additions to investments at cost	194,145	177,457
Disposals at carrying value	(198,681)	(100,369)
Add net gain on revaluation	(56,871)	218,477
Market value carried forward	<u>1,636,811</u>	<u>1,698,218</u>

Net cash released from investments in the year was £7,050 (2017 net cash invested: £5,058)

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.

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



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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**18. Fixed Asset Investments (continued)**

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.

**19. Stock**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Stock	9,690	4,678
	<u>9,690</u>	<u>4,678</u>

**20. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	356,579	336,830
Other debtors	68,656	57,432
	<u>425,235</u>	<u>394,262</u>

**21. Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	114,365	76,643
Accruals and deferred income (note 22)	81,582	109,257
Taxation and social security	35,067	34,411
Past service deficit – pension scheme	62,000	60,000
	<u>293,014</u>	<u>280,311</u>

**22. Deferred income**

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

	<b>£</b>
Balance as at 1 April 2017	88,219
Amount released to income earned from charitable activities	(88,219)
Amount deferred in year	58,927
Balance as at 31 March 2018	<u>58,927</u>

Deferred income comprises grants received in advance.

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Past service deficit – pension scheme	417,000	480,000
	<u>417,000</u>	<u>480,000</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:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Pension liability – present value of all future contributions payable	479,000	540,000
	<u>479,000</u>	<u>540,000</u>

Reconciliation of opening and closing provisions:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Provision at 01 April 2017	540,000	570,000
Interest expense	6,000	11,000
Deficit contributions paid	(60,000)	(58,000)
Remeasurements – impact of change in assumptions	(7,000)	17,000
Provision as at 31 March 2018	<u>479,000</u>	<u>540,000</u>

Income and expenditure impact:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interest expense	6,000	11,000
Remeasurements – impact of change in assumptions	(7,000)	17,000
	<u>(1,000)</u>	<u>28,000</u>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**24. Analysis of charitable funds**

<b>Analysis of Fund movements 2018</b>	<b>Balance b/fwd £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains/ (Losses) £</b>	<b>Transfers £</b>	<b>Fund c/fwd £</b>
<b>Unrestricted funds</b>						
Designated Fixed Asset fund	532,479	-	33,145	-	53,965	553,299
Essential Future Spending	-	-	-	-	130,000	130,000
<b>Total designated funds</b>	<b>532,479</b>	<b>-</b>	<b>33,145</b>	<b>-</b>	<b>183,965</b>	<b>683,299</b>
General funds	1,497,311	1,158,879	1,029,659	(44,202)	(314,561)	1,267,768
<b>Total unrestricted funds</b>	<b>2,029,790</b>	<b>1,158,879</b>	<b>1,062,804</b>	<b>(44,202)</b>	<b>(130,596)</b>	<b>1,951,067</b>
<b>Restricted funds</b>						
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	1,145	69,012	85,436	-	15,279	-
Building Fund	850	-	-	-	-	850
Sound Sense	4,238	27,133	35,943	-	8,810	4,238
Highland Video Project	4,596	-	-	-	-	4,596
175 <sup>th</sup> 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
<b>Total restricted funds</b>	<b>319,695</b>	<b>1,066,097</b>	<b>1,245,746</b>	<b>(1,964)</b>	<b>130,596</b>	<b>268,678</b>
<b>TOTAL FUNDS</b>	<b>2,349,485</b>	<b>2,224,976</b>	<b>2,308,550</b>	<b>(46,166)</b>	<b>-</b>	<b>2,219,745</b>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**24. Analysis of charitable funds (continued)**

<b>Analysis of Fund movements 2017</b>	<b>Balance b/fwd £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains/ (Losses) £</b>	<b>Transfers £</b>	<b>Fund c/fwd £</b>
<b>Unrestricted funds</b>						
Designated Fixed Asset fund	559,498	-	33,400	-	6,381	532,479
<b>Total designated funds</b>	559,498	-	33,400	-	6,381	532,479
General funds	1,413,203	1,017,763	913,506	197,451	(217,600)	1,497,311
<b>Total unrestricted funds</b>	1,972,701	1,017,763	946,906	197,451	(211,219)	2,029,790
<b>Restricted funds</b>						
Tayside Deaf Association	233,846	-	21,793	15,712	-	227,766
Local Authority Grants	-	580,972	767,722	-	186,750	-
Health Improvement	4,446	26,212	22,170	-	-	8,488
Tayside Development Officer	305	-	-	-	-	305
Fife Sensory Project	14,779	70,734	84,368	-	-	1,145
Building Fund	850	-	-	-	-	850
Sound Sense	6,376	27,074	29,212	-	-	4,238
Highland Video Project	12,091	-	7,495	-	-	4,596
175 <sup>th</sup> Anniversary	1,314	-	-	-	-	1,314
Youth Project	-	44,949	55,007	-	10,058	-
Family BSL	1,145	-	-	-	-	1,145
Employability Project	14,999	153,150	139,767	-	-	28,382
Lipreading	8,293	11,356	23,077	-	3,428	-
Learning centre	-	962	11,945	-	10,983	-
Money Matters	27,327	46,635	49,293	-	-	24,669
Training	-	15,833	15,833	-	-	-
Community Jobs Scotland	-	10,232	10,232	-	-	-
Deaf Sector Partnership	705	68,750	52,658	-	-	16,797
<b>Total restricted funds</b>	326,476	1,056,860	1,290,572	15,712	211,219	319,695
<b>TOTAL FUNDS</b>	2,299,177	2,074,623	2,237,478	213,163	-	2,349,485

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

The Trustees have created the following designated funds:

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**24. Analysis of charitable funds (continued)**

- 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.

Restricted funds comprise of:

- ii. **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.
- iii. **Local authority grants** are provided to fund the provision of support services in their given area,
- iv. **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.
- v. **Tayside Development Officer** is specific donations received to support their work.
- vi. **Fife Sensory** project is to assist in the development of a sensory service in Fife.
- vii. **Building fund** represents a donation towards the development of the Learning Centre.
- viii. **Sound Sense** is a befriending project for deaf people in Dundee.
- ix. **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.
- x. **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.
- xi. **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.
- xii. **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.
- xiii. **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.
- xiv. **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 2018**

**24. Analysis of charitable funds (continued)**

- xv. **Learning centre** project funding is used to support the development and operation of the Learning Centre at Albany Street.
- xvi. **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.
- xvii. **Training** – funding to provide BSL training courses for staff and members of the public.
- xviii. **Community Jobs Scotland** – Funds managed by SCVO for the employment of a marketing apprentice for one year April 2017 to March 2018.
- xix. **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.

**25. Net assets over funds**

	<b>Unrestricted Funds 2018 £</b>	<b>Restricted Funds 2018 £</b>	<b>Total 2018 £</b>
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>

	<b>Unrestricted Funds 2017 £</b>	<b>Restricted Funds 2017 £</b>	<b>Total 2017 £</b>
Tangible assets	532,479	-	532,479
Investments	1,698,218	-	1,698,218
Stocks	4,678	-	4,678
Debtors	394,262	-	394,262
Cash	160,464	319,695	480,159
Creditors falling due within one year	(280,311)	-	(280,311)
Creditors falling due after more than one year	(480,000)	-	(480,000)
	<u>2,029,790</u>	<u>319,695</u>	<u>2,349,485</u>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net (expenditure)/income for the year (as per the Statement of Financial Activities)	(129,740)	50,308
Adjustments for:		
Depreciation charges	33,145	33,400
Dividends, interest and rents from investments	(52,165)	(47,830)
Loss/(gain) on investments	53,166	(230,163)
(Gain)/loss on pension scheme	(7,000)	17,000
Loss on the sale of fixed assets	-	293
(Increase)/decrease in stocks	(5,012)	776
(Increase) in debtors	(30,973)	(77,732)
(Decrease) in creditors	(43,297)	(45,508)
<b>Net cash (used in) operating activities</b>	<b>(181,876)</b>	<b>(299,456)</b>

**27. Analysis of cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash in hand	304,724	480,159
<b>Total cash and cash equivalents</b>	<b>304,724</b>	<b>480,159</b>







**Deaf Action**

**49 Albany Street**

**Edinburgh**

**EH1 3QY**

**Telephone: 0131 556 3128**

**Registered Company No: SC396876**

**Registered Charity No: SC009898**

[www.deafaction.org](http://www.deafaction.org)