
ACTION FOR DEAFNESS
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

ACTION FOR DEAFNESS
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2020**

Trustees Mr R Hewitt, Chair
 Mr M Clark, Treasurer
 Mrs A Rees, Trustee
 Mr E Skyrme, Trustee
 Mr J Taylor, Trustee

**Company registered
number** 06205458

**Charity registered
number** 1122579

Registered office 22 Sussex Road
 Haywards Heath
 West Sussex
 RH16 4EA

Chief executive officer Jane Shaw

Auditor Crowe U.K. LLP
 Statutory Auditor
 Riverside House
 40-46 High Street
 Maidstone
 Kent
 ME14 1JH

Bankers CAF Bank Limited
 25 Kings Hill Avenue
 Kings Hill
 West Malling
 Kent
 ME19 4JQ

Accountants Brian Cook Associates
 Marine House
 151 Western Road
 Haywards Heath
 West Sussex
 RH16 3LH

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TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The Trustees present their annual report together with the audited financial statements of the company for the 1 July 2019 to 30 June 2020. 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) (second edition - October 2019) 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

The charitable purposes of the company are to enable persons who are deaf, deafened, hard of hearing or deafblind and to provide them with opportunities for independent living by (without limitation) the provision of an information and advice service, Resource Centres and by the provision of grants.

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)'.

b. Strategies for achieving objectives

Action for Deafness' strategic aim, much in line with other organisations both public and private, is to support the concepts of empowerment, independent living and social inclusion. The company believes that by providing the services for their client base, significant success is achieved in helping those who are in some way vulnerable in our society.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

Adult rehabilitation audiology services were provided on behalf of seven NHS Clinical Commissioning Groups (CCGs) in East & West Sussex and East Surrey. AFD also provided audiology services for patients from other CCGs who exercised their patient choice, on a non-contractual basis. The surplus from this work was used by AFD to provide a wide range of services to its users.

AFD had 12 bases which were fully operational; until the COVID-19 outbreak in March 2020. The bases were in Haywards Heath, Worthing, Bognor Regis, Burgess Hill, Crawley, East Grinstead, Heathfield, Henfield, Horsham, Lewes, Shoreham-by-Sea and Steyning. Haywards Heath and Worthing were open five full days each week. All other bases were outreach bases and were open as many days each week as necessary to meet demand, which fluctuated throughout the year. From these 12 bases a wide range of services was provided for the client base, including support and advice, demonstration and sale of assistive listening devices. A hearing aid maintenance service was offered for re-tubing hearing aids and supplying batteries.

A private Audiology service was also available for those who wish to have private treatment.

The provision of Deaf Awareness Training generated a small income this year as demand was very low. Lip reading classes also generated a small income, but this did not cover the significant costs involved. Communication Tactics Training was offered to all new hearing aid users and their family and friends from the two main bases, Haywards Heath and Worthing.

There is a large, well fitted conference room at both head office and Worthing, which were offered to groups of service users.

The information service was enhanced by the production of a quarterly electronic newsletter and a website which is frequently updated: www.actionfordeafness.org.uk

AFD's Facebook, Instagram and Twitter accounts are updated regularly and are all well used by the client base.

The COVID-19 outbreak in March 2020 had a significant impact on income and service provision. In order to protect the safety of staff and patients all bases closed on 19 March 2020 and operations moved off site. Staff continued to work remotely to provide support and services to as many patients as possible.

All outreach bases and the two Resource Centres were closed permanently, all social activities and training were suspended indefinitely and demonstration and sale of assistive listening devices was stopped.

The reduction in income meant that several staff had to be furloughed and some were made redundant. The future of the organisation had to be reassessed and AFD had to demonstrate to the NHS commissioners that the audiology service was COVID-19 proof before consent could be given to restart.

Audiology services restarted on 13 July 2020 after the year end. Patients can only be seen by appointment and are seen for one face to face appointment only. Patients are fitted with hearing aids that can be programmed remotely. All other services are handled remotely. Ongoing support is provided by email, telephone and Zoom.

If, as forecast, income from the NHS Audiology contracts starts to generate a small surplus later in the year, the company will review how it can provide financial support for other services in a COVID-19 safe manner.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Objectives and activities (continued)

d. Patrons

We were very sorry to lose one of our Patrons, Dame Vera Lynn DBE when she died in June and will miss her support. Action for Deafness is fortunate to have the following 4 patrons and gratefully acknowledges their support: The Rt. Hon. Sir Nicholas Soames MP, Annette Crosbie CBE, Judy Parfitt and Julia Donaldson CBE.

e. Volunteers

Along with many other voluntary organisations, AFD valued its volunteers who were invaluable members of the team. Unfortunately, due to the COVID-19 outbreak the safety of volunteers can no longer be guaranteed so the service has been discontinued.

f. Principal funding and contracts

AFD has contracts with seven NHS CCGs; Crawley CCG, Horsham & Mid Sussex CCG, Coastal West Sussex CCG, High Weald, Lewes & Havens CCG, Hastings & Rother CCG, Eastbourne & Hailsham CCG and East Surrey CCG. From 1 April 2020 Crawley, Horsham & Mid Sussex and Coastal West Sussex merged to become West Sussex CCG, High Weald, Lewes & Havens, Eastbourne & Hailsham and Hastings & Rother CCGs merged to form East Sussex CCG and East Surrey CCG became Surrey Heartlands CCG.

AFD is contracted to provide audiology services for those aged 55 or over from bases in these areas. There is no guaranteed income from the contracts as patients have a choice of service provider and the fees follow the patient. AFD also has a second contract with the West Sussex CCG to provide audiology services to those under the age of 55 and for more complex cases.

The Commissioners are aware that AFD will only be able to deliver services from its two main bases from July 2020 onwards. Services from Steyning HC restarted on 8 August 2020.

To become a Qualified Provider under the new NHS initiative it was necessary to obtain national accreditation from the United Kingdom Accreditation Service (UKAS). AFD was very proud to become the first organisation in the country to be accredited against the IQIPS standards by the UK Accreditation Service in December 2012.

All sites are inspected and all staff are observed to demonstrate compliance. The company must complete the UK Accreditation Service (UKAS) online tool annually in order to confirm ongoing compliance with the 128 standards and the company is also inspected on an annual basis in order to retain accreditation. AFD is also accredited to deliver complex audiology services.

The company is required to complete and submit annually both the NHS Safeguarding Standards Assurance online tool and the Information Governance online tool for each CCG with which contracts are in place.

All staff and volunteers are trained to adhere to the NHS Information Governance policies to ensure compliance with data protection and client confidentiality initiatives. A robust mandatory training programme for staff and volunteers is in place.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Achievements and performance

a. Review of activities

The COVID-19 outbreak in March 2020 had a significant impact on income and service provision. In order to protect the safety of staff and patients all bases closed on 19 March 2020 and operations moved off site. Staff continued to work remotely to provide support and services to as many patients as possible.

The loss of income resulting from this has meant that AFD has had to reduce head count and service provision. Most outreach bases and the two Resource Centres have been closed, all social activities and training have been suspended and demonstration and sale of assistive listening devices has been stopped.

Funding the charitable activity has always been the core objective for AFD and once the NHS Audiology contracts start to generate a small surplus later in the year, the company will review how it can provide financial support for other services in a COVID-19 safe manner. This, however, is becoming increasingly challenging as income levels have dropped and other sources of financial support for services have not been forthcoming.

b. Staff

The Trustees would like to thank the CEO, Jane Shaw, for all her hard work in managing the company. The Trustees also extend thanks to Jane and all staff for their commitment to the company during what has been a very difficult and challenging time.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Achievements and performance (continued)

c. Fundraising activities and income generation

The Trustees are grateful to all those who provided funds in this year.

Crawley Clinical Commissioning Group
Coastal West Sussex Clinical Commissioning Group
Horsham & Mid Sussex Clinical Commissioning Group
East Sussex CCG
Surrey Heartlands CCG

Mr G Butler
Mr W. Harrison
Amazon Smile
Paypal giving fund
Mr R. Mason
Ms Diana James
Mrs I Snelling
Mr and Mrs J Dean
The Shelley
Mr and Mrs M. Phillips
Betty Deller
Brook Barn Lodge
Waitrose Community Fund
Mrs Sahana Still
Top Charity
Wilson Memorial Trust
Ferring village market
Adur East Lions Club
Mr B Sitford
Mr H Hinze
Amanda Peach
Mr C Richardson
Mr & Mrs K Shaw
Mr D J Dalton
Peter Murrell in memory of cousin Jill Oakley

There are many other contributors to whom gratitude is due, but who wish to remain anonymous. Donations are also received electronically via Just Giving, Memory Giving and Top Cash Back. Thanks are also due to those clients who made donations in the Resource Centres or in the outreach clinics and to the friends and families of those who nominate AFD as the recipient of funeral collections.

AFD can only operate within the resources available but the Trustees believe it is doing so efficiently. This remains a constant challenge.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Achievements and performance (continued)

d. Investment policy and performance

The Trustees' policy remains unchanged in that they are unwilling to risk the company's capital.

e. Fundraising policy

AFD is registered with the Fundraising Regulator. All fundraising activities have been carried out according to the requirements of the Fundraising Regulator and in accordance with AFD's Fundraising Policy. No complaints have been received.

The company does not engage professional fundraisers or commercial participators in fundraising activity.

- All fundraising schemes carried out on behalf of the company must be approved by the Fundraising Co-ordinator and CEO and carried out in accordance with the company's fundraising policy
- AFD is not aware of any failure to comply with the fundraising policy
- All company fundraising activities carried out are approved and monitored by the CEO and reported at Trustee meetings
- The company has received no complaints about fundraising for the company
- The company's fundraising policy explicitly forbids unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure in the course of, or relating to, fundraising for the company

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company 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.

AFD has carried out a cost reduction initiative over the last 6 months in response to reduced referral volumes and the COVID-19 pandemic and has significantly reduced expenditure. This position will be monitored during the year and appropriate action taken if forecast income or expenditure varies from plan.

The 2020-2021 financial budget indicates a deficit for the year of around £120,000 but generates a surplus of £3,000 over the last 6 months. This indicates that AFD will be financially viable over the longer term if the estimate of patient numbers is accurate. This excludes income from Off Contract and Microsuction which could be another opportunity for income generation when it is safe to reintroduce.

The NHS had intended to re-procure contracts with all providers during 2020. However, following the COVID-19 outbreak the existing contract has been rolled over to April 2021 and AFD has been asked to extend provision of services through to at least April 2023 thus ensuring a continued income during this period.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Financial review (continued)

b. Reserves policy

At the year end all funds are unrestricted and amount to £820,674. It is the policy of the Trustees to maintain a level of reserves sufficient to cover three months anticipated expenditure which is approximately £308,000. Free Reserves is currently £539,000 which significantly exceeds this requirement. The balance of £231,000 will be retained to address any shortfalls in income or to respond to market conditions as required.

The Trustees prepare and review a financial risk analysis annually which considers the impact of reduced income scenarios on reserves. This takes account of various cost saving options relating to audiology and overheads.

c. Financial review

The company has had a challenging year due to reductions in tariffs, reductions in patient referrals and the need to stop face to face appointments from 19 March 2020 because of the COVID-19 outbreak. This had a significant impact on income and service provision and in order to protect the safety of staff and patients all bases closed and operations moved off site. Staff continued to work remotely to provide support and services to as many patients as possible.

The loss of income resulting from this meant that AFD had to reduce head count and service provision. Most outreach bases and the two Resource Centres have been closed, all social activities and training have been suspended and demonstration and sale of assistive listening devices was stopped. The total one off costs associated with the closure of bases and the reduction of services amounted to £22,890 which is included within the deficit for the year.

Audiology services restarted on 13 July 2020 but due to the need to prove the new COVID-19 proof pathway and procedures, patient numbers were limited. Fees from the audiology contract with the NHS were low during July but started to build from August onwards as more patients from the referral backlog were seen and new referrals started to come through from GPs.

Structure, governance and management

a. Constitution

Action for Deafness is registered as a charitable company limited by guarantee. The company is constituted under a Memorandum of Association dated 5 April 2007 (company number 06205458) and is a registered charity number 1122579. It is exempt from the use of the word "Limited".

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Structure, governance and management (continued)

b. Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association. The persons who served as Trustees during the year, together with their relevant position on the Board and any office held are listed on the Reference and Administrative Details on page 1.

Trustees meetings attendance record:

Trustee	Meetings Attended
Mr R Hewitt	6 of 6
Mr M Clark	5 of 6
Mrs A Rees	4 of 6
Mr E Skyrme	4 of 6
Mr J Taylor	5 of 6

c. Organisational structure and decision-making policies

The day to day running of the company's activities is delegated to the Chief Executive Officer (CEO) who reports to the Trustees. The CEO operates under a wide ranging delegated responsibility. It has always been the policy that where trustee expertise may be helpful, the CEO and individual trustees work together.

The business of AFD is managed through an Executive Committee formed of all the appointed Trustees. The committee meets formally at least four times a year and on additional occasions where decisions are required before the next formal meeting.

The Trustees have given the CEO the authority needed to conduct the day to day working business of the company and the CEO attends and reports to each meeting of the Executive Committee. Decisions regarding major expenditure are taken by the Trustees.

d. Policies adopted for the induction and training of Trustees

The company relies upon the guidance issued by the Charities Commission in relation to the induction and training of Trustees.

e. Pay policy for key management personnel

The Trustees consider the board of directors, who are the Trustees, and the senior management team, who are the senior managers and senior audiologists, comprise the key management personnel of the company in charge of direction and governance, controlling, running and operating the company on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note 16 and note 30 to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the company, the Trustees benchmark the CEO's salary against pay levels in other charitable organisations of a similar size and nature. The senior management team determine all other salaries using market forces, CPI and performance as benchmarks.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Structure, governance and management (continued)

f. Compliance with the Charity Governance Code

Compliance with operational governance is confirmed by UKAS annually and by NHS reporting standards on a monthly basis.

g. Financial risk management

The Trustees manage risk by way of a risk register which considers the key areas of governance, operational, financial, environmental and compliance. Each area is reviewed for potential risk, potential impact of risk and steps for mitigation. The Trustees, together with the CEO, review all operations and update the register annually.

Financial risk and reserves are further managed using budgetary control and monthly management accounts reporting. Sources of both current and future income are considered during risk reviews. At the year end all reserves are unrestricted but the Trustees have previously set aside designated funds in order to ensure that assets which are critical to the operation of the company can be purchased when the need arises.

The operational team is small which allows the company to be flexible and responsive to changes in the needs of its client base. The Executive Committee has adopted a policy of individual Trustees taking an active role in the work of the company and should problems arise solutions are found quickly and effectively.

Plans for future periods

The overall aim is to continue to provide services, albeit reduced, as efficiently and effectively as possible to meet the current and future demands of beneficiaries. It is not the Trustees' intention to over-extend the resources available, but it is the intention to meet the complementary objectives of the charitable remit and operate with business-like discipline.

The mission statement of the company is "Making things happen for deaf and hard of hearing people". The Trustees and staff will continue to enhance and improve the services to meet the needs of service users. They will continue to:

- seek additional funding
- work closely with the Clinical Commissioning Groups
- apply financial management and control on all activities
- continue to use social media and other digital media effectively for the benefit of service users and as a marketing tool
- seek to maintain capability within the staff

Funding the charitable activity has always been the core objective for AFD and once the NHS Audiology contracts start to generate a small surplus later in the year, the company will review how it can provide financial support for other services in a COVID safe manner.

Members' liability

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up.

ACTION FOR DEAFNESS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

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.

Disclosure of information to auditors

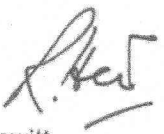
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:


- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Crowe U.K. LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at the next AGM.

Approved by order of the members of the board of Trustees on 3 November 2020 and signed on their behalf by:


Mr R Hewitt
(Chair of Trustees)


Mr M Clark
(Treasurer)

ACTION FOR DEAFNESS
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTION FOR DEAFNESS

Opinion

We have audited the financial statements of Action for Deafness (the 'charitable company') for the year ended 30 June 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTION FOR DEAFNESS (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTION FOR DEAFNESS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Weekes (Senior Statutory Auditor)

For and on behalf of
Crowe U.K. LLP

Statutory Auditor
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH

3 November 2020

Crowe U.K. LLP is eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:				
Donations and legacies	4	106,728	106,728	26,941
Charitable activities	5	1,245,848	1,245,848	1,949,045
Other trading activities	6	2,353	2,353	3,412
Investments	7	441	441	377
Other income	8	62,368	62,368	59,263
Total income		1,417,738	1,417,738	2,039,038
Expenditure on:				
Raising funds	9	206	206	8,722
Charitable activities	11	1,488,454	1,488,454	2,209,660
Total expenditure		1,488,660	1,488,660	2,218,382
Net movement in funds		(70,922)	(70,922)	(179,344)
Reconciliation of funds:				
Total funds brought forward		891,597	891,597	1,070,941
Net movement in funds		(70,922)	(70,922)	(179,344)
Total funds carried forward		820,675	820,675	891,597

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

The notes on pages 19 to 38 form part of these financial statements.

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REGISTERED NUMBER: 06205458

BALANCE SHEET
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	17	281,214	374,464
		<u>281,214</u>	<u>374,464</u>
Current assets			
Stocks	18	44,477	34,072
Debtors	19	71,403	272,263
Cash at bank and in hand		461,957	345,193
		<u>577,837</u>	<u>651,528</u>
Creditors: amounts falling due within one year	20	(38,377)	(134,395)
Net current assets		<u>539,460</u>	<u>517,133</u>
Total assets less current liabilities		<u>820,674</u>	<u>891,597</u>
Total net assets		<u><u>820,674</u></u>	<u><u>891,597</u></u>
Charity funds			
Unrestricted funds	22	820,674	891,597
Total funds		<u><u>820,674</u></u>	<u><u>891,597</u></u>

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REGISTERED NUMBER: 06205458

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2020

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


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

However, an audit is required in accordance with section 144 of the Charities Act 2011.

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 on 03 November 2020 and signed on their behalf by:


Mr R Hewitt
(Chair of Trustees)


Mr M Clark
(Treasurer)

The notes on pages 19 to 38 form part of these financial statements.

ACTION FOR DEAFNESS
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	117,000	134,960
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	-	13,000
Purchase of tangible fixed assets	(236)	(28,080)
Net cash used in investing activities	(236)	(15,080)
Change in cash and cash equivalents in the year	116,764	119,880
Cash and cash equivalents at the beginning of the year	345,193	225,313
Cash and cash equivalents at the end of the year	461,957	345,193

The notes on pages 19 to 38 form part of these financial statements

ACTION FOR DEAFNESS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. General information

The registered office of the company is 22 Sussex Road, Haywards Heath, West Sussex RH16 4EA. The company number is 06205458 and the registered charity number is 1122579. The principal object of the company is to enable persons who are deaf, deafened, hard of hearing or deafblind and to provide them with opportunities for independent living by (without limitation) the provision of an information and advice service, Resource Centres and by the provision of grants.

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) (second edition - October 2019) - 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.

Action for Deafness 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

After making appropriate enquiries, the Trustees have a reasonable expectation that the company 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.

AFD has carried out a cost reduction initiative over the last 6 months in response to reduced referral volumes and the COVID-19 pandemic and has significantly reduced expenditure. This position will be monitored during the year and appropriate action taken if forecast income or expenditure varies from plan.

The 2020-2021 financial budget indicates a deficit for the year of around £120,000 but generates a surplus of £3,000 over the last 6 months. This indicates that AFD will be financially viable over the longer term if the estimate of patient numbers is accurate. This excludes income from Off Contract and Microsuction which could be another opportunity for income generation when it is safe to reintroduce.

The NHS had intended to re-procure contracts with all providers during 2020. However, following the COVID-19 outbreak the existing contract has been rolled over to April 2021 and AFD has been asked to extend provision of services through to at least April 2023 thus ensuring a continued income during this period.

ACTION FOR DEAFNESS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

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 before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

ACTION FOR DEAFNESS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

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 accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources.

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.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT. The irrecoverable element of VAT is included as a separate cost within the accounts.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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 bases:

Short-term leasehold property	- 11% straight-line method over the term of the lease
Fixtures and fittings	- 25% reducing balance
Office equipment	- 25% reducing balance

ACTION FOR DEAFNESS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 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.

2.9 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.

2.10 Liabilities and provisions

Liabilities 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.

2.11 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.

2.12 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

ACTION FOR DEAFNESS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.14 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.

2.15 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

3. 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.

Critical accounting estimates and assumptions:

The charity makes judgements, estimates and assumptions that affect the application of policies and the carrying values of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements will, by definition, seldom equal the related actual results but are based on the experience of the Directors (or Trustees) and the expectations of future events. The estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is reviewed. Such basis includes all support costs being allocated to charitable activities.

ACTION FOR DEAFNESS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

4. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Grants			
Mid Sussex District Council	50,000	50,000	-
HMRC JRS Grant	39,932	39,932	-
Subtotal	<u>89,932</u>	<u>89,932</u>	<u>-</u>
 Donations	 14,404	 14,404	 25,629
Legacies	1,884	1,884	200
Membership fees	508	508	1,112
Subtotal	<u>16,796</u>	<u>16,796</u>	<u>26,941</u>
 Total 2020	 <u>106,728</u>	 <u>106,728</u>	 <u>26,941</u>

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Audiology fees received	1,184,276	1,184,276	1,862,415
Resource centre sales	19,659	19,659	40,552
Deaf services	8,138	8,138	19,971
Microsuction fees	33,775	33,775	26,107
Total 2020	<u>1,245,848</u>	<u>1,245,848</u>	<u>1,949,045</u>

ACTION FOR DEAFNESS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Fundraising	2,353	2,353	3,412

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Interest received	441	441	377

8. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Other incoming resources	9,422	9,422	13,721
Lost hearing aids	52,946	52,946	45,542
Total 2020	62,368	62,368	59,263

ACTION FOR DEAFNESS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

9. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Fund raising	206	206	295
Magazine costs - News and Views	-	-	8,427
Total 2020	<u>206</u>	<u>206</u>	<u>8,722</u>

10. Grant costs

	Grants to Institutions 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Grants paid	-	-	8,471
	<u>-</u>	<u>-</u>	<u>8,471</u>

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Deaf services	1,488,454	1,488,454	2,209,660
	<u>1,488,454</u>	<u>1,488,454</u>	<u>2,209,660</u>

ACTION FOR DEAFNESS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

12. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Deaf services	1,257,103	-	231,351	1,488,454	2,209,659

Analysis of direct costs

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	554,842	554,842	817,372
Audiology consumables	439,571	439,571	611,370
Purchases for Resource Centre	29,754	29,754	56,444
Miscellaneous purchases	2,769	2,769	1,907
Stock adjustment	(10,405)	(10,405)	27,912
Rent, rates and utilities	168,547	168,547	186,672
Travel and entertaining	11,809	11,809	22,073
Printing and stationery	4,498	4,498	12,998
Postage and carriage	11,252	11,252	9,850
Telephone	17,646	17,646	16,762
Committee expenses	616	616	770
Motor expenses	-	-	3,585
Worthing expansion	-	-	1,454
Staff training costs	1,652	1,652	35,800
Non recoverable input VAT	17,058	17,058	33,382
Agency staff costs	7,494	7,494	88,473
Total 2020	1,257,103	1,257,103	1,926,824

ACTION FOR DEAFNESS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

12. Analysis of expenditure by activities (continued)

Analysis of support costs

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Depreciation	75,618	75,618	102,172
Advertising	2,843	2,843	6,510
Computer costs	39,083	39,083	41,660
Sundry expenses	24,851	24,851	38,635
Repairs and maintenance	28,125	28,125	38,179
Subscriptions	294	294	541
Insurance	8,845	8,845	12,180
Interest payable	488	488	366
Equipment hire	3,323	3,323	1,012
Accountancy	13,113	13,113	13,113
Auditors' remuneration	5,400	5,400	5,300
Legal and professional fees	6,064	6,064	6,182
Loss on disposal of fixed assets	17,869	17,869	2,891
Trustees expenses reimbursed	263	263	278
Provision for specific bad debt	415	415	1,035
Bank charges	4,757	4,757	4,310
Total 2020	<u>231,351</u>	<u>231,351</u>	<u>274,364</u>

13. Auditors' remuneration

	2020 £	<i>2019 £</i>
Auditors' remuneration	<u>5,400</u>	<u>5,300</u>

ACTION FOR DEAFNESS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

14. Staff costs

Staff costs were as follows:

	2020	<i>2019</i>
	£	£
Wages and salaries	482,091	<i>714,411</i>
Social security costs	46,197	<i>67,697</i>
Contribution to defined contribution pension schemes	21,533	<i>27,654</i>
Other employee benefits	5,021	<i>7,610</i>
	<hr/> 554,842 <hr/>	<hr/> <i>817,372</i> <hr/>

Staff termination payments made during the current year and included in the Wages and salaries figure above amounted to £6,110 (2019 - £49,218). The payments related to statutory redundancy and payments in lieu of notice. The payments in lieu of notice have been calculated from the employment contracts.

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

	2020	<i>2019</i>
	No.	No.
Management	3	<i>4</i>
Clinical	8	<i>11</i>
Services	2	<i>3</i>
Administrative	2	<i>4</i>
	<hr/> 15 <hr/>	<hr/> <i>22</i> <hr/>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	<i>2019</i>
	No.	No.
In the band £60,001 - £70,000	1	<i>1</i>

ACTION FOR DEAFNESS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

15. Key management personnel

The cost of key management personnel:

	2020	<i>2019</i>
	£	£
Salaries	187,598	<i>241,347</i>
National insurance	19,909	<i>26,389</i>
Pension costs	10,195	<i>12,263</i>
Total	217,702	<i>279,999</i>

The key management personnel include the Trustees, senior managers and senior audiologists. The Trustees received no remuneration during the year (2019 - £nil).

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 30 June 2020, expenses totalling £263 were reimbursed or paid directly to 1 Trustee (2019 - £278 to 2 Trustees). The expenses related to travel costs for meetings.

ACTION FOR DEAFNESS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

17. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 July 2019	122,309	629,493	125,375	877,177
Additions	-	236	-	236
Disposals	-	(46,916)	-	(46,916)
At 30 June 2020	122,309	582,813	125,375	830,497
Depreciation				
At 1 July 2019	13,590	406,515	82,607	502,712
Charge for the year	13,590	51,336	10,692	75,618
On disposals	-	(29,047)	-	(29,047)
At 30 June 2020	27,180	428,804	93,299	549,283
Net book value				
At 30 June 2020	95,129	154,009	32,076	281,214
At 30 June 2019	108,719	222,978	42,767	374,464

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows: Office equipment £2,857 (2019 - £3,809).

18. Stocks

	2020 £	2019 £
Hearing aids, hearing aid accessories and assistive listening devices	44,477	34,072

The amount of stocks recognised as an expense in the Statement of financial activities was £461,605 (2019 - £697,633).

ACTION FOR DEAFNESS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

19. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	31,678	209,135
Other debtors	36	11,600
Prepayments and accrued income	39,689	51,528
	<u>71,403</u>	<u>272,263</u>

20. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	17,761	80,502
Other taxation and social security	5,272	25,338
Obligations under finance lease and hire purchase contracts	2,974	3,966
Pension creditor	3,195	3,760
Accruals and deferred income	9,175	20,829
	<u>38,377</u>	<u>134,395</u>

21. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at amortised cost	<u>493,635</u>	<u>565,928</u>
	2020 £	2019 £
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(29,910)</u>	<u>(105,297)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, obligations under finance leases and accruals.

ACTION FOR DEAFNESS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

22. Statement of funds

Statement of funds - current year

	Balance at 1 July 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2020 £
Unrestricted funds					
Designated funds					
Fixed assets reserve	374,465	-	-	(93,251)	281,214
General funds					
General fund	517,132	1,417,737	(1,488,660)	93,251	539,460
Total Unrestricted funds	891,597	1,417,737	(1,488,660)	-	820,674

Aim and use of designated funds:

The trustees set up a designated fixed asset reserve in a prior year to cover the assets which the trustees consider essential to the operations of the charity.

ACTION FOR DEAFNESS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 July 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 30 June 2019 £</i>
Unrestricted funds					
Designated funds					
Fixed assets reserve	464,448	-	-	(89,983)	374,465
Grant making fund	4,466	-	(4,466)	-	-
	<u>468,914</u>	<u>-</u>	<u>(4,466)</u>	<u>(89,983)</u>	<u>374,465</u>
General funds					
General fund	602,027	2,039,038	(2,213,916)	89,983	517,132
	<u>602,027</u>	<u>2,039,038</u>	<u>(2,213,916)</u>	<u>89,983</u>	<u>517,132</u>
Total Unrestricted funds	<u>1,070,941</u>	<u>2,039,038</u>	<u>(2,218,382)</u>	<u>-</u>	<u>891,597</u>

ACTION FOR DEAFNESS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

23. Summary of funds

Summary of funds - current year

	Balance at 1 July 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2020 £
Designated funds	374,465	-	-	(93,251)	281,214
General funds	517,132	1,417,737	(1,488,660)	93,251	539,460
	<u>891,597</u>	<u>1,417,737</u>	<u>(1,488,660)</u>	<u>-</u>	<u>820,674</u>

Summary of funds - prior year

	<i>Balance at 1 July 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 30 June 2019 £</i>
Designated funds	468,914	-	(4,466)	(89,983)	374,465
General funds	602,027	2,039,038	(2,213,916)	89,983	517,132
	<u>1,070,941</u>	<u>2,039,038</u>	<u>(2,218,382)</u>	<u>-</u>	<u>891,597</u>

ACTION FOR DEAFNESS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	281,214	281,214
Current assets	577,837	577,837
Creditors due within one year	(38,377)	(38,377)
Total	<u>820,674</u>	<u>820,674</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	374,464	374,464
Current assets	651,528	651,528
Creditors due within one year	(134,395)	(134,395)
Total	<u>891,597</u>	<u>891,597</u>

ACTION FOR DEAFNESS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(70,922)	(179,344)
Adjustments for:		
Depreciation charges	75,618	102,172
Loss on the sale of fixed assets	17,869	2,891
(Increase)/decrease in stocks	(10,405)	27,912
Decrease in debtors	200,860	131,113
(Decrease)/increase in creditors	(96,020)	50,216
Net cash provided by operating activities	117,000	134,960

26. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	58	49
Notice deposits (less than 3 months)	461,899	345,144
Total cash and cash equivalents	461,957	345,193

27. Analysis of changes in net debt

	At 1 July 2019 £	Cash flows £	Other non- cash changes £	At 30 June 2020 £
Cash at bank and in hand	345,193	116,764	-	461,957
Finance leases	(3,966)	1,695	(703)	(2,974)
	341,227	118,459	(703)	458,983

ACTION FOR DEAFNESS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

28. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £21,533 (2019 - £27,654). Contributions totalling £3,195 (2019 - £3,760) were payable to the fund at the balance sheet date and are included in creditors.

29. Operating lease commitments

At 30 June 2020 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	<i>2019</i> £
Not later than 1 year	99,000	<i>99,000</i>
Later than 1 year and not later than 5 years	136,000	<i>235,000</i>
Total	235,000	<i>334,000</i>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2020 £	<i>2019</i> £
Operating lease rentals	99,000	<i>83,532</i>

30. Related party transactions

Communication support services (sign language) have been provided to the company by D Hewitt who is related to Mr R Hewitt (chairman and Trustee). The total costs incurred during the year amounted to £439 (2019 - £700). All other transactions relating to the trustees are referred to in note 16.