

Company Registration Number 03651082

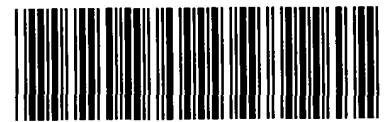
# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED**

**31 MARCH 2016**

Charity Number 1082340



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COMPANIES HOUSE

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **ACCOUNTS**

**YEAR ENDED 31 MARCH 2016**

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## **EAST LANCASHIRE DEAF SOCIETY LIMITED**

### **MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**

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<b>Registered charity name</b>	East Lancashire Deaf Society Limited
<b>Charity number</b>	1082340
<b>Company registration number</b>	03651082
<b>Principal office</b>	6-8 Heaton Street Blackburn BB2 2EF
<b>Trustees</b>	Mr F D Alker Mr R M Heaton Mr P I Winterhalter Dr S Waghay Ms J Easter Mr M Rogerson Mrs S Iftikhar (appointed 12 October 2016)
<b>Secretary</b>	S K Adalat
<b>Auditor</b>	Moore and Smalley LLP Chartered Accountants & Statutory Auditor Richard House Winckley Square Preston PR1 3HP
<b>Solicitors</b>	Burnetts 6 Victoria Place Carlisle CA1 1ES

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **TRUSTEES ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2016**

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The trustees, who are also directors for the purposes of company law, present their report and the accounts of the company for the year ended 31 March 2016.

The accounts have been prepared in accordance with the accounting policies set out in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014.

### **Reference and administrative details**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the accounts.

### **The trustees**

The following trustees have served the company since 1 April 2015:

Mr F D Alker  
Mr R M Heaton  
Mr P I Winterhalter  
Dr S Waghray  
Ms J Easter  
Mr C Singh (resigned 9 November 2016)  
Mr M Rogerson  
Mrs S Iftikhar (appointed 12 October 2016)

### **Structure, governance and management**

#### **Governing document**

The East Lancashire Deaf Society Limited is a charitable company limited by guarantee, incorporated on 16 October 1998 and governed by its memorandum and articles of association.

#### **Organisational structure**

The board of trustees meets regularly and is responsible for the strategic direction and policy of the charity. The members are from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Executive Chair along with the managers. The Executive Chair is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Executive Chair has responsibility for the day to day operational management of the charity, individual supervision of the staff and also ensuring that the team continues to develop their skills and working practices in line with good practice.

#### **Appointment of Trustees**

The charity is managed by a committee of members who are known as the Management Committee. The members are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting (AGM). Day to day management is entrusted to the Executive Chair, who reports to the committee at regular intervals.

All members are circulated with invitations to nominate trustees prior to the AGM, advising them of the retiring trustees and requesting nominations for the AGM. To enhance the potential pool of trustees, we have sought to identify those members who can use their own experience to assist the charity.

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# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **TRUSTEES ANNUAL REPORT *(continued)***

**YEAR ENDED 31 MARCH 2016**

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### Trustee induction and training

Trustees are already familiar with the practical work of the charity, having been encouraged to take up an induction programme, which includes:

- The obligations of Management Committee members
- The main documents which set out the operational framework for the charity including the Memorandum and Articles
- Resourcing and current financial position as set out in the latest published accounts
- Future plans and objectives

### Key management personnel

Key management personnel had no emoluments during the year apart from being reimbursed for any expenses. During the current and previous year, the key management personnel consisted of the trustees only. After the year end, there was a change in the management structure that has seen additional personnel be promoted to key management positions.

### Risk management

The trustees have a risk management strategy, which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by the trustees.

### **Objectives and activities**

The Board of Trustees have paid due regard to guidance issued by the Charity Commission on public benefit in deciding what activities the charity should undertake.

The objectives of the charity are:

- To empower Deaf people and their families to be able to fulfil their rights
- To remove physical and attitudinal barriers in society that affects Deaf people's right to full inclusion
- To be an effective organisation in achieving its missions and aims

The principal activities of the charity are:

- Family support for hearing parents of Deaf children and Deaf parents of hearing children - Homework Club; Home Visits; Training courses (communication)
  - Community Development - Advocacy; Rights; Drop-in Session; Training; Consultations; network meetings; Counselling; Supporting People
  - Provide facilities and opportunities for Deaf young people - Youth Services
  - Provide training to enable social inclusion
  - Volunteering; Employment initiatives
  - Development of deaf apprentices
  - Remedial education programme to improve literacy and numeracy of deaf people
  - Supporting deaf people to live independently in their homes and in the community
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# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **TRUSTEES ANNUAL REPORT *(continued)***

**YEAR ENDED 31 MARCH 2016**

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### **Achievements and performance**

Some of the more significant achievements of the charity during the year were as follows:

- Increase in service users accessing ELDS services
- Supporting People contracts
- Increase in number of partnership working
- Interpreting Services won contracts with East Lancashire Clinical Care Commissioning Group, East Lancashire Teaching Hospitals and Preston City Council
- Initiating new projects demonstrating the model of social inclusion
- ELDS is on the Blackburn with Darwen preferred provider list for domiciliary care.

### **Financial review**

The statement of financial activities for the year is set out on page 10 of the financial statements. A summary of the financial results and the work of the charity is set out below:

#### **Income generation**

The total income for the year was £1,619,883. This level of income continues the growth enjoyed in the recent years, which is expected to continue over the next few years as the organisation seeks to expand its earned income and continue its move away from volatile charity income. This represents a significant achievement and the charity thanks all of its supporters and staff for their hard work.

#### **Continuing activities**

In common with other charitable organisations, the charity has been affected by a reduction in income from grants in particular the loss of the LCC Service Level Agreement (SLA). However activities post year end have already indicated that Kings Court rentals and interpreting service bookings are strong, demonstrating that the charity is able to generate income to fund its unrestricted operations. The Trustees have prepared cash flow forecasts for the next eighteen months which show that the charity has operational funds for the foreseeable future. The Trustees have also taken steps to increase income through the opening of the Courthouse Restaurant and are therefore confident that the Charity will be able to raise sufficient funds to continue trading as a going concern despite the difficult economic conditions.

#### **Investment powers and policy**

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish for the benefit of the charity. The key element of the charity's investment policy is the creation of the Kings Court Development which is partly funded by grant income held within a restricted fund.

#### **Reserves policy**

The charity has set a policy of aiming to accumulate unrestricted funds equal to approximately £120,000 to support the objects of the charity and to provide a buffer for uninterrupted services. The trustees consider that reserves at this level would ensure that, in the event of a significant drop in funding, they would be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. At 31 March 2016 the level of free reserves is £53,652. The trustees are reviewing the activities and aiming to increase reserves.

The charity has a number of restricted funds, the purposes of which are detailed in the notes to the accounts. The amount of restricted funds held as at 31 March 2016 was £9,762.

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **TRUSTEES ANNUAL REPORT *(continued)***

**YEAR ENDED 31 MARCH 2016**

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### **Plans for future periods**

The charity plans to continue the activities above in the forthcoming years subject to satisfactory funding arrangements. It should be borne in mind that the resources at ELDS are currently limited to operating the work outlined above. Any additional work or developments can only take place if there is additional funding. The scope of the work to achieve the vision of full participation for deaf people could be extended to include some of the following possibilities, subject to there being funds for them:

#### **a) Advocacy**

- Youth work
- Counseling
- Independent living skills
- Development of Deaf/Blind people
- Specific facilities for Ethnic groups
- Range of training for deaf people
- Volunteering
- Employment
- Apprentice project

#### **b) Information**

- Video production/ technical equipment facilities
- Helplines
- Social media

#### **c) Services**

- Support for deafened people
- Courses - BSL, English as a second language etc
- Schools programme
- Outreach programme
- Social research

#### **d) Social Enterprises**

- Kings nursery
- Courthouse restaurant
- Sound Solutions
- LRCS
- Kings Court

# EAST LANCASHIRE DEAF SOCIETY LIMITED

## TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

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### Kings Court Development

The charity's freehold property at 33 King Street was acquired to promote the concept of full social inclusion for Deaf people in the wider community. It also forms the centrepiece for the charity's development of a commercial and charitable resource for deaf people in East Lancashire.

Whilst under construction the property was held within fixed assets at cost. Since completion in May 2008 the property was transferred to investments and has been included at its market value.

The success of the Kings Court development is dependent on achieving and maintaining a specific level of occupancy of the business suites. A further loan advance was received from the Charity Bank during the previous year in order to maintain the Kings Court project and to consolidate previous lending. The amount advanced can be summarised as follows:

	Term (years)	Interest rate	Amount (£)
£	£	(%)	£
The Charity Bank	25	6	1,020,000
Mr and Mrs Holgate	25	6	700,000

### Trustees' responsibilities statement

The trustees (who are also the directors of East Lancashire Deaf Society Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under that law the trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and the income and expenditure of the company for that period.

In preparing these accounts, 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 accounting estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **TRUSTEES ANNUAL REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2016**

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### **Auditor**

Moore and Smalley LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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

- so far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each trustee has 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 company's auditor is aware of that information.

Signed on behalf of the trustees



**Mr F D Alker**  
**Hon. Chair**

12/12/2016

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST LANCASHIRE DEAF SOCIETY LIMITED**

**YEAR ENDED 31 MARCH 2016**

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We have audited the accounts of East Lancashire Deaf Society Limited for the year ended 31 March 2016 on pages 10 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland".

This report is made solely to the 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 company's trustees 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 company and the company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies act 2006**

In our opinion the information given in the Trustees Annual Report for the financial year for which the accounts are prepared is consistent with the accounts.

## **EAST LANCASHIRE DEAF SOCIETY LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST LANCASHIRE DEAF SOCIETY LIMITED** *(continued)*


**YEAR ENDED 31 MARCH 2016**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 accounts 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.



**Christine Wilson (Senior Statutory Auditor)**  
**For and on behalf of**  
**Moore and Smalley LLP**  
**Chartered Accountants & Statutory Auditor**

Richard House  
Winckley Square  
Preston  
PR1 3HP

16.12.16

# EAST LANCASHIRE DEAF SOCIETY LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>Income from:</b>					
Donations	2	14,935	203,479	218,414	82,386
Charitable activities	3	917,016	8,983	925,999	837,408
Other trading activities	4	335,166	—	335,166	292,789
Investments	5	140,304	—	140,304	141,507
<b>Total income</b>		<b>1,407,421</b>	<b>212,462</b>	<b>1,619,883</b>	<b>1,354,090</b>
<b>Expenditure on:</b>					
Raising funds:					
Fundraising expenditure	6	(35,639)	—	(35,639)	(41,444)
Investment management costs	7	(55,713)	—	(55,713)	(45,837)
Charitable activities	8/9	(1,101,573)	(211,673)	(1,313,246)	(1,160,641)
Other resources expended	10	(90,016)	—	(90,016)	(103,215)
<b>Total expenditure</b>		<b>(1,282,941)</b>	<b>(211,673)</b>	<b>(1,494,614)</b>	<b>(1,351,137)</b>
<b>Net income</b>	11	<b>124,480</b>	<b>789</b>	<b>125,269</b>	<b>2,953</b>
<b>Other recognised gains/(losses)</b>					
Unrealised loss on revaluation of investment property		—	—	—	(193,302)
<b>Net movement in funds</b>		<b>124,480</b>	<b>789</b>	<b>125,269</b>	<b>(190,349)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		88,437	8,973	97,410	287,762
<b>Total funds carried forward</b>		<b>212,917</b>	<b>9,762</b>	<b>222,679</b>	<b>97,413</b>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 12 to 25 form part of these accounts.

# EAST LANCASHIRE DEAF SOCIETY LIMITED

## BALANCE SHEET

31 MARCH 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	14	8,306	8,546
Investments	15	1,710,204	1,710,204
		<u>1,718,510</u>	<u>1,718,750</u>
<b>Current assets</b>			
Stocks	16	3,352	2,983
Debtors	17	211,099	160,747
Cash at bank and in hand	18	87,117	105,811
		<u>301,568</u>	<u>269,541</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(243,716)</u>	<u>(285,887)</u>
<b>Net current assets/(liabilities)</b>		<b>57,852</b>	<b>(16,346)</b>
<b>Total assets less current liabilities</b>		<b>1,776,362</b>	<b>1,702,404</b>
<b>Creditors: amounts falling due after more than one year</b>	20	<b>(1,553,683)</b>	<b>(1,604,991)</b>
<b>Net assets</b>		<b><u>222,679</u></b>	<b><u>97,413</u></b>
<b>Funds</b>			
Restricted income funds	23	9,762	8,973
Unrestricted income funds	24	212,917	88,440
<b>Total funds</b>		<b><u>222,679</u></b>	<b><u>97,413</u></b>

These accounts were approved by the members of the committee and authorised for issue on the .....  
and are signed on their behalf by:



Mr F D Alker 12/12/2016

Company Registration Number: 03651082

The notes on pages 12 to 25 form part of these accounts.

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2016**

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### **1 Accounting policies Basis of accounting**

The accounts have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006..

East Lancashire Deaf Society Limited meets the definition of a public benefit entity under FRS 102.

### **Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required.

### **Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Cash flow statement**

The trustees have taken advantage of the exemption in FRS 102 from including a cash flow statement in the accounts on the grounds that the company is small.

### **Donations and legacies**

Voluntary income received by way of donations and gifts is included in full in the Statement of Financial Activities (SOFA) when receivable.

Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item, have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

### **Grants**

Voluntary income received by way of grants is included in the Statement of Financial Activities (SOFA) when receivable.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2016**

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### **1 Accounting policies (continued)**

Incoming resources from grants, where related to performance and specific deliverable, are accounted for as the charity earns the right to consideration by its performance.

#### **Charitable trading**

Incoming resources from charitable trading activities are accounted for when earned.

#### **Investment assets and income**

Investment income is included within the Statement of Financial Activities when receivable.

#### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The cost of raising and administering such funds are charged against the specific fund. The name and use of each restricted fund is set out in the notes to the financial statements.

#### **Resources expended**

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and has been classified under headings that aggregate all costs related to the category.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

The support costs have been allocated to activity cost categories on the basis of staff costs.

Fundraising and promotion costs are those incurred in seeking voluntary contributions.

Governance costs include those costs incurred in the governance of the charity and its assets. They are primarily associated with complying with legal and constitutional requirements and the internal monitoring and strategic development of the charity.

#### **Fixed assets**

Tangible fixed assets are included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, on a straight line basis over their economic lives as follows:

Equipment	Over 5 years
Motor vehicles	Over 5 years

#### **Investment properties**

Investment properties are included in the balance sheet at open market value.

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# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2016**

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### **1 Accounting policies *(continued)***

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Operating lease agreements**

Operating lease rentals are charged to the Statement of Financial activities over the period to which the cost relates.

#### **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### **Judgements and key sources of estimation uncertainty**

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.

The Trustees do not believe that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

# EAST LANCASHIRE DEAF SOCIETY LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2016

### 2 Donations

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>Donations</b>				
Other donations	4,936	–	4,936	1,093
<b>Grants receivable</b>				
Children in Need	–	2,458	2,458	11,234
Department of Health	–	69,240	69,240	67,454
Other grants	9,999	37,970	47,969	2,605
Big Lottery Project	–	93,811	93,811	–
	<u>14,935</u>	<u>203,479</u>	<u>218,414</u>	<u>82,386</u>

Of the total donations in the year ended 31 March 2015, £3,698 related to unrestricted funds and £78,688 to restricted funds.

### 3 Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Grants receivable	95,067	8,983	104,050	127,615
Equipment sales	15,510	–	15,510	15,250
Training courses	5,719	–	5,719	5,556
Interpreter service income	800,720	–	800,720	688,987
	<u>917,016</u>	<u>8,983</u>	<u>925,999</u>	<u>837,408</u>

Grants receivable are analysed as follows:

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Lancashire County Council	78,205	–	78,205	94,735
Borough of Blackburn	16,862	–	16,862	9,452
Blackburn with Darwen Borough Council - Deaf Support	–	8,983	8,983	23,428
	<u>95,067</u>	<u>8,983</u>	<u>104,050</u>	<u>127,615</u>

Of the total income from charitable activities in the year ended 31 March 2015, £813,980 related to unrestricted funds and £23,428 to restricted funds.

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2016**

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### **4 Other trading activities**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2016 £</b>	<b>Total Funds 2015 £</b>
Fundraising events	13,134	13,134	33,271
Courthouse restaurant sales	57,995	57,995	73,202
Sundry income	10,515	10,515	32,829
Lancashire Red Rose Care	79,850	79,850	12,511
Kings Court nursery	173,675	173,675	140,976
	<u>335,166</u>	<u>335,166</u>	<u>292,789</u>

All income from other trading activities in the year ended 31 March 2015 related to unrestricted funds.

### **5 Investment income**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2016 £</b>	<b>Total Funds 2015 £</b>
Bank interest receivable	—	—	1
Kings Court rental income	140,304	140,304	141,506
	<u>140,304</u>	<u>140,304</u>	<u>141,507</u>

Investment income in the year ended 31 March 2015 related to unrestricted funds.

### **6 Fundraising expenditure**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2016 £</b>	<b>Total Funds 2015 £</b>
Events expenditure	3,374	3,374	26,517
Consultancy fees	32,265	32,265	13,382
Other costs	—	—	1,545
	<u>35,639</u>	<u>35,639</u>	<u>41,444</u>

Fundraising expenditure in the year ended 31 March 2015 was charged to unrestricted funds.

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2016**

### **7 Investment management costs**

	<b>Total Funds 2016 £</b>	<b>Total Funds 2015 £</b>
Investment property management costs	<u>55,713</u>	<u>45,837</u>

Investment management costs in the year ended 31 March 2015 were charged to unrestricted funds.

### **8 Expenditure on charitable activities by fund type**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2016 £</b>	<b>Total Funds 2015 £</b>
Community & Interpreting Services	184,242	163,051	347,293	312,193
Supporting People	81,509	8,983	90,492	87,190
Sign Language & Tri-Lingual Interpreting Courses	52,293	—	52,293	54,063
Family Support Services	46,068	—	46,068	46,180
Courthouse Project	72,626	—	72,626	82,923
Training Fund	173,156	—	173,156	117,026
Volunteer Bureau	—	—	—	1,633
Kings Court	—	—	—	—
Kings Nursery	152,927	2,458	155,385	136,120
Support costs	320,560	37,181	357,741	308,353
Governance costs	18,192	—	18,192	14,960
	<u>1,101,573</u>	<u>211,673</u>	<u>1,313,246</u>	<u>1,160,641</u>

Of the total expenditure on charitable activities in the year ended 31 March 2015 £1,052,593 were charged to unrestricted funds and £108,048 to restricted funds.

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2016**

### **9 Costs of charitable activities by activity type**

	Direct costs £	Staff costs £	Support and governance costs £	Total Funds 2016 £	Total Funds 2015 £
Community & Interpreting Services	20,773	326,520	133,944	481,237	467,200
Supporting People Sign Language & Tri-Lingual Interpreting Courses	—	90,492	37,779	128,271	120,608
Family Support Services	52,293	—	—	52,293	54,063
Courthouse Project	—	46,068	14,317	60,385	58,942
Training Fund	38,761	33,865	13,578	86,204	94,458
Volunteer Bureau	—	173,156	58,098	231,254	147,046
Kings Court	—	—	—	—	1,633
Kings Nursery	—	—	51,524	51,524	30,803
Governance costs	—	155,385	48,501	203,886	170,927
	—	—	18,192	18,192	14,960
	<u>111,959</u>	<u>881,067</u>	<u>375,933</u>	<u>1,313,246</u>	<u>1,160,641</u>

### **10 Governance costs**

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Audit fees	7,000	7,000	6,000
Professional fees	11,192	11,192	8,960
	<u>18,192</u>	<u>18,192</u>	<u>14,960</u>

### **11 Other resources expended**

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Interest payable	90,016	90,016	103,215

# EAST LANCASHIRE DEAF SOCIETY LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2016

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### 12 Net incoming/(outgoing) resources for the year

This is stated after charging:

	2016 £	2015 £
Depreciation	4,517	5,984
Auditors' remuneration:		
- audit of the financial statements	7,000	6,000
- other fees (see below)	7,750	10,818
Operating lease costs:		
- Land and buildings	36,000	36,000
- Other	1,534	1,875
	<u>7,750</u>	<u>10,818</u>

#### Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered:

	2016 £	2015 £
Accountancy	<u>7,750</u>	<u>10,818</u>

### 13 Staff costs and emoluments

Total staff costs were as follows:

	2016 £	2015 £
Wages and salaries	831,047	680,494
Social security costs	49,895	41,960
Other pension costs	125	492
	<u>881,067</u>	<u>722,946</u>

#### Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2016 No	2015 No
Full time	44	39
Part time	8	8
	<u>52</u>	<u>47</u>

# EAST LANCASHIRE DEAF SOCIETY LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2016

### 13 Staff costs and emoluments *(continued)*

#### Trustees remuneration and expenses

None of the trustees received any remuneration or were re-imbursed any expenses in either the current or previous year. As the key management personnel consisted of only the trustees during the current and previous year, no employee benefits were paid to key management personnel.

Mr F D Alker is entitled to honoraria payments of £5,000 per annum however chose to waive his entitlement in both the current and previous year.

No employee received remuneration of more than £60,000 during the year (2015 - Nil).

### 14 Tangible fixed assets

	Equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2015	83,533	19,335	102,868
Additions	4,279	—	4,279
Disposals	—	(5,170)	(5,170)
<b>At 31 March 2016</b>	<b>87,812</b>	<b>14,165</b>	<b>101,977</b>
<b>Depreciation</b>			
At 1 April 2015	81,127	13,197	94,324
Charge for the year	1,684	2,833	4,517
On disposals	—	(5,170)	(5,170)
<b>At 31 March 2016</b>	<b>82,811</b>	<b>10,860</b>	<b>93,671</b>
<b>Net book value</b>			
<b>At 31 March 2016</b>	<b>5,001</b>	<b>3,305</b>	<b>8,306</b>
At 31 March 2015	2,406	6,138	8,544

### 15 Investments

#### Movement in market value

	2016 £	2015 £
Market value at 1 April 2015	1,710,204	1,903,506
Net gains on revaluations in the year ended 31 March 2016	-	(193,302)
Market value at 31 March 2016	1,710,204	1,710,204
Historical cost at 31 March 2016	3,307,009	3,307,009

# EAST LANCASHIRE DEAF SOCIETY LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2016

### 15 Investments (continued)

#### Analysis of investments at 31 March 2016 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>Other investments</b>				
UK Investment Property	1,710,000	-	1,710,000	1,710,000
UK Group undertakings	204	-	204	204
	<u>1,710,204</u>	<u>-</u>	<u>1,710,204</u>	<u>1,710,204</u>

The charity owns the entire share capital of Kings Court (Blackburn) Ltd, ELDS Sign Circle Ltd and Signphone Limited, companies incorporated in England and Wales. All of the subsidiary undertakings remained dormant throughout the current and previous period.

The property at Kings Court held as investment property was valued at £1,710,000 by GVA Grimley Ltd, property advisors, in the previous year. The historical cost of the property is £3,307,009.

### 16 Stocks

	2016 £	2015 £
Stock	<u>3,352</u>	<u>2,983</u>

### 17 Debtors

	2016 £	2015 £
Trade debtors	191,007	143,847
Amounts owed by group undertakings	2,265	2,265
Prepayments	17,827	14,635
	<u>211,099</u>	<u>160,747</u>

### 18 Cash at bank and in hand

	2016 £	2015 £
Bank current account	82,917	105,074
Cash in hand	4,200	737
	<u>87,117</u>	<u>105,811</u>

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2016**

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>28,430</b>	26,912
Trade creditors	<b>44,752</b>	45,375
Taxation and social security	<b>78,310</b>	124,782
Other loans	<b>22,945</b>	21,720
Other creditors	<b>40,493</b>	38,965
Accruals and deferred income	<b>28,786</b>	28,133
	<b><u>243,716</u></b>	<b><u>285,887</u></b>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other loans	<b>22,945</b>	21,720
Bank loans and overdrafts	<b>28,430</b>	26,912
	<b><u>51,375</u></b>	<b><u>48,632</u></b>

### **20 Creditors: Amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>930,391</b>	958,754
Other loans	<b>623,292</b>	646,237
	<b><u>1,553,683</u></b>	<b><u>1,604,991</u></b>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other loans	<b>623,292</b>	646,237
Bank loans and overdrafts	<b>930,391</b>	958,754
	<b><u>1,553,683</u></b>	<b><u>1,604,991</u></b>

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2016**

### **21 Creditors - capital instruments**

Creditors include finance capital which is due for repayment as follows:

	2016 £	2015 £
Amounts repayable:		
In one year or less or on demand	51,375	48,632
In more than one year but not more than two years	54,274	50,399
In more than two years but not more than five years	181,890	171,155
In more than five years	1,317,519	1,383,437
	<u>1,605,058</u>	<u>1,653,623</u>

### **22 Commitments under operating leases**

At 31 March 2016 the company had annual commitments under non-cancellable operating leases as set out below.

	2016		2015	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	18,000	1,534	18,000	1,875
Within 2-5 years	66,000	4,507	75,000	4,575
After more than 5 years	108,000	-	117,000	-
	<u>192,000</u>	<u>6,041</u>	<u>210,000</u>	<u>6,450</u>

### **23 Restricted income funds**

	Balance at 1 Apr 2015 £	Incoming resources £	Outgoing resources £	Balance at 31 Mar 2016 £
The Hedley Foundation	2,000	-	(2,000)	-
Supporting People Fund	-	8,983	(8,983)	-
Fencing & equipment grants	-	30,270	(26,848)	3,422
Other grants	-	7,702	(3,288)	4,414
Skipton Building Society	2,000	-	(2,000)	-
Big Lottery Project	-	93,811	(93,811)	-
Children In Need	-	2,456	(2,456)	-
The Clothworkers Foundation	4,973	-	(2,833)	2,140
Department of Health	-	69,240	(69,454)	(214)
	<u>8,973</u>	<u>212,462</u>	<u>(211,673)</u>	<u>9,762</u>

# EAST LANCASHIRE DEAF SOCIETY LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2016

### 23 Restricted income funds (continued)

The Supporting People Fund is a contract to provide a quality assured service to deaf people with medium to low support needs within Blackburn with Darwen and to enable deaf people to maintain their tenancies by developing independent living skills.

The Children in Need Fund relates to monies received to fund the salary of two employees for the Kings Court nursery.

The Big Lottery Project relates to monies received for education for young deaf people for English and Mathematics.

In previous years a capital grant was received from The Clothworkers Foundation to assist the charity in purchasing a minibus and a capital grant was received from Skipton Building Society to purchase interactive whiteboards. These restricted funds will be reduced each year by the depreciation charged on the related assets.

The Department of Health provided funding to contribute towards the cost of a health worker.

Funding has also been received from a number of other providers to contribute towards the charity's staff costs and workshop expenses, including the LCC Local Members Grant Scheme and The Hedley Foundation.

### 24 Unrestricted income funds

	Balance at 1 Apr 2015 £	Incoming resources £	Outgoing resources £	Balance at 31 Mar 2016 £
General Funds	<u>88,437</u>	<u>1,407,421</u>	<u>(1,282,942)</u>	<u>212,917</u>

### 25 Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
<b>Restricted Income Funds:</b>					
Fencing and equipment grants	3,422	—	—	—	3,422
Other grants	—	—	4,414	—	4,414
The Clothworkers Foundation	2,140	—	—	—	2,140
Department of Health	—	—	(214)	—	(214)
<b>Total Income Restricted Funds</b>	<u>5,562</u>	<u>—</u>	<u>4,200</u>	<u>—</u>	<u>9,762</u>
<b>Unrestricted Income Funds</b>	<u>2,744</u>	<u>1,710,204</u>	<u>53,652</u>	<u>(1,553,683)</u>	<u>212,917</u>
<b>Total Funds</b>	<u>8,306</u>	<u>1,710,204</u>	<u>57,852</u>	<u>(1,553,683)</u>	<u>222,679</u>

# **EAST LANCASHIRE DEAF SOCIETY LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2016**

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### **26 Related party transactions**

The charity is controlled by the Board of Trustees.

Included within other creditors falling due within one year is £39,993 (2015: £39,993) payable to Mr F D Alker in respect of an advance he made to the charity in the year ended 31 March 2011.

Mr F D Alker is also a Trustee of Deaf Children North West. Included within debtors is £8,972 (2015: £nil) payable by Deaf Children North West.

At the year end, a balance of £2,365 (2015: £2,365) was due from ELDS Sign Circle Limited and a balance of £100 (2015: £100) was recoverable from Signphone Limited, both of which are dormant subsidiaries of East Lancashire Deaf Society Limited.