

COMPANY REGISTRATION NUMBER: NI020966
CHARITY REGISTRATION NUMBER: NIC102992

**Disability Action (NI) Employment & Training
Company Limited by Guarantee
Financial Statements
31 March 2023**

Finegan Gibson Ltd
Chartered accountants & statutory auditor
Causeway Tower
9 James Street South
Belfast
BT2 8DN

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2023

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Disability Action (NI) Employment & Training

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2023

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name	Disability Action (NI) Employment & Training
Charity registration number	NIC102992
Company registration number	NI020966
Principal office and registered office	Portside Business Park 189 Airport Road West Belfast BT3 9ED

The trustees

P Bray
G Maguire
M Marshall
J Carberry

Company secretary A Brown

Auditor Finegan Gibson Ltd
Chartered accountants & statutory auditor
Causeway Tower
9 James Street South
Belfast
BT2 8DN

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Structure, governance and management

Disability Action (NI) Employment & Training is a company limited by guarantee and a wholly owned subsidiary of Disability Action (NI).

Charitable Status

Disability Action (NI) Employment & Training has registered its charitable status with the Charity Commission for Northern Ireland. Its Charity Number is NIC102992.

Recruiting and Appointing Trustees

The charity is governed by up to three trustees selected by its parent company Disability Action (NI) and they are appointed by the board of Disability Action (NI) to confirm to the Memorandum and Articles of Association.

Newly appointed trustees undergo an induction process and receive an induction pack. When necessary, trustees are appointed to sub-committees which best match their skills and are supported by the relevant senior staff member.

The board meets quarterly with sub-committees meeting on an ad hoc basis. The work of all sub-committees is presented to the board for its approval and the board refers issues to specific sub-committees. Each sub-committee contains at least one board member.

Risk Management Statement

The Board of Trustees conducts an ongoing review of the charity's operational risk management processes. This has been established in order to mitigate the major risks to which the charity is exposed.

Significant internal risks to funding have led to the development of a strategic plan which allows for the diversification of charitable activities. In addition, corporate risk is managed by ensuring that appropriate insurance cover is in place and adhering to rigorous internal financial controls.

Disability Action (NI) Employment & Training

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Objectives and activities

Disability Action's Strategic plan for 2022 - 26 sets out a vision of a truly inclusive society where our mission is to support Human Rights for All. Our 5 key strategic principles are to

- Advocate for human rights for all
 - Change attitudes to enhance social inclusion and independence
 - Support through skills and employment
 - Educate to empower through training
 - Be a sustainable organisation

The charity manages the Employment Support Programme under contract with the Department for Communities (DfC). This programme supports individuals with significant disabilities in employment.

The charity represents people regardless of their disability; whether that is a physical, mental health, sensory, hidden or learning disability.

Disability Action (NI), our parent company, is a member of a number of network organisations e.g NICVA and Children NI and has strong relationships with the private sector e.g Northern Ireland Chamber of Commerce and Industry and public sector groupings e.g Equality Commission Benefit from all these networks is shared with the charity.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Achievements and performance

Set against a backdrop of political instability, European funding ending and potential budget cuts the financial year to 31st March 2023 has been difficult. ESF funding ended and we were successful in a joint bid to the UKSPF to continue supporting disabled people into employment, which secured the jobs of Disability Action staff. The new DSS (disability specialist support) contract under Dept for Economy's Skills for Work and Life programme has been building slowly with great results.

Disability Action piloted a Mental Health Counselling programme through funding from the Community Foundation, giving disabled people direct access to counselling provision. This has proved very successful, and we will continue to develop mental health provision across all our contracts.

Coming out of 2 years with COVID restrictions has proved slow progress with both DATS (Disability Action Transport Scheme) and Mobility Centre assessment seeing slow increase in numbers. DATS received their first electric bus provided by the Dept for Infrastructure, which will be monitored for effectiveness within the service.

February 2023 brought the end to our ONSIDE project. ONSIDE was a cross-border project funded by the European Union's INTERREG VA Programme and managed by the Special European Union Programme Body. Disability Action was lead partner, working alongside Independent Living Movement Ireland, the Northern Ireland Housing Executive and Supporting Communities. The ethos of the project was to enable and empower disabled people to take control of their social connections and become active in their local and online communities. 2500 people took part in the programme where we distributed 2410 tablets and 963 other pieces of equipment to assist with accessibility. 99% of participants said they would recommend ONSIDE to others.

Financial review

The charity's only source of funding is from the Department of Communities in relation to its core services of Support in Employment and Support in Training. The main categories of expenditure are direct staff costs, representing 27% of revenues (2022-41%) and retention employees, representing 73% revenues (2022-55%).

The Northern Ireland Charities Pension Scheme (NICPS) is a multi-employer final salary scheme which was closed in 2009. There are currently 444 scheme members and 11 actively participating scheme employers. The overall scheme deficit identified by the September 2022 actuarial valuation was £3.2mil.

The charity's share of the final salary deficit liability is reflected on the Statement of Financial Position under the FRS102 accounting standard. The charity's liability as at 31 March 2023 was £143,164 based on the 2022 actuarial valuation results and a deficit recovery period of 8 years from 1 August 2020 to 29 February 2028.

Plans for future periods

The charity's will continue to work towards its corporate objectives in order to create a fully inclusive society for disabled people throughout Northern Ireland. The renewal of the Employment Support Programme contract has been extended to March 2023.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Trustees' responsibilities statement

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the 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 in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

The trustees' annual report and the strategic report were approved on 27 March 2024 and signed on behalf of the board of trustees by:


M Douglas
Trustee

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Independent Auditor's Report to the Members of Disability Action (NI) Employment & Training

Year ended 31 March 2023

Opinion

We have audited the financial statements of Disability Action (NI) Employment & Training (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Independent Auditor's Report to the Members of Disability Action (NI) Employment & Training *(continued)*

Year ended 31 March 2023

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Independent Auditor's Report to the Members of Disability Action (NI) Employment & Training *(continued)*

Year ended 31 March 2023

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Disability Action (NI) Employment & Training

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Independent Auditor's Report to the Members of Disability Action (NI) Employment & Training *(continued)*

Year ended 31 March 2023

Auditor's responsibilities for the audit of the financial statements

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

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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether management were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether management have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax and valuations specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks in operation, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included ongoing compliance with the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental for their ability to operate or to avoid a material penalty.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Independent Auditor's Report to the Members of Disability Action (NI) Employment & Training *(continued)*

Year ended 31 March 2023

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Disability Action (NI) Employment & Training

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Independent Auditor's Report to the Members of Disability Action (NI) Employment & Training *(continued)*

Year ended 31 March 2023

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Dolan (FCA) (Senior Statutory Auditor)

For and on behalf of
Finegan Gibson Ltd
Chartered accountants & statutory auditor
Causeway Tower
9 James Street South
Belfast
BT2 8DN

27 March 2024

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2023

		2023		2022
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Charitable activities	5	615,159	615,159	790,138
Total income		<u>615,159</u>	<u>615,159</u>	<u>790,138</u>
Expenditure				
Expenditure on charitable activities	6,7	663,209	663,209	777,021
Total expenditure		<u>663,209</u>	<u>663,209</u>	<u>777,021</u>
Net (expenditure)/income and net movement in funds		<u>(48,050)</u>	<u>(48,050)</u>	<u>13,117</u>
Reconciliation of funds				
Total funds brought forward		(260,528)	(260,528)	(273,645)
Total funds carried forward		<u>(308,578)</u>	<u>(308,578)</u>	<u>(260,528)</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 28 form part of these financial statements.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Current assets			
Debtors	12	29,242	41,495
Cash at bank and in hand		202,496	144,824
		<u>231,738</u>	<u>186,319</u>
Creditors: amounts falling due within one year	14	354,849	296,357
Net current liabilities		<u>123,111</u>	<u>110,038</u>
Total assets less current liabilities		(123,111)	(110,038)
Creditors: amounts falling due after more than one year	15	48,273	—
Provisions	17	137,194	150,490
Net liabilities		<u>(308,578)</u>	<u>(260,528)</u>
Funds of the charity			
Unrestricted funds		(308,578)	(260,528)
Total charity funds	20	<u>(308,578)</u>	<u>(260,528)</u>

These financial statements were approved by the board of trustees and authorised for issue on 27 March 2024, and are signed on behalf of the board by:


M Douglas
Trustee


P Bray
Trustee

The notes on pages 16 to 28 form part of these financial statements.

Disability Action (NI) Employment & Training

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Statement of Cash Flows

Year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net (expenditure)/income		(48,050)	13,117
<i>Adjustments for:</i>			
Accrued income		(19,948)	(64,577)
<i>Changes in:</i>			
Trade and other debtors		12,253	8,086
Trade and other creditors		136,481	78,005
Provisions and employee benefits		(13,296)	10,882
Cash generated from operations		<u>67,440</u>	<u>45,513</u>
Net cash from operating activities		<u>67,440</u>	<u>45,513</u>
Cash flows from financing activities			
Proceeds from loans from group undertakings		(12,864)	48,405
Net cash (used in)/from financing activities		<u>(12,864)</u>	<u>48,405</u>
Net increase in cash and cash equivalents		54,576	93,918
Cash and cash equivalents at beginning of year		<u>144,824</u>	<u>50,906</u>
Cash and cash equivalents at end of year	13	<u>199,400</u>	<u>144,824</u>

The notes on pages 16 to 28 form part of these financial statements.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Northern Ireland and a registered charity in England and Wales. The address of the registered office is Portside Business Park, 189 Airport Road West, Belfast, BT3 9ED.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

Disability Action (NI) Employment & Training has significant contractual commitments to the costs of paying for its share of the Northern Ireland Charities Pension Scheme's (NICPS) final salary pension scheme deficit. Note 18 to the financial statements provides detailed information on this pension scheme which was closed to new members in 2009. Disability Action (NI) Employment & Training is currently making a fixed annual payment to meet its share of the deficit based on the latest (30th September 2022) scheme actuarial valuation. The liability for future payments measured at their present value is recognised as a liability in the financial statements and the Statement of Financial Position shows significant net liabilities as a result. The Trustees are confident that annual fixed targets are set to ensure that the organisation is able to make these annual deficit payments and remain financially sustainable.

Net liabilities on the Statement of Financial Position are £308,578. Liabilities include amounts owed to group undertakings of £119,694. The trustees are also trustees of Disability Action (NI) and they verify the ongoing financial support of the controlling charity to Disability Action (NI) Employment and Training.

The Trustees consider that there is no material uncertainty related to these events or conditions and they therefore deem it appropriate to prepare financial statements on a going concern basis.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant Judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Management must choose an appropriate percentage rate for discounting future payments in order to value the pension liability disclosed in note 19.

Key Sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and by their nature will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

The valuation of the pension liability is based on discounting future contributions to fund the fund shortfall. Those contributions are based on current arrangements, but may be subject to change in the future.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 15% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Every member of the charitable company undertakes to contribute to the assets of the charitable company, in the event of the same being wound up while it is a member, or within one year after it ceases to be a member, for payment of the debts and liabilities of the charitable company contracted before it ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.

5. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Training and employment agency grants	524,371	524,371	633,631	633,631
Host employers	84,564	84,564	156,507	156,507
Other income	6,224	6,224	—	—
	<u>615,159</u>	<u>615,159</u>	<u>790,138</u>	<u>790,138</u>

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

6. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Employment and training	657,470	657,470	772,606	772,606
Core	1,031	1,031	415	415
Support costs	4,708	4,708	4,000	4,000
	<u>663,209</u>	<u>663,209</u>	<u>777,021</u>	<u>777,021</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2023	Total fund 2022
	£	£	£	£
Employment and training	657,470	—	657,470	772,606
Core	1,031	—	1,031	415
Governance costs	—	4,708	4,708	4,000
	<u>658,501</u>	<u>4,708</u>	<u>663,209</u>	<u>777,021</u>

8. Auditors remuneration

	2023	2022
	£	£
Fees payable for the audit of the financial statements	<u>4,200</u>	<u>4,000</u>

9. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	134,503	235,803
Social security costs	9,447	15,552
Employer contributions to pension plans	98,371	22,313
	<u>242,321</u>	<u>273,668</u>

The average head count of employees during the year was 10 (2022: 16).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

10. Trustee remuneration and expenses

No trustee received any remuneration or reimbursement of expenses from the charity during the year.

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

11. Tangible fixed assets

	Equipment £
Cost	
At 1 April 2022 and 31 March 2023	18,921
Depreciation	
At 1 April 2022 and 31 March 2023	18,921
Carrying amount	
At 31 March 2023	—
At 31 March 2022	—

12. Debtors

	2023 £	2022 £
Trade debtors	29,242	41,495

13. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2023 £	2022 £
Cash at bank and in hand	202,496	144,824
Bank overdrafts	(3,096)	—
	199,400	144,824

14. Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts	3,096	—
Trade creditors	123,194	91,974
Amounts owed to group undertakings	119,694	132,558
Accruals and deferred income	48,166	65,098
Social security and other taxes	7,327	5,576
Pension contributions due	807	1,104
Other creditors	—	47
TPT Pension - ST	52,565	—
	354,849	296,357

15. Creditors: amounts falling due after more than one year

	2023 £	2022 £
TPT Pension - LT	48,273	—

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

16. Deferred income

	2023	2022
	£	£
At 1 April 2022	8,679	20,204
Amount released to income	(8,679)	(20,204)
Amount deferred in year	11,695	8,679
At 31 March 2023	11,695	8,679

17. Provisions

	Pensions and similar obligations
	£
At 1 April 2022	150,490
Unwinding of discount	5,942
Change in assumption	(15,957)
Other movements	(3,281)
At 31 March 2023	137,194

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

18. Pensions and other post retirement benefits

The company participates in the scheme, a multi-employer scheme which provides benefits to some 11 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2022. This valuation showed assets of £22.8m, liabilities of £26.0m and a deficit of £3.2m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From August 2020 to 29 February 2028: £1,280,605 in total (payable monthly)

The recovery plan contributions are allocated to each participating employer in line with their estimates share of the scheme liabilities.

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

PRESENT VALUE OF PROVISION

	31 March 2023	31 March 2022	31 March 2021
	£	£	£
Present value of provision	137,194	172,875	210,059

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period ending 31 March 2023	Period ending 31 March 2022
	£	£
Provision at start of period	172,875	210,059
Unwinding of the discount factor (interest expense)	3,991	1,951
Deficit contribution paid	(31,425)	(31,425)
Remeasurements - impact of any changes in assumptions	(8,247)	(7,710)
Provision at end of period	137,194	172,875

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

INCOME AND EXPENDITURE IMPACT

	Period ending 31 March 2023 (£s)	Period ending 31 March 2022 (£s)
Interest expense	3,991	1,951
Remeasurements - impact of any change in assumptions	(8,247)	(7,710)
Contributions paid in respect of future service*	-	-
Costs recognised in income and expenditure account	-	-

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	31 March 2023 % per annum	31 March 2022 % per annum	31 March 2021 % per annum
Rate of discount	5.35	2.56	1.01

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

19. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2023 £	2022 £
Recognised in creditors:		
Deferred government grants due within one year	<u>8,679</u>	<u>20,204</u>

20. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
General funds	<u>(260,528)</u>	<u>615,159</u>	<u>(663,209)</u>	<u>(308,578)</u>

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
General funds	<u>(273,645)</u>	<u>790,138</u>	<u>(777,021)</u>	<u>(260,528)</u>

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

21. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	£
Current assets	231,738	231,738
Creditors less than 1 year	(354,849)	(354,849)
Creditors greater than 1 year	(48,273)	(48,273)
Provisions	(137,194)	(137,194)
Net liabilities	(308,578)	(308,578)

	Unrestricted Funds	Total Funds
	£	£
Current assets	186,319	186,319
Creditors less than 1 year	(296,357)	(296,357)
Creditors greater than 1 year	—	—
Provisions	(150,490)	(150,490)
Net liabilities	(260,528)	(260,528)

22. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	144,824	57,672	202,496
Bank overdrafts	—	(3,096)	(3,096)
Debt due within one year	(132,558)	12,864	(119,694)
	<u>12,266</u>	<u>67,440</u>	<u>79,706</u>

Disability Action (NI) Employment & Training

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

23. Related parties

With Disability Action (NI)

Relationship - Disability Action (NI) is deemed to be the charitable company's parent company.

Nature of transactions during the year:

	2023	2022
	£	£
Amount owed to related party at year end	69,578	82,442

Outstanding balances are unsecured and interest-free.

With Disability Action Tradeable Services Limited

Relationship - Disability Action Tradeable Services Limited is a wholly owned subsidiary of Disability Action (NI).

Nature of transactions during the year:

	2023	2022
	£	£
Amount owed to related party at year end	50,116	50,116

Outstanding balances are unsecured and interest-free.

The trustees of Disability Action (NI) intend to offer ongoing financial support to Disability Action (NI) Employment & Training, which is considered to be a subsidiary entity. The financial statements of Disability Action (NI) Employment & Training as at 31 March 2023 show net current liabilities of £123,111, non current liabilities of £48,273 and a pension provision of £137,194 resulting in total net liabilities of £308,578.

24. Ethical standards

In common with many other entities of our size and nature, we use our auditors to assist with the preparation of the financial statements.

25. Taxation

The Company is a registered charity, and as such is entitled to tax exemptions on income and profits in furtherance of the charity's primary objectives.

26. Contingencies

A contingent liability exists to repay grants and Trust monies received should certain conditions not be fulfilled by the charity. In the opinion of the Trustees, the terms of the Letters of Offers have been, or will be, complied with and no liability is expected.