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**ACTION FOR DEAFNESS**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

CHARITY COMMISSION

17 FEB 2022

RECORDED  
RECEIVED

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**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 2021**

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The Trustees present their annual report together with the audited financial statements of the company for the period 1 July 2020 to 30 June 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**

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 2021**

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**Objectives and activities (continued)**

**c. Activities undertaken to achieve objectives**

Adult rehabilitation audiology services were provided on behalf of three NHS Clinical Commissioning Groups (CCGs) – East Sussex, West Sussex and Surrey Heartlands. AFD also provided audiology services for patients on a non-contractual basis from other CCGs who exercised their patient choice. Any surplus from this work will be used by AFD to provide services to its users.

The COVID 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 (apart from the one in Steyning Medical Centre) 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 company had to be reassessed and AFD had to demonstrate to the NHS commissioners that the audiology service was COVID proof before consent could be given to restart.

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

Now that the NHS Audiology contracts have started to generate a small surplus the trustees will review how the company can provide financial support for other services in a COVID safe manner

**d. Patrons**

Action for Deafness is fortunate to have the following 4 patrons and gratefully acknowledges their support: The Rt. Hon. Sir Nicholas Soames, Annette Crosbie CBE, Judy Parfitt and Julia Donaldson CBE.

**e. Principal funding and contracts**

AFD has contracts with three NHS CCGs: West Sussex CCG, East Sussex CCG and 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 has only been able to deliver services from its two main bases from July 2020 onwards. Services from Steyning Health Centre restarted on 8 August 2020. Mitigating funding was received from the CCGs to help with the loss of income during the first National Lockdown when the NHS suspended all audiology services. Mid Sussex and Worthing District Councils also provided a business support grant for the same period.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**Achievements and performance**

**a. Review of activities**

The loss of income resulting from the Covid pandemic meant that AFD had to reduce head count and service provision. Most outreach bases and the two Resource Centres were closed, all social activities and training remain suspended.

Funding the charitable activity has always been the core objective for AFD and now that the NHS Audiology contracts have started to generate a small surplus the trustees will review how the company can provide financial support for other services in a COVID safe manner. This, however, will be challenging as income levels have still not recovered to pre-pandemic levels and other sources of financial support for services are not forthcoming. In addition, much uncertainty remains about the impact of the pandemic in the coming months.

To become a Qualified Provider of services to the NHS it was necessary to obtain 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. 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. Accreditation was reconfirmed in June 2021.

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

All staff 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 is in place.

**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. New operations have been devised and successfully implemented.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**Achievements and performance (continued)**

**c. Fundraising activities and income generation**

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

East Sussex NHS CCG  
West Sussex CCG  
Surrey Heartlands NHS CCG  
Mid Sussex DC  
Adur and Worthing DC  
Sussex Masonic Giving  
Waitrose Haywards Heath  
Mrs S Woodard  
Mr C Arthorne  
Mrs B Moore  
Mr A West  
Mrs E Gautrey  
Top Cash Back  
Adur East Lions Club  
Miss J A Crutchfield  
The Late Hilda Cox  
Mrs S Woodard  
Mrs E Rothera  
Mrs P Chittenden  
Mr J Hinze  
Mr J Bromley  
Mr & Mrs J Dean  
Mr K Shaw  
Mr J Saunders & Mr M Evans  
Mrs J Booker  
Mrs I Birt  
Mrs J Pettet  
Mrs M Hayden  
Mrs E Clarke  
Mr A Roberts  
Mr B J Radford  
Mr & Mrs C Carter  
Mrs L Rutherford  
Mr A Gulston  
Mrs J Skelton

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 on site or via BACS transfer 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 2021**

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**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 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 carried out a cost reduction initiative over the last 12 months in response to reduced referral volumes and the COVID pandemic. This position will continue to be monitored during the next financial year and appropriate action taken if forecast income or expenditure varies from plan.

The 2021-2022 financial budget forecasts a surplus for the year of around £8,080. This indicates that AFD will be financially viable over the longer term if the estimate of patient numbers is accurate.

The NHS contracts have been extended to 31 March 2023.

**b. Reserves policy**

At the year end all funds are unrestricted and amount to £1,009,960. It is the policy of the Trustees to maintain a level of reserves sufficient to cover three months anticipated expenditure which is approximately £397,000. Free Reserves is currently £789,000 which significantly exceeds this requirement. The balance of £392,000 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.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**c. Financial review**

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

Audiology services restarted on 13 July 2020 but due to the need to prove the new COVID proof pathway and procedures, patient numbers were limited. Fees from the audiology contract with the NHS were low during the first six months, but in 2021 onwards as infection rates started to decline and the vaccination programme began to gain momentum, new referrals started to come through from GPs and more patients were seen. In June 2021 AFD's income matched pre-pandemic levels.

Mitigating funding was received from NHS England to help with the loss of income during the first National Lockdown when the NHS suspended all audiology services. Mid Sussex and Worthing District Councils also provided a business support grant for the same period.

**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".

**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.

The Trustees' meetings during the year were all held virtually on Zoom. The meetings attendance record is as follows:

Trustee	Meetings Attended
Mr R Hewitt	5 of 5
Mr M Clark	5 of 5
Mrs A Rees	3 of 5
Mr E Skyrme	3 of 5
Mr J Taylor	4 of 5

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**Structure, governance and management (continued)**

**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.

**f. Compliance with the Charity Governance Code**

The Trustees maintain an on-going review of governance with reference to guidance from the Charity Commission, the Fundraising Regulator and the Charity Commission Governance Code.

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**Structure, governance and management (continued)**

**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
- seek to maintain capability within the staff

Funding the charitable activity has always been the core objective for AFD and now that the NHS Audiology contracts have started to generate a small surplus again, the Trustees will review how the company 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.

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**ACTION FOR DEAFNESS**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**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 year. 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 behalf by:

**2 November 2021**

and signed on their



**Mr R Hewitt**  
(Chair of Trustees)



**Mr M Clark**  
(Treasurer)

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**ACTION FOR DEAFNESS**  
**(A company limited by guarantee)**

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

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**Opinion**

We have audited the financial statements of Action for Deafness (the 'charitable company') for the year ended 30 June 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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**

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

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

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

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

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**Other information**

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; 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 (set out on page 10), 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)**

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**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.

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Charities Act 2011.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiries of management about their own identification and assessment of the risks of irregularities;
- reviewing board minutes and making enquiries of management regarding any non-compliance with laws and regulations and fraud;
- reviewing the revenue, supplier payments and payroll systems for significant deficiencies or susceptibility to fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates and judgements; and
- reviewing journal entries, in particular any journal entries posted with unusual account combinations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

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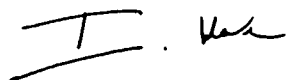
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTION FOR DEAFNESS (CONTINUED)**

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**Use of our report**

This report is made solely to the charity'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 charity'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 charity and the charity's Trustees 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

Date: 9 November 2021

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



**ACTION FOR DEAFNESS**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>				
Donations and legacies	4	131,762	131,762	106,728
Charitable activities	5	1,368,504	1,368,504	1,245,848
Other trading activities	6	7	7	2,353
Investments	7	54	54	441
Other income	8	45,619	45,619	62,368
<b>Total income</b>		<b>1,545,946</b>	<b>1,545,946</b>	<b>1,417,738</b>
<b>Expenditure on:</b>				
Raising funds	9	300	300	206
Charitable activities	10	1,356,361	1,356,361	1,488,454
<b>Total expenditure</b>		<b>1,356,661</b>	<b>1,356,661</b>	<b>1,488,660</b>
<b>Net movement in funds</b>		<b>189,285</b>	<b>189,285</b>	<b>(70,922)</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		820,674	820,674	891,596
Net movement in funds		189,285	189,285	(70,922)
<b>Total funds carried forward</b>		<b>1,009,959</b>	<b>1,009,959</b>	<b>820,674</b>

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.

**ACTION FOR DEAFNESS**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 06205458**

**BALANCE SHEET**  
**AS AT 30 JUNE 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	16	221,103	281,215
		<u>221,103</u>	<u>281,215</u>
<b>Current assets</b>			
Stocks	17	41,064	44,477
Debtors	18	232,844	71,403
Cash at bank and in hand		560,765	461,957
		<u>834,673</u>	<u>577,837</u>
Creditors: amounts falling due within one year	19	(45,816)	(38,378)
<b>Net current assets</b>		<u>788,857</u>	<u>539,459</u>
<b>Total assets less current liabilities</b>		<u>1,009,960</u>	<u>820,674</u>
<b>Total net assets</b>		<u><u>1,009,960</u></u>	<u><u>820,674</u></u>
<b>Charity funds</b>			
Unrestricted funds	21	1,009,960	820,674
<b>Total funds</b>		<u><u>1,009,960</u></u>	<u><u>820,674</u></u>

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**ACTION FOR DEAFNESS**  
(A company limited by guarantee)  
REGISTERED NUMBER: 06205458

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**BALANCE SHEET (CONTINUED)**  
**AS AT 30 JUNE 2021**

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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.

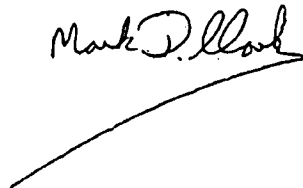
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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 **2 November 2021** 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 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	98,808	117,000
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	(236)
<b>Net cash provided by/(used in) investing activities</b>	-	(236)
<b>Change in cash and cash equivalents in the year</b>	98,808	116,764
Cash and cash equivalents at the beginning of the year	461,957	345,193
<b>Cash and cash equivalents at the end of the year</b>	560,765	461,957

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

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**ACTION FOR DEAFNESS**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**1. General information**

Action for Deafness is a private company, limited by guarantee, domiciled in England and Wales, registration number 06205458. The registered charity number is 1122579. The registered office of the company is 22 Sussex Road, Haywards Heath, West Sussex RH16 4EA. 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) - 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 carried out a cost reduction initiative over the last 12 months in response to reduced referral volumes and the COVID pandemic. This position will continue to be monitored during the next financial year and appropriate action taken if forecast income or expenditure varies from plan.

The 2021-2022 financial budget forecasts a surplus for the year of around £8,080. This indicates that AFD will be financially viable over the longer term if the estimate of patient numbers is accurate

The NHS contracts have been extended to 31 March 2023.

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**ACTION FOR DEAFNESS**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**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.

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**ACTION FOR DEAFNESS**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**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.

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

**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.

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**ACTION FOR DEAFNESS**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**2. Accounting policies (continued)**

**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.

**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.



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**ACTION FOR DEAFNESS**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**2. Accounting policies (continued)**

**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 2021**

**4. Income from donations and legacies**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Grants</b>			
NHS Covid 19 relief grant	95,637	95,637	-
Mid Sussex District Council	-	-	25,000
Mid Sussex District Council Covid 19 grant	6,000	6,000	-
Worthing Borough Council	-	-	25,000
Worthing Borough Council additional restrictions grant	15,000	15,000	-
HMRC JRS grant	5,837	5,837	39,932
<b>Subtotal detailed disclosure</b>	<b>122,474</b>	<b>122,474</b>	<b>89,932</b>
Donations	9,124	9,124	14,404
Legacies	-	-	1,884
Similar incoming resources	164	164	508
<b>Subtotal</b>	<b>9,288</b>	<b>9,288</b>	<b>16,796</b>
<b>Total 2021</b>	<b>131,762</b>	<b>131,762</b>	<b>106,728</b>

**5. Income from charitable activities**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Audiology fees received	1,368,184	1,368,184	1,184,276
Resource centre sales	-	-	19,659
Deaf services	-	-	8,138
Microsuction fees	320	320	33,775
<b>Total 2021</b>	<b>1,368,504</b>	<b>1,368,504</b>	<b>1,245,848</b>

**ACTION FOR DEAFNESS**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**6. Income from other trading activities**

**Income from fundraising events**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Fundraising	7	7	2,353

**7. Investment income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Interest received	54	54	441

**8. Other incoming resources**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Other incoming resources	(623)	(623)	9,422
Lost hearing aids	46,242	46,242	52,946
<b>Total 2021</b>	<b>45,619</b>	<b>45,619</b>	<b>62,368</b>

**ACTION FOR DEAFNESS**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**9. Expenditure on raising funds**

**Costs of raising voluntary income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Fund raising	300	300	206

**10. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Deaf services	1,356,361	1,356,361	1,488,454

**11. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Deaf services	1,168,754	187,607	1,356,361	1,488,454

**ACTION FOR DEAFNESS**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**11. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Staff costs	421,517	<b>421,517</b>	554,842
Audiology consumables	559,259	<b>559,259</b>	439,571
Purchases for Resource Centre	-	-	29,754
Miscellaneous purchases	-	-	2,769
PPE costs	7,462	<b>7,462</b>	-
Stock adjustment	3,413	<b>3,413</b>	(10,405)
Rent, rates and utilities	110,514	<b>110,514</b>	168,547
Travel and entertaining	199	<b>199</b>	11,809
Printing and stationery	3,620	<b>3,620</b>	4,498
Postage and carriage	19,505	<b>19,505</b>	11,252
Telephone	19,234	<b>19,234</b>	17,646
Committee expenses	165	<b>165</b>	616
Staff training costs	870	<b>870</b>	1,652
Non recoverable input VAT	17,649	<b>17,649</b>	17,058
Agency staff costs	4,394	<b>4,394</b>	7,494
Equipment storage	953	<b>953</b>	-
<b>Total 2021</b>	<u><u>1,168,754</u></u>	<u><u><b>1,168,754</b></u></u>	<u><u>1,257,103</u></u>

**ACTION FOR DEAFNESS**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**11. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Depreciation	60,111	<b>60,111</b>	75,618
Advertising	1,436	<b>1,436</b>	2,843
Computer costs	37,125	<b>37,125</b>	39,083
Sundry expenses	22,452	<b>22,452</b>	24,851
Repairs and maintenance	19,910	<b>19,910</b>	28,125
Subscriptions	132	<b>132</b>	294
Insurance	9,207	<b>9,207</b>	8,845
Interest payable	488	<b>488</b>	488
Equipment hire	1,192	<b>1,192</b>	3,323
Accountancy	14,088	<b>14,088</b>	13,113
Auditors' remuneration	5,900	<b>5,900</b>	5,400
Legal and professional fees	11,569	<b>11,569</b>	6,064
Loss on disposal of fixed assets	-	-	17,869
Trustees expenses reimbursed	-	-	263
Provision for specific bad debt	(100)	<b>(100)</b>	415
Bank charges	4,097	<b>4,097</b>	4,757
<b>Total 2021</b>	<u>187,607</u>	<u><b>187,607</b></u>	<u>231,351</u>

**12. Auditors' remuneration**

	<b>2021 £</b>	<i>2020 £</i>
Auditors' remuneration	<u><b>5,900</b></u>	<u>5,400</u>

**ACTION FOR DEAFNESS**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**13. Staff costs**

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	364,151	482,091
Social security costs	33,780	46,197
Contribution to defined contribution pension schemes	16,911	21,533
Other employee benefits	6,675	5,021
	<u>421,517</u>	<u>554,842</u>

Statutory redundancy payments made during the current year and included in the Wages and salaries figure above amounted to £9,180 (2020 - £6,110).

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

	2021 No.	2020 No.
Management	2	3
Clinical	7	8
Services	-	2
Administrative	2	2
	<u>11</u>	<u>15</u>

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	1

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**ACTION FOR DEAFNESS**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**14. Key management personnel**

The cost of key management personnel:

	2021 £	2020 £
Salaries	106,792	187,598
National insurance	12,311	19,909
Pension costs	6,999	10,195
<b>Total</b>	<b>126,102</b>	<b>217,702</b>

The key management personnel include the Trustees, a senior manager and a clinical lead. The Trustees received no remuneration during the year (2020 - £nil).

**15. Trustees' remuneration and expenses**

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

During the year ended 30 June 2021, expenses totalling £NIL were reimbursed or paid directly to Trustees (2020 - £263 to 1 Trustee).



**ACTION FOR DEAFNESS**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**16. Tangible fixed assets**

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 July 2020	122,309	582,813	125,375	830,497
At 30 June 2021	122,309	582,813	125,375	830,497
<b>Depreciation</b>				
At 1 July 2020	27,180	428,804	93,299	549,283
Charge for the year	13,590	38,502	8,019	60,111
At 30 June 2021	40,770	467,306	101,318	609,394
<b>Net book value</b>				
At 30 June 2021	81,539	115,507	24,057	221,103
At 30 June 2020	95,129	154,010	32,076	281,215

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows: Office equipment £NIL (2020 - £2,857).

**17. Stocks**

	2021 £	2020 £
Hearing aids, hearing aid accessories and assistive listening devices	41,064	44,477

The amount of stocks recognised as an expense in the Statement of financial activities was £570,134 (2020 - £461,689).

**ACTION FOR DEAFNESS**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**18. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	183,271	31,678
Other debtors	6,382	36
Prepayments and accrued income	43,191	39,689
	<u>232,844</u>	<u>71,403</u>

**19. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	22,799	17,762
Other taxation and social security	9,705	5,272
Obligations under finance lease and hire purchase contracts	-	2,974
Other creditors	2,749	3,195
Accruals and deferred income	10,563	9,175
	<u>45,816</u>	<u>38,378</u>

**20. Financial instruments**

	2021 £	2020 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>744,600</u>	<u>493,635</u>
	2021 £	2020 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(33,362)</u>	<u>(29,911)</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 2021**

**21. Statement of funds**

**Statement of funds - current year**

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2021 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Fixed assets reserve	281,214	-	-	(60,111)	221,103
<b>General funds</b>					
General fund	539,460	1,545,947	(1,356,661)	60,111	788,857
<b>Total Unrestricted funds</b>	<b>820,674</b>	<b>1,545,947</b>	<b>(1,356,661)</b>	<b>-</b>	<b>1,009,960</b>

**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 2021**

**21. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 July 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 30 June 2020 £</i>
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Fixed assets reserve	374,465	-	-	(93,251)	281,214
<b>General funds</b>					
General fund	517,132	1,417,738	(1,488,661)	93,251	539,460
<b>Total Unrestricted funds</b>	<u>891,597</u>	<u>1,417,738</u>	<u>(1,488,661)</u>	<u>-</u>	<u>820,674</u>

**ACTION FOR DEAFNESS**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**22. Summary of funds**

**Summary of funds - current year**

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2021 £
Designated funds	281,214	-	-	(60,111)	221,103
General funds	539,460	1,545,947	(1,356,661)	60,111	788,857
	<u>820,674</u>	<u>1,545,947</u>	<u>(1,356,661)</u>	<u>-</u>	<u>1,009,960</u>

**Summary of funds - prior 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	1,417,738	(1,488,661)	93,251	539,460
	<u>891,597</u>	<u>1,417,738</u>	<u>(1,488,661)</u>	<u>-</u>	<u>820,674</u>

**ACTION FOR DEAFNESS**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**23. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Tangible fixed assets	221,103	<b>221,103</b>
Current assets	834,673	<b>834,673</b>
Creditors due within one year	(45,816)	<b>(45,816)</b>
<b>Total</b>	<u>1,009,960</u>	<u><b>1,009,960</b></u>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	281,215	281,215
Current assets	577,837	577,837
Creditors due within one year	(38,378)	(38,378)
<b>Total</b>	<u>820,674</u>	<u>820,674</u>

**ACTION FOR DEAFNESS**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. Reconciliation of net movement in funds to net cash flow from operating activities**

	2021 £	2020 £
<b>Net income/(expenditure) for the year (as per Statement of Financial Activities)</b>	<b>189,285</b>	<b>(70,922)</b>
<b>Adjustments for:</b>		
Depreciation charges	60,111	75,618
Loss on the sale of fixed assets	-	17,869
Decrease/(increase) in stocks	3,413	(10,405)
(Increase)/decrease in debtors	(161,439)	200,860
Increase/(decrease) in creditors	7,438	(96,020)
<b>Net cash provided by operating activities</b>	<b>98,808</b>	<b>117,000</b>

**25. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand	58	58
Notice deposits (less than 3 months)	560,707	461,899
<b>Total cash and cash equivalents</b>	<b>560,765</b>	<b>461,957</b>

**26. Analysis of changes in net debt**

	At 1 July 2020 £	Cash flows £	Other non- cash changes £	At 30 June 2021 £
Cash at bank and in hand	461,957	98,808	-	560,765
Finance leases	(2,974)	5,229	(2,255)	-
	<b>458,983</b>	<b>104,037</b>	<b>(2,255)</b>	<b>560,765</b>

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**ACTION FOR DEAFNESS**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**27. 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 £16,911 (2020 - £21,533). Contributions totalling £2,749 (2020 - £3,195) were payable to the fund at the balance sheet date and are included in creditors.

**28. Operating lease commitments**

At 30 June 2021 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	99,000	99,000
Later than 1 year and not later than 5 years	37,000	136,000
<b>Total</b>	<b>136,000</b>	<b>235,000</b>

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

	2021 £	2020 £
Operating lease rentals	99,000	99,000