

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Trustees' report	2 - 9
Independent examiner's report	10 - 11
Statement of financial activities	12
Balance sheet	13 - 14
Notes to the financial statements	15 - 32

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Trustees

Mr C Allgrove, Chair
Mr E G Corrie, Treasurer
Mr P A Blacklock
Mr E A Martlew
Mr H Wilkinson
Mrs N G Wilkinson
Mr R K Bingham
Mr W T Turner

Company registered number

03920466

Charity registered number

1088406

Registered office

5 Castle Street, Kendal, Cumbria, LA9 7AD

Accountants

Armstrong Watson Audit Limited, Fairview House, Victoria Place, Carlisle, Cumbria, CA1 1HP

Bankers

Barclays Bank Plc, 33 English Street, Carlisle, Cumbria, CA3 8JX

Solicitors

Burnetts Solicitors, Victoria House, Wavell Drive, Rosehill, Carlisle, Cumbria, CA1 2ST

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the financial statements of the charity for the year 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Cumbria Deaf Association is the major specialist deaf charity operating throughout Cumbria for all county residents experiencing any degree of hearing or dual sensory loss. This includes Deaf, deafened, hard of hearing and DeafBlind people.

The Charity's objectives include:

"The educational, physical, social and spiritual wellbeing of Deaf, deafened, hard of hearing and DeafBlind people of all ages and their families mainly but not exclusively in Cumbria"

To do this, we seek to involve people who are deaf, raising awareness of their rights and responsibilities and ensuring access to services by:

- Promoting the role of deaf people in the community
- Providing needs led services for individuals and groups
- Promoting positive use of all-inclusive sources of information and communication
- Identifying, developing and using the skills of staff and volunteers to support these objectives.

Key Activities

Cumbria Deaf Association's services and projects are provided to benefit Deaf, deafened, hard of hearing and DeafBlind people of all ages as well as their families and carers, work colleagues, service providers, friends, acquaintances and local communities through a number of ways as below:

- o Specialist Information Advice and Support service
- o Communication Support Unit (Interpreting service)
- o Children and Young People and Families support and respite service
- o Family sign skills courses
- o British Sign Language skills courses
- o Deaf awareness training

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

a. Main achievements of the Company

In what was a difficult year for the world, CDA continued to support service users under the restrictions imposed by the government in mitigation for COVID-19. Despite attracting additional costs for PPE as was necessary, staff members continued to provide a mix of face-to-face and online services, depending on individual needs.

The Board continued to meet monthly throughout the year to ensure that they were appraised of the situation as it changed over the course of the year to ensure that the charity operated within its means. Over the course of the year, and with the acting General Manager looking to retire, the decision was made to employ two part-time administrative positions and a permanent General Manager. The two part-time positions were filled but circumstances meant one became vacant again. It remains so at this time. The General Manager position was appointed in August 2020 with a start date of December, due to notice periods etc. After a short time in post, the General Manager took a short secondment to reduce costs, while still managing social media interaction for CDA.

Once again, the Trustees would like to acknowledge the efforts of staff in keeping services running throughout the first quarter of the calendar year.

Buildings

We continue to own and operate centres in Kendal and Barrow. The Barrow building was closed for the majority of the financial year, with Kendal remaining open as the administrative hub, but closed for group activities. As restrictions were lifted, so the centres started to offer meeting spaces again.

An application was made to Barrow Council and South Lakeland District Council for the Community Building COVID grant however, due to both centres being registered with Valuations Office as offices, we were ineligible for the funding. Steps have been taken by the new General Manager to get both centres re classified as community centres.

Specialist Information, Advice & Support

CDA continued to provide the service, with a further short extension to February 2021. The contract became available for tender again in November 2020, at which time we submitted an application. The contract was awarded to another provider.

This service we delivered provided important support to the community and, on a frequent basis, we went above and beyond the terms of the contract. This commitment to a very personal level of support ensured that we produced great results for the individuals concerned and, this reflected in our feedback reports to the Council.

Domiciliary Care and Care Packages

In August 2020 CDA ceased to hold a Care Quality Commission registration, this resulted in support packages that required personal care being transferred to another provider. We continue to provide Community Support Workers for clients, most are BSL users, who largely require assistance with day to day chores, meals, going out in the community, optician appointments etc.

Through the COVID pandemic rules around provision of care and support underwent many changes however, we continued to assist our clients in whatever way we could to ensure they received the help they required. Some support packages were put on hold, due to not being able to enter sheltered housing or care homes.

Children, Young People and Families

Activity with young people was suspended throughout the financial year, due to COVID restrictions. Wherever possible, contact was maintained with young people and families via social media and video calls.

CDA has continued to seek additional funding from the Council and other bodies to ensure that the deaf young people in the community can continue to benefit from the very important work we are able to continue to provide.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Communication Support Unit (CSU)

CDA's Communication Support Unit continued to provide the vital and highly valued communication support service to Deaf people, delivering over 1,000 hours of support and almost 700 assignments throughout the year including in health and education sectors.

Sign Language tuition and Deaf Awareness training

This business activity was suspended throughout 2020-21 due to social distancing and companies largely working from home or having staff on furlough.

Strategic Engagement

During the year, with people wearing face coverings, the communication challenges faced by the deaf community were increased. CDA endeavoured to assist, wherever possible, in ensuring that needs were met by health care providers, services, utilities and local government.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Looking forward, although the charity is now operating minimal services after Cumbria County Council chose to award the Specialist Information and Advice service to an out of county supplier, there is a visible path back to providing more services. Several funding bids have been submitted – and several more are in the process of submission – which will start to allow us to rebuild services. The d/Deaf and hard of hearing community in Cumbria are well aware of the services that are offered by CDA – and the CSU continues to provide translation services to support health, education and other requests which will only grow as the current restrictions start to ease as the vaccination program accelerates and lockdown measures are eased.

The decision to grant the secondment of the General Manager for a short time was testament to the continued determination of the Board to the charity – and the reduced costs gave additional time for funds to accrue. Office space on the ground floor of the Kendal building has been rented to a local company on an ongoing basis which is further helping with costs.

Post year end the charity has been notified that they are a beneficiary to a significant legacy which will have a very positive impact in the Charity's finances over the short term.

Impact of COVID-19

As 2020 progressed, the emphasis turned much more from "face to face" to online provision of information and support services as lockdowns restricted activities. Additionally, 3 staff members chose to retire over the course of 2020 leading to the recruitment of 2 part time administrators and a General Manager. Although apparently increasing the outgoings, the net change was minimal.

Whilst not the best of years in terms of business activity, it has certainly has strengthened our relationship with the deaf community because we continued to offer emotional and practical support at a time when many other services simply closed their doors.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

b. Reserves policy

The Trustees have adopted a Reserve Policy, which is that:

"Cumbria Deaf Association has a reserve fund that can, if desired, be used to make redundancy payments in circumstances where they are necessary and assist in enabling services to be carried out for three months when funding applications for these services have been unsuccessful. This reserve fund should be the equivalent of 15% of the total budgeted expenditure of the current financial year. The Trustees and Finance Sub Committee will monitor and review the position at its meetings."

c. Results for the year

The results for the year show a surplus of £106,122 before an actuarial gain of £161,000. This is as a result of the savings and a reduction in costs. At the year end date the charity had funds totalling £310,705, with £4,995 being restricted funds and the remainder £305,710 being unrestricted in nature.

d. Defined Benefit Pension Scheme

The defined benefit pension scheme remains in deficit, but a recalculation in this period means that the risk is somewhat mitigated. There remains one staff member in the scheme to prevent it crystallising with other staff members remaining in the alternative stakeholder pension.

Structure, governance and management

a. Constitution

Cumbria Deaf Association is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association dated 7 February 2000, as amended by special resolutions dated 21 May 2001, 13 October 2007 and 19 October 2013, with a company registration number of 03920466. The company was registered with the Charity Commission on 12 September 2001 with a registration number of 1088406.

b. Methods of appointment or election of Trustees

The Association is run by a committee of members. The committee of members consists of the officers of the charity (Chair, Vice Chair, Treasurer and Secretary) and at least six other persons up to a maximum of twelve persons. The committee can appoint anyone to fill a vacancy in the membership of the committee or can co-opt additional members of the committee; however, no more than four extra members can be co-opted.

In accordance with the Memorandum and Articles of Association all members of the committee must retire at the Annual General Meeting, but are eligible for re-election.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Board of Trustees

The Board of Trustees meets at least quarterly and is responsible for how Cumbria Deaf Association is run. The staff and volunteers are accountable to the Board through the Chief Executive Officer.

Information and training are provided to ensure that the Trustees are well briefed with the work being undertaken by the organisation and how it is developing.

The Board is advised by Finance and Personnel sub committees. They normally meet quarterly; the former considers in detail the financial health of the association and advises members on budgetary matters, the Personnel sub committee considers a wide range of policy and personnel issues and again advises the Board.

In the year to 31 March 2021 the structure was as follows:

Personnel Sub Committee:

Trustees:	Charlie Allgrove	Eric Martlew
Staff:	Ian Wilson	Caroline Howsley

Finance Sub Committee:

Trustees:	Roger Bingham	Eric Corrie
Staff:	Ian Wilson	Caroline Howsley

Management Structure

The Acting General Manager was in post until September 2020, after which the Chair of Trustees provided additional support where necessary.

In December 2020 Caroline Howsley joined CDA as General Manager. She oversees the day to day operations of CDA including; personnel, finance, health and safety and marketing.

d. Indemnity insurance

The Association has taken out Professional Indemnity Insurance with Victor Insurance. The policy provides indemnity for claims, including claimants' costs and expenses, made against Cumbria Deaf Association in respect of any civil liability, negligent act, error or omission incurred in the course of our professional business. The limit of indemnity is £2,000,000.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

e. Patrons

We are very grateful indeed to the following Patrons for taking an interest in the work of the Association and supporting us in many ways:

Hal Bagot DL
Susie Bagot MBE DL
Sir Chris Bonington CVO CBE DL
Gavin Borland
Lord Bragg of Wigton
Russell Brown
Lord Campbell Savours of Allerdale
Tom Campbell
Mrs Olive Clark OBE JP DL
The Rt Reverend Graham Dow
Rt. Hon. Lord Cunningham of Felling PC DL PhD
Sir Tony Cunningham
John Dunning CBE JP DL
Tim Farron MP
Patrick Gordon Duff Pennington OBE DL
Rt Hon Lord Hutton of Furness
Lord Inglewood, DL
Eric Martlew
Elaine Murray
Ken Pallister
Jamie R. Reed
John Wills OBE FCA DL

f. Risk Management

As highlighted in the body of this report, Cumbria Deaf Association has experienced unprecedented changes and reductions to its traditional funding streams over the course of this and previous operational years. Cumbria County Council's procurement process, cost cutting exercises and decision to cease the procurement of a specialist Social Work service for Deaf people, coupled with the restrictions due to the COVID pandemic, has presented CDA with its greatest financial challenge in the last thirty years.

CDA has continued to engage with cross sector partners to optimise the potential for service development and related income generation. Dialogues were continued with the County Council, Health Trusts and Department for Works and Pensions, amongst others, to develop a more strategic, cohesive and financially attractive process to maintain and progress the development of community activities and services for Cumbrian residents with any degree of hearing or dual sensory loss.

The Board continued with a program of monthly meetings to ensure that the financial position has been closely monitor financial performance.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

The Board has taken the decision that the time was right to start to rebuild the staffing structure by recruiting two part time admin assistants and a new General Manager. This process started early in the financial year and will allow CDA to start to take on more services and build more strategic relationships with other third sector organisations.

With the arrival of the new General Manager we started to utilise social media more to keep in touch with the deaf community, raise our profile and promote our services. We also saw an increase in networking activity and engagement from other organisations or professionals, this has resulted in some positive partnership activity since this financial reporting period.

The staff, volunteers and Trustees shared ideas for the future of CDA and an activity wish list, from which 10 objectives were defined for our post-covid emergence into face to face activity. Having clearly defined objectives enabled us to utilise existing resources, identify gaps and it meant that it was easier for people to offer help because they knew what we needed. This model will be used each year to ensure CDA as an organisation and the community we support, have shared input and clarity of vision. It also enables us to have defined outcome measurements in the future to provide to grant funders.

The charity continues to look to secure funding to enhance Deaf community support and address the apparent growing marginalisation and increased sense of social isolation and exclusion expressed by many deaf community members, exacerbated by the lack of access to mainstream services and support.

Acknowledgements

Cumbria Deaf Association is supported by a significant number of funders and individuals, without which we could not operate effectively. We are also indebted to the people who have generously remembered us in their wills.

Our gratitude is extended to all the agencies, organisations and individuals from which we received funding during the year to 31 March 2021.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

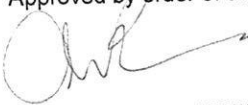
The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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. 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.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Mr C Allgrove

Chairman

Date: 9 December 2021

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Independent examiner's report to the Trustees of Cumbria Deaf Association ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report

As the Trustees of the Company (and 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 the Company's accounts 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.

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 Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters, other than those fully detailed below, 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 for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Matter of concern - Going concern

As disclosed in note 2.2 to the accounts and in the Trustees' Report on page 4 of the accounts, the Trustees have assessed the going concern of the Charity. The Charity is now operating on minimal services following the loss of the Specialist Information and Advice service contract but has received more positive news of a significant legacy to be received during 2021/22. Until the receipt of further revenue coming into the charity, a material uncertainty exists that may cast doubt on the Charity's ability to continue as a going concern.

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Signed: *Karen Rae*

Dated: *10 December 2021*

Karen Rae FCCA

ARMSTRONG WATSON AUDIT LIMITED
Chartered Accountants, Carlisle

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	-	149,845	149,845	18,145
Charitable activities	4	-	190,856	190,856	293,546
Investments	5	-	-	-	36
Other income	6	-	10,202	10,202	-
		<u>-</u>	<u>350,903</u>	<u>350,903</u>	<u>311,727</u>
Total income					
Expenditure on:					
Raising funds	7	-	33,428	33,428	10,717
Charitable activities	8	-	211,353	211,353	423,072
		<u>-</u>	<u>244,781</u>	<u>244,781</u>	<u>433,789</u>
Total expenditure					
Net movement in funds before other recognised gains		-	106,122	106,122	(122,062)
Other recognised gains:					
Actuarial gains on defined benefit pension schemes	21	-	161,000	161,000	36,000
		<u>-</u>	<u>267,122</u>	<u>267,122</u>	<u>(86,062)</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		4,995	38,588	43,583	129,645
Net movement in funds		-	267,122	267,122	(86,062)
		<u>4,995</u>	<u>305,710</u>	<u>310,705</u>	<u>43,583</u>
Total funds carried forward					

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 32 form part of these financial statements.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)
REGISTERED NUMBER: 03920466

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	200,645	214,588
		<u>200,645</u>	<u>214,588</u>
Current assets			
Debtors	15	143,997	24,235
Cash at bank and in hand		22,681	28,566
		<u>166,678</u>	<u>52,801</u>
Creditors: amounts falling due within one year	16	(17,618)	(28,806)
Net current assets		<u>149,060</u>	<u>23,995</u>
Total assets less current liabilities		<u>349,705</u>	<u>238,583</u>
Net assets excluding pension liability		<u>349,705</u>	<u>238,583</u>
Defined benefit pension scheme liability	21	(39,000)	(195,000)
Total net assets		<u><u>310,705</u></u>	<u><u>43,583</u></u>
Charity funds			
Restricted funds:			
Restricted funds	18	4,995	4,995
		<u>4,995</u>	<u>4,995</u>
Total restricted funds	18	4,995	4,995
Unrestricted funds			
Unrestricted funds excluding pension asset	18	344,710	233,588
Pension reserve	18	(39,000)	(195,000)
		<u>305,710</u>	<u>38,588</u>
Total unrestricted funds	18	305,710	38,588
Total funds		<u><u>310,705</u></u>	<u><u>43,583</u></u>

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)
REGISTERED NUMBER: 03920466

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

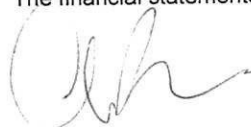
The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Mr C Allgrove

Chairman

Date: 9 December 2021

The notes on pages 15 to 32 form part of these financial statements.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The charity is a company limited by guarantee incorporated in England and Wales and a registered charity with charity number 1088406. The registered office address is 5 Castle Street, Kendal, Cumbria, England, LA9 7AD.

The principal activity of the charity is being the major specialist deaf charity operating throughout Cumbria for all county residents experiencing any degree of hearing or dual sensory loss.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cumbria Deaf Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

On 11th March 2020 the World Health Organisation announced that COVID-19 was a global pandemic which led to enforced restrictions and business closures being introduced by the UK Government. Whilst the UK is now out of lockdown measures, the economic impact of the pandemic is still being felt. At the time of approving the financial statements, the Trustees have considered the ongoing influence on the operations and finances of the charity. New working methods have been successfully implemented which have allowed all services to continue to be delivered to service users.

The Trustees have also reviewed the circumstances that led to the significant reduction in incoming resources and subsequent reduction in funds, and the implications on the ongoing viability of the charity's operations. Significant legacy income has been received since the year end with further income still due to the Charity. The Trustees consider the Going Concern Basis to be appropriate, with a full assessment included in the Trustees' Report.

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.3 Income (continued)

before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2% Straight line
Fixtures and fittings	-	15% Reducing balance
Office equipment	-	10% Straight line

2.6 Debtors

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

2.7 Cash at bank and in hand

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

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.9 Financial instruments

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

2.10 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

The Company also operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 2 December 2018.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	12,375	12,375
Legacies	130,000	130,000
Grants	7,470	7,470
	<u>149,845</u>	<u>149,845</u>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	6,145	6,145
Legacies	2,000	2,000
Grants	10,000	10,000
	<u>18,145</u>	<u>18,145</u>

At the year end date the Charity had been advised of a substantial legacy, amounting to approximately £130,000. An interim distribution of this legacy has been received after the year end date.

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Income from charitable activities	190,856	190,856
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Income from charitable activities	293,546	293,546

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Investment income

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income	36	36

6. Other incoming resources

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>	<i>Total funds 2020 £</i>
COVID 19 Business Support grants	9,700	9,700	-
Job Retention Scheme Income	502	502	-
	<u>10,202</u>	<u>10,202</u>	<u>-</u>

7. Expenditure on raising funds

Costs of raising voluntary income

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Costs of raising voluntary income - wages and salaries	2,466	2,466

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Expenditure on raising funds (continued)

Costs of raising voluntary income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Costs of raising voluntary income	1,226	1,226
Costs of raising voluntary income - wages and salaries	9,491	9,491
	<u>10,717</u>	<u>10,717</u>

Other trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Charity trading CoS	<u>30,962</u>	<u>30,962</u>	<u>-</u>

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Statutory Services	191,364	191,364
Training Services	19,989	19,989
	<u>211,353</u>	<u>211,353</u>

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Statutory Services	<u>1,635</u>	<u>421,437</u>	<u>423,072</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Statutory Services	155,322	36,042	191,364
Training Services	-	19,989	19,989
	<u>155,322</u>	<u>56,031</u>	<u>211,353</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Statutory Services	<u>355,092</u>	<u>67,980</u>	<u>423,072</u>

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Statutory Services 2021 £	Total funds 2021 £
Pension finance costs	4,000	4,000
Staff costs	120,947	120,947
Depreciation	14,329	14,329
Light & Heat	836	836
Insurance	698	698
Travel costs	2,280	2,280
ICT support	4,326	4,326
Marketing	7,050	7,050
Consultancy fees	856	856
	<u>155,322</u>	<u>155,322</u>
	Statutory Services 2020 £	Total funds 2020 £
Pension finance costs	6,000	6,000
Staff costs	272,849	272,849
Depreciation	14,680	14,680
Light & heat	2,545	2,545
Insurance	3,982	3,982
Travel costs	17,538	17,538
Stationery, postage, phone & sundries	4,956	4,956
Training and recruitment	638	638
ICT support	9,336	9,336
Marketing	3,586	3,586
Project specific direct costs	7,785	7,785
Consultancy fees	11,197	11,197
	<u>355,092</u>	<u>355,092</u>

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Statutory Services 2021 £	Community Services 2021 £	Total funds 2021 £
Staff costs	559	-	559
Support costs	20,161	19,989	40,150
Governance costs	15,322	-	15,322
	<u>36,042</u>	<u>19,989</u>	<u>56,031</u>

	Statutory Services 2020 £	Community Services 2020 £	Total funds 2020 £
Staff costs	46,756	-	46,756
Repairs and maintenance	594	-	594
Consultancy	2,400	-	2,400
Support costs	8,790	-	8,790
Governance costs	9,440	-	9,440
	<u>67,980</u>	<u>-</u>	<u>67,980</u>

10. Independent examiner's remuneration

	2021 £	2020 £
Fees payable to the Company's independent examiner for the independent examination of the Company's annual accounts	<u>4,700</u>	<u>4,700</u>

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Staff costs

	2021 £	2020 £
Wages and salaries	109,360	293,921
Social security costs	6,604	16,700
Contribution to defined contribution pension schemes	7,008	14,475
Operating costs of defined benefit pension schemes	1,000	4,000
	<u>123,972</u>	<u>329,096</u>

During the prior year a redundancy payment was made to a member of key management personnel totalling £3,150. This is included within wages and salaries and was paid from unrestricted funds.

The average number of persons employed by the Company during the year was as follows:

	2021 No.	2020 No.
Administrative staff	<u>6</u>	<u>16</u>

No employee received remuneration amounting to more than £60,000 in either year.

During the year remuneration amounting to £9,580 (2020 - £37,164) and was payable to 1 member of staff (2020 - 2 staff members) deemed to be key management.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2020	289,299	67,384	24,608	381,291
Additions	-	-	386	386
At 31 March 2021	<u>289,299</u>	<u>67,384</u>	<u>24,994</u>	<u>381,677</u>
Depreciation				
At 1 April 2020	133,507	21,839	11,357	166,703
Charge for the year	5,603	6,738	1,988	14,329
At 31 March 2021	<u>139,110</u>	<u>28,577</u>	<u>13,345</u>	<u>181,032</u>
Net book value				
At 31 March 2021	<u>150,189</u>	<u>38,807</u>	<u>11,649</u>	<u>200,645</u>
At 31 March 2020	<u>155,792</u>	<u>45,545</u>	<u>13,251</u>	<u>214,588</u>

14. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2020	10,000
At 31 March 2021	<u>10,000</u>
Impairment	
At 1 April 2020	10,000
At 31 March 2021	<u>10,000</u>

The Trustees have considered the valuation of the investment in Deaf UK Limited and believe at the present time that due to the dormant status of the company's operations the value of the investment is impaired and a more realistic value is £Nil. The Trustees will continue to hold the shares in the company with the objective of reassessing the valuation of the investment once the operations of Deaf UK Limited become active.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	13,997	9,664
Other debtors	130,000	-
Prepayments and accrued income	-	14,571
	<u>143,997</u>	<u>24,235</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	8,960	15,890
Other taxation and social security	2,085	8,216
Other creditors	1,873	-
Accruals and deferred income	4,700	4,700
	<u>17,618</u>	<u>28,806</u>

17. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>22,681</u>	<u>28,566</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds - all funds	233,588	350,903	(239,781)	-	344,710
Pension reserve	(195,000)	-	(5,000)	161,000	(39,000)
	<u>38,588</u>	<u>350,903</u>	<u>(244,781)</u>	<u>161,000</u>	<u>305,710</u>
Restricted funds					
Smart Energy in Communities	<u>4,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,995</u>
Total of funds	<u><u>43,583</u></u>	<u><u>350,903</u></u>	<u><u>(244,781)</u></u>	<u><u>161,000</u></u>	<u><u>310,705</u></u>

Mental Health - this fund supported the work of our Deaf Awareness service and helped to fund a Deafness/Mental Health conference and some research.

Healthy Eating Group - this fund was in respect of money received to provide 1:1 support to a service user regarding healthy lifestyle choices.

Deaf Awareness – funding from the NCI programme enabled us to deliver a number of basic Deaf Awareness training sessions across all of Cumbria. This stopped in March 2016 when the NCI programme changed its emphasis. We do continue to provide Deaf Awareness training on an ad hoc basis for businesses and other organisations.

Smart Energy in Communities - this funding was provided to allow the Charity to support service users during the process of switching to smart energy meters.

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds	359,015	311,727	(437,154)	-	233,588
Pension reserve	(236,000)	-	5,000	36,000	(195,000)
	<u>123,015</u>	<u>311,727</u>	<u>(432,154)</u>	<u>36,000</u>	<u>38,588</u>
Restricted funds					
Mental Health	967	-	(967)	-	-
Healthy Eating Group	368	-	(368)	-	-
Deaf Awareness	300	-	(300)	-	-
Smart Energy in Communities	4,995	-	-	-	4,995
	<u>6,630</u>	<u>-</u>	<u>(1,635)</u>	<u>-</u>	<u>4,995</u>
Total of funds	<u>129,645</u>	<u>-</u>	<u>(433,789)</u>	<u>36,000</u>	<u>43,583</u>

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	38,588	350,903	(244,781)	161,000	305,710
Restricted funds	4,995	-	-	-	4,995
	<u>43,583</u>	<u>350,903</u>	<u>(244,781)</u>	<u>161,000</u>	<u>310,705</u>

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	123,015	311,727	(432,154)	36,000	38,588
Restricted funds	6,630	-	(1,635)	-	4,995
	<u>129,645</u>	<u>311,727</u>	<u>(433,789)</u>	<u>36,000</u>	<u>43,583</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	200,645	200,645
Current assets	4,995	161,683	166,678
Creditors due within one year	-	(17,618)	(17,618)
Provisions for liabilities and charges	-	(39,000)	(39,000)
Total	<u>4,995</u>	<u>305,710</u>	<u>310,705</u>

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	214,588	214,588
Current assets	4,995	47,806	52,801
Creditors due within one year	-	(28,806)	(28,806)
Provisions for liabilities and charges	-	(195,000)	(195,000)
Total	4,995	38,588	43,583

21. Pension commitments

The Company operates a defined benefit pension scheme.

The charity contributes to the Cumbria Local Government pension scheme on behalf of some of its employees to provide benefits based on final pensionable pay. Contributions are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The scheme is currently in deficit and in the year ended 31 March 2018 the Trustees agreed to pay Deficit Recovery Contributions totalling £44,400 over the following 3 years.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	<i>At 31 March 2021 %</i>	<i>At 31 March 2020 %</i>
Discount rate	2.1	2.4
Inflation assumption	2.7	2.1
Future salary increases	4.2	3.6
Future pension increases	2.8	2.2
	<hr/>	<hr/>
	<i>At 31 March 2021 Years</i>	<i>At 31 March 2020 Years</i>
Mortality rates (in years)		
- for a male aged 65 now	22.7	22.6
- at 65 for a male aged 45 now	24.3	24.2
- for a female aged 65 now	25.3	25.2
- at 65 for a female aged 45 now	27.2	27.1
	<hr/>	<hr/>

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

21. Pension commitments (continued)

The Company's share of the assets in the scheme was:

	At 31 March 2021 £	At 31 March 2020 £
Equities	1,390,000	1,462,000
Corporate bonds	637,000	785,000
Property	290,000	186,000
Cash and other liquid assets	148,000	151,000
Other	1,154,000	571,000
Total fair value of assets	3,619,000	3,155,000

The actual return on scheme assets was £582,000 (2020 - £121,000).

The amounts recognised in the Statement of financial activities are as follows:

	2021 £	2020 £
Current service cost	1,000	1,000
Past service cost	-	3,000
Interest income	(74,000)	(82,000)
Interest cost	78,000	88,000
Total amount recognised in the Statement of financial activities	5,000	10,000

Movements in the present value of the defined benefit obligation were as follows:

	2021 £
Opening defined benefit obligation	3,350,000
Current service cost	1,000
Interest cost	78,000
Actuarial losses/(gains)	347,000
Benefits paid	(118,000)
Past service costs	-
Closing defined benefit obligation	3,658,000

CUMBRIA DEAF ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. Pension commitments (continued)

Movements in the fair value of the Company's share of scheme assets were as follows:

	2021 £
Opening fair value of scheme assets	3,155,000
Expected return on assets	74,000
Actuarial gains/(losses)	508,000
Contributions by employer	-
Benefits paid	(118,000)
	<hr/>
Closing fair value of scheme assets	<u>3,619,000</u>

22. Related party transactions

The charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the charity at 31 March 2021.