

CHARITY NO: SC009898

COMPANY NO: SC396876

DEAF ACTION

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

DEAF ACTION
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	PAGE
Reference and Administrative information	1
Report of the Trustees	2-32
Independent Auditor's Report	33-36
Statement of Financial Activities	37
Balance Sheet	38
Cashflow Statement	39
Notes to the Financial Statements	40-59

DEAF ACTION
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Rosie Addis Keith Hyland William Nicol Tania Allan Trudi Collier Russell Clark (Appointed 15/04/2021) Alison Dines (Appointed 15/04/2021) Nicola Hancock (Appointed 15/04/2021) Roger Beeson (Appointed 08/09/2021)
Company Secretary	Philip Gerrard
Principal Office	49 Albany Street Edinburgh EH1 3QY
Charity Number	SC009898
Company Number	SC396876
Independent Auditors	Wylie & Bisset (Audit) Limited Chartered Accountants 168 Bath Street Glasgow G2 4TP
Bankers	Bank of Scotland PO Box 10, St Andrew's Square Edinburgh EH2 2YR
Solicitors	Morton Fraser LLP Quartermile Two 2 Lister Square Edinburgh EH3 9GL
Investment Advisors	Brewin Dolphin 7 Drumsheugh Gardens Edinburgh EX3 7QH

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021

The Board of Trustees of Deaf Action present their Annual Report together with the audited financial statements for the year ended 31st March 2021.

Financial Statements

The financial statements have been prepared in accordance with the accounting polices set out in Note 1 to the accounts and comply with the charity's Memorandum & Articles, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Reference and Administrative Details

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

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

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

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

Chief Executive Officer's message

As a charity organisation for deaf people across Scotland, we provide support, advocacy, connection, and skills to ensure we are always working towards our fundamental goal of improving the quality of life for deaf people in Scotland. Deaf Action had to undergo changes in how we achieve this objective in the light of the Covid-19 crisis. It is a testament to the staff's ability and adaptability that Deaf Action has continued to deliver services as well as develop new projects to meet the needs of the deaf community during the pandemic. I recognise that furlough represented different challenges for our all of staff and I wanted to thank all the staff including our volunteers, board staff, and service users for overcoming the challenge together. I want to especially thank the frontline staff; they were the ones who incurred the additional risk selflessly to resume some of our most crucial services.

I am an advocate of looking after both your physical and mental health and Deaf Action will continue to prioritise this for both our staff and service users as the pandemic continues to unfold across the globe.

DEAF ACTION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Having undergone a well-received website launch, and the implementation of Office 365 during the year, we will start 2021-22 with a strong community, reputation, and ability to deliver our services to members, adapting to changing circumstances as required.

As the world moves into a new post-pandemic landscape, we will continue to support both our staff and service users to ensure the best quality of life possible.

OVERVIEW – OBJECTIVES & ACTIVITIES

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

Deaf Action is the very first formally constituted deaf organisation in the world. For over 185 years, it has been at the forefront of progress and change within the Deaf community. We are proud of our status as a deaf-led and user-led organisation, leading by example with a Deaf Chief Executive Officer and a Board that is 80% deaf. At present, 43% of our workforce is deaf. We believe that this allows us to honestly posit ourselves as experts on deafness.

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

There are an estimated 945,000¹ people living with some form of hearing loss in Scotland. Of this figure, it is estimated that 76,000 people have severe to profound hearing loss, and 567,500 people need hearing aids. This number is set to grow with a fast-growing ageing population. It is estimated that there are at least 3,174 deaf children across all 32 Local Authorities in Scotland².

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

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

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

DEAF ACTION (A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Deaf Action offers the following specialist services:

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

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

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

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

Deaf Action welcomes this progress and is working closely with key stakeholders to help realise the aims and objectives of the BSL National Plan 2017 – 2023⁴. 2020/21 has been a year for implementing changes with the launch of Deaf Action’s Strategic Framework for 2019-2024. These changes have included a restructure of senior management, streamlining operational management, and a revision of the fundraising strategy. We now have an in-house HR manager and the Professional Development Review process has been rolled out with great feedback and success.

The integration of Office 365 across the organisation has proved successful and popular, improving efficiency in communication and operations. Thanks to our IT infrastructure, Deaf Action was able to respond effectively to COVID-19 with staff able to work remotely without issue, minimising the potential impact on services and ensuring sustainability.

We have also looked closer to home with a trustee skills audit to identify existing and desired skills to inform the recruitment of new trustees in the previous year, we have achieved this by recruiting new trustees that we believe will both maintain the integrity of our organization and represent the deaf community.

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

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

DEAF ACTION (A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Our core services have suffered from the limitations imposed by the Covid-19 pandemic; however Deaf Action takes the firm stance that we have done well in maintaining our services as well as the development of new projects designed to assist those with Covid-19 related issues such as our Wellbeing service. On top of this, we have had a successful website launch, a well-received clear mask campaign as well as developing our strategies in fundraising and marketing. Despite the challenges, some of our services have excelled such as the Youth Service increasing their outreach by 12%, Multimedia & Translation experiencing 54-57% increase in production despite a drop in clients, and a 28% increase in volunteering hours.

This year has been a year of positive change, the results of which are already being seen and felt throughout the organization. The Board looks forward to presenting the fruit borne of these changes in the next financial year 2021/22, highlighting the sustainability and essentiality of Deaf Action particularly in the face of COVID-19, uncharted waters for all.

VISION, MISSION & VALUES

Vision

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

Mission

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

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

Values

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

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

These values are as follows (TICK):

Trustworthy

Inclusive

Compassionate

Knowledgeable

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

STRATEGIC & BUSINESS PRINCIPLES

Strategic Aims

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

Business Principles

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

Working Practice

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

Merger with [sonus]

Deaf Action is grateful to The National Lottery Community Fund for funding to explore the potential benefits of merging with [sonus]; a charity supporting deaf people based in the South of England. The funding contributed towards extensive due diligence with adequate regard into the best interests of our beneficiaries and the strengthening of the services provided by both charities.

Deaf Action acquired [sonus] on 1st September 2021 following completion of the legal process.

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

ACTIVITIES – ACHIEVEMENT & PERFORMANCE

Services

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

Our service portfolio consists of a communication agency, specialist equipment provision, multimedia & translation (BSL video production), a social care team, support services including self-directed support and independent living, and training which includes courses in British Sign Language, lipreading and deaf awareness.

Furthermore, we have a BSL Partnership project in which we focus on two specific outcomes for the BSL National Plan 2017-23 working with 48 further and higher education institutions to improve deaf students' experiences, and working with public bodies to better meet their obligations in relation to the BSL (Scotland) Act 2015.

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

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

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

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

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

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Communication & Interpreting

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

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

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

Awarded ISO9001:2015 accreditation in December 2018, the agency has maintained this standard, meaning we can be relied upon to operate to the highest technical and ethical standards in accordance to communication professional standards.

We provide information, as seen on our website, including deaf awareness, communication awareness, and how to use communication professionals.

Figure 1 - Communication Bookings Information 2018/19, 2019/20 & 2020/21

	Fulfilled Bookings	Total Hours	Unfulfilled Bookings
2018/19	3,328	9,565	232
2019/20	3,160	8,738.25	232
2020/21	1,530	4,183	105

As *Figure 1* shows, there is a 51.6% decrease in the number of fulfilled bookings and 52.1% decrease in the hours of work undertaken. This is due to COVID-19 with cancelled bookings as a direct consequence. This service has since moved online where possible to allow us to continue provision of communication access – vital in this unprecedented time with the inevitable impact on deaf and disabled people. There were minimal bookings during the first lockdown leading to the furlough of the entire inhouse interpreting agency staff. The transition from face-to-face interpreting to online interpreter presented a challenge for our staff but Deaf Action are proud to say that our staff quickly became proficient at this in part to the Office 365 rollout in the previous year. Deaf Action can also be proud of the work carried out with; The Scottish National Party, Inclusion Scotland, Royal Conservatoire of Scotland, NHS Lothian, University of Edinburgh, City of Edinburgh Council, Human Rights Commission.

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

There is an acute shortage of interpreters and communication professionals in Scotland, so Deaf Action is proud to continue to deliver this service despite the challenges posed. The Scottish Government is aware of this shortage and commissioned the Landscape Review⁶ as part of the BSL National Plan 2017-2023 to explore BSL interpreting in Scotland. Deaf Action made a major contribution to the Landscape Review. We took the opportunity in 2019 to review the service, with plans to develop a professional development programme in which we take on trainees and newly qualified interpreters and support them in a journey towards excellence in interpreting standards. Unfortunately, Covid-19 put the brakes on the professional development programme, Deaf Action will continue to pursue this but remain ever vigilant to keep our interpreting staff and clients safe first and foremost.

Specialist Equipment Provision

Deaf Action provides specialist equipment catering to the needs of deaf and hard of hearing individuals as well as organisations that need to comply with accessibility requirements under the Equality Act 2010.

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

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

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

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

Our Head Office in Edinburgh is a registered BT Try Before You Buy centre. This centre is a part of our Display Room which showcases the equipment we have available. All the telephones we have on offer are hearing aid compatible and designed to be used by those with a hearing loss.

⁶ <http://bslscotlandact2015.scot/landscape-review/>

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

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

Figure 2 - No. of Assessments for each Local Authority 2018/19, 2019/20 & 2020/21

	Aberdeenshire	City of Edinburgh	Midlothian	East Lothian	West Lothian	Total
2018/19	145	241	65	53	44	548
2019/20	196	249	65	53	44	649
2020/21	N/A	127	28	33	N/A	188

As *Figure 2* shows, there is a decrease of 71.03% in equipment assessments from the previous year.

We also provide equipment information and advice drop-in sessions across eight towns in Aberdeenshire. This is a traditionally consistent and popular service, but we have been unable to provide the drop-in sessions due to Covid-19 and a reduction in home visits with the table below showing a decrease of 12.1% in home visits. The 25% decrease in referrals can also be attributed to the global pandemic. However, we have adjusted our approach in Aberdeenshire and provided doorstep hearing aid maintenance to those who could not access audiology services. These has been noted as home visits/referrals. This is a testament to Deaf Action's ability to adjust and identify gaps in services that deaf people needs and to deliver that service.

Figure 3 - Equipment Referrals & Home Visits Aberdeenshire 2018/19, 2019/20 & 2020/21

	Referrals	Home Visits
2018/19	497	294
2019/20	436	331
2020/21	327	291

Deaf Action will continue to provide specialist equipment services while looking to modernise services further as part of the strategic framework and business plan for Deaf Action. This is especially prudent in the face of COVID-19 where services are primarily online, we must always look ahead to identify areas of development where we can optimise our specialist equipment services but not at the expense of our service users or staff's health and wellbeing.

DEAF ACTION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Multimedia & Translation (BSL Video Production)

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

As a result of our training programme, we have several skilled deaf presenters who we employ on an ad hoc basis to translate on camera. This supports our charitable aims in that we are empowering the deaf community and creating employment opportunities. We had to adjust our filming method during the April-July (2020-21) by providing our filming staff with the means to make their own recordings at home in order to ensure the safety of our staff and clients alike.

Since its launch in 2016, this service has gone from strength to strength. Deaf Action have worked with the Scottish Government, Inclusion Scotland, NHS Health Scotland and many local authorities. It appears that we have now established a core client base with consistent output as seen in the table below.

Figure 4 - Multimedia & Translation Figures 2018/19, 2019/20 & 2020/21

	Clients	External Clips	Internal Clips
2018/19	41	169	52
2019/20	29	171	51
2020/21	25	375	120

Multimedia has seen a significant increase in demand (54.4% increase in External Clips) from clients such as NHS Scotland, Councils and Scottish Government due to the volume of Covid-19 information that was being disseminated to the public and thus required BSL translation. A similar increase can be seen in Internal Clips (57.5% increase) as Deaf Action worked around the clock to ensure the deaf communities across Scotland had access to vital information during the Covid-19 pandemic.

Befriending (Sound Sense)

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

All staff and volunteers are subject to PVG checks and undergo training from Deaf Action.

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

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Figure 5 - Total Volunteer Befriending Hours & Beneficiaries 2018/19, 2019/20 & 2020/21

	Total Beneficiaries	Total Befriending Hours
2018/19	95	1890
2019/20	97	1645
2020/21	92	2106

Figure 5 shows a 28% increase in volunteer befriending hours from the previous year. Whereas there was a decrease in total beneficiaries, this can be attributed to the difficulty of accessing service users in remote areas without internet or technology understanding. Deaf Action has recognised that lockdown exacerbated an already existing isolation issue in the deaf community, so we made successful applications to the Connecting Scotland and Everyone Connected schemes, resulting in us being provided with 100 iPads, 15 Lenovo tablets and 2 years' worth of mobile data for every recipient. We have distributed those devices across Edinburgh, the Lothians, Tayside and Fife, making significant progress to close the digital divide for the deaf community. This project also made our new digital services (online counselling, online befriending, online group activities) accessible for a new audience. We have also provided 145 hours of BSL counselling supporting 12 people with our online counselling service.

Social Care

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

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

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

Figure 6 - Social Care Assessments & Duty Sessions 2018/19, 2019/20 & 2020/21

	Assessments & Reviews	Duty Sessions (Total No. of People)
2018/19	57	628
2019/20	54	883
2020/21	12	753

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

As can be seen from *Figure 6*, there is an 80% decrease in assessments & reviews compared to the previous year, and a 76.7% decrease in the number of people attending duty sessions. The drop in both figures are attributed to the Covid-19 crisis where services were reduced during lockdowns and social restrictions.

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

Figure 7 - Interpreting Duty Sessions 2018/19, 2019/20 & 2020/21

	Interpreting Duty Sessions	Total Attendance
2018/19	102	134
2019/20	102	178
2020/21	108	92

As can be seen, there has been an increase of 48.3% in attendance/beneficiaries for despite the same number of interpreting duty sessions.

There is a consistently high demand for social services support with a lack of specialist knowledge in deafness within many social services.

Support Services

Deaf Action provide support services for vulnerable deaf people who may need additional support to live independently. SSSC registered, this service can be via self-directed care, outreach support and independent living.

We support people in 14 flats within the 120 flat Dunedin Canmore Housing Association development at Slateford Green in Edinburgh.

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

Figure 8 - Total Support Hours & Beneficiaries 2018/19, 2019/20 & 2020/21

	Outreach & Support Hours	No. of Beneficiaries
2018/19	28,227.25	59
2019/20	27,818	60
2020/21	24,149	51

DEAF ACTION (A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Following on from a year of major changes implementing a staffing restructure and a new database allowing for a streamlined management, Deaf Action acknowledges that the fruits of their labour has not prevailed in 2020/21 as evidenced in Figure 8 with decreases in figures. This is due to the Covid-19 crisis and the sad circumstances of clients deceasing throughout the year. However, we received a positive report from the Care Inspectorate and developed our Training programme, so the staff are of the highest quality. Deaf Action are confident that the support services will only continue to grow and develop ensuring service users are receiving the best quality support they need to be empowered and develop as individuals.

Training

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

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

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

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

Figure 9 - Deaf/BSL Awareness Course Delivery & Attendance 2018/19, 2019/20 & 2020/21

	BSL Awareness Courses	Deaf Awareness courses	Bespoke Deaf Awareness Courses	Total Courses Delivered	Total People Attended
2018/19	9	N/A	17	26*	337
2019/20	16	N/A	6	22	151
2020/21	11	36**	2	49	529
	* Funding for CAB & BSL Partnership ended in 2018/19 which explains the lower total of courses delivered in 2019/20 ** As a result of a short-term project (Equality in the Workplace)				

DEAF ACTION (A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

The growing profile of BSL due to the BSL (Scotland) Act 2015 has been reflected in this year's statistics following an increase in total courses delivered and an increase in total people attended. The increase can be partly attributed to the successful trial of our rebranded, revamped deaf awareness training method. Deaf Action recognises the importance of making our training accessible and engaging for the wider audience and this is reflected in our statistics for 2020/21.

Figure 10 - BSL Course Delivery & Attendance 2018/19, 2019/20 & 2020/21

	Intro to BSL	Level 1 BSL	Level 2 BSL	Level 3 BSL	Taster Sessions	Total Courses Delivered	Total Attendance
2018/19	4	4	3	1	7	25*	276
2019/20	5	4	3	1	6	39**	503
2020/21	3	3	3	1	2	14	90

* Total for 2018/19 includes two family BSL classes, one course for medical students & three bespoke BSL courses.

**Total for 2019/20 includes one course for Edinburgh University, one course for the Grassmarket Community Project, and twelve classes for George Watson College (240 pupils).

As evidenced by Figure 10, we have seen a reduction of 82% and 56% in total attendance and total courses delivered, respectively. We had to move all classes online and this presented a challenge as both teachers and pupils had to adjust their teaching/learning approaches. This understandably led to a drop in demand and while we struggled to meet the minimum pupils needed to run classes, there has only been a pronounced drop in taster sessions delivered which is a small positive. As the world slowly returns to normality, there is a longer than usual waiting list for BSL classes as people clamour to take advantage the possibility of face-to-face teaching making a return. As always, Deaf Action will take every precaution to protect both staff and clients and we will always be vigilant in moving services away from online.

Lipreading

Classes are held in Tayside, Fife and Edinburgh, with eight classes offered in total.

Figure 11 - Total Attendance for Lipreading Classes 2018/19, 2019/20 & 2020/21

	Total Attendance
2018/19	113
2019/20	100
2020/21	0

DEAF ACTION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Deaf Action's lipreading services have seen significant change this year.

A report by the Scottish Lipreading Strategy Group⁷, funded by the Scottish Government, recommends that lipreading classes are offered for 2 years. These recommendations are influenced by the See Hear Strategy⁸ care pathway. Based on this, we introduced a model for fixed-term lipreading courses, after which they will become peer-led. The aim is to empower individuals while creating sustainability with tutors moving on to new cohorts.

This model means that more people will benefit from lipreading courses. We have already seen success with an established group transitioning from tutor-led to peer-led and subsequent reports of increased confidence with members taking turns to lead. Moreover, our class in Dundee was full without any advertisement. This demonstrates the demand for lipreading, with more people developing hearing loss.

Despite the official statistic being zero, the staff has toiled keeping in contact with students, providing learning materials through email or postage and trialling zoom for a small number of students on a fortnightly basis. However, Zoom was not well received when we asked students if they wanted to try Zoom for lessons. The department was diligent and worked hard to try providing lipreading classes as soon as possible, working with other lipreading lessons providers to work together through the crisis and there will be a meeting with Lipreading Tutors planned for end of April 2021. A realistic aim to resume lipreading lessons as of writing this report would be August 2021.

A valuable service that has been yet another casualty of Covid-19, Deaf Action will hope to resume the success of the previous year's once it is safe to do so.

Youth Services

The aim of this service is to provide activities for young people aged between 10-18 who are deaf. This is made possible by a range of grants and donations. Our activities provide the opportunity for deaf children to get together and share experiences and - most importantly - enjoy themselves.

Over 90 children are registered with Deaf Action's youth service. These children have a diverse range of hearing loss and communication modalities.

Figure 12 - Total Youth Activities & Beneficiaries for 2018/19, 2019/20 & 2020/21

	Activities	Beneficiaries
2018/19	21	207
2019/20	43	548
2020/21	4*	624

⁷ http://www.scotlipreading.org.uk/files/1914/2686/1587/On_everybodys_lips_-_report.pdf

⁸ <https://www.gov.scot/publications/see-hear/>

DEAF ACTION (A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

**Friday youth club included as a single activity - a weekly occurrence with an average of 12 people attending each week via Zoom.*

The Youth Service was severely affected by both national lockdowns and the subsequent social restrictions. Deaf Action regrets to share that 90% of our activities were initially cancelled as a result. The activities included trips, events, empowerment courses and the annual residential camp.

Moving forward, we established an online youth club that occurred weekly to keep the young people in touch with each other and to tackle the issue of isolation during lockdown. This has been a relatively successful endeavour as we experienced an uptick in attendance and deaf young people outreach (12% increase) as the travel time factor was eliminated and the young people savviness with adapting to online services.

Deaf Action set up and ran 2 x 10 weeks Family BSL courses which were open to all families with a deaf young person so they can all learn BSL at home improving communication and wellbeing. This had a pleasant knock-on effect on the weekly online Youth Club where it was reported the usage of BSL increased allowing those to communicate with each other directly rather than through an interpreter. Deaf Action also organised digital escape rooms and online seasonal parties (Halloween and Christmas) of which was well received by the young people.

The Youth Service is eager to resume activities again so we can support young deaf people in empowerment and developing a positive deaf identity, we do not yet know the full impact of the crisis on young deaf people in Scotland, which is makes it more important to resume services as soon as possible with hopes of the annual residential camp resuming in August 2021.

Community Services

2020-21 has been a year of growth for Deaf Action's grant funded services and projects.

In line with our fundraising strategy, we have been successful in obtaining grants to carry out projects that Deaf Action feels will sustain and improve the lives of deaf people in Scotland. We have recruited a Community Services manager to ensure that we are able to deliver the projects as this was an area of risk identified in 2019/20. With each project comes an opportunity to train and upskill our staff such was the case with BrightDeal where five of our staff had to obtain the Energy Advisor Level 3 qualifications. Four of those staff were deaf, Deaf Action are committed to improve the lives of deaf people in Scotland, service users and staff alike.

Deaf Action are proud to have achieved this despite the global pandemic, we can only predict further growth as we continue to create new positions in both fundraising and projects teams to ensure that the supply of projects meets the growing demand as the world returns slowly to normality.

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Project title	Summary
BSL Partnership projects	To improve BSL access around Scotland in accordance with the BSL Act 2015
Sound Sense	To reduce isolation for deaf adults in the Dundee area
Youth Service	Improve deaf young people's confidence, resilience, and self esteem
Caterpillar to Butterfly	Young People are empowered to fulfil their potential
Family BSL classes	To improve communication for deaf people with their families.
Adviceline	To provide advice services to deaf people in Scotland & N.Ireland in BSL
Wellbeing and Online befriending	To offer a range of activities designed to support; mental wellbeing, social isolation, and digital exclusion
Safe & Sound	Over 12 months, we will create and maintain a toolkit to support Scottish landlords and tenants, either one of whom could be affected by hearing loss.
Dundee Money Advice	To improve deaf people's access to financial information
Connecting Scotland – Edinburgh	To give older deaf people access to online communication and social channels to reduce isolation
Connecting Scotland – Dundee	To give older deaf people access to online communication and social channels to reduce isolation
Everyone Connected	To give deaf people access to online communication and social channels to reduce isolation
Keep in touch boxes.	To keep in contact with service users who are having to shield during COVID-19 & maintain our relationship with them.
Bright Deal	To empower deaf and hard of hearing people living in Scotland to engage with the energy market from an informed position of strength so that they may save on energy bills, understand their energy usage, and live more comfortably with less anxiety around energy bills.
Equality in the Workplace	To deliver deaf awareness training to 30 employers across Scotland to improve access and awareness in the workplace for deaf people.

DEAF ACTION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

KEY ACHIEVEMENTS

We are extremely proud of our continuing success as the leading deaf organisation in Scotland. We believe the achievements outlined below highlight our strength in community engagement and specialist service provision.

- The ongoing development of Deaf Action's staff has been particularly notable in Specialist Equipment's department where 4 members of the team gained City and Guilds Level 3 Award in Energy Awareness.
- In the light of the Covid-19 pandemic, Deaf Action campaigned for clear facemasks to improve accessibility which had measured success with the Chief Executive appearing on BBC Breakfast twice and BBC2 London Radio.
- In a long year of muted social interactions between staff, Deaf Action organised a virtual escape room, Ho Ho Ho-home online Christmas party and an online Halloween party.
- Deaf Action has made good progress in its plan to implement several components of one database (phased launch due to sheer volume) to cover a number of services such as marketing, fundraising, specialist equipment, interpreting and enquiries/general database.
- Deaf Action launched a new website which has been met with positive results.
- Big thanks to Polworth Church women's guild for their generous donation. This has been used to purchase an allotment on the Slateford Green site so clients can grow their own vegetables.
- The Slateford Green staff has all completed GDPR and Challenging Behaviour training. Four of the staff has achieved SVQ Level 2.
- We delivered a programme of Deaf Awareness Training to over 400 delegates representing a range of employers from all 4 sectors. The aim was to improve employers' understanding of deafness and to make the positive case for recruitment of deaf staff. The evaluation data from the programme confirmed that we were successful in our aim, with 85% of delegates reporting that they were more motivated to recruit deaf staff.
- We distributed 125 iPads and tablets and mobile data packages to the community with support from Connecting Scotland and Barclays Everyone Connected
- We established a Wellbeing Service to respond to the needs of people experiencing isolation during lockdown. Given the demand for this service, we now have plans to retain it as a permanent part of our offering.
- We secured funding from the Energy Redress Scheme to launch our new service, Bright Deal, offering advice and support to help people reduce their home energy bills.
- Our Interpreting and Video Production Services were appointed to the Scottish Police Authority Framework for the next 3 years, and we are now the preferred suppliers to the Scottish Court Service and COPFS for interpreting services.
- We secured funding from BBC Children in Need and YouthLink to expand our youth service, offering targeted support to close the attainment gap for young deaf people and to support them to achieve a positive destination after school.

DEAF ACTION (A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

- We created a new post of Community Services Manager to support our ambitious plans for growth of our grant funded services and to improve our monitoring and evaluation procedures, ensuring maximum impact in all that we do.
- In partnership with Safe Deposits Scotland Foundation, we developed our Safe & Sound project, supporting landlords to ensure that their private rental properties are safe for deaf tenants, and to raise deaf awareness across the sector.
- We were appointed to new frameworks in Glasgow City, Dundee City and North Lanarkshire to deliver support services to vulnerable deaf adults and young people.

UNDERPINNING ACTIVITIES

Marketing & Social Media

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

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

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

During 2019/2020, marketing efforts focused on increasing engagement in the community and developing new brand values for the charity.

Through undertaking in-depth brand immersion research, it allowed Deaf Action to confirm our credibility and highlight our position in the marketplace whilst promoting our new values: Trustworthy, Inclusive, Compassionate & Knowledgeable (TICK)

Brand research highlighted the need for more consistency across the charity's communications channels. This saw the development of new marketing materials for services and social media guidelines to support staff in promoting Deaf Action and remain on brand.

Social media efforts focused on increasing engagement within the community and building reciprocal relationships with other providers in the deaf community. Not only did this increase engagement on posts but also drove more traffic to the website which now equates to 18% of traffic referrals (up from 7% in the previous year).

DEAF ACTION (A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Deaf Action is proud of our engagement with the community and stakeholders, with over fifteen thousand followers on Twitter and a high engagement rate on both Twitter and Facebook which has increased by 28% in the past year.

Going forward, the marketing team has highlighted the need for further development to the website and plans to develop a digital and search engine optimisation strategy, which will focus on pushing organic traffic to the website. It will continue to build upon its successful social media engagement.

Fundraising

Acting on recommendations from an independent fundraising consultant following our restructure of the fundraising team in 2019/20, we have recruited a Trusts and Grants fundraiser with plans to create a Community Fundraiser position in 2021/22.

Deaf Action devised the 2020/21 Fundraising strategy plan to be carried out over the next 3-5 years. The overall aim of the strategy is to raise sufficient funds to:

- Reduce the operating deficit with the goal of generating an operating surplus.
- Build reserves back up to the target level of 9 months' operating costs.
- Sustain and/or develop existing projects.
- Develop new projects and services in line with strategic aims.
- Improve and maximize use of Albany Street HQ.

Deaf Action has recognised that whereas a historical trading deficit may have been tolerated in the past, the primary focus must be to achieve a trading surplus and to replenish our reserves. This must be achieved for Deaf Action to move forward as an organisation and shift our focus onto the 2020/21 fundraising strategy plan, it is for this reason that 2020/21 may be best characterised as a transition year.

As we move forward and leave the trading deficit in the past, we must keep reminding ourselves that fundraising should only ever have one purpose – to enable us to deliver our mission. We should always be focused on how the funds raised will bring tangible benefits to our clients. The Fundraising Strategy will be refreshed for 2021/22, to reflect a greater emphasis on growing and improving our services, and most importantly, reaching more people.

The fundraising strategy consists of several fundraising types but due to the fundraising team not operating at the envisioned maximum capacity, the focus has been on grant funding for 2020/21 with a target of **£250,000** towards core costs. The team has managed to procure **£167,480.08** which is **66.9%** of the target achieved. There are a few things to consider here, the total amount raised was **£232,665.05** which is **93%** of target. We have allocated £65,184.97 to the next financial year as part of our drive to adjust to a more sustainable model that will allow us to move away from relying on grants to supply core costs. The T&F fundraiser joined on 1 May 2020, so this only reflects 10 months performance instead of the usual 12 months.

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

The sum of all funds secured through grants over the last 10 months is **£621,857**, this is an above average figure for a single T&F fundraiser. This stands Deaf Action in good stead in the future as we have identified the fundraising team as an area of growth.

We will create further positions in the fundraising team and move onto a more sustainable model so we can focus on the Fundraising strategy 2020/21 which will generate further income so we can continue to deliver impactful, high quality services to deaf people.

Networking

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

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

Deaf Action is also a member of a national forum of CEOs of regional deaf organisations (COG).

We work with local statutory organisations, voluntary sector organisations, and community groups. Business networking is achieved through our membership with the Chamber of Commerce.

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

Deaf Action has struck up a successful partnership with Heriot Watt University working with those who are training to be BSL interpreters. We engage the students with Service-Learning Projects relevant to the deaf community to enrich their learning experience.

The summer of 2019 saw huge success in engagement with Edinburgh Festivals, with our interpreting and multimedia & translation services utilised, and networking with prominent individuals in the arts and culture sector. This led to the development of "Deaf Festival", a proposed project for the summer of 2020, with Deaf Action to become a central hub and information venue for deaf artists and visitors. Due to Covid-19, this has been delayed until Summer 2022.

As part of Deaf Action's CEO ongoing development that is essential for Deaf Action as an organisation to grow and become more efficient. Deaf Action are a new member of the ACEVO organisation.

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

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

QUALITY ASSURANCE

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

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

We hold the following standards:

ISO9001:2015 for our Communication and Interpreting Agency

SQA Accredited Course Provider

Investors in People (due for review in October 2020)

Living Wage Employer

All staff are subject to PVG checks.

Community outreach and care services are registered Scottish Social Services Council (SSSC).

Trustees are subject to regular skills audits and receive governance training.

All IT systems and databases are GDPR compliant.

All staff are expected to undergo deaf awareness/BSL training as part of their induction and professional development.

All interpreters and communication professionals are registered with the relevant professional bodies.

We took part in the Skills for Growth programme funded by Skills Development Scotland and successfully delivered the action plan.

As part of our quality assurance process and our commitment to the organisational values (TICK), we implement Duty of Candour procedures for our health and social care services. This supports a culture of learning and growth.

DEAF ACTION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

GENDER PAY STATEMENT

Deaf Action employed a total of 76 staff throughout the year – the average number employed however was 60 – increasing to a peak of 65 at March 2021.

From the 76 employed 72% were female (56) and 28% male (20).

The total payroll was £1.3m – an average of £17,253 per post.

Male staff were paid 28% (£371,941 an average of £18,597 per post).

Female staff were paid 72% (£939,305 an average of £16,773 per post)

Full time/Part time ratio was 48%/52%.

Female staff represented 74% of total staff but received only 72% of the payroll mainly due to the numbers employed in care roles.

Male staff represented 26% of total staff but received 28% of payroll because they were on average in advanced roles.

The Senior Management Team has remained 5 posts including the CEO who is Male. The other posts are represented by 2 Male and 2 Female managers.

Deaf Action is committed to Gender Equality.

COMPLAINTS & SERIOUS INCIDENTS

As part of our quality assurance process, we wish to be transparent and proactive about meeting our customers' needs.

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

Figure 14 - Complaints Received/Resolved 2018/19 & 2019/20

	Complaints Received	Resolved
2018/19	28	26
2019/20	12	12
2020/21	4	4

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

As required by law, Deaf Action must comply with the Duty of Candour for its health and social care services and report any incidences that have occurred. In 2018/19, 2019/20 & 2020/21 there were zero incidents.

Figure 15 – Duty of Candour Reporting – Total Incidences for 2019/20 & 2020/21

Type of unexpected or unintended incident	Total Occurrences
Someone's sensory, motor, or intellectual functions is impaired for 28 days or more	0
Someone experienced pain or psychological harm for 28 days or more	0
A person needed health treatment to prevent them dying	0
A person needing health treatment to prevent other injuries	0
Someone has died	0
Someone has permanently less bodily, sensory, motor, physiologic or intellectual functions	0
Someone's treatment has increased because of harm	0

FINANCIAL REVIEW

The accounts this year show an increase in total funds of £228,290 to £1,960,587, up from £1,732,297 in March 2020. From a trading perspective Deaf Action traded at a loss of £79,377 but benefited from increased valuations in our investment portfolio and pension deficit scheme totalling £307,667.

Our income for the year decreased to £1,860,976, a decrease of more than £250k from £2,114,044 last year.

Our staff costs reduced by £112k to £1.31m (£1.42m 2019/20). Deaf Action remains committed to being a Scottish Living Wage accredited employer and as a result many staff received an above inflation increase in April 2021.

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Our main source of income continues to be from Local Authorities namely City of Edinburgh, Aberdeenshire, Dundee, East Lothian, Midlothian and West Lothian for Support, Social Care and Equipment services for people who are deaf or hard of hearing. We were pleased to receive full support from these Local Authorities during the year amidst the global pandemic and would offer additional thanks to our staff and volunteers who continued to support service users in their homes and online.

Deaf Action recognises the financial challenge that was presented to the organisation for 2020/21 and we are proud to state that we are in a desirable position for the year 2021/22 with long term investments made into key infrastructure and development of several projects this year resulting in an increase in total funds, the further development of the fundraising team will only reap dividends in the new financial year.

Investment Policy

The investments of Deaf Action and Deaf Action Tayside portfolios are actively managed with the aim of generating a total return from a combination of income and capital growth. The investments are well diversified across different asset classes, underlying sectors, and geographies.

As at 31 March 2021, the portfolio was valued at £1,580,189, representing an increase of 25.9%, in total return terms over the financial year, compared with a 23.5% increase in the Brewin Dolphin Risk Category 6 Benchmark (on a scale of 1-10). The Deaf Action Tayside portfolio was valued at £104,063 and generated a total return of 22.0% over the same timeframe. The level of income generated by the portfolio fell over the 12-month period as the dividends paid by companies fell back as a result of the Coronavirus pandemic and associated lockdown. This was more than made up for, however, by the capital growth over the period.

This reporting period encompasses a period of substantial growth in equity markets, starting with the rebound from the initial impact of Covid-19 on equity markets in the first quarter of 2020. Since then, we have seen a new President in the United States, a signed Brexit agreement, and the announcement and administration of a range of vaccines to tackle the Covid-19 virus. Deaf Action's assets are invested in line with its aims and specifically investment in companies where the majority of turnover comes from tobacco, armaments or gambling are excluded. The Trustees meet annually with the investment manager and are comfortable that the long-term strategy remains appropriate.

Our last withdrawal from the portfolio was in December 2019.

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Reserves Policy

Our total funds at 31 March 2021 increased to £1,960,587 of which £118,641 is made up of restricted funds and £1,841,946 unrestricted funds. Of these unrestricted funds £497,156 is represented by fixed assets currently used by the charity and £25,000 for a new database and these funds are therefore not free to be spent on our charitable work. This leaves £1,319,790 of free unrestricted reserves at the year end.

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

The Trustees current policy is to achieve free reserves equating to 9 months of annual expenditure. The trustees consider that reserves at this level will be sufficient to ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current specialist activities (due a to lack of alternative skilled providers) while consideration is given to ways in which additional funds may be raised or services transferred to other providers. The current free reserves are therefore underfunded by £135,475.

Breakdown of funds held on 31 March 2021:

		Notes
Total funds of the charity	£1,960,587	
Less: restricted funds		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.
	<u>£118,641</u>	
Total unrestricted reserves	£1,841,946	
Less: unrestricted tangible fixed assets		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
	£497,156	
Less: amounts designated for essential future spending		Designated funds to complete integration of Database and Accounting System which started 2020.
	<u>£25,000</u>	
Free reserves (£)	<u>£1,319,790</u>	
Annual expenditure	£1,940,353	
Target reserves	9 months	
Equating to £	£1,455,265	(9/12 Annual expenditure = target)
Current Shortfall	<u>£135,475</u>	Target less free reserves = shortfall

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Note on Terminology

Reserves: These are the funds that Deaf Action has which can be spent on any of our charitable purposes quite legitimately.

Restricted income: funds given to Deaf Action either from any source if they are for specific purposes for example – the youth project – then they can only be used for this purpose.

Unrestricted income: Funds given to Deaf Action that are not given for any specific purpose can be used for anything that Deaf Action choose, provided they fit with our charitable purposes.

Working capital: The amount of working capital needed by Deaf Action is a measure of our ability to pay for our short-term, day to day, month to month obligations.

MANAGEMENT, STRUCTURE & GOVERNANCE

Governance

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

The key management personnel consist of the CEO, HR Manager, Finance Manager, Interpreting and Communications Manager and the Operations Manager. Key management salaries are based on commercial third sector rates.

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

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

In keeping with Deaf Action’s ethos of accessibility and good practice, sign language interpreters and access support are present at every board and sub-committee meeting.

Our trustee recruitment process involves undertaking regular skills audits for existing trustees, advertising on social media platforms and utilising existing business, social and membership networks.

DEAF ACTION (A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

Finance & Personnel Sub-Committee

This sub-committee gathers quarterly, and comprises of the treasurer, finance manager, chief executive officer, chair of the board and two trustees. However, due to our treasurer retiring in 2020 and the impacts of Covid-19, the trustees have taken on additional roles in the Finance & Personnel Sub-Committee. Deaf Action have plans for a governance review in 2021 to rectify this.

Trustee Responsibilities

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

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

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

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

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

RISK ASSESSMENT 2020/21

The Board of Trustees regularly examines the major operational and business risks faced by the organisation. Looking back on the previous year, we have successfully addressed the risks at that time with the following actions undertaken:

- New database
- Fundraising strategy & recruitment
- Plan to recruit project manager.
- FR strategy to include replenishment of reserves and increase core funds.
- Trustee recruitment
- Internal communication strategy
- Marketing strategy

DEAF ACTION
(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

The specific risks presented by COVID-19 are listed further below. First, we wish to address the general risks that relate to operations, finance, and governance.

For 2021/22 the following risks have been identified:

- Staff wellbeing
- The upcoming merger with Sonus
- Loss of key staff
- Deaf Action's ability to cope with post covid-19 world
- Competitive markets
- Lack of capacity for fast-growing operations
- Ongoing budget deficit

The following steps have been taken to address these risks:

- Governance review
- Focus on staff wellbeing and development
- Review Deaf Action's values and strategy plan.
- Carrying out the fundraising strategy which includes replenishment of reserves and core funds.
- Improving and developing Deaf Action's innovation

Deaf Action are vigilant to the risks that COVID-19 and its impact on our services and the wider landscape. We have been proactive and are optimistic in the charity's ability to tackle any impending challenges.

COVID-19 Specific Risks

- Economic downturn/recession hits income
- Income affected due to lack of service users engagement.
- Services no longer suitable post-lockdown
- Decrease in investment value
- Increased pension liability
- Deaf Action is not financially sustainable

COVID-19 Specific Actions

- Organisational risk assessment
- Retain sharp focus on costs
- Increase online presence and engagement on social media platforms
- Production of accessible information for stakeholders
- Adapt services accordingly with online provision
- Furloughed staff
- Communication with all stakeholders
- Smart working
- Emergency funding
- Reserves are within levels set by trustees

DEAF ACTION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

LOOKING AHEAD

Last year was a time of introducing change within the organisation with a seismic shift in our approach to business planning and operational management. The development of our fundraising and marketing strategy combined with the development of these teams will reap dividends in the coming years. We are always looking to the future, with a focus on sustainability and embodying our values and strategic aims in our governance and operational management. Deaf Action has recognised that the post Covid-19 world will not represent the one we knew before. It is for this reason that we will be revising our strategic framework ready to launch for 2021-22. Our services will be able to evolve accordingly to the post covid-19 world, the ramifications of which are still developing at the writing of this report.

Trustees' responsibilities in relation to the financial statements

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

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

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

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

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 jurisdiction.

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

TRUSTEES' REPORT FOR THE YEAR ENDED MARCH 2021 (continued)

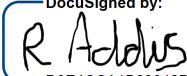
Statement of Disclosure to the Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charity auditor is unaware;
and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

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

DocuSigned by:

D0E4CCA1B29042B...

Name: Rosie Addis

Date: 8th September 2021

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 2021

Opinion

We have audited the financial statements of Deaf Action (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

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.

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 2021

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 Trustees Report, 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 Directors Report 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 Trustees Report.

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 prepare the financial statements in accordance with the small companies' regime and 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 page 31, 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.

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 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.

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

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 2021

Extent to which the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the charity, the environment in which it operates and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the charity and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations; and
- Compliance with Coronavirus Job Retention Scheme

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries.
- Overstated Coronavirus Job Retention Scheme claims.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business;
- Substantive testing of Coronavirus Job Retention Scheme claims

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 2021

A further description of our responsibilities is available on the Financial Reporting Council's website at:<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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.

DocuSigned by:

1B7840CC896E43C...

Jenny Simpson (Senior Statutory Auditor)
For and on behalf on Wylie & Bisset (Audit) Limited, Statutory Auditor
Wylie & Bisset (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

168 Bath Street
Glasgow
G2 4TP

Date: 8th September 2021

DEAF ACTION
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2021

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income and endowments from:							
Donations and legacies	4	41,062	33,560	74,622	16,532	80,583	97,115
Charitable activities	5	387,516	1,105,590	1,493,106	839,806	1,043,770	1,883,576
Other trading activities	6	145,735	-	145,735	81,533	-	81,533
Investments	7	34,199	3,345	37,544	43,181	3,914	47,095
Other	8	743	109,226	109,969	4,725	-	4,725
Total Income		609,255	1,251,721	1,860,976	985,777	1,128,267	2,114,044
Expenditure on:							
Raising funds							
Other trading activities	9	243,920	-	243,920	221,087	-	221,087
Investment management costs	10	10,786	-	10,786	10,786	-	10,786
Charitable activities	12	178,641	1,507,006	1,658,647	852,711	1,299,433	2,152,144
Total Expenditure		433,347	1,507,006	1,940,353	1,084,584	1,299,433	2,384,017
Net (expenditure)/income and net movement in funds before gains and losses on investments							
		175,908	(255,285)	(79,377)	(98,807)	(171,166)	(269,973)
Net gains/(losses) on investments		275,213	22,454	297,667	(109,624)	(12,480)	(122,104)
Net (expenditure)/income before transfers		451,121	(232,831)	218,290	(208,431)	(183,646)	(392,077)
Transfers between funds		(246,405)	246,405	-	(68,325)	68,325	-
Net expenditure for the year		204,716	13,574	218,290	(276,756)	(115,321)	(392,077)
Actuarial gains/(losses) on defined benefit pension schemes		10,000	-	10,000	9,000	-	9,000
Net movement in funds		214,716	13,574	228,290	(267,756)	(115,321)	(383,077)
Funds reconciliation							
Total Funds brought forward	24	1,627,230	105,067	1,732,297	1,894,986	220,388	2,115,374
Total Funds carried forward	24	1,841,946	118,641	1,960,587	1,627,230	105,067	1,732,297

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

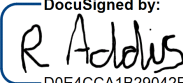
DEAF ACTION
(A company limited by guarantee)

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets:			
Tangible assets	16	497,156	502,698
Investments	17	1,380,189	1,101,413
Total fixed assets		<u>1,877,345</u>	<u>1,604,111</u>
Current assets:			
Stocks	18	3,228	6,864
Investments	19	200,000	200,000
Debtors	20	209,385	320,607
Cash at bank and in hand	27	471,530	134,000
Total current assets		<u>884,143</u>	<u>661,471</u>
Liabilities:			
Creditors falling due within one year	21	(538,234)	(262,285)
Net current assets		<u>345,909</u>	<u>399,186</u>
Total assets less current liabilities		2,223,254	2,003,297
Creditors: Amounts falling due after more than one year	23	(262,667)	(271,000)
Net assets		<u>1,960,587</u>	<u>1,732,297</u>
The funds of the charity:			
Restricted income funds	24	118,641	105,067
Unrestricted funds	24	1,841,946	1,627,230
Total charity funds		<u>1,960,587</u>	<u>1,732,297</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:

DocuSigned by:

D0E4CCA1B29042B...

Name: Rosie Addis

DocuSigned by:

651AB775078B42F...

Name: Keith Hyland

Date: 8th September 2021

REGISTERED COMPANY NO: SC396876

DEAF ACTION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities			
Provided by	26	266,680	(252,895)
Cash flows from investing activities:			
Dividends, interest and rents from investments		37,544	47,095
Purchase of investments		(238,479)	(212,726)
Proceeds from sale of investments		257,370	404,537
Proceeds from sale of property, plant and equipment		-	5,180
Purchase of property, plant and equipment		(35,585)	(27,261)
Net cash provided by investing activities		<u>20,850</u>	<u>216,825</u>
Cash flows from financing activities:			
New loans received		50,000	-
Net cash provided by financing activities		<u>50,000</u>	<u>-</u>
Change in cash and cash equivalents in the year		337,530	(36,070)
Cash and cash equivalents brought forward	27	<u>134,000</u>	<u>170,070</u>
Cash and cash equivalents carried forward	27	<u>471,530</u>	<u>134,000</u>

Analysis of Net Debt

	1 April 2020 £	Cash Flow £	Non- Cash Changes £	31 March 2021 £
Cash & Cash Equivalents				
Cash at bank in hand	134,000	337,530	-	471,530
	<u>134,000</u>	<u>337,530</u>	<u>-</u>	<u>471,530</u>
Borrowings				
Debt due within one year	-	(3,333)	-	(3,333)
Debt due after one year	-	(46,667)	-	(46,667)
	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Total	<u>134,000</u>	<u>287,530</u>	<u>-</u>	<u>421,530</u>

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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 (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

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

(b) Funds structure

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

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

Further details of each fund are disclosed in note 24.

(c) Income recognition

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

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

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

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

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021

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 2021

1. Accounting Policies (continued)

(m) Pensions

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

The charity participates in a multi-employer scheme which provides benefits to non-associated employers. As the scheme is in deficit, the charity has agreed to a deficit funding arrangement and the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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

(n) Employee benefits

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

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

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

(o) Operating leases

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

(p) Financial instruments

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

(q) Taxation

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

2. Legal status of the Charity

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

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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 (2020: £nil). Expenses paid to the trustees in the year totalled £nil (2020: £368). In the prior year, these were paid to 1 Trustee.

During the year, no waived expenses were incurred by Trustees (2020: £132)

During the year, no Trustee had any personal interest in any contract or transaction entered into by the charity (2020: none).

Trudi Collier, a trustee of Deaf Action is also Mental Health Counsellor. Deaf Action incurred expenditure of £6,300 (2020: £nil) in relation to services provided by Ms Collier. At the year-end Deaf Action owed £765 to Ms Collier (2020: £nil).

4. Income from donations and legacies

	2021	2020
	£	£
Donations	48,622	70,475
Legacies	-	2,886
Grants	26,000	23,754
	<u>74,622</u>	<u>97,115</u>

5. Income from charitable activities

	2021	2020
	£	£
Provision of statutory services	334,283	897,573
Supported Housing	569,719	628,145
Social Club	53,233	21,850
Other charitable projects	535,871	336,008
	<u>1,493,106</u>	<u>1,883,576</u>

6. Income from other trading activities

	2021	2020
	£	£
Commercial trading activities	145,735	81,533
	<u>145,735</u>	<u>81,533</u>

7. Investment income

	2021	2020
	£	£
Dividends - equities	37,540	47,091
Interest	4	4
	<u>37,544</u>	<u>47,095</u>

8. Other income

	2021	2020
	£	£
Other income	743	4,725
CJRS	109,226	-
	<u>109,969</u>	<u>4,725</u>

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

9. Raising funds – expenditure on other trading activities

	Direct Costs £	Management & Administration Costs £	Total 2021 £
Fundraising and publicity	162,971	80,949	243,920
	<u>162,971</u>	<u>80,949</u>	<u>243,920</u>

	Direct Costs £	Management & Administration Costs £	Total 2020 £
Fundraising and publicity	130,394	90,693	221,087
	<u>130,394</u>	<u>90,693</u>	<u>221,087</u>

10. Raising funds - Investment management costs

	Direct Costs £	Management & Administration Costs £	Total 2021 £
Investment management fees	10,786	-	10,786
	<u>10,786</u>	<u>-</u>	<u>10,786</u>

	Direct Costs £	Management & Administration Costs £	Total 2020 £
Investment management fees	10,786	-	10,786
	<u>10,786</u>	<u>-</u>	<u>10,786</u>

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

11. Allocation of governance and management & administration costs

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

Cost type	Total Allocated 2021	Governance related	Other Management & Administration costs	Basis of apportionment
	£	£	£	
Staff costs	414,489	3,976	410,513	Staff Time
HQ costs	66,670	195	66,475	Staff Time
Depreciation	39,306	102	39,204	Staff Time
Premises expenses	84,065	147	83,918	Staff Time
General office expenses	54,887	118	54,769	Staff Time
Pension	(43,002)	(126)	(42,876)	Staff Time
Loss on disposal	2,259	7	2,252	
	<u>618,674</u>	<u>4,419</u>	<u>614,255</u>	

Cost type	Total Allocated 2020	Governance related	Other Management & Administration costs	Basis of apportionment
	£	£	£	
Staff costs	339,550	17,905	321,645	Staff time
HQ costs	77,021	746	76,275	Staff time
Depreciation	70,594	331	70,263	Staff time
Premises expenses	140,544	706	139,838	Staff time
General office expenses	53,277	399	52,878	Staff time
Pension	5,000	48	4,952	Staff time
Total	<u>685,986</u>	<u>20,135</u>	<u>665,851</u>	

Governance costs:

	2021	2020
	£	£
Audit Fee	9,324	9,084
Legal Fees	9,641	8,224
Support Costs	4,419	20,135
	<u>23,384</u>	<u>37,443</u>

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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

	Management & Administration costs	Governance cost	2021 Total
	£	£	£
Raising funds	79,779	1,170	80,949
Provision of Statutory services	185,551	2,338	187,889
Supporting Housing costs	267,037	2,338	269,375
Social Club	2,887	2,338	5,225
Other charitable activities	79,000	15,200	94,200
Total allocated	614,225	23,384	637,639

	Management & Administration costs	Governance cost	2020 Total
	£	£	£
Raising funds	88,820	1,873	90,693
Provision of Statutory services	180,244	3,744	183,988
Supporting Housing costs	239,400	3,744	243,144
Social Club	6,941	3,744	10,685
Other charitable activities	150,446	24,338	174,784
Total allocated	665,851	37,443	703,294

12. Analysis of expenditure on charitable activities

	Provision of Statutory Services	Supporting Housing costs	Social Club	Other charitable activities	2021 Total
	£	£	£	£	£
Staff costs	309,129	416,495	4,945	112,799	843,368
Direct costs	175,124	23,953	6,355	80,158	285,589
Governance costs (Note 11)	2,338	2,338	2,338	15,200	22,214
Management & Administration costs (Note 11)	185,551	267,037	2,887	79,000	534,476
	672,142	709,823	16,525	287,157	1,685,647

	Provision of Statutory Services	Supporting Housing costs	Social Club	Other charitable activities	2020 Total
	£	£	£	£	£
Staff costs	356,888	441,633	8,921	210,285	1,017,727
Direct costs	352,199	50,271	21,556	97,790	521,816
Governance costs (Note 11)	3,744	3,744	3,744	24,338	35,570
Management & Administration costs (Note 11)	180,244	239,400	6,941	150,446	577,031
	893,075	735,048	41,162	482,859	2,152,144

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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

	2021	2020
		£
Salaries and wages	1,163,581	1,260,860
Social security costs	77,269	99,185
Pension costs	59,204	64,035
Total staff costs	<u>1,300,055</u>	<u>1,424,080</u>

Key management personnel remuneration	<u>218,745</u>	<u>202,449</u>
---------------------------------------	----------------	----------------

Included within salaries and wages are redundancy payments totalling £12,470 (2020: £10,440) relating to 3 employees (2020: 2)

The charity made £129,092 (2020: £132,918) of contributions to the pension plan on behalf of the employees (including past service deficit contribution of £51,463 (2020: £68,883)).

The number of employees whose employee benefits fell within the following bands are as follows:

	2021	2020
	No.	No.
£60,001 - £70,000	<u>1</u>	<u>1</u>

	2021	2020
	No.	No.
The average number of persons, by headcount, employed by the charity during the year was:	<u>63</u>	<u>66</u>

14. Net income/(expenditure) for the year

This is stated after charging:	2021	2020
	£	£
Depreciation	39,433	69,874
Auditor's remuneration:		
Audit fees	9,324	9,084
Loss on disposal of fixed assets	1,694	18,477
	<u>50,451</u>	<u>97,435</u>

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

15. Government Grants

	2021	2020
	£	£
East Lothian – Social Work, CSA and SES	28,730	50,016
Midlothian – Social Work, CSA and SES	28,563	37,092
Edinburgh – Social Work, CSA and SES	202,273	173,246
West Lothian – Social Work and SES	19,823	60,662
Dundee City Council – Sound Sense	-	27,879
Scottish Government – Deaf Sector Partnership	-	70,000
Edinburgh and Lothians Councils – support services	569,719	628,145
Aberdeenshire Council – Equipment and Advice	74,285	74,285
Big Lottery – Employability Project	-	122,610
Big Lottery – Youthworks Project	-	41,234
Department of Work & Pensions – Access to Work	-	23,754
National Lottery Award	10,000	-
Scottish Government Wellbeing	47,263	-
Dundee City Council Partnership	1,000	-
Scottish Government Workplace Equality Fund	24,706	-
City of Edinburgh Council Business Support	71,300	-
Scottish Government Small Business Grant	17,500	-
UK Government Furlough Scheme	109,226	-
Big Lottery – Merger Grant	26,000	-
	<u>1,230,388</u>	<u>1,308,923</u>

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

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

16. Tangible Fixed Assets

	Asset Under Construction £	Property £	Equipment, Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation					
At 1 April 2020	-	667,938	130,435	54,180	852,553
Additions	27,075	-	1,985	6,525	35,585
Disposals	-	-	(32,490)	-	(32,490)
At 31 March 2021	<u>27,075</u>	<u>667,398</u>	<u>99,930</u>	<u>60,705</u>	<u>855,648</u>
Depreciation					
At 1 April 2020	-	217,004	96,462	36,389	349,855
Charge for the year	-	16,698	17,161	5,478	39,433
Eliminated on disposals	-	-	(30,796)	-	(30,796)
At 31 March 2021	<u>-</u>	<u>233,702</u>	<u>82,827</u>	<u>41,867</u>	<u>358,492</u>
Net book value					
At 31 March 2021	<u>27,075</u>	<u>434,236</u>	<u>17,007</u>	<u>18,838</u>	<u>497,156</u>
At 31 March 2020	<u>-</u>	<u>450,934</u>	<u>33,973</u>	<u>17,791</u>	<u>502,698</u>

17. Fixed Asset Investments

Movement in fixed asset listed investments	2021 £	2020 £
Market value brought forward	1,301,413	1,615,328
Add: additions to investments at cost	238,479	212,726
Disposals at carrying value	(247,197)	(388,316)
Add net (loss)/gain on revaluation	287,494	(138,325)
Market value carried forward	<u>1,580,189</u>	<u>1,301,413</u>
Disclosed as:		
Fixed asset investments	1,380,189	1,101,413
Current asset investments	200,000	200,000
	<u>1,580,189</u>	<u>1,301,413</u>

Net cash released from investments in the year was £18,464 (2020: £195,861)

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

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

17. Fixed Asset Investments (continued)

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

18. Stock

	2021	2020
	£	£
Stock	3,228	6,864
	<u>3,228</u>	<u>6,864</u>

19. Investments

	2021	2020
	£	£
Current asset investments	200,000	200,000
	<u>200,000</u>	<u>200,000</u>

20. Debtors

	2021	2020
	£	£
Trade debtors	159,336	275,564
Other debtors	50,049	45,043
	<u>209,385</u>	<u>320,607</u>

21. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	74,846	70,769
Accruals and deferred income (note 22)	349,529	81,830
Taxation and social security	37,526	38,686
Past service deficit – pension scheme	73,000	71,000
Loan	3,333	-
	<u>538,235</u>	<u>262,285</u>

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

22. Deferred income

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

	£
Balance as at 1 April 2020	41,750
Amount released to income earned from charitable activities	(41,750)
Amount deferred in year	<u>318,771</u>
Balance as at 31 March 2021	<u>318,711</u>

Deferred income comprises grants received in advance.

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

	2021	2020
	£	£
Past service deficit – pension scheme	216,000	271,000
Loan	46,667	-
Total	<u>262,667</u>	<u>271,000</u>

	2021	2020
	£	£
Analysis of maturity of loans:		
Due within 1-2 years	226,000	271,000
Due within 2-5 years	36,667	-
	<u>262,667</u>	<u>271,000</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.

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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

The pension fund debt comprises:

	2021	2020
	£	£
Pension liability – present value of all future contributions payable	289,000	342,000
	<u>289,000</u>	<u>342,000</u>

Reconciliation of opening and closing provisions:

	2021	2020
	£	£
Provision at 1 April 2020	342,000	415,000
Interest expense	8,000	5,000
Deficit contributions paid	(71,000)	(69,000)
Remeasurements – impact of change in assumptions	10,000	(9,000)
Provision as at 31 March 2021	<u>289,000</u>	<u>342,000</u>

Income and expenditure impact:

	2021	2020
	£	£
Interest expense	8,000	5,000
Remeasurements – impact of change in assumptions	10,000	(9,000)
	<u>18,000</u>	<u>(4,000)</u>

	2021	2020
	£	£
Due within one year	73,000	71,000
Due in more than one year	216,000	271,000
	<u>289,000</u>	<u>342,000</u>

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

24. Analysis of charitable funds

Analysis of Fund movements 2021	Balance b/fwd £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	Fund c/fwd £
Unrestricted funds						
Designated Fixed Asset fund	502,698	-	39,433	-	33,891	497,156
New database	65,000	-	-	-	(40,000)	25,000
Total designated funds	567,698	-	39,433	-	(6,109)	522,156
General funds	1,059,532	609,255	393,914	285,213	(240,296)	1,319,790
Total unrestricted funds	1,627,230	609,255	433,347	285,213	(246,405)	1,841,946
Restricted funds						
Tayside Deaf Association	96,362	5,945	32,396	22,454	-	92,365
Local Authority Grants	-	894,662	1,113,813	-	219,151	-
Advice line	-	15,036	19,839	-	4,803	-
Bright Deal	-	25,626	36,795	-	11,169	-
Building Fund	850	-	850	-	-	-
Sound Sense	-	27,734	32,719	-	4,985	-
Highland Video Project	4,596	-	-	-	-	4,596
175 th Anniversary	1,314	-	-	-	-	1,314
Youth Project	-	25,206	20,739	-	-	4,467
Family BSL	1,145	-	-	-	-	1,145
Befriending	-	56,290	58,831	-	2,541	-
Lipreading	-	2,550	6,306	-	3,756	-
DSP	-	63,446	48,692	-	-	14,754
Furlough	-	109,226	109,226	-	-	-
Access to Work	800	-	800	-	-	-
Big Lottery – Merger grant	-	26,000	26,000	-	-	-
Total restricted funds	105,067	1,251,721	1,507,006	22,454	246,405	118,641
TOTAL FUNDS	1,732,297	1,860,976	1,940,353	307,667	-	1,960,587

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

24. Analysis of charitable funds (continued)

Analysis of Fund movements 2020	Balance b/fwd £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	Fund c/fwd £
Unrestricted funds						
Designated Fixed Asset fund	568,968	-	69,874	-	3,604	502,698
Essential Future Spending	130,000	-	130,000	-	-	-
New Database	-	-	-	-	65,000	65,000
Total designated funds	698,968	-	199,874	-	68,604	567,698
General funds	1,196,018	985,777	884,710	(100,624)	(136,929)	1,059,532
Total unrestricted funds	1,894,986	985,777	1,084,584	(100,624)	(68,325)	1,627,230
Restricted funds						
Tayside Deaf Association	150,074	11,314	52,851	(12,480)	305	96,362
Local Authority Grants	-	704,684	814,535	-	109,851	-
Health Improvement	9,188	-	-	-	(9,188)	-
Tayside Development Officer	305	-	-	-	(305)	-
Building Fund	850	-	-	-	-	850
Sound Sense	-	27,879	34,050	-	6,171	-
Highland Video Project	4,596	-	-	-	-	4,596
175 th Anniversary	1,314	-	-	-	-	1,314
Youth Project	-	56,874	56,964	-	90	-
Family BSL	1,145	-	-	-	-	1,145
Employability Project	-	122,610	154,878	-	32,268	-
Lipreading	-	21,535	30,520	-	8,985	-
Learning centre	-	-	-	-	-	-
Deaf Sector Partnership	43,116	70,000	58,269	-	(54,847)	-
Training	9,000	89,617	73,612	-	(25,005)	-
Access to Work	800	23,754	23,754	-	-	800
Total restricted funds	220,388	1,128,267	1,299,433	(12,480)	68,325	105,067
TOTAL FUNDS	2,115,374	2,114,044	2,384,017	(113,104)	-	1,732,297

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

The Trustees have created the following designated funds:

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

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

24. Analysis of charitable funds (continued)

Restricted funds comprise of:

i. Tayside Deaf Association funds represent the funds transferred on 31 March 2011 to Deaf Action. These funds will be used over the next few years to support work with the deaf in the Tayside area.

ii. Local authority grants are provided to fund the provision of support services in their given area. The charity partly funded delivery of this service from their own resources this year, and the transfer to general funds in the year represents the expenditure met by Deaf Action.

iii. Health Improvement fund represents income specifically provided for a health improvement project under a Service Level Agreement with NHS Lothian from April 2011 to March 2015. The transfer out of the fund in the year represents an proportion of the charity's management and overhead costs eligible for the fund but not previously allocated.

iv. Tayside Development Officer is specific donations received to support their work. The transfer out of the fund in the year represents an proportion of the charity's management and overhead costs eligible for the fund but not previously allocated.

v. Building fund represents a donation towards the development of the Learning Centre.

vi. Sound Sense is a befriending project for deaf people in Dundee. The charity partly funded delivery of this service from their own resources this year, and the transfer to general funds in the year represents the expenditure met by Deaf Action.

vii. 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.

viii. 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.

ix. 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.

x. 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.

xi. Employability Project was funded by a Big Lottery Development Grant and was undertaken as part of a stage 2 application to the Investing in Communities initiative. The charity partly funded delivery of this service from their own resources this year, and the transfer to general funds in the year represents the expenditure met by Deaf Action.

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

24. Analysis of charitable funds (continued)

xii. Lipreading is donations and trust income towards the cost of providing courses for Adults in Tayside. The charity partly funded delivery of this service from their own resources this year, and the transfer to general funds in the year represents the expenditure met by Deaf Action.

xiii. 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. The transfer out of the fund in the year represents an proportion of the charity's management and overhead costs eligible for the fund but not previously allocated.

xiv. Training – funding to provide BSL training courses for staff and members of the public. The transfer out of the fund in the year represents an proportion of the charity's management and overhead costs eligible for the fund but not previously allocated.

xv. Access to Work - Annual funding from Department of Work and Pensions for BSL interpreting and admin support.

xvi. Advice Line - Advice on a range of topics (including benefits, housing, debt, independent living, consumer rights and more) from a trained advisor who is a native BSL & ISL user.

xvii. Bright Deal - Advice in BSL to help you live comfortably, understand your energy usage, and save money on your bills.

xviii. Befriending - Tackling loneliness and isolation through curated befriending matches between service users and trained volunteers, either online or face-to-face.

ix. Furlough – Funding received under the UK Government Coronavirus Job Retention Scheme

xx. Big Lottery – Merger Grant – Big Lottery grant to facilitate professional costs involved with merger between Deaf Action and SONUS.

xxi. Transfers – Transfers between funds represent expenditure against each fund drawn from the charity's own resources.

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

25. Net assets over funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Tangible assets	497,156	-	497,156
Investments	1,380,189	-	1,380,189
Current Asset Investments	200,000	-	200,000
Stocks	3,228	-	3,228
Debtors	201,425	7,960	209,385
Cash	360,849	110,681	471,530
Creditors falling due within one year	(538,234)	-	(538,234)
Creditors falling due after more than one year	(262,667)	-	(262,667)
	<u>1,841,946</u>	<u>118,641</u>	<u>1,960,587</u>

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Tangible assets	502,698	-	502,698
Investments	1,101,413	-	1,101,413
Current Asset Investments	103,638	96,362	200,000
Stocks	6,864	-	6,864
Debtors	320,607	-	320,607
Cash	125,295	8,705	134,000
Creditors falling due within one year	(262,285)	-	(262,285)
Creditors falling due after more than one year	(271,000)	-	(271,000)
	<u>1,627,230</u>	<u>105,067</u>	<u>1,732,297</u>

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

	2021 £	2020 £
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	228,290	(383,077)
Adjustments for:		
Depreciation charges	39,433	69,874
Dividends, interest and rents from investments	(37,544)	(47,095)
Loss on disposal of fixed assets	1,694	18,477
(Gain)/loss on investments	(297,667)	122,104
Decrease in stocks	3,636	5,011
Decrease in debtors	111,222	94,635
Increase/(decrease) in creditors	217,616	(132,824)
Net cash provided by/(used in) operating activities	<u>266,680</u>	<u>(252,895)</u>

DEAF ACTION
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

27. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	471,530	134,000
Total cash and cash equivalents	<u>471,530</u>	<u>134,000</u>

28. Judgements and key sources of estimation uncertainty

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

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

Estimate

Basis of estimation

Depreciation & amortisation of fixed assets

Fixed assets are depreciated and amortised over the useful live of the asset. The useful lives of fixed assets are based on the knowledge of senior management, with reference to assets expected life cycle.

Pension valuation

The net present value of contributions is estimated using a discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Allocation of expenditure between activities

Expenditure is allocated between expenditure on raising funds and charitable activities. The split is 5% to raising funds and 95% to charitable activities.

29. Post Balance Sheet Event

On 1st September 2021 Deaf Action merged with a charity based in the South of England called The Hampshire Isle of Wight and Channel Islands Association for Deaf People Limited ([sonus]). The activities, assets and liabilities of [sonus] were transferred to Deaf Action and its staff transferred by TUPE.