

CACDP
T/A Signature

(A company limited by guarantee)

FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

Contents

	Page
Reference and administrative details of the Charity, its Trustees and Advisers	3
Trustees' Annual Report	4 – 10
Independent Examiners' Report	11 – 12
Statement of Financial Activities	13
Balance Sheet	14
Notes to the Financial Statements	16 - 31

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

P Keen (resigned March 2022)
I Robinson
J D Walker
H J 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

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

Independent Examiner

RSM UK Tax and Accounting Limited, 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 2021)

Charity No: 01071662
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 2021.

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.

Trustees are recruited through open, external processes which can use a variety of measures to raise awareness of the vacancy. Applications are sought which showcase skills and experience, and discussions held with a panel made up of trustees and the Executive. The panel will make recommendations to the full board. New trustees are appointed for a single term of four years and at that point, if they wish to serve a second term, they will share a statement about their time with Signature. A conversation with a panel will be held and recommendations will be made to the full board.

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.

Signature Commercial, a subsidiary of CACDP, ceased trading at 31st December 2020 with all assets and liabilities taken into the parent company in January 2021.

Trustees Annual Report (for the year ended 31 December 2021)

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 as well as 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 on courses leading to our qualifications.
- Deaf and hearing tutors on 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.

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.

Trustees Annual Report (for the year ended 31 December 2021)

Achievements and performance

In the year to 31 December 2021 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 December 2021 and these have been accepted by each regulator with the information from the above visit being included and accepted.

Support for the Office team

As a result of the COVID-19, we facilitated all staff to work from home and as the challenges of Covid - 19 continued throughout 2021 we continued to apply a flexible approach to home/office based working. Our office reopened once this was possible but to ensure we kept all staff as safe as possible, we have been flexible and adaptable with working arrangements.

Online assessments

After developing an online assessment system in 2020, we have further advanced this route of submission to cover all of our qualifications and more effectively.

Support for centres

2021 proved to be as challenging as the previous year with more uncertainties across different sectors, we are very proud that we continued to provide a strong service to all of our stakeholders as well as helping and supporting our centres where we could.

Office move

In the Summer of 2021, the Signature office moved to a new location and we can now enjoy a more open plan location that allows the team to work closely together in a single office that is more suited to the needs of our current staff team.

Trustees Annual Report (for the year ended 31 December 2021)

Financial review, including risks and uncertainties

For a second year, CACDP faced extraordinary pressure on its income due to COVID-19 and the various lockdowns. As colleges, schools and other educational establishments were repeatedly forced to close and people were prevented to meet in person indoors, most of our centres were still unable to operate at their normal levels of activity. We adapted our assessments as quickly as possible in 2020 by providing online assessments but still not all centres or candidates selected this option and we continued to see significant reduction in levels of income. It became obvious that in 2021 we needed to make decisions to adjust the structure of operations in response to the effects of COVID on our income. We reduced staff numbers at the beginning of the year and by the summer we had moved to a smaller office.

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

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

Following two difficult years, our main challenge is to rebuild the demands on our qualifications to levels prior to the pandemic. As the pandemic continues to greater or lesser extent, the increase in student numbers will take more time than we initially expected. At reduced staffing levels and continued uncertainties, the organisation's ability to 'bounce back' is uncertain.

There are other risks on the size of the organisation and our ability to ensure appropriately skilled people are recruited into the organisation whilst maintaining staff structures and our ability to achieve objectives and meet changing business needs. We continue to provide strong working practises that are family friendly and creating a positive culture of engagement across the team. It is our endeavour that a motivated workforce will allow for effective creative thinking and our passion to achieve the organisation's objectives.

Income in the year ended 31 December 2021 has increased by £32k from £734k in 2020 to £766k.

Reserves have increased by £271k to £1,215m.

KPI's

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

Performance Measure	2021	2020	Variance explanation
Reserve level	£1.215m	£945k	Pension revaluation
Current Ratio	7.5	4.7	Strengthening working capital position
Candidate numbers	12,134	9,863	Candidate decline due to COVID-19
Net surplus/(deficit)	£61k	£(140)k	Pension revaluation

Trustees Annual Report (for the year ended 31 December 2021)

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 deficit of £81k (2020 - £290k).

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 £105k is considered a reasonable provision. In addition, due to the current financial uncertainty that has been caused by COVID-19, we will retain £200k in reserves to allow for any potential year end deficits.

Restricted funds at 31 December 2021 were £19k, unrestricted funds held as fixed assets were £261k, leaving £936k as free reserves and available for the general purpose of the charity. This results in the current levels of free reserves being higher than required levels.

Trustees Annual Report (for the year ended 31 December 2021)

The Future

As CACDP continue to experience challenges in both funding and the economy in general; the three year strategic plan states that our focus is to:

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

Since 2020, we faced an ever increasing challenge that has not been seen before in this sector and the impact of Covid-19 has been significant for the organisation as well as its finances. To allow us to meet the needs of our centres, their candidates and deliver our charitable objectives, we have embraced technological solutions and have adapted our future plans to ensure flexibility is included in our primary objectives.

COVID-19 has significantly impacted the income levels of this 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 when our centres resumed teaching and assessing in the later part of the year. This resulted in a managed deficit in 2020 which in turn reduced the reserves, however we have sufficient free reserves to ensure this does not impact on the organisation's future.

The January 2021 lockdown had a further impact and this continued well into the new academic year while centres began advertising new courses for September 2021 but assessments would not take until later in their courses of study. The result has been that, even with the ability to claim from the CJRS, we have had to reduce staff numbers and to relocate to smaller offices. With fewer staff and lower numbers of candidates, our focus for the immediate future is to rebuild the organisation whilst continuing to deliver our qualifications to the highest standard for our existing and new centres. Our levels of reserves will allow us to ensure this can happen.

To date in 2022, we now see a gradual increase in the number of assessments and we are hopeful that this trend will continue through the year.

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.

Statement as to disclosure of information to Independent Examiners

CACDP is now audit exempt and an independent examination is being carried out for the year ended 31 December 2021.

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 information of which the accountants are unaware.

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).

Independent Examiners

A resolution to appoint RSM Tax and Accounting Limited as Independent Examiners for the current and following year was agreed at a board meeting on 9th March 2022.

Approved by a meeting of the Board of Trustees on 13.9.22 and signed on their behalf by:

Trustee:  J.D. WALKER

Trustee: 

Independent Examiners' Report to the Trustees and members of CACDP T/A Signature (for the year ended 31 December 2021)

I report to the trustees on my examination of the accounts of CACDP ('the company') for the year ended 31 December 2021 which are set out on pages 14 to 33

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair view' and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102).

**Independent Examiners' Report to the Trustees and members of
CACDP T/A Signature
(for the year ended 31 December 2021)**

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

L. Robson

Name: *WUCY ROBSON*

Name of applicable listed body: *ICAEW*

ON BEHALF OF RSM UK TAX AND ACCOUNTING LIMITED

Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Charitable Company Statement of Financial Activities for the year ended 31 December 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income from:					
Donations and legacies	2a	121,963	-	121,963	215
Other trading activities	2b	33,093	-	33,093	15,350
Investments	2c	4,068	-	4,068	(920)
		159,124	-	159,124	14,645
Charitable activities					
Examinations and centre registrations		701,818	-	701,818	614,772
Development of examinations, training and materials	2d	-	-	-	1,141
		701,818	-	701,818	615,913
Other incoming resources	2e	25,928	-	25,928	103,137
Total income		886,870	-	886,870	733,695
Expenditure on:					
Raising funds		-	-	-	-
Charitable activities:					
Examinations and centre registrations	3a	414,257	835	415,092	538,100
Sale of training materials		88,193	-	88,193	79,796
Curriculum and other training		40,657	-	40,657	49,954
Development of examinations, training and materials		213,825	-	213,825	206,344
Total expenditure		756,932	835	757,767	874,194
Actuarial remeasurement on defined benefit obligations		141,152		141,152	
Net movement in funds		271,090	(835)	270,255	(140,499)
Reconciliation of funds					
Total funds brought forward		925,155	20,271	945,426	1,085,925
Total funds carried forward		1,196,245	19,436	1,215,681	945,426

All operations derive from continuing activities.

Company Number: 03581178

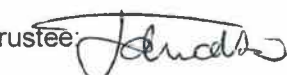
Charitable Company Balance Sheet as at 31 December 2021

	Note	2021	2020
Fixed assets			
Tangible assets	9	150,007	137,713
Intangible assets	10	-	-
Investments	11	<u>110,761</u>	<u>106,801</u>
Total fixed assets		260,768	244,514
Current assets			
Stocks of training materials	12	20,076	-
Debtors	13	87,666	197,375
Cash at bank and in hand		<u>1,044,066</u>	<u>1,000,577</u>
		<u>1,151,808</u>	<u>1,197,952</u>
Creditors: Amounts falling due within one year	14	<u>150,204</u>	<u>275,472</u>
Net current assets		<u>1,001,604</u>	<u>922,480</u>
Total assets less current liabilities		<u>1,262,372</u>	<u>1,166,994</u>
Creditors: amounts falling due in after more than one year	15	<u>46,691</u>	<u>221,568</u>
Net assets		<u>1,215,681</u>	<u>945,426</u>
Funds of the charity:			
Restricted income funds	16	19,436	20,271
Unrestricted funds:			
General funds	16	1,277,351	1,214,858
Pension fund	16	<u>(81,106)</u>	<u>(289,703)</u>
		<u>1,196,245</u>	<u>925,155</u>
Total funds		<u>1,215,681</u>	<u>945,426</u>

The financial statements on pages 14 to 33 were approved by the Board of Trustees and authorised for issue on 13.9.22 and were signed on their behalf by:

Trustee:

Trustee:




Consolidated statement of cash flows for the year ended 31 December 2021

	Note	2021 £	2020 £
Net cash flows from operating activities	22	274,113	(202,129)
Cash flows from/(used in) investing activities			
Interest received		(3,960)	2,471
Loss on disposal of investment		(201,247)	-
Proceeds on disposal of fixed assets		15,832	-
Purchase of tangible fixed assets		(41,249)	(38,163)
Net cash from/(used in) investing activities		<u>(230,524)</u>	<u>(35,692)</u>
 Increase/ (decrease) in cash and cash equivalents in the year		43,489	(237,821)
Cash and cash equivalents at the beginning of the year		<u>1,000,577</u>	<u>1,238,398</u>
 Total cash and cash equivalents at the end of the year		<u><u>1,044,066</u></u>	<u><u>1,000,577</u></u>
Relating to:			
 Cash at bank and in hand		<u>1,044,066</u>	<u>1,000,577</u>
 Total cash and cash equivalents at the end of the year		<u><u>1,044,066</u></u>	<u><u>1,000,577</u></u>

Notes to the Financial Statements for the year ended 31 December 2021

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 charity 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.

Going concern

FRS 102 requires that, if appropriate, the 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 charity's ability to continue as a going concern. The ongoing demand for the services provided by the charity ensures the exposure to risk from the current difficult economic conditions is minimal. Free reserves are available to meet the charity's needs as they arise as detailed within the reserves policy. As a consequence, the Trustees believe the charity 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 charity had total funds of £1,215,681 as at 31 December 2021 (increase of £270,255 from 31 December 2020) and a year-end cash balance of £1,044,066 (2020: £1,000,577). Activity levels continued to have been impacted during 2021 as a result of the Covid-19 pandemic, however cash reserves remain strong. Forecasts for the period ended 31 December 2022 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 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 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 2021

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 recognised once the assessment has been held and those applicable to the year accounted for in the Statement of Financial Activities. Any 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	48%
Sale of materials	12%
Curriculum and other training	6%
Development of examinations, training and materials	34%

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 2021

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
-------------------------	---------	-------------------

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 stocks of books 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 18.

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 2021

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 2021

2. Incoming resources

	2021	2020
	£	£
2a) Donations and legacies- unrestricted		
Donations	121,963	215
	<u>121,963</u>	<u>215</u>
2b) Other Trading activities - unrestricted		
Intercompany recharges	-	15,350
Qualification support products	33,093	-
	<u>33,093</u>	<u>15,350</u>
2c) Investment income - unrestricted		
Bank interest	108	1,551
Money market and other deposits	3,960	(2,471)
	<u>4,068</u>	<u>(920)</u>
2d) Development of examinations, training and materials		
Other	-	1,141
Total restricted development income	<u>-</u>	<u>1,141</u>
2e) Other Income - unrestricted		
Furlough income	25,928	99,784
Other	-	3,353
Total other income - unrestricted	<u>25,928</u>	<u>103,137</u>

Notes to the Financial Statements for the year ended 31 December 2021

3. Costs of generating funds

3a) Charitable activities – unrestricted (Charity)	Examinations and centre registrations £	Training Materials £	Curriculum and other training £	Development of exams etc £	2021 £	2020 £
Direct costs	91,621	10,857	2,400	1,472	106,349	89,870
Staff costs	72,179	18,681	9,241	51,295	151,397	231,013
Direct overheads	-	-	-	-	-	-
Allocated overheads	224,935	58,655	29,016	161,058	473,664	537,240
Governance costs (note 3c)	25,522	-	-	-	25,522	16,070
	<u>414,257</u>	<u>88,193</u>	<u>40,657</u>	<u>213,825</u>	<u>756,932</u>	<u>874,193</u>
Charitable activities – restricted						
Direct costs	835	-	-	-	835	-
Allocated overheads	-	-	-	-	-	-
	<u>835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>835</u>	<u>-</u>
Total	<u>415,092</u>	<u>88,193</u>	<u>40,657</u>	<u>213,825</u>	<u>757,767</u>	<u>874,193</u>

Notes to the Financial Statements for the year ended 31 December 2021

3b) Governance costs – unrestricted (Charity)	2021 £	2020 £
Direct committee costs including travel	8,373	965
Auditors fees	9,600	8,170
Other costs	7,552	6,936
	<u>25,525</u>	<u>16,070</u>
 Analysis of allocated overheads	 2021 £	 2020 £
Staff costs including training and welfare	241,693	274,195
Office running	31,990	23,412
Premises	80,486	108,657
Professional fees	79,239	95,362
Depreciation	28,955	23,304
Travel and subsistence	2,601	950
Insurance	6,575	6,694
Other costs	3,821	4,667
	<u>475,358</u>	<u>537,240</u>

Notes to the Financial Statements for the year ended 31 December 2021

4. Net incoming/outgoing resources is after charging:

	2021 £	2020 £
Accountants remuneration	4,200	12,000
	<u>4,200</u>	<u>12,000</u>
Operating lease costs-Land and Buildings	23,000	39,639
	<u>23,000</u>	<u>39,639</u>
Amortisation	-	-
	<u>-</u>	<u>-</u>
Depreciation	28,955	23,304
	<u>28,955</u>	<u>23,304</u>

5. Staff costs

	2021 £	2020 £
Salaries	401,526	430,206
Employer's National Insurance	24,769	31,574
Employer's Pension Contributions	24,038	31,313
Redundancy costs	9,532	-
	<u>459,865</u>	<u>493,094</u>
Recruitment fees	54	127
Temporary staff	-	-
	<u>459,919</u>	<u>493,221</u>

The average number of employees during the year was 10 (2020: 19).

The following number of employees received annual emoluments exceeding £60,000 was 1 (2020: 1)

	December 2021	December 2020
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 (2020: £6,400).

Notes to the Financial Statements for the year ended 31 December 2021

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 £65,652 (2020: £78,134).

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 £3,071 (2020: £9,644).

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 (2020: £1,000,000) for which a premium of £1,553 (2020: £1,242) 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 2021 Nil (2020: Nil) trustees received fees amounting to Nil (2020: Nil) together with £Nil (2020: Nil) reimbursement of expenses incurred.

There were 1 (2020: 1) other trustees who were reimbursed travel and subsistence expenses of £95 (2020: £23) for attendance at trustee meetings and other events.

Notes to the Financial Statements for the year ended 31 December 2021

9. Tangible fixed assets

	Furniture & fittings £	Office equipment £	Computer software £	Computer equipment £	2021 Total £
Cost					
At 1 January 2021	65,653	31,552	261,135	117,864	476,204
Additions	8,591	-	31,409	1,249	41,249
Disposals	(15,562)	(270)	-	-	(15,832)
At 31 December 2021	58,682	31,282	292,544	119,113	501,621
Depreciation					
At 1 January 2021	58,088	29,188	145,404	105,811	338,491
Charge for the year	2,835	1,218	17,630	7,272	28,955
Disposals	(15,562)	(270)	-	-	(15,832)
At 31 December 2021	45,361	30,136	163,034	113,083	351,614
Net book value					
At 31 December 2021	13,321	1,146	129,510	6,030	150,007
At 31 December 2020	7,564	2,364	115,731	12,053	137,712

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

10. Intangible fixed assets

	Research & Development £
Cost	
At 1 January 2021	173,739
Additions	
At 31 December 2021	173,739
Amortisation	
At 1 January 2021	173,739
Charge for the year	-
At 31 December 2021	173,739
Net book value	
At 31 December 2021	-
At 31 December 2020	-

Notes to the Financial Statements for the year ended 31 December 2021

11. Investments

	2021 £	2020 £
Common Investment Funds	110,761	106,801
Investment in Signature Commercial Limited-charity only	-	1
	<u>110,761</u>	<u>106,802</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	106,801
Gain on investment	-
Loss on revaluation	3,960
Carrying value at the end of the year	<u>110,761</u>

All investment assets are held in the UK.

12. Stocks

	2021 £	2020 £
Cost	20,076	-
Provision for obsolescence	-	-
	<u>20,076</u>	<u>-</u>

13. Debtors

	2021 £	2020 £
Trade debtors	67,102	47,464
Prepayments	20,564	34,833
Inter-company balance	-	115,077
	<u>87,666</u>	<u>197,375</u>

Notes to the Financial Statements for the year ended 31 December 2021

14. Creditors

	2021	2020
	£	£
Trade Creditors	22,597	49,893
Other Tax and Social Security	9,153	8,972
Accruals	27,698	38,539
Deferred Income	56,341	109,933
Pension Fund	34,415	68,135
	<u>150,204</u>	<u>275,472</u>

Deferred Income

Deferred Income at 31 December 2020	109,933
Amount released from previous year	(109,933)
Amount deferred in current year	<u>56,341</u>
Deferred income at 31 December 2021	<u>56,341</u>

Deferred income relates to examination fees invoiced in advance

15. Creditors due in more than one year

	2021	2020
	£	£
Pension creditor	<u>46,691</u>	<u>221,568</u>

Notes to the Financial Statements for the year ended 31 December 2021

16. Movements in funds

	Balance b/fwd £	Incoming resources £	Outgoing resources £	Transfers £	Balance c/fwd £
Restricted funds:					
GCSE	19,130	-	-	-	19,130
Other	1,141	-	(835)	-	306
Total restricted funds	20,271	-	(835)	-	19,436
Unrestricted funds:					
Pension	(289,703)	-	67,445	141,152	(81,106)
General funds	1,214,858	765,998	(703,505)	-	1,277,351
Total unrestricted funds	925,155	765,998	(636,060)	141,152	1,196,245
Total funds	945,426	765,998	(636,895)	141,152	1,215,681

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

2020 - Movements in funds

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

Notes to the Financial Statements for the year ended 31 December 2021

17. 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.

18. 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 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. 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 2022 to 31 January 2025:	£3,312,000 per annum (payable monthly)
---------------------------------------	-------------------------------------------

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1 st April)
-----------------------------------------	-----------------------------------------------------------------------------------------------

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

18. 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.

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

PRESENT VALUES OF PROVISION	31 December 2021	31 December 2020	31 December 2019
Present value of provision	81,106	289,703	347,347
		Year Ending 31 December 2021	Year Ending 31 December 2020
Provision at start of year		289,703	347,347
Unwinding of the discount factor (interest expense)		690	3,524
Deficit contribution paid		(68,135)	(66,150)
Remeasurements - impact of any change in assumptions		(956)	4,982
Remeasurements - amendments to the contribution schedule		(140,196)	-
Provision at end of year	81,106	289,703	

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

18. Pension Obligations (continued)

INCOME AND EXPENDITURE IMPACT

	Year Ending 31 December 2021	Year Ending 31 December 2020
Interest expense	690	3,524
Remeasurements – impact of any change in assumptions	(956)	4,982
Remeasurements – amendments to the contribution schedule	(140,196)	-
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 2021 % per annum	31 December 2020 % per annum	31 December 2019 % per annum
Rate of discount	1.18	0.27	1.13

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.

19. 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 £7,595 and the balance due from the college at 31st December 2021 was £1,466.

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

Notes to the Financial Statements for the year ended 31 December 2021

20. Operating leases

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

	2021 £	2020 £
	Land and Buildings	Land and Buildings
Within one year	23,000	51,053
Between two and five years	92,000	72,326
More than five years	-	-
	<u>115,000</u>	<u>123,379</u>

21. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2020 as represented by:			
Tangible fixed assets	150,007	-	150,007
Intangible fixed assets	-	-	-
Investment assets	110,761	-	110,761
Current assets	1,136,773	19,436	1,156,209
Current liabilities	(154,605)	-	(154,605)
Long term liabilities	(46,691)	-	(46,691)
	<u>1,196,245</u>	<u>19,436</u>	<u>1,215,681</u>

	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
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>

Notes to the Financial Statements for the year ended 31 December 2021

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

	2021 £	2020 £
Net movement in funds	270,255	(140,499)
Depreciation	28,955	23,302
(Increase) in stocks	(20,076)	-
(Increase)/Decrease in debtors	109,709	(6,190)
(Decrease) in creditors	(91,548)	(21,098)
(Decrease) in provision	<u>(208,597)</u>	<u>(57,644)</u>
Net cash inflow/(outflow) from operating activities	<u>88,697</u>	<u>(202,129)</u>