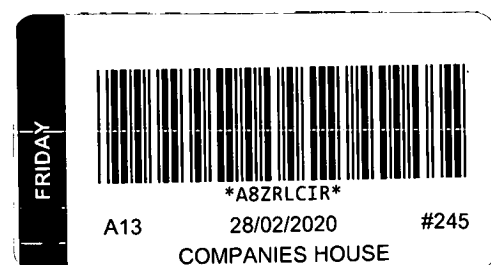


Charity Registration No. 1065021

Company Registration No. 03389496 (England and Wales)

MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019



**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

Patron	Lord Salisbury
Trustees	Mr Barry Avison Mr Robert Davies (Chair from August 2019) Rev Hannah Lewis Ms Sandra Scott Mr Andrew Goodwin (Appointed 9 October 2019)
Charity number	1065021
Company number	03389496
Registered office	Queens Drive Retail Park West Derby Liverpool L13 0DJ
Auditor	BWM Castle Chambers 43 Castle Street Liverpool L2 9SH
Bankers	Barclays Bank plc Liverpool West Derby 39 Mill Lane Liverpool L12 7HY NatWest Bank PLC 2-8 Church Street Liverpool L1 3BG
Solicitors	ACSL Solicitors Suite 3 4c Exchange Court 1 Dale Street Liverpool L2 2PP

MERSEYSIDE SOCIETY FOR DEAF PEOPLE COMPANY LIMITED BY GUARANTEE CONTENTS

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MERSEYSIDE SOCIETY FOR DEAF PEOPLE COMPANY LIMITED BY GUARANTEE CHAIR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

This year at MSDP has been a year of change and achievement. The charity has made some important decisions about infrastructure, with the proposed sale of Grange Road West in the Wirral, and the temporary relocation to Matrix House and the Welcome Centre in Birkenhead. Changes of this nature ensure MSDP works in the most efficient manner, maximising the value of our assets for the charity whilst also creating a modern, agile working environment and culture for our staff. It also ensures we provide better facilities for members of the Deaf community and people accessing MSDP services.

MSDP have parted company with its CEO and Chair. Updates on the departures have been discussed with staff members and the Deaf community. The Trustees and the senior management team working in partnership have ensured that MSDP continues to operate effectively and meets its various contractual obligations.

Some of the achievements this year are as follows;

- Liverpool Council contract won by MSDP for 3+2 years
- Wirral Council contract extension until October 2020
- Training & Development team continues to provide training to organisations and individuals
- Development of the Review/Assessor roles to improve duty sessions
- Improved finance systems and reporting processes
- Development of a business plan and business continuity plan

MSDP would not be able to deliver services to make the impact that we do, without the skill and dedication of its staff, volunteers and without the support of individuals and organisations that made donations and funded our work.

Future plans

Plans for the immediate future include raising our profile across the Merseyside region, especially promoting what we offer in terms of sign language and Deaf awareness training to continue to improve access for our beneficiaries in the wider society. We also intend to develop partnerships with other organisations as well as increasing our community engagement so that we are all working together to improve quality of life and opportunities for our community. Finally, we aim to improve our use of technology, to improve the provision of accessible information for the Deaf community. We will also be looking to provide new facilities on the Wirral for the Deaf, Deaf Blind, Hard of Hearing and deafened people to meet in a safe and accessible location.

Bob Davies
Chair of Trustees

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

The trustees present their report and financial statements for the year ended 30 September 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Mission Statement

"MSDP working in partnerships, bringing together Deaf* and hearing communities to create more accessible services."

**Deaf=Deaf, deaf, Hard of Hearing and Deaf-blind*

The Board of Management, staff and volunteers are committed to upholding the organisation's Core Values.

The values of MSDP have recently been reviewed and the values highlighted below will provide a foundation for successful growth and development of services in the future.

- Equality
- Communication
- Trust
- Respect
- Quality
- Sustainability

Objectives and activities

From the Memorandum of Association, the main object of the charity is, in the old-fashioned language "the relief of persons who are Deaf, Deaf Blind and hard of hearing ("The beneficiaries").

This is carried out in MSDP through: -

- Providing support and equipment to beneficiaries in their own homes to enable them to live independently and have good quality of life.
- Providing British Sign Language (BSL) and deaf awareness training to a wide range of individuals and organisations to promote and encourage better treatment of (e.g. communication with, attitudes towards) the beneficiaries in the hearing world.
- Providing employment and volunteering opportunities for beneficiaries in the Charity where they can receive training and development in an accessible environment.
- Creating and maintaining effective partnerships to deliver our objectives in the service of our beneficiaries.
- Facilitating social interaction and recreation amongst beneficiaries and between them and hearing people through the provision of a community space and supporting community activities in a variety of ways.
- Raising funds to carry out the activities of the charity.

Understanding and reporting on Public Benefit

The Trustees of the Merseyside Society for Deaf People are fully aware of and understand the requirement to report on the charity's activities in relation to Public Benefit, as set out in the Charity Commission's guidance. The Trustees have paid due regard to the guidance when managing the activities of the charity and in reporting on its activities in this annual report.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Achievements and performance

Premises

MSDP maintains two premises to help them achieve the purposes of the charity; one in Liverpool, a new building on the Queens Drive retail park and one on the Wirral. For many years the Wirral building has been at Grange Road West, but due to the fact it no longer meets the current needs of the charity a decision was made in late 2018 to put it up for sale and move into temporary offices (at Matrix House) and rent rooms for community use (at the Welcome Centre) while the sale went through and a longer term decision could be made regarding premises on the Wirral. At the end of the financial year there had been a level of interest such that we confidently hope to sell the property within the coming 12 months.

The Queens Drive building rents space to a number of outside organisations (when it is not in use by our own departments and community) to help raise funds towards the maintenance of the building and thus support the charitable activities of the organisation.

Training and communication department:

We were delighted to move into our new premises in November 2017 and deliver our training in the purpose-built classrooms. It makes such a difference!

The training team consists of two tutors – me, Stephen McKenna, and Ian Cockburn, supported by our administrator, Jan Green.

Our aim is to improve communication through training. During the past year 270 students have enrolled for BSL courses at MSDP. Applications to learn BSL at all levels have increased and the students have worked extremely hard to achieve their results.

Course	Number of courses	Students	Pass Rate	Signature (Awarding Body) Pass Rates 2018
BSL Level 1	12	172	100%	98%
Unit 101			76%	76%
Full course				
BSL Level 2	6	71	90%	80%
BSL Level 3	4	27	Awaiting results	60%

Signature pass rate averaged across three units

Whilst fees are competitive, we recognise it can be difficult to meet the costs all at once. We therefore accept payment by way of instalments to spread the cost. We also offer a discount for deaf students and their immediate family. To help with costs, we were delighted to receive a grant from Morrisons to help with course fees for children of deaf adults and the immediate family and another from West Derby Wastelands towards Level 1 course fees.

In February 2019, the NVQ Level 6 Language and Interpreting courses started with 8 students enrolling for the Language programme and 9 students for the Interpreting programme, which included 4 students taking both courses. The timescale for the programmes has been shortened due to changes in the Signature qualification, which makes it more difficult, but we are working with the students to achieve the qualification.

In addition to BSL classes, we deliver half day Deaf Awareness and Introduction to Sign Language training courses. During the past year we have held 24 sessions for many organisations; including City of Liverpool College and Morecrofts Solicitors. Many delegates have joined courses to learn BSL following the training.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

We have continued to deliver bespoke Deaf Awareness training for University of Liverpool medical students and enjoyed a celebration lunch with the University to mark our contribution to the teaching and training of Year 3 Medical Students.

The interpreting service continues to grow, and we appreciate the support of our interpreters who try to be flexible to meet the needs of the deaf community.

Over the next year we hope to increase our courses and improve deaf awareness in the wider community. As the training needs grow, we hope to be able to employ an additional tutor and continue to offer BSL for many years to come.

On a personal note, I would like to thank Ian and Jan for their hard work throughout the year, and everyone who has supported the training team.

*Stephen McKenna
Training & Communication Manager*

Community support service department

Prior to 1st October 2018, the support services have been a team of 9 plus me as the manager. We covered Liverpool, Sefton and Wirral. This has been challenging covering a lot of clients due to lack of resources. In October, interviews took place for a Duty Officer for Liverpool and Mark Hart was appointed. The Deaf community value being able to drop in to see the Duty Officer and receive support with a wide variety of issues. A similar post was also created for the Wirral and Adam Brennan has been appointed. Again, the Wirral Deaf community value his support.

We have Sefton duties which are held in Southport Deaf Centre and Crosby Library. This has worked really well as it provides consistency. We also attended Southport Deaf Centre open day where we had a stall to advertise MSDP. I attended a meeting at the Little Theatre to support the Deaf community with regards to improving their access for communication and the placement of the interpreter on stage. This issue has now been resolved.

We have had interviews for bank staff and still continue to advertise for more, due to the service demand. The spot purchase (Support Packages) have increased with more referrals coming to us.

The support service now has a Coffee morning, which started on 5th July 2018 and is held every Thursday 10-12pm. We have Lyn Ealey as the main lead with a volunteer, Sue Maine supporting her too. Other staff occasionally support if both are absent. The coffee morning has attracted a good number of people and provided a variety of activities and opportunities for sharing information; for example arts and crafts, presentations on Health and Wellbeing, LIPA-The Liverpool Institute for Performing Arts, Making a Will, Dementia and DWP benefit Universal Credit. We held a coffee morning to raise money by everyone making or providing cakes for the MacMillan cancer research. Clients have participated in exercise groups and attended a trip to the St George's Hall.

Staff have participated in refresher training which is vital for their roles.

Janice Connolly, the Community Liaison Officer and I have raised Deaf awareness by attending various meetings with groups such as Clinical Commissioning Groups (CCG's) from Liverpool, Wirral, and Sefton, DWP Disability confident, Liverpool Council for Voluntary Services (LCVS) and the Women's organisation.

In the next year we plan to continue to provide an excellent service to support our clients, raise wider awareness of their needs in a variety of organisations and provide more opportunities for the d/Deaf, deaf blind and hard of hearing community to participate in activities to learn new skills and receive information in an accessible environment.

*Dawn Dignam
Community Support Service Manager*

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Environmental Aids department

The Environmental Aids department continues to work across Liverpool City and Wirral Borough Council areas to assess the needs of clients, installing equipment where required to maintain independence in their homes. Two Technical Officers, Chris Hopwood and Glenn Cockburn work with me to visit, assess and install equipment. We are supported by our two administrative staff, Georgia and Chanelle who ensure our diaries are kept busy.

Activities of Environmental Aids department over the past year		
	Liverpool	Wirral
Number of Assessments for Equipment	207	152
Number of Pieces of Equipment Issued	278	245
Number of Repairs	153	265

Our clients are always keen to show their appreciation for the service, sending cards and donations in recognition of the difference the service has made to their and their loved one's lives.

As we move into the next year, the department continues to provide an excellent service ensuring our clients are comfortable and safe in their own homes.

Jeanette Tieman
Senior Rehabilitation Officer

Sefton Social Worker

Sefton Council currently fund MSDP to provide Social Work Services. As part of this service we can offer expertise in specialist assessment in the following areas; Southport, Bootle, Maghull, Crosby and Formby. This service is provided by Elaine, who is a qualified Social worker and is a BSL User.

Our aims for the Social Care assessments offer clear recommendations to provide packages of care according to your needs. There have been several successful cases who have seen the advantages of this service and fulfilled their independence needs.

As part of this service we continually liaise with other agencies, Children Social Worker and Adult Social Workers through Safeguarding and raising Deaf Awareness to ensure the Deaf Community are being heard.

Our philosophy is to encourage Deaf clients to maintain or develop new skills to enable them to live as independently as possible. This can be achieved by working alongside the MSDP Support Workers to promote an ongoing personal development and aiming for independence into the Community.

I currently work two days a week in both Sefton Council Social Service Teams, at Southport Town Hall (Adults North Team) & St Peter's office in Bootle (South Team). Working alongside the integrated Social Worker has enabled them to have an insight into the specialist areas and requirements of the Deaf Community whilst raising more referrals and allocations.

Elaine Jackson-Lee
Social Worker

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Deaf Community Liaison

The Community Liaison Officer role has two main parts. The first part is acting as 'go-between' between the members of the Deaf Community and external agencies to work on resolving problems Deaf people have in accessing services. For example, this year I was made aware of issues Deaf parents have with the provision of communication services at Alder Hey hospital, so I arranged a meeting (with BSL interpreters) between representatives from Healthwatch and Deaf parents to enable Deaf parents to make a formal complaint about this issue. I work with DWP, CCG's etc. in similar roles, sometimes setting up focus groups from Deaf community members to examine proposals from external agencies.

Another key achievement this year was working in partnership with Liverpool CCG and the Deaf Community to create 'Deaf ID' cards which Deaf people can show to health care providers to explain about the need to book BSL interpreters for appointments. This means that Deaf people are more aware of their legal right to an interpreter and the provider understands that this is their legal duty to book interpreters, and that all GPs and NHS trusts have arrangements in place for this.

The second part of the role involves updating the website, maintaining MSDP social media and creating and editing videos to share so that Deaf people have full access to essential information in an accessible format with BSL, subtitles and voiceover.

*Janice Connolly
Deaf Community Liaison Officer*

Liverpool Deaf Community and Joe's Bar

MSDP provides a room for the use of community groups, which includes a bar. "Joe's Bar" funds itself and is run by Liverpool Deaf Community committee with the help of 14 volunteer bar staff. Groups who have taken advantage of these facilities over the year have included a wide variety of social and church groups. Those who attend these groups include hearing BSL learners and Hard of Hearing people as well as D/deaf people who come for bingo, chat, to watch football on the big screen, or to practise their BSL. We even have a Bagpipe group who use our room to practise in return for a donation. There have also been one off visits through the year from a variety of groups; the North West Deaf Sports Society and other Deaf clubs.

The community and bar help to contribute towards the costs of the charity (e.g. they funded air conditioning for the community room and paid for the tables, chairs, TVs and TV packages) and they also fundraise for the charity through their gala ball in November 2018 and through an annual donation of half of their membership fees.

The Deaf Community and MSDP make a good partnership, and the Deaf community appreciate the building and the support of a place to meet.

Wirral Deaf Community

Wirral Deaf Community covers several Deaf, hard of hearing and deafblind user groups who meet for social contact and support. MSDP have provided space for these groups to meet, first at Grange Road West and then at the Welcome Centre. In September 2019 community consultations were held to keep members informed of what is happening regarding the Grange Road West property and to hear their views of what they would like for the future. One of the results of this meeting was the formation of a Wirral Deaf Community committee and improved communication with and support from the well-established Liverpool Deaf Community committee to help and advise them in achieving their aims.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Fundraising activities

Fundraising activities during the year have included Christmas and Summer Fayres, organised by volunteers and members of staff, which were well attended. We also received generous donations from the Liverpool Deaf Community who donated a percentage of their membership fees and profits from the gala ball and from the Wirral Hard of Hearing Club.

We are also grateful to the many people who give up time to fundraise for MSDP through activities such as participating in the abseil, signing choir, Bike Ride and other sponsored events.

Finally, we receive donations from outside organisations, clients and legacies and we are always thankful for these contributions to our work. Every donation, whether small or large, is appreciated and makes an important contribution to our work.

Volunteers

MSDP provides several volunteering opportunities and currently has 20 registered volunteers.

Without these volunteers, who give up their free time to support the Charity, we could not operate and organise the events we do. Some of the roles supported by our team of volunteers included; Reception, Coffee Mornings and Fundraising events. The volunteers are ably managed by Karen Devlin.

Financial review

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

At present MSDP is in a stable financial position.

The total income for this financial year is £997,524 which has increased by £113,307 from the previous year. This is due to an increase in the unrestricted funds of £104,767 and an increase in restricted funds of £8,540.

The total expenses for this financial year are £890,683 this has increased by £60,864 from the previous year.

The big news this year was winning the Liverpool contract for Support and Equipment services. This, together with the Wirral and Sefton service level agreements make up most of the Charity's income.

In addition to the Local Authority Contracts, the main income for the Charity comes from:

- Training Courses
- Interpreting Services
- Rental of space
- Donations and legacies

The chart below shows the percentages each of the activities contribute to MSDP's overall income.

Although in a stable financial position, MSDP still face challenges over the coming years. This is due to several factors:

- Potential cuts to social care funding
- Local Authority Contracts due to end, and be sent out for tender

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Reserves Policy

The reserves policy is prepared in accordance with the guidance published by the Charity Commission and in the interest of prudent business management.

The Trustees have determined the reserve levels of the charity giving consideration to the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The Trustees have concluded that, to allow the charity to be managed efficiently and to provide a buffer for uninterrupted services, a general reserve equivalent to approximately three months of net core expenditure should be maintained.

At 30 September 2019 the funds of the charity were £1,179,531 (2018: £1,072,690) of which £1,145,285 (2018: £1,040,108) was unrestricted, excluding the revaluation reserve.

At 30 September 2019 the free reserves of the charity were £350,213 (2018: £285,197) and were calculated as general unrestricted reserves less tangible assets and associated loans.

The Trustees have reviewed the Charity's need for reserves in line with guidance issued by the Charity Commission. The Trustees agree to the aim of holding at least three months' running costs in free reserves on the understanding that the charity's funding is not certain and to ensure that the charity can run effectively and continue to meet the needs of its beneficiaries. The charity holds just over 4 months' running costs in free reserves at the year end.

Accountability

The charity must comply with legislation and regulation in many areas of its work, including: data protection, staffing issues, selection, conditions, remuneration, discipline, grievance, Income Tax, National Insurance, health and safety, equality issues, race, gender and disability.

Structure, governance and management

Merseyside Society For Deaf People is a registered charity and company limited by guarantee. The charity is governed by a memorandum of association, 13 June 1997, Revised and approved by Board and Members of the Deaf Community 31 March 2017. The company has no share capital, being a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Barry Avison	
Mrs Catherine Hare-Cockburn	(Resigned 13 March 2019)
Mr Robert Davies (Chair from August 2019)	
Cllr Louise Reecejones (Chair until July 2019)	(Resigned 23 October 2019)
Rev Hannah Lewis	
Mr Andrew McLoughlin (Vice chair until August 2019)	(Resigned 15 August 2019)
Ms Sandra Scott	
Mr Andrew Goodwin	(Appointed 9 October 2019)

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Our **Patron** is Lord Salisbury

He says "I am very honoured to be a Patron of MSDP, particularly in view of my family's long connection with the City of Liverpool, and it is a privilege to be a supporter of such an effective organisation. I wish MSDP the very best of good fortune in the years to come."

Trustee Selection and Development

The charity recruits Trustees onto the board who can contribute to the achievement of the charity's objectives based on their skills, experience and knowledge. We actively seek to recruit Trustees with lived experience of d/Deaf issues from a variety of perspectives. Prospective Trustees are asked to fill in an application form which covers the skills and experience they can offer and their reasons for wishing to be a Trustee. After receiving the form, the prospective Trustee then meets with representatives of the management committee and staff. The appointment of the prospective Trustee is discussed at the next board meeting, and if approved by a majority of Trustees present, is invited to join the board.

Any new Trustee is verbally inducted at their first few meetings, so they become familiar with the charity and are encouraged to take advantage of occasions to meet staff and community members.

All Trustees are expected to participate in relevant planning/training events with management staff and to undergo any necessary training in issues specific to their role.

Auditor

In accordance with the company's articles, a resolution proposing that BWM be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.



Mr Barry Avison

Trustee

Dated: 12 February 2020

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

The trustees, who are also the directors of Merseyside Society for Deaf People for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF MERSEYSIDE SOCIETY FOR DEAF PEOPLE

Opinion

We have audited the financial statements of Merseyside Society for Deaf People (the 'charity') for the year ended 30 September 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2019 and of its incoming resources and application of resources, 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 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

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

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

Other information

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

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MERSEYSIDE SOCIETY FOR DEAF PEOPLE**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 directors' report included within 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

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

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.

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

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MERSEYSIDE SOCIETY FOR DEAF PEOPLE**

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Lesley Malkin BA FCA (Senior Statutory Auditor)
for and on behalf of BWM**

26/2/20
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**Chartered Accountants
Statutory Auditor**

Castle Chambers
43 Castle Street
Liverpool
L2 9SH

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Current financial year

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<u>Income from:</u>					
Donations and legacies	3	19,374	900	20,274	31,493
Charitable activities	4	903,709	13,640	917,349	792,805
Investments	5	59,901	-	59,901	59,919
Total income		982,984	14,540	997,524	884,217
<u>Expenditure on:</u>					
Charitable activities	6	877,807	12,876	890,683	829,819
Total expenditure		877,807	12,876	890,683	829,819
Net movement in funds		105,177	1,664	106,841	54,398
Reconciliation of funds					
Fund balances at 1 October 2018		1,064,099	8,591	1,072,690	1,018,292
Fund balances at 30 September 2019		1,169,276	10,255	1,179,531	1,072,690

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

All income and expenditure derive from continuing activities.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Prior financial year

		Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
	Notes			
<u>Income from:</u>				
Donations and legacies	3	25,493	6,000	31,493
Charitable activities	4	792,805	-	792,805
Investments	5	59,919	-	59,919
Total income		878,217	6,000	884,217
<u>Expenditure on:</u>				
Charitable activities	6	822,410	7,409	829,819
Total expenditure		822,410	7,409	829,819
Net movement in funds		55,807	(1,409)	54,398
Reconciliation of funds				
Fund balances at 1 October 2017		1,008,292	10,000	1,018,292
Fund balances at 30 September 2018		1,064,099	8,591	1,072,690

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

All income and expenditure derive from continuing activities.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		1,435,191		1,443,684
Current assets					
Debtors	13	191,476		176,772	
Cash at bank and in hand		242,949		205,681	
		<u>434,425</u>		<u>382,453</u>	
Creditors: amounts falling due within one year	14	<u>(103,875)</u>		<u>(117,723)</u>	
Net current assets			330,550		264,730
Total assets less current liabilities			1,765,741		1,708,414
Creditors: amounts falling due after more than one year	16		(586,210)		(635,724)
Net assets			<u>1,179,531</u>		<u>1,072,690</u>
Income funds					
Restricted funds	20		10,255		8,591
<u>Unrestricted funds</u>					
General unrestricted funds		1,145,285		1,040,108	
Revaluation reserve	22	<u>23,991</u>		<u>23,991</u>	
Total unrestricted funds			1,169,276		1,064,099
Total charity funds			<u>1,179,531</u>		<u>1,072,690</u>

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

The financial statements were approved by the Trustees on 12 February 2020



Mr Barry Avison
Trustee

Company Registration No. 03389496

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	24		61,434		(188,747)
Cash flows from investing activities					
Purchase of tangible fixed assets		(35,413)		(57,208)	
Investment income		59,901		59,919	
Net cash provided by (used in) financing activities			24,488		2,711
Financing activities					
Repayment of bank loans		(48,654)		(52,208)	
Net cash used in financing activities			(48,654)		(52,208)
Net increase/(decrease) in cash and cash equivalents			37,268		(238,244)
Cash and cash equivalents at beginning of year			205,681		443,925
Cash and cash equivalents at end of year			242,949		205,681

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1 Accounting policies

Charity information

Merseyside Society for Deaf People is a private company limited by guarantee incorporated in England and Wales. The registered office is Queens Drive Retail Park, West Derby, Liverpool, L13 0DJ.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt.

Income from donations and grants, including capital grants, and contract income is included in income when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in income until the preconditions for use have been met.
- When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to preconditions regarding entitlement, this income is included in restricted funds when receivable.

Other grants, which have particular service requirements and which are provided in accordance with a contract or service level agreement are included in the Statement of Financial Activities under the heading Charitable Activities.

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Management and governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% on cost of buildings
Property improvements	10% on cost
Fixtures, fittings and equipment	10% - 20% on cost
Computers	20% on cost

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

Rentals received under operating leases are credited to the Statement of Financial Activity on a straight line basis over the period of the lease.

1.13 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from qualifying income and from receipts under gift aid.

The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Donations and gifts	14,854	-	14,854	25,493	-	25,493
Legacies receivable	4,520	-	4,520	-	-	-
Grants receivable	-	900	900	-	6,000	6,000
	<u>19,374</u>	<u>900</u>	<u>20,274</u>	<u>25,493</u>	<u>6,000</u>	<u>31,493</u>

4 Charitable activities

	2019 £	2018 £
Education, welfare and support		
Income from charitable activities	425,956	318,099
Services provided under contract	477,753	474,706
Performance related grants	13,640	-
	<u>917,349</u>	<u>792,805</u>
 Analysis by fund		
Unrestricted funds	903,709	
Restricted funds	13,640	
	<u>917,349</u>	
 For the year ended 30 September 2018		
Unrestricted funds		<u>792,805</u>

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5 Investments

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Rental income	59,880	59,880
Interest receivable	21	39
	<u>59,901</u>	<u>59,919</u>

6 Charitable activities

	2019	2018
	£	£
Education, welfare and support		
Staff costs	494,833	464,109
Exam fees	16,322	8,982
Other costs	22,891	34,989
	<u>534,046</u>	<u>508,080</u>
Share of support costs (see note 7)	346,881	312,465
Share of governance costs (see note 7)	9,756	9,274
	<u>890,683</u>	<u>829,819</u>
Analysis by fund		
Unrestricted funds	877,807	822,410
Restricted funds	12,876	7,409
	<u>890,683</u>	<u>829,819</u>

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

7 Support costs

	Support costs	Governance costs	2019	Support costs	Governance costs	2018
	£	£	£	£	£	£
Staff costs	102,506	-	102,506	108,172	-	108,172
Depreciation	43,906	-	43,906	37,626	-	37,626
Premises costs	73,879	-	73,879	52,169	-	52,169
Office costs	76,951	-	76,951	73,214	-	73,214
Other costs	49,639	-	49,639	41,284	-	41,284
Audit fees	-	5,550	5,550	-	5,400	5,400
Accountancy	-	3,396	3,396	-	3,874	3,874
Legal and professional	-	810	810	-	-	-
	<u>346,881</u>	<u>9,756</u>	<u>356,637</u>	<u>312,465</u>	<u>9,274</u>	<u>321,739</u>
Analysed between						
Charitable activities	<u>346,881</u>	<u>9,756</u>	<u>356,637</u>	<u>312,465</u>	<u>9,274</u>	<u>321,739</u>

Support and governance costs are recharged by project activity.

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor	2019	2018
	£	£
Audit of the charity's annual accounts	<u>5,550</u>	<u>5,400</u>
Non-audit services		
All other non-audit services	<u>3,396</u>	<u>3,874</u>

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Charitable activity	21	19
Management and support	3	3
	<u>24</u>	<u>22</u>

Employment costs

	2019 £	2018 £
Wages and salaries	557,596	535,815
Social security costs	31,377	31,345
Other pension costs	8,366	5,121
	<u>597,339</u>	<u>572,281</u>

Included within payroll costs above is £102,588 (2018: £73,636) for costs of freelance interpreters, bank staff, social care and training contractors.

There were no employees whose annual remuneration was £60,000 or more.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the current or previous year.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

11 Tangible fixed assets

	Freehold land and buildings	Fixtures, fittings and equipment	Computers	Total
	£	£	£	£
Cost				
At 1 October 2018	1,522,451	64,316	-	1,586,767
Additions	-	33,864	1,549	35,413
At 30 September 2019	1,522,451	98,180	1,549	1,622,180
Depreciation and impairment				
At 1 October 2018	128,793	14,290	-	143,083
Depreciation charged in the year	27,340	16,256	310	43,906
At 30 September 2019	156,133	30,546	310	186,989
Carrying amount				
At 30 September 2019	1,366,318	67,634	1,239	1,435,191
At 30 September 2018	1,393,658	50,026	-	1,443,684

The land at Queens Drive is included at the deemed cost of £30,359 as allowed by regulations under FRS102 and the charity SORP 2015.

Barclays Bank plc hold a legal charge over 15 and 17 -19 Grange Road West, Birkenhead.

Barclays Bank plc also hold a floating charge over all property or undertakings of the charity.

As at 30 September 2018 the amount owed to Barclays was £67,244 (2018: £82,469).

National Westminster Bank plc hold a legal charge, created in July 2017, over freehold land and buildings at Queens Drive, West Derby, Liverpool.

As at 30 September 2018 the amount owed National Westminster Bank plc was £572,875 (2018: £606,304).

Freehold land and buildings includes investment property which comprises one floor of the property at Queens Drive, West Derby, Liverpool. The entire property is accounted for as property within tangible fixed assets.

12 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at cost	384,445	326,279
Carrying amount of financial liabilities		
Measured at cost	675,385	738,747

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

13 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	124,657	120,598
Other debtors	16,839	-
Prepayments and accrued income	3,920	6,194
	<u>145,416</u>	<u>126,792</u>
Amounts falling due after more than one year:		
Prepayments and accrued income	46,060	49,980
	<u>46,060</u>	<u>49,980</u>
Total debtors	<u>191,476</u>	<u>176,772</u>

14 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans	53,909	53,049
Deferred income	14,700	40,526
Trade creditors	26,783	16,298
Other creditors	633	-
Accruals	7,850	7,850
	<u>103,875</u>	<u>117,723</u>

15 Deferred income

	2019	2018
	£	£
Other deferred income	14,700	40,526
	<u>14,700</u>	<u>40,526</u>

Deferred income is included in the financial statements as follows:

	2019	2018
	£	£
Total deferred income at 1 October 2018	40,526	-
Amounts received in year	14,700	40,526
Amounts credited to statement of financial activities	40,526	-
	<u>14,700</u>	<u>40,526</u>

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

16 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans	17	586,210	635,724

The bank loans are secured by legal charges over the charity's property as detailed in the fixed asset and borrowings notes (see notes 11 & 17)

17 Loans

	2019 £	2018 £
Bank loans	640,119	688,773
Payable within one year	53,909	53,049
Payable after one year	586,210	635,724

Amounts included above which fall due after five years:

Payable by instalments	370,461	414,733
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Bank loan one is secured by a legal charge over the charity's property in Grange Road West, Birkenhead.

Bank loan two is secured by a legal charge over the charity's property in Queens Drive, Liverpool.

Bank loan one is repayable by equal monthly instalments of £1,269. Interest is paid as it falls due and is calculated at 3.25 per cent per annum over bank base rate.

Bank loan two is repayable by equal monthly instalments of £4,257, with a final balancing payment. Interest is paid as it falls due and is calculated at 2.00 per cent per annum over bank base rate.

18 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge in the statement of financial activities for the year in respect of defined contribution schemes was £8,366 (2018: £5,121).

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	11,164	11,783
Between two and five years	10,506	16,090
	<u>21,670</u>	<u>27,873</u>

Lessor

The operating leases represent leases to third parties. The leases are negotiated over terms of 5 to 15 years and rental income is fixed for 5 years. The longer leases includes a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for any party to extend the terms of the leases.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2019 £	2018 £
Within one year	63,800	63,800
Between two and five years	243,117	248,117
In over five years	441,000	499,800
	<u>747,917</u>	<u>811,717</u>

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			Balance at 30 September 2019
	Balance at 1 October 2017	Income	Expenditure	Balance at 1 October 2018	Income	Expenditure	
	£	£	£	£	£	£	£
Santander	10,000	-	(2,604)	7,396	-	(7,396)	-
Community Resource Grant (CRU)	-	3,000	(2,400)	600	900	(1,500)	-
West Derby Wastelands Grant	-	3,000	(2,405)	595	-	(370)	225
Morrisons Foundation	-	-	-	-	13,640	(3,610)	10,030
	<u>10,000</u>	<u>6,000</u>	<u>(7,409)</u>	<u>8,591</u>	<u>14,540</u>	<u>(12,876)</u>	<u>10,255</u>

Santander

MSDP were successful in a £10,000 bid to provide a befriending service for Deaf, Deaf/blind and Hard of Hearing communities in the Merseyside Area.

CRU Funding

This grant is funded by Liverpool City Council to be used for the delivery of the project as set out in the agreement which is to deliver 6 days of training to voluntary sector organisation, as well as a Health Forum to provide the Deaf Community with access to health services.

West Derby Wasteland

MSDP were awarded £3,000 from West Derby Wastelands Charity to provide match funding to deliver BSL level 1 training.

Morrisons Foundation

MSDP were successful in an application to the Morrisons Foundation for £13,640. The project will fund level 1 training for 25 relatives of Deaf People.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

21 Analysis of net assets between funds

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £
Fund balances at 30 September 2019 are represented by:						
Tangible assets	1,435,191	-	1,435,191	1,443,684	-	1,443,684
Current assets/ (liabilities)	320,295	10,255	330,550	256,139	8,591	264,730
Long term liabilities	(586,210)	-	(586,210)	(635,724)	-	(635,724)
	<u>1,169,276</u>	<u>10,255</u>	<u>1,179,531</u>	<u>1,064,099</u>	<u>8,591</u>	<u>1,072,690</u>

22 Revaluation reserve

Included within the unrestricted funds is the revaluation reserve of £23,991 (2018: £23,991). This is the deemed cost element of land retained at Queens Drive, West Derby for the new building to be erected following the sale of the site and old building in the year ended 30 September 2015, less the original cost of that land of £6,368.

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate remuneration	<u>39,850</u>	<u>53,938</u>

There were no other related party transactions in the year.

**MERSEYSIDE SOCIETY FOR DEAF PEOPLE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

24 Cash generated from operations	2019 £	2018 £
Net income/(expenditure) for the year (as per the statement of financial activities)	106,841	54,398
Adjustments for:		
Investment income recognised in statement of financial activities	(59,901)	(59,919)
Depreciation and impairment of tangible fixed assets	43,906	37,626
Movements in working capital:		
(Increase) in debtors	(14,704)	(108,713)
Increase/(decrease) in creditors	11,118	(152,665)
(Decrease)/increase in deferred income	(25,826)	40,526
Net cash provided by (used in) operating activities	61,434	(188,747)