

# **CACDP T/A Signature**

(A company limited by guarantee)

## **CONSOLIDATED REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2020

Charity No: 1071662  
Company No: 03581178  
Scottish Charity number SC037901

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# **Reference and administrative details of the Charity, its Trustees and Advisers**

## **Status**

The organisation first became a registered charity in January 1982. It subsequently re registered on 22 September 1998, following incorporation as a company limited by guarantee on 15 June 1998.

## **Trustees**

L Duncan (resigned February 2021)  
P Keen  
I Robinson  
J Walker  
HJ Beaton  
M Hopkinson  
K Riley  
I Donnelly

## **Secretary**

L J Foster

## **Chief Executive**

L J Foster

## **Key Management Personnel**

L J Foster

## **Registered office and principal address**

1<sup>st</sup> Floor, Shannon House, Mandale Business Park, Belmont Industrial Estate, Durham, DH1 1TH.

## **Auditor**

RSM UK Audit LLP, 1 St James Gate, Newcastle-upon-Tyne, NE1 4AD.

## **Principal bankers**

Natwest Bank Plc, 12 Market Place, Durham, DH1 3NG.

## **Solicitors**

Muckle LLP, Time Central, 32 Gallowgate, Newcastle-upon-Tyne, NE1 4BF.

# **Trustees Annual Report (for the year ended 31 December 2020)**

Charity No: 1071662  
Company No: 3581178

The trustees, who are directors of the charity for the purposes of company law, present their report and the audited financial statements for the year ended 31 December 2020.

## **Structure, governance and management**

CACDP is organised through a Board of Trustees. Subcommittees are convened on an ad-hoc basis when required and are managed with specific terms of reference and a set objective.

The charitable company's governing documents are its Memorandum and Articles of Association dated October 2006 and the companies are limited by guarantee.

Trustees are eligible to serve up to two terms of four years each and under exceptional circumstances, an additional term.

Induction sessions are held for new trustees upon appointment which includes an update presentation to all trustees. New trustees are also provided with an induction pack which includes issues of "charitable purpose" and "public benefit". Trustees continue to be happy that CACDP meets these criteria.

Day to day management of CACDP is delegated to the Chief Executive, Lindsay Foster.

The directors of Signature Commercial are responsible for preparing the directors' report and the financial statements in accordance with the applicable law and regulations. The group previously comprised of CACDP (t/a Signature), NRCPD Limited and Signature Commercial. On 1<sup>st</sup> January 2020, CACDP disposed of its interests in NRCPD Limited.

Signature Commercial ceased trading at 31<sup>st</sup> December 2020 with all assets and liabilities taken into the parent company post year end.



# **Trustees Annual Report (for the year ended 31 December 2020)**

## **Objectives and principal activities**

### **The charity group aims**

CACDP's objects are the improvement of communication with deaf people, in particular by the education, training and examination of students and tutors in the different modes of communication used by such persons.

CACDP is a charity which expresses its aim of advancing communication between deaf and hearing people through the functions of a recognised UK awarding body.

We do this by offering high quality nationally accredited qualifications in sign language and other forms of communication used by deaf people.

Signature Commercial's objects are the improvements of communication with deaf people, by offering student support packages, training and teacher support packages.

### **The charity's beneficiaries**

The following people benefit from CACDP's work:

- Deaf, deafened, hard of hearing and deafblind people.
- Deaf and hearing students of courses leading to our qualifications.
- Deaf and hearing tutors of courses leading to our qualifications.

Equal access to our services is important to us and we work throughout the country to ensure that provision is as widespread as possible. We record and monitor the range of beneficiaries where possible and each year we improve on that knowledge. We try to ensure that fees are maintained at a minimum level to ensure that our qualifications are affordable to all whilst covering our administration costs.

CACDP was established by national organisations of and for deaf people to ensure the availability of learning opportunities, qualifications and standards in the communication methods used by deaf people. These organisations are still involved with CACDP as trustees, project partners, subscribers and members of committees. CACDP responds to the needs of beneficiaries through the work of committees, through consultation with deaf individuals and organisations and through representation on the Board of Trustees.

We have referred to the Charity Commission's general guidance of public benefit when reviewing our objectives and in developing our strategic and operational plans. Each year we review the strategic plan and ensure all activities are in line with the aims of the charity.

# **Trustees Annual Report**

## **(for the year ended 31 December 2020)**

Pay and remuneration setting for key management personnel is carried out by the Chair of the Board with the support of the other trustees. Key considerations are affordability, benchmarking, changes in roles and responsibilities as well as other market forces. All factors are considered and a recommendation is made to the Board of Trustees who made the final decision.

### **Achievements and performance**

In the year to 31 December 2020 the main achievements within CACDP in addition to the delivery of the suite of qualifications and supporting products have been:

#### **Ofqual/QiW/CCEA**

CACDP are subject to Conditions of Recognition from Ofqual/QiW/CCEA. We evaluate the conditions on an annual basis to ensure compliance. We submitted our Statements of Compliance in November 2020 and these have been accepted by each regulator with the information from the above visit being included and accepted.

#### **Technological advancements**

As a result of the COVID-19 pandemic our offices closed along with everywhere else in March 2020. As a result, we accelerated our innovation programme to allow us to remain operational. We facilitated all staff to work from home and more importantly we implemented a web-based database to manage our centres and assessments from any location.

#### **Online assessments**

To further supplement our above advancements, we also developed an online assessment system allowing our centres to continue to run candidate assessments remotely, our assessors to mark these assessments and results to be issued.

#### **Support for centres**

Through a very challenging year which contained a lot of uncertainties we are very proud that we were able to provide a strong service to all of our stakeholders as well as helping and supporting our centres where we could.



# **Trustees Annual Report (for the year ended 31 December 2020)**

## **Signature Commercial Limited**

In the year to 31<sup>st</sup> December 2020 the main areas to note within Signature Commercial have been:

As the activity that has been achieved within Signature Commercial continues to relates to Signature qualification related products and the levels remain extremely low for other sales, it has been decided that the subsidiary will cease trading on 31 December 2020 with all activity, assets and liabilities within Signature Commercial transferred to Signature post year end.

## **Financial review, including risks and uncertainties**

During the year CACDP faced unprecedented pressure on income due to COVID-19 and the various lockdowns. As colleges, schools and other educational establishments were forced to close and people could not meet in person indoors, most of our centres have not been able to operate at their normal levels of activity. Whilst we have adapted our assessments as quickly as possible to be able to provide online assessments, not all centres or candidates have taken this up and as a result we have seen a significant drop in most areas of our work. This has resulted in a deficit at the end of the year and therefore a reduction in reserves levels.

Investments are still being maintained under a low-risk policy of long term deposits with the trustees being keen to ensure the level of risk regarding these funds does not change.

An annual review of risk is performed to identify and grade all known risks to the charity as part of the annual planning cycle. Appropriate mitigating actions are identified, and the effectiveness of these actions monitored. The process is overseen by the Board of Trustees.

The most significant challenge we are now facing is the rebuilding of the organisation to levels prior to the pandemic. This will take time and with a reduced staffing level as well and continued uncertainties the organisation's ability to bounce back is uncertain.

Other risks are around the size of the organisation and the ability to ensure appropriately skilled people are recruited and working with us, maintaining that staff structures and our ability to achieve objectives and meet changing business needs. By providing strong working practises that are family friendly and creating a positive culture we can make our team as engaged as possible. A motivated workforce allows for greater creative thinking and the passion to achieve our objectives.

# Trustees Annual Report (for the year ended 31 December 2020)

Group Income in the year ended 31 December 2020 has decreased by £707k from £1.464m in 2019 to £757k. This information is reflective of the group position and the subsidiary undertakings are included. The activity of CACDP is the dominant activity within the group.

Reserves for the group have decreased by £328k to £1.065m.

## KPI's

The Board monitors performance with the following indicators of the group:

Performance Measure	2020	2019	Variance explanation
Group Reserve level	£1.065m	£1.394m	Drawing on reserves to support during COVID-19
Group Current Ratio	4.7	3.9	Strengthening working capital position
Candidate numbers	9,863	23,187	Candidate decline due to COVID-19
Group Net (deficit)/surplus	(£128)k	£150k	Reduction from reserves

## Reserves

CACDP has two unrestricted reserve categories:

- Designated reserve (a)
- General reserve (b)

- (a) Should the need arise to designate unrestricted reserves for investment for a piece of work then an allocation into these reserves may be appropriate. The Trustees would agree this in principle, the amount required will be recommended through the Board for approval. It should be noted that any designated amounts may be reviewed and amended by trustees at any time.
- (b) There is a need to maintain a level of general reserves to enable the charity to cope with a variety of events, either day to day or exceptional. However CACDP believes that its reserves must be managed as a valuable asset for the organisation. As such it is important to balance the need to spend the reserved income of the charity with the potential risks that may be faced in the future.

CACDP has one pension reserve of £290k (2019 - £347k). This will decline at a rate of 10% pa unless revised by the Pensions Trust actuarial valuations.

## Maintenance of reserves levels

CACDP maintains unrestricted reserves at a level which will cover emergency costs, unforeseen high level losses of income or business cessation. The most significant amount would be the business cessation for which £320,000 is considered a reasonable provision. This represents more than 25% of assessment income. Trustees will not approve any budget that will reduce reserves levels below those calculated using the above policy.

Due to the uncertainty of the pension fund and the deficit valuations, the reserves are held at higher than the levels stated above to allow for revised valuations. We hold this higher amount as long as the retention of the funds does not restrict the work we do or prevent the objectives of the organisation being achieved.

Restricted funds at 31 December 2020 were £20k unrestricted funds held as fixed assets were £245k, leaving £800k as free reserves and available for the general purpose of the charity.

The reserves policy is currently under review to ensure it continues to meet the charity's needs. The results of the review will be included in the 2021 financial statements.



# **Trustees Annual Report**

## **(for the year ended 31 December 2020)**

### **The Future**

As CACDP continue to face challenges with both funding and the economy in general, the three year strategic plan identifies the focus as:

1. Provide a product range that meets the identified needs of beneficiaries; and
2. Set standards of communication.

In 2020 we faced a challenge that has not been seen before and the impact of Covid-19 has been huge for the organisation and its finances. To allow us to meet the needs of our centres and candidates and allow us to deliver on our charitable objectives we have embraced technology and have adapted future plans to allow flexibility to be added to our primary objectives.

COVID-19 and the lockdown in the summer of 2020 significantly impacted the income of the awarding organisation with the effect estimated to be up to a 50% reduction in assessment fees. The CJRS allowed us to retain staff who were not working through the lockdown and subsequently as we gradually reopened the office and our centres resumed teaching and assessing into the later part of the year. On average this has been 50% of staff. Due to careful cost management and the introduction of technological solutions the effect on reserves has been a managed deficit. This has reduced reserves however we have sufficient free reserves to ensure this does not impact on the organisation's future.

The January 2021 lockdown has had a further impact and we have yet to see a turnaround of the effects of centre temporary closure in 2020. We now anticipate this will continue well into the new academic year with centres starting to advertise new courses for September 2021 but assessments will not be taken until later in the course. The result has been that, even with the ability to claim from the CJRS, we have had to reduce staff numbers and therefore this in turn will impact on the ability to deliver additional objectives. With fewer staff and lower numbers of candidates our focus for the immediate future is to rebuild the organisation whilst continuing to deliver or qualifications to the highest standard for our existing and new centres. Our levels of reserves will allow us to ensure this can happen.

### **Statement of trustees' responsibilities**

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these 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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Trustees Annual Report (for the year ended 31 December 2020)

### Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the organisation's Memorandum and Articles of Association 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 (FRS 102) (effective 1 January 2015).

### Auditors

A resolution to re-appoint RSM UK Audit LLP as auditors for the ensuing year will be proposed at a board meeting.

Approved by a meeting of the Board of Trustees on 14/9/2021 and signed on their behalf by:

Trustee:

Trustee:



HOBELOW



# **Independent Auditors' Report to the Trustees and members of CACDP T/A Signature (for the year ended 31 December 2020)**

## **Opinion**

We have audited the financial statements of CACDP (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Group and Company Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charitable company's affairs as at 31 December 2020; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## **Basis for opinion**

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 group and parent 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 group's or parent 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 annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.



# **Independent Auditors' Report to the Trustees and members of CACDP T/A Signature (for the year ended 31 December 2020)**

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.

## **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and the parent charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to The Office of Qualifications and Examinations Regulation (Ofqual). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.



**Independent Auditors' Report to the Trustees and members of CACDP  
T/A Signature  
(for the year ended 31 December 2020)**

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our group audit approach.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made exclusively to the 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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the members and the charitable company's 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, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



LUCY ROBSON (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
1 St James' Gate  
Newcastle Upon Tyne  
NE1 4AD

RSM UK AUDIT LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

24/09/21

# Consolidated Statement of Financial Activities for the year ended 31 December 2020 (including Income and Expenditure Account)

		2020			2019			
		Unrestricted Funds	Restricted Funds	Total	Continuing operations	Restricted Funds	Discontinued Operations *	Total
<b>Incoming Resources</b>								
<b>Incoming resources from generated funds</b>								
Donations and legacies	2a	215	-	215	227	-	-	227
Other trading activities	2b	34,074	-	34,074	46,990	-	-	46,990
Investments	2c	(920)	-	(920)	9,247	-	1,027	10,274
		<u>33,369</u>	<u>-</u>	<u>33,369</u>	<u>56,464</u>	<u>-</u>	<u>-</u>	<u>57,491</u>
<b>Incoming Resources from charitable activities</b>								
Examinations and Centre Registrations		619,199	-	619,199	1,026,292	-	-	1,026,292
Sale of Training Materials		-	-	-	26,319	-	-	26,319
Curriculum and Other Training		-	-	-	6,813	-	-	6,813
Registration of LSP's		-	-	-	-	-	335,282	335,282
Development of examinations, training and materials	2d	-	1,141	1,141	-	862	-	-
		<u>619,199</u>	<u>1,141</u>	<u>620,340</u>	<u>1,059,424</u>	<u>862</u>	<u>335,282</u>	<u>1,395,568</u>
Other incoming resources	2e	103,137	-	103,137	10,677	-	-	10,677
<b>Total incoming resources</b>		<u>755,705</u>	<u>1,141</u>	<u>756,846</u>	<u>1,126,565</u>	<u>862</u>	<u>336,309</u>	<u>1,463,736</u>
<b>Resources Expended</b>								
<b>Costs of generating funds</b>								
Examinations and Centre Registrations		547,169	-	547,169	618,975	-	-	618,975
Sale of Training Materials		80,995	-	80,995	96,319	-	-	96,319
Curriculum and Other Training		49,954	-	49,954	100,400	-	-	100,400
Registration of LSP's		-	-	-	0	-	288,496	288,496
Development of examinations, training and materials		206,344	-	206,344	209,612	862	-	210,474
Other - exceptional item		-	-	-	-	-	-	-
Expenditure		<u>884,462</u>	<u>-</u>	<u>884,462</u>	<u>1,025,306</u>	<u>862</u>	<u>288,496</u>	<u>1,314,664</u>
Loss on Disposal		201,247	-	201,247	-	-	-	-
<b>Net movement in funds</b>		<u>(330,004)</u>	<u>1,141</u>	<u>(328,863)</u>	<u>101,259</u>	<u>0</u>	<u>47,813</u>	<u>149,072</u>
<b>Reconciliation of funds</b>								
<b>Total funds brought forward</b>		<u>1,374,383</u>	<u>19,130</u>	<u>1,393,513</u>	<u>969,261</u>	<u>19,130</u>	<u>256,050</u>	<u>1,244,441</u>
<b>Total funds carried forward</b>		<u>1,044,379</u>	<u>20,271</u>	<u>1,064,650</u>	<u>1,070,520</u>	<u>19,130</u>	<u>303,863</u>	<u>1,393,513</u>

\*Discontinued operations – note 27

# Charitable Company Statement of Financial Activities for the year ended 31 December 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
<b>Income from:</b>					
Donations and legacies	2a	215	-	215	227
Other trading activities	2b	15,350	-	15,350	78,750
Investments	2c	(920)	-	(920)	9,247
		14,645	-	14,645	88,224
Charitable activities					
Examinations and centre registrations		614,772	-	614,772	1,026,292
Development of examinations, training and materials	2d	-	1,141	1,141	862
		614,772	1,141	615,913	1,027,154
Other incoming resources	2e	103,137	-	103,137	10,677
Total income		732,554	1,141	733,695	1,126,055
<b>Expenditure on:</b>					
Raising funds		-	-	-	-
Charitable activities:					
Examinations and centre registrations	3a	538,100	-	538,100	611,061
Sale of training materials		79,796	-	79,796	95,891
Curriculum and other training		49,954	-	49,954	100,400
Development of examinations, training and materials		206,344	-	206,344	210,474
Other- exceptional Items	4	-	-	-	-
Total expenditure		874,194	-	874,194	1,017,826
Net movement in funds		(142,840)	1,141	(140,499)	108,229
<b>Reconciliation of funds</b>					
Total funds brought forward		1,067,995	19,130	1,085,925	977,696
Transfers	20	-	-	-	-
Total funds carried forward		925,155	20,271	945,426	1,085,925

All operations derive from continuing activities.

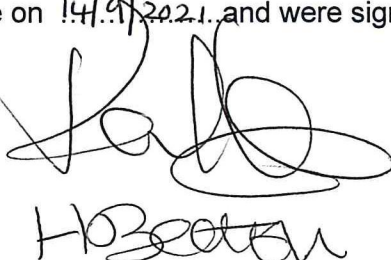


## Consolidated Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	9	138,299	153,754
Intangible assets	10	0	0
Investments	11	<u>106,802</u>	<u>109,273</u>
Total fixed assets		245,101	263,027
<b>Current assets</b>			
Stocks of training materials	12	20,076	19,538
Debtors	13	83,766	139,006
Cash at bank and in hand		<u>1,219,301</u>	<u>1,727,108</u>
		<u>1,323,143</u>	<u>1,885,653</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>282,026</u>	<u>473,970</u>
<b>Net current assets</b>		<u>1,041,117</u>	<u>1,411,683</u>
<b>Total assets less current liabilities</b>		<u>1,286,218</u>	<u>1,674,710</u>
<b>Creditors: amounts falling due in after more than one year</b>	17	<u>221,568</u>	<u>281,197</u>
<b>Net assets</b>		<u>1,064,650</u>	<u>1,393,513</u>
<b>Funds of the charity</b>			
Restricted income funds	19	20,271	19,130
<b>Unrestricted funds</b>			
General funds	19	1,334,082	1,721,730
Pension fund	19	<u>(289,703)</u>	<u>(347,347)</u>
		<u>1,044,379</u>	<u>1,374,383</u>
<b>Total funds</b>		<u>1,064,650</u>	<u>1,393,513</u>

The financial statements on pages 14 to 39 were approved by the Board of Trustees and authorised for issue on 14/11/2021 and were signed on their behalf by:

Trustee:



HOZEON



## Charitable Company Balance Sheet as at 31 December 2020

	Note	2020	2019
<b>Fixed assets</b>			
Tangible assets	9	137,713	122,852
Intangible assets	10	0	0
Investments	11	<u>106,801</u>	<u>109,272</u>
Total fixed assets		244,514	232,124
<b>Current assets</b>			
Stocks of training materials	12	0	-
Debtors	14	197,375	191,185
Cash at bank and in hand		<u>1,000,577</u>	<u>1,238,398</u>
		<u>1,197,952</u>	<u>1,429,582</u>
<b>Creditors: Amounts falling due within one year</b>	16	<u>275,472</u>	<u>294,584</u>
<b>Net current assets</b>		<u>922,480</u>	<u>1,134,998</u>
<b>Total assets less current liabilities</b>		1,166,994	1,367,122
<b>Creditors: amounts falling due in after more than one year</b>	17	<u>221,568</u>	<u>281,197</u>
<b>Net assets</b>		<u>945,426</u>	<u>1,085,925</u>
<b>Funds of the charity:</b>			
Restricted income funds	20	20,271	19,130
<b>Unrestricted funds:</b>			
General funds	20	1,214,858	1,414,142
Pension fund	20	<u>(289,703)</u>	<u>(347,347)</u>
		<u>925,155</u>	<u>1,066,795</u>
<b>Total funds</b>		945,426	<u>1,085,925</u>

The financial statements on pages 14 to 39 were approved by the Board of Trustees and authorised for issue on 14/9/2021 and were signed on their behalf by:

Trustee:

Trustee:



## Consolidated statement of cash flows for the year ended 31 December 2020

	Note	Group 2020 £	2019 £
<b>Net cash flows from operating activities</b>	25	(301,464)	98,505
<b>Cash flows from/(used in) investing activities</b>			
Interest received		1,551	5,071
Loss on disposal of investment		(201,247)	(146,632)
Proceeds on disposal of fixed assets		31,516	-
Purchase of tangible fixed assets		(38,163)	-
<b>Net cash from/(used in) investing activities</b>		<u>(206,343)</u>	<u>(141,561)</u>
 Increase/ (decrease) in cash and cash equivalents in the year		 (507,807)	 (43,056)
Cash and cash equivalents at the beginning of the year		<u>1,727,108</u>	<u>1,770,164</u>
 <b>Total cash and cash equivalents at the end of the year</b>		 <u>1,219,301</u>	 <u>1,727,108</u>
<b>Relating to:</b>			
 Cash at bank and in hand		 1,219,301	 1,727,108
Short term investments		<u>-</u>	<u>-</u>
<b>Total cash and cash equivalents at the end of the year</b>		<u>1,219,301</u>	<u>1,727,108</u>



# Notes to the Financial Statements for the year ended 31 December 2020

## 1. Accounting policies

### 1a) Basis of preparation

Signature is a charitable company, limited by guarantee, registered in England. The address of the charity's registered office and principal place of business is Shannon House, Mandale Business Park, Belmont Industrial Estate, Durham, DH1 1TH. The group financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking, Signature Commercial Limited on a line by line basis.

The Group meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the education, training and examination of students and tutors in the different modes of communication used by such persons.

These financial statements have been prepared in accordance with "Accounting and Reporting by Charities": Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost of transaction value except for investments which are included at market value, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2015 (Charities SORP (FRS 102)) and the Companies Act 2006.

The financial statements are presented in sterling which is also the financial currency of the group. The monetary amounts in these financial statements are rounded to the nearest £, except where otherwise indicated. The company has applied the exemption available under FRS102 in respect of the following disclosure:

- Cash flow statement and related notes.

### Going concern

FRS 102 requires that, if appropriate, the group's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. There are no material uncertainties in respect of the group's ability to continue as a going concern. The ongoing demand for the services provided by the group ensures the exposure to risk from the current difficult economic conditions is minimal. Free reserves are available to meet the group's needs as they arise as detailed within the reserves policy. As a consequence, the Trustees believe the group is well placed to manage its business risks successfully and thus they have adopted the going concern basis of accounting in preparing the financial statements.

The group had total funds of £1,064,650 as at 31 December 2020 (decrease of £328,863 from 31 December 2019) and a year-end cash balance of £1,219,301 (2019: £1,727,108). As outlined in note 27, on 31 December 2020 Signature Commercial ceased trading. NRCPD ceased to be a member of the group. Going concern considerations have therefore been made based on the group as it remains.

Activity levels have been impacted during 2020 as a result of the Covid-19 pandemic, however cash reserves remain strong. Forecasts for the period ended 31 December 2021 have been prepared, mindful of the further potential impacts of Covid-19. Management have also prepared a forecast, with further downside scenarios included. These confirm that the group and charity have sufficient cash for the organisation to continue for at least 12 months from the date these financial statements are signed.

At the time of approving the financial statements, the trustees have a reasonable expectation that the group and charity have adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.



# Notes to the Financial Statements for the year ended 31 December 2020

## 1. Accounting policies (continued)

### 1b) Incoming resources

All income disclosed in the Statement of Financial Activities is shown on an entitlement basis.

All grant income is shown on an entitlement basis, except for restricted funds, where any income received in advance of expenditure is taken to the Statement of Financial Activities when the group becomes unconditionally entitled to the grant.

Government grants are recognised when the conditions for receipts are met and there is reasonable assurance that the grant will be received. Grants related to income are deducted in reporting the related expense.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit and loss in the period in which they become receivable.

Fees for examinations are normally invoiced in advance and those applicable to the year accounted for in the Statement of Financial Activities. Fees received during the year applicable to future periods are shown as deferred income in the balance sheet.

### 1c) Expenditure

Resources expended are recognised in the period in which legal or constructive obligation arises.

Resources expended are allocated to the particular activity to which the cost relates. However the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on an estimate of the staff time, attributable to each activity:

Generating Funds	0%
Examinations and centre registrations	62%
Sale of materials	9%
Curriculum and other training	6%
Registration of LSPs	0%
Development of examinations, training and materials	23%

Governance costs relate to the costs associated with meeting the constitutional and statutory requirements of the group.

### 1d) Fixed assets

#### Tangible Fixed assets

Depreciation is provided at rates, set out below, calculated to write off the cost of each asset over its expected useful life. Items of equipment are capitalised where the purchase price exceeds £150, except for computer equipment which is all capitalised, with the exception of consumables and accessories.

Computer Software	5 years	20% straight line
Computer Equipment	3 years	33% straight line
Other Office Equipment	4 years	25% straight line

# Notes to the Financial Statements for the year ended 31 December 2020

## Intangible Fixed assets

Intangible fixed assets are stated at cost, net of amortisation and any provision for impairment. Amortisation is calculated to write down the costs of completed assets less estimated residual value over the useful lives of all intangible assets by the straight line method. The annual charges on:

Development expenditure	5 years	20% straight line
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### **1e) Investments**

Investments held as fixed assets are revalued at their market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

### **1f) Stocks**

Stocks comprise training packages and are valued at the lower of cost and net realisable value.

Net realisable value is based on normal selling price. Provision is made for obsolete, slow moving or defective items where appropriate.

### **1g) Pension costs**

Contributions to defined contribution schemes are charged to the Statement of Financial Activities as they are incurred. A creditor is included on a discounted basis for known additional contributions as detailed in note 22.

### **1h) Funds**

Unrestricted funds are generated surpluses of the group without further specified purpose and are available as general funds.

Designated funds are unrestricted funds, earmarked by the trustees for particular purposes.

Restricted funds are to be used for specific purposes as prescribed by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

### **1i) Research and development**

Expenditure incurred on research and development in the year other than those costs able to be capitalised, is charged to the statement of financial activities.

### **1j) Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership on a straight line basis over the period of the lease remain with the lessor are charged against surpluses.



# Notes to the Financial Statements for the year ended 31 December 2020

## 1k) Taxation

The group is a registered charity and is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxable Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

## 1l) Cash at bank and in hand

Cash at bank and cash in hand includes cash held at bank and cash held in short term investments.

## 1m) Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102, in full to all of its financial instruments.

All of the group's financial assets and financial liabilities qualify as basis financial instruments. Basic Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### **Financial assets: Trade and other debtors**

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

### **Financial liabilities: Trade and other creditors**

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



# Notes to the Financial Statements for the year ended 31 December 2020

## 2. Incoming resources

<b>2a) Donations and legacies- unrestricted</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Donations	215	227
	<u>215</u>	<u>227</u>
<b>2b) Other Trading activities (Group)- unrestricted</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Conferences and fairs	0	0
Signature Commercial	34,074	46,990
	<u>34,074</u>	<u>46,990</u>
<b>2b) Other Trading activities (Charity)- unrestricted</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Conferences and fairs	0	0
Intercompany recharges	15,350	78,750
	<u>15,350</u>	<u>78,750</u>
<b>2c) Investment income (Charity)- unrestricted</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank interest	1,551	4,044
Money market and other deposits	(2,471)	5,203
	<u>(920)</u>	<u>9,247</u>
<b>2c) Investment income (Group)- unrestricted</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank Interest	1,551	5,071
Money market and other deposit	(2,471)	5,203
	<u>(920)</u>	<u>10,274</u>
<b>2d) Development of examinations, training and materials</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
GCSE	-	862
Other	1,141	-
<b>Total restricted development income</b>	<u>1,141</u>	<u>862</u>
<b>2e) Other Income - unrestricted</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Furlough income	99,784	0
Other	3,353	10,677
<b>Total other income - unrestricted</b>	<u>103,137</u>	<u>10,677</u>

## Notes to the Financial Statements for the year ended 31 December 2020

### 3. Costs of generating funds

#### 3a) Charitable activities – unrestricted (Group)

	Examinations and centre registrations £	Training Materials £	Curriculum and other training £	Registration £	Development of exams etc £	2020 £	2019 £
Direct costs	81,847	5,404	5,511	0	1,059	93,821	287,298
Staff costs	133,551	22,369	13,364	0	61,729	231,013	378,642
Direct overheads	-	-	-	-	-	-	-
Allocated overheads	311,769	53,222	31,079	0	143,556	539,626	589,415
Governance costs (note 3c)	20,002	-	-	0	-	20,002	56,025
	547,170	80,995	49,954	0	206,344	884,463	1,311,380
<b>Charitable activities – restricted</b>							
Direct costs	-	-	-	-	-	-	862
Allocated overheads	-	-	-	-	-	-	-
	-	-	-	-	-	-	862
<b>Total</b>	547,169	80,995	49,954	0	206,344	884,462	1,312,242

#### 3a) Charitable activities – unrestricted (Charity)

Direct costs	77,896	5,404	5,511	-	1,059	89,870	207,805
Staff costs	133,551	22,369	13,364	-	61,729	231,013	231,013
Direct overheads	-	-	-	-	-	-	-
Allocated overheads	310,583	52,022	31,079	-	143,556	537,240	551,270
Governance costs (note 3c)	16,070	-	-	-	-	16,070	26,875
	538,100	79,795	49,954	-	206,344	874,193	1,016,964
<b>Charitable activities – restricted</b>							
Direct costs	-	-	-	-	-	-	862
Allocated overheads	-	-	-	-	-	-	-
	-	-	-	-	-	-	862
<b>Total</b>	538,100	79,795	49,954	-	206,344	874,193	1,017,826

## Notes to the Financial Statements for the year ended 31 December 2020

### 3b)

#### Governance costs – unrestricted (Group)

Direct committee costs including travel

Auditors fees

Other costs

2020 £	2019 £
965	27,620
10,301	16,752
8,737	11,653
<u>20,002</u>	<u>56,025</u>

### 3b)

#### Governance costs – unrestricted (Charity)

Direct committee costs including travel

Auditors fees

Other costs

2020 £	2019 £
965	12,713
8,170	8,361
6,936	5,801
<u>16,070</u>	<u>26,875</u>

#### Analysis of allocated overheads

Staff costs including training and welfare

Office running

Premises

Professional fees

Depreciation

Travel and subsistence

Insurance

Other costs

2020 £	2019 £
274,195	315,283
23,412	43,407
108,657	109,404
95,362	55,717
23,304	6,265
950	6,651
6,694	8,925
4,667	5,618
<u>537,240</u>	<u>551,270</u>

## Notes to the Financial Statements for the year ended 31 December 2020

### 4. Net incoming/outgoing resources is after charging:

	2020 £	2019 £
Auditors' remuneration - Statutory Audit	<u>12,000</u>	<u>12,900</u>
	<u>12,000</u>	<u>12,900</u>
Operating lease costs-Land and Buildings	<u>39,639</u>	<u>51,053</u>
Amortisation	<u>0</u>	<u>0</u>
Depreciation	<u>23,304</u>	<u>10,132</u>

### 5. Staff costs

	Group 2020 £	Charity 2020 £	2019 £
Salaries	430,206	430,206	556,351
Employer's National Insurance	31,574	31,574	45,593
Employer's Pension Contributions	<u>31,313</u>	<u>31,313</u>	<u>40,161</u>
	493,094	493,094	642,105
Recruitment fees	127	127	3,846
Temporary staff	<u>0</u>	<u>0</u>	<u>16,509</u>
	<u>493,221</u>	<u>493,221</u>	<u>20,355</u>

The average number of employees during the year was 19 (2019: 20).

The following number of employees received annual emoluments exceeding £60,000 was 1 (2019: 1)

	December 2020	December 2019
Between £60,000 and £70,000	<u>1</u>	<u>1</u>

Pension contributions paid in the year in respect of the above staff were £6,400 (2019: £6,400).



# **Notes to the Financial Statements for the year ended 31 December 2020**

## **Key management personnel**

The key management personnel of the group and charity comprise the Trustees and Chief Executive. The total employee benefits of the key management personnel of the group were £78,134 (2019: £78,484).

## **6. Pension costs**

The Charity participates in two funds administered by the Pensions Trust. The Ethical Fund, a defined contribution scheme, and The Growth Plan, a multi-employer pension scheme.

The charge to SOFA is the amount of the contributions payable.

The amount of contributions outstanding at the year end was £9,644 (2019: £4,936).

## **7. Indemnity insurance**

The Charity has Professional Liability Insurance cover for Trustees, committee members and staff.

The limit of Indemnity in any one year is £1,000,000 (2019: £1,000,000) for which a premium of £1,242 (2019: £1,035) was paid.

## **8. Trustees remuneration and disbursement of expenses**

The Articles of Association permit the payment of fees and expenses to trustees when acting as examiners and trainers, etc, where such expertise is in short supply.

In 2019 0 (2019: 0) trustees received fees amounting to £0 (2019: £0) together with £0 (2019: £0) reimbursement of expenses incurred.

There were 1 (2019: 6) other trustees who were reimbursed travel and subsistence expenses of £23 (2019: £1,744) for attendance at trustee meetings and other events.

## Notes to the Financial Statements for the year ended 31 December 2020

### 9. Tangible fixed assets (Group)

	Furniture & fittings £	Office equipment £	Computer software £	Computer equipment £	2020 Total £
<b>Cost</b>					
At 1 January 2020	62,851	32,520	256,744	124,042	476,157
Additions	2,802	-	34,248	1,113	38,163
Disposals	(-)	(968)	(23,857)	(7,292)	(32,116)
At 31 December 2020	65,653	31,552	267,135	117,864	482,204
<b>Depreciation</b>					
At 1 January 2020	56,252	27,899	138,600	99,652	322,403
Charge for the Year	1,837	1,561	13,012	8,093	24,503
Disposals	(-)	(272)	(795)	(1,934)	(3,001)
At 31 December 2020	58,089	29,188	150,817	105,811	343,905
<b>Net book value</b>					
At 31 December 2020	7,564	2,364	116,318	12,053	138,299
At 31 December 2019	6,599	4,621	118,144	24,390	153,754

No tangible fixed assets were held under finance leases or hire purchase contracts. On 1<sup>st</sup> January 2020, CACDO disposed of its interests in NRCPD and the asset disposals are reflected above.

### 9a Tangible fixed assets (Charity)

	Furniture & fittings £	Office equipment £	Computer software £	Computer equipment £	2020 Total £
<b>Cost</b>					
At 1 January 2020	62,851	31,552	226,887	116,751	438,041
Additions	2,802	-	34,248	1,113	38,163
Disposals	(-)	-	-	(-)	(-)
At 31 December 2020	65,653	31,552	261,135	117,864	476,204
<b>Depreciation</b>					
At 1 January 2020	56,252	27,627	133,592	97,718	315,189
Charge for the year	1,836	1,561	11,812	8,093	23,302
Disposals	(-)	-	-	(-)	(-)
At 31 December 2020	58,088	29,188	145,404	105,811	338,492
<b>Net book value</b>					
At 31 December 2020	7,564	2,364	115,731	12,053	137,712
At 31 December 2019	6,599	3,925	93,295	19,033	122,852

No tangible fixed assets were held under finance leases or hire purchase contracts.



# Notes to the Financial Statements for the year ended 31 December 2020

## 10. Intangible fixed assets (Group and charity)

	Research & Development £
<b>Cost</b>	
At 1 January 2020	173,739
Additions	
At 31 December 2020	<u>173,739</u>
<b>Amortisation</b>	
At 1 January 2020	173,739
Charge for the year	-
At 31 December 2020	<u>173,739</u>
<b>Net book value</b>	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>-</u>

## 11. Investments

	2020 £	2019 £
Common Investment Funds	106,801	109,272
Investment in Signature Commercial Limited-charity only	1	1
	<u>106,802</u>	<u>109,273</u>

The Common Investment Fund comprises 507,961 accumulation units in The Schroders Charity Fixed Interest Fund.

	£
Carrying value at the beginning of the year	109,273
Gain on investment	
Loss on revaluation	(2,472)
Carrying value at the end of the year	<u>106,801</u>

Signature holds 100% of the ordinary share capital in Signature Commercial Limited (Company no 08002331). At 31 December 2020, Signature Commercial Limited had gross assets of £240,855 and gross liabilities of £377,632. During the year to 31 December 2020, Signature Commercial Limited recognised turnover of £38,501 and a profit of £12,879.

Up until 31 December 2019, Signature was also the sole member of NRCPD, a company limited by guarantee. On 1 January 2020, Signature disposed of its interest in NRCPD. A loss on disposal of investment of £201,247 has been recognised in the group SOFA.

The group made the decision during the year to transfer the operational activities of Signature Commercial Limited to the charitable parent company Signature. The operations will be transferred during 2021.

All investment assets are held in the UK.

## Notes to the Financial Statements for the year ended 31 December 2020

<b>12. Stocks (Group)</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cost	21,506	20,968
Provision for obsolescence	(1,430)	(1,430)
	<u>20,076</u>	<u>19,538</u>

No stock is held by the Charity.

<b>13. Debtors (Group)</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	48,933	93,588
Other debtors	-	-
Prepayments	34,833	45,418
	<u>83,766</u>	<u>139,006</u>

All debtors are due for settlement within 12 months.

<b>14. Debtors (Charity)</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	47,464	60,800
Other debtors	-	-
Prepayments	34,833	40,064
Inter-company balance	115,077	90,321
	<u>197,375</u>	<u>191,185</u>

The inter company balance is for a period of five years. From one year after the date of the agreement interest will be payable on the balance at a rate of 6% per annum.

<b>15. Creditors (Group)</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade Creditors	51,909	22,025
Other Tax and Social Security	11,207	19,407
Accruals	40,843	48,642
Deferred Income	109,933	317,746
Pension Fund	68,135	66,150
	<u>282,026</u>	<u>473,970</u>

Deferred Income at 31 December 2019	317,746
Amount released from previous year	(317,746)
Amount deferred in current year	109,933
Deferred income at 31 December 2020	<u>109,933</u>

Deferred income relates to examination fees invoiced in advance



## Notes to the Financial Statements for the year ended 31 December 2020

### 16. Creditors (Charity)

	2020 £	2019 £
Trade Creditors	49,893	13,878
Other Tax and Social Security	8,972	12,487
Accruals	38,539	39,713
Deferred Income	109,933	159,935
Pension Fund	68,135	66,150
Intercompany creditor	-	2,422
	<u>275,472</u>	<u>294,584</u>

### 17. Creditors due in more than one year (Group and charity)

	2020 £	2019 £
Pension creditor	<u>221,568</u>	<u>281,197</u>

### 18. Financial instruments

The carrying amounts of the Group's financial instruments at 31 December were:

	2020 £	2019 £
<b>FINANCIAL ASSETS</b>		
Debt instruments measured at amortised cost:		
Trade Debtors	48,933	93,588
Other debtors	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<u>48,933</u>	<u>93,588</u>
 <b>FINANCIAL LIABILITIES</b>		
Measured at amortised cost:		
Trade Creditors	51,909	22,025
Accruals	<u>40,843</u>	<u>68,642</u>
<b>TOTAL</b>	<u>92,752</u>	<u>70,667</u>

# Notes to the Financial Statements for the year ended 31 December 2020

## 19. Movements in funds (Group)

	Balance b/fwd £	Incoming resources £	Outgoing Resources £	Transfers and Disposals £	Balance c/fwd £
<b>Restricted funds:</b>					
GCSE	19,130	-	-	-	19,130
Other	-	1,141	-	-	1,141
<b>Total restricted funds</b>	<b>19,130</b>	<b>1,141</b>	<b>-</b>	<b>-</b>	<b>20,271</b>
<b>Unrestricted funds:</b>					
Pension	(347,347)	-	-	57,644	(289,703)
General funds	1,721,730	755,705	(884,462)	(258,891)	1,334,082
<b>Total unrestricted funds</b>	<b>1,374,383</b>	<b>755,705</b>	<b>(884,462)</b>	<b>(201,247)</b>	<b>1,044,379</b>
<b>Total funds</b>	<b>1,393,513</b>	<b>756,846</b>	<b>(884,462)</b>	<b>(201,247)</b>	<b>1,064,650</b>

The transfer in the period relates to the deficit payments made on the pension provision and the disposal of NRCPD.

## 2019- Movement in funds (Group)

	Balance b/fwd £	Incoming resources £	Outgoing resources £	Transfers £	Balance c/fwd £
<b>Restricted funds:</b>					
GCSE	19,130	-	-	-	19,130
<b>Total restricted funds</b>	<b>19,130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,130</b>
<b>Unrestricted funds:</b>					
Pension	(388,441)	-	-	41,094	(347,347)
General funds	1,613,752	1,462,874	(1,313,802)	(41,094)	1,721,730
<b>Total unrestricted funds</b>	<b>1,225,311</b>	<b>1,462,874</b>	<b>(1,313,802)</b>	<b>-</b>	<b>1,374,383</b>
<b>Total funds</b>	<b>1,244,441</b>	<b>1,462,874</b>	<b>(1,313,802)</b>	<b>-</b>	<b>1,393,513</b>



## Notes to the Financial Statements for the year ended 31 December 2020

### 20. Movements in funds (Charity)

	Balance b/fwd £	Incoming resources £	Outgoing resources £	Transfers £	Balance c/fwd £
<b>Restricted funds:</b>					
GCSE	19,130	-	-	-	19,130
Other	-	1,141	-	-	1,141
<b>Total restricted funds</b>	<b>19,130</b>	<b>1,141</b>	<b>-</b>	<b>-</b>	<b>20,271</b>
<b>Unrestricted funds:</b>					
Pension	(347,347)	-	-	57,644	(289,703)
General funds	1,414,142	732,554	(874,194)	(57,644)	1,214,858
<b>Total unrestricted funds</b>	<b>1,066,795</b>	<b>732,554</b>	<b>(874,194)</b>	<b>-</b>	<b>925,155</b>
<b>Total funds</b>	<b>1,085,925</b>	<b>733,695</b>	<b>(874,194)</b>	<b>-</b>	<b>945,426</b>

The transfer in the year relates to the deficit payments made on the pension provision.

### 2019- Movements in funds (Charity)

	Balance b/fwd £	Incoming resources £	Outgoing resources £	Transfers £	Balance c/fwd £
<b>Restricted funds:</b>					
GCSE	19,130	-	-	-	19,130
<b>Total restricted funds</b>	<b>19,130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,130</b>
<b>Unrestricted funds:</b>					
Pension	(388,441)	-	-	41,094	(347,347)
General funds	1,347,007	1,125,193	(1,016,964)	(41,094)	1,414,142
<b>Total unrestricted funds</b>	<b>958,566</b>	<b>1,125,193</b>	<b>(1,016,964)</b>	<b>-</b>	<b>1,066,795</b>
<b>Total funds</b>	<b>977,699</b>	<b>1,125,193</b>	<b>(1,016,964)</b>	<b>-</b>	<b>1,085,925</b>

# Notes to the Financial Statements for the year ended 31 December 2020

## 21. Members liability

The company is limited by guarantee and in the event of the winding up of the company, the liability of its members is limited to £1.

## 22. Pension Obligations

The company 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 other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

### Deficit contributions

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £131m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

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

Unless a concession has been agreed with the Trustee the term to 30 September 2015 applies.



# Notes to the Financial Statements for the year ended 31 December 2020

## 22. Pension Obligations (continued)

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

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

PRESENT VALUES OF PROVISION	31 December 2020	31 December 2019	31 December 2018
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<b>Present value of provision</b>	289,703	347,347	397,843
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### RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	<b>Year Ending 31 December 2020</b>	<b>Year Ending 31 December 2019</b>
Provision at start of year	347,347	397,843
Unwinding of the discount factor (interest expense)	3,524	6,390
Deficit contribution paid	(66,150)	(62,222)
Remeasurements - impact of any change in assumptions	4,982	5,336
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of year	289,703	347,347

# Notes to the Financial Statements for the year ended 31 December 2020

## 22. Pension Obligations (continued)

### INCOME AND EXPENDITURE IMPACT

	Year Ending 31 December 2020	Year Ending 31 December 2019
Interest expense	3,524	6,390
Remeasurements – impact of any change in assumptions	4,982	5,336
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	-	-
Costs recognised in income and expenditure account	-	-

\*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

### ASSUMPTIONS

	31 December 2020 % per annum	31 December 2019 % per annum	31 December 2018 % per annum
Rate of discount	0.27	1.13	1.75

The discount rates shown above are the equivalent single discount rates 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.

# Notes to the Financial Statements for the year ended 31 December 2020

## 23. Related party transactions

Mark Hopkinson, a trustee since 26th September 2017, is also Head of Sign Language and Lipreading at City Lit, London which operates as a centre providing assessments for CACDP's qualifications. Fees are charged in line with the published price list. Fees and project costs charged during the period amounted to £18,639 and the balance due from the college at 31st December 2020 was £281.

The company has taken advantage of the exemption under FRS 102 not to disclose transactions with its subsidiaries.

## 24. Operating leases

Annual commitments under non-cancellable operating leases are as follows:-

	2020 £	2019 £
	Land and Buildings	Land and Buildings
Within one year	51,053	51,053
Between two and five years	72,326	123,379
More than five years	0	0
	<u>123,379</u>	<u>174,432</u>



# Notes to the Financial Statements for the year ended 31 December 2020

## 25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	2019 £
Net movement in funds	(127,616)	149,072
Income from investments	920	(10,274)
Depreciation	22,102	10,132
Decrease in stocks	(538)	844
Decrease in debtors	55,240	(16,108)
Decrease in creditors	(193,928)	5,197
Decrease in provision	(57,644)	(40,358)
Net cash inflow from operating activities	<u>(301,464)</u>	<u>98,505</u>

## 26. Analysis of net assets between funds – Group

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2020 as represented by:			
Tangible fixed assets	138,299	-	138,299
Intangible fixed assets	-	-	-
Investment assets	106,802	-	106,802
Current assets	1,309,802	20,271	1,330,073
Current liabilities	(288,956)	-	(288,956)
Long term liabilities	(221,568)	-	(221,558)
	<u>1,044,379</u>	<u>20,271</u>	<u>1,064,650</u>

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2019 as represented by:			
Tangible fixed assets	153,754	-	153,754
Intangible fixed assets	-	-	-
Investment assets	109,273	-	109,273
Current assets	1,866,523	19,130	1,885,653
Current liabilities	(473,970)	-	(473,970)
Long term liabilities	(281,197)	-	(281,197)
	<u>1,374,383</u>	<u>19,130</u>	<u>1,393,513</u>

# Notes to the Financial Statements for the year ended 31 December 2020

## Analysis of net assets between funds – Charity

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2020 as represented by:			
Tangible fixed assets	137,712	-	137,712
Intangible fixed assets	0	-	0
Investment assets	106,801	-	106,801
Current assets	1,184,611	20,271	1,204,882
Current liabilities	(282,402)	-	(282,402)
Long term liabilities	(221,568)	-	(221,568)
	<u>925,155</u>	<u>20,271</u>	<u>945,426</u>
	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2019 as represented by:			
Tangible fixed assets	122,852	-	122,852
Intangible fixed assets	0	-	0
Investment assets	109,272	-	109,272
Current assets	1,410,452	19,130	1,429,582
Current liabilities	(294,584)	-	(294,584)
Long term liabilities	(281,197)	-	(281,197)
	<u>1,066,795</u>	<u>19,130</u>	<u>1,085,925</u>

## 27. Discontinued Operations

On 1 January 2020 the group disposed of its interest in NRCPD Limited.