



**Leicester & County Mission for Deaf People  
(Operating as Action Deafness)**

**Financial Statements  
For the Year ended 31<sup>st</sup> March 2008**

Action Deafness  
135 Welford Road  
Leicester  
LE2 6BE

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**Report of the trustees for the year ended 31 March 2008**

The Board of Trustees presents its report and audited financial statements for the year ended 31 March 2008.

**Legal and Administrative Information**

<b>Registered charity name</b>	Leicester & County Mission for Deaf People
<b>Other name used by the charity</b>	Action Deafness
<b>Charity registration number</b>	226864
<b>Registered office and operational address</b>	135 Welford Road Leicester LE2 6BE

**Board of Trustees (as at 31 March 2008)**

Mrs P Osborne	(Chair)
Mr G Smith FCCA*	(Treasurer)
Revd W Burleigh	
Revd L Hughes	
Mr P Carr DL	
Miss W Sly*	
Mrs N Rennie*	
Ms E Graham	
Ms H Howie*	
Mr C Reid*	

Mr S Hanspal, Mr B Wiggins MBE\*, Canon M Wilson and Mr A Thomson\* served as trustees during the year but had tendered their resignations as at 31 March 2008

(\* = Deaf or Hard-of-Hearing)

**Auditors**

MacIntyre Hudson LLP  
Lyndale House  
Ervington Court  
Harcourt Way  
Meridian Business Park  
Leicester  
LE19 1WL

**Bankers**

National Westminster Bank Plc  
14-16 Haymarket  
Leicester  
LE1 3NT

**Chief Executive & Company Secretary**

Mr C A Crowley MBE\*

**Honorary Treasurer**

Mr G Smith FCCA\*

**Honorary Architect**

Mr A Sharman FRIBA FRCIS

**Legal Advisor**

Mr R Whiting LLB  
Frisby & Small  
5 De Montfort Street  
Leicester  
LE1 7GT

**Investment Managers**

Collins Stewart Ltd  
8th Floor  
88 Wood Street  
London  
EC2V 7QR

CCLA Investment Management Ltd  
80 Cheapside  
London  
EC2V 6DZ

## **Structure, Governance and Management**

### **Governing Document**

The Leicester & County Mission for Deaf People is constituted under a trust deed dated 19 January 2004 and is governed by the Charities Act 1993. It is now known locally and regionally as Action Deafness.

### **Recruitment and Appointment of the Board of Trustees**

As of 19 January 2004 the structure of the Board of Trustees changed to be composed of 8 nominated and 7 co-opted trustees as follows:

Nominated: Leicester Diocesan Board of Finance – 8  
Co-opted: These are people nominated by members of the current Board of Trustees, who are considered to be of benefit to the charity by virtue of their personal experience, professional skill or interest.

A Trustee Training Day was held in January 2008 to identify gaps in the trustees' skills. Subsequently a new policy document on roles and responsibilities was established and approved by the trustees in March 2008. A skills audit and recruitment process for new trustees began in February 2008 and this will continue into the next financial year.

### **Organisational structure**

The charity was organised into six departments (or teams) as follows:

- i) Executive Office
- ii) Communication and Interpreting Services
- iii) Learning Services
- iv) Core Services
- v) Infrastructure, Community Development and Fundraising
- vi) Chaplaincy Services\*

(\* Chaplaincy Services are part of the non-operational structure)

The range of services fall into three broad areas:

- i) Non-statutory services provided by voluntary funds and other sources.
- ii) Statutory services carried out on behalf of local and health authorities.
- iii) Chaplaincy services funded by the Diocese of Leicester.

### **Related Organisations**

In January 1989, Leicester & County Mission for Deaf People formally took over the management of Loughborough & District Mission for the Deaf.

Loughborough & District Mission for the Deaf is a charity registered under a trust deed dated 26<sup>th</sup> October 1949 and is governed by the Charities Act 1993. The charity is concerned with providing services to people in Loughborough and surrounding district who have difficulty hearing and with raising awareness of their plight in the local community.

### **Risk management**

The trustees have considered the major risks faced by the charity. A risk management analysis was produced for the trustees, officers and the Chief Executive to assess and minimise (mitigate) risks in governance, strategic and operational matters. Insurable risks are managed by an annual review of insurance arrangements covering premises and equipment, professional indemnity, public liability, employers' liability and fiduciary liability. Under the terms of the governing document implemented in January 2004 the charity has been allowed to maintain trustee liability indemnity insurance.

The charity has a health and safety policy, which is communicated to all staff and is reviewed annually by Core Services.

Financial risks are managed by a Risk Management Analysis, annual budget with monthly monitoring, a strategic plan agreed by the trustees and by regular management reporting. Systems and procedures of internal financial control are also in place to govern the day-to-day financial transactions of the charity.

## **Objectives and Activities**

### **Objects, Vision, Mission and Philosophy Statements**

The charitable objects of the charity are the relief of persons who are Deaf, Deafened, Deafblind or Hard-of-Hearing.

The charity, under the operating title of 'Action Deafness', aspires to:

## LEICESTER & COUNTY MISSION FOR DEAF PEOPLE

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“A society where we have shared understanding between Deaf, Deafened, Deafblind, Hard-of-Hearing and Hearing people, and where communication is seamless.”

Action Deafness aims to improve quality of life by promoting independence and equality of opportunity for Deaf, Deafened, Deafblind and Hard-of-Hearing people.

The charity aims to:

- i) Promote effective communication and improve access to services.
- ii) Increase the status and participation of deaf and Hard-of-Hearing people from diverse backgrounds.
- iii) Provide specialist support, learning and community services.

Firstly, as service providers, we seek to offer creative and diverse services to the identified wishes, aspirations and requirements of the people that we serve and support. In doing so we aim to recognise and respond to their needs. While mirroring the real lives and concerns of the local and surrounding community, we actively promote participation in everyday experiences, opportunities and decision making. Ultimately being about people, our services are underpinned by a strong foundation that values and fosters all aspects of personal development for service users.

Secondly we embrace the view that our ability to deliver these ideals is intimately linked with our success in working effectively in partnership with all stakeholders to bring about continual improvement in the quality and value of the services we offer; recruiting and developing a staff team that is competent, motivated and proactive; to achieve Action Deafness's aims and standards, without sacrificing the emphasis we place on sensitivity and responsiveness to service users' needs.

### **Achievements and Performance**

#### **Service Level Agreements**

Action Deafness has several service level agreements with Leicestershire County Council and Leicester City Primary Care Trust, which are listed below. The following contracts continue to be maintained since their inception on April 1<sup>st</sup> 2006.

1. An Access to Work (ATW) block contract to support 3 Social Work Team members with the interpreting service provided by the charity.
2. A spot purchasing contract for additional interpreting hours.
3. Transport contracts for the provision of transport services to service users.
4. Health Authority spot purchasing contract for medical interpreting provision with both Leicester City and Leicestershire and Rutland Primary Care Trusts.
5. Lease agreement with Leicestershire Adult Social Care & Health Services for rent of the building.

#### **Strategic Plan**

A revised Three Year Strategic Plan 2006 - 2009 was submitted to the March Board meeting in 2006 detailing a range of new development opportunities and a robust management structure for the organisation. This had replaced the old draft Business Plan and outlined changes that occurred as result of the Social Work and Rehabilitation Service being transferred to three local authorities. The Chief Executive set about revising the budget outcomes with the aim of working towards reducing the deficit faced by the organisation over the next three years. Trustees duly approved this Plan, and the Chief Executive has continued to implement this Plan throughout the last twelve month period. Detailed below are the achievements of the various departments throughout this financial year.

#### **i) Executive Office**

##### **Annual General Meeting**

The AGM took place on November 1<sup>st</sup> 2007. The event proved to be very successful with over one hundred attendees from the voluntary and community sectors, local and health authorities, private sector and Deaf, Hard-of-Hearing and Deafened communities. Action Deafness plans to follow up the success of this event at this year's AGM by securing keynote speakers to talk on a range of topics around the areas of collaborative working.

##### **Fundraising**

The fundraising department, added to the organisation for the first time in 2006, has continued its focus on additional revenue from restricted funds, unrestricted funds, various grant making bodies, trusts and private funders. In addition to this the Fundraising Manager had focussed on legacies, donations and gift aid.

##### **Open Forum Meetings**

Regular Forum meetings have been held throughout the year at Action Deafness Leicester. These events have been well attended and the feedback provided from the community has enabled the organisation to identify gaps in provision, e.g. services for Deaf, Hard-of-Hearing and Deafened people and improvements between organisation and community engagement. The information gathered from these events has already enabled the organisation to respond to the needs of the community it serves and will continue to do so over the next financial year.

### **Research Project**

The Chief Executive successfully negotiated funding to initiate a research project that began in February 2007 and concluded in October 2007. The research project was commissioned by Leicestershire County Council in partnership with Action Deafness. The project was titled 'Spotlight On Deafness' and focussed on the identification of gaps in service provision to members of the Deaf and Hard-of-Hearing communities, especially those from hard to reach groups such as Deaf people with additional disabilities. The project produced robust recommendations that will help to inform the future provision of services.

### **Investors In People**

Action Deafness has continued its commitment to Investors in People throughout this year. The organisation has continued to update its policies and procedures throughout this period. Regular staff meetings are held that provide employees with a venue to provide feedback regarding all organisational matters. A set of new core values and management behaviours were created and disseminated to all staff members. The staff handbook was also updated to reflect changes in policy through the year.

### **ii) Communication and Interpreting Services**

#### **Staff**

Communication and Interpreting services have three full-time and two part-time staff interpreters, equivalent to four full-time positions, and one full-time service coordinator. Demand for the service has continued to increase throughout the year.

#### **Supervision**

A joint arrangement was created between Action Deafness and Deaf Direct during 2007. The arrangement was initiated to utilise the services of Deaf Direct's Interpreting Services Manager, who has been supplying supervision and support to the interpreting team from half way through 2007. This support has enabled interpreters to develop Personal Development Plans to ensure maximum benefit from the available certified training courses leading to qualified status. Deaf Direct's manager relinquished the role of manager to the interpreting service in November 2007 due to ill health. Action Deafness's Head of Services, Catherine White, assumed responsibility for the management of the service from this time and continues to provide the interpreting team with supervision and support.

#### **Access To Work Service Level Agreement**

The amount of hours in both the Block Contract and the Spot Purchasing Contract had been renewed for 2007-08 at the same levels. Communication and Interpreting Services will discontinue provision of interpreting support to the three Deaf Staff members on 1<sup>st</sup> April 2008 due to the termination of the contract.

#### **Communication Support (CIS)**

Communication Support continues to be provided through the Communication and Interpreting Services Team. In addition to this provision the CIS Team continue to offer assistance with telephone calls and appointment bookings for Deaf BSL users on a drop-in basis. Language Support is now offered to clients through the Advocacy Service. A proposal was made recently to upgrade its systems and procedures and it was expected that this would be developed during the next financial year.

### **iii) Learning Services**

#### **Learning Services Courses**

Action Deafness engaged five BSL tutors to deliver a variety of Sign Language classes throughout the year. In addition, the organisation employed one Lipreading tutor to run classes at both Leicester and Loughborough.

Following the course enrolment in September 2007, three level 1 BSL classes, two BSL level 2 and two BSL level 3 classes were run throughout the financial year.

BSL classes at the Centre continue to be successful. The Action Deafness Learning Centre is now well established and the organisation continues to work in partnership with Leicester City Council through a Provider Partnership Agreement.

In addition to the BSL classes held during the year three Lipreading classes were also established, and run both at Action Deafness Leicester and Action Deafness Loughborough.

### **v) Community Development**

#### **Information Advice and Guidance**

The IAG service successfully achieved the Matrix Standard in July 2007. The Next Step contract holders were extremely impressed with the organisation's work towards achieving the Standard and asked that the material created for the Standard be used as an example of good practice for other organisations to learn from. Next Step also renewed the IAG contract for a further year in 2007.

### **Opportunities for Volunteering**

We are entering the second year of the grant from the Department of Health's Opportunities for Volunteering Scheme. The advocacy service has continued to be successful throughout the financial year with increased take up of the service. A surgery runs on weekly basis by appointment. In addition to advocacy for Deaf people, Language Support has also continued to offer its services to members of the community. This includes help with reading and understanding written correspondence etc. Throughout the year the Advocacy Coordinator has been meeting and assessing potential candidates. A training day was organised for Volunteer Advocates to work with Deaf service users. A training course for those recruited was held in September 2007. Over twenty people attended the training and six people were recruited from this group to become Volunteer Advocates. The six people joined the current Volunteer Advocate team taking it to ten members. The grant will run for a further and final year subject to continued Department of Health funding.

### **Valuing Volunteers**

With the development of the Advocacy and Mentoring Project it was decided that the focus would be on establishing a strong volunteer base to complement projects covered at Action Deafness. As part of this process one of the interpreting staff members assumed the role of volunteer coordinator during down time as an interpreter as of December 2007. To date thirteen volunteers have been assessed and nine have completed the CRB process. In addition to this a volunteer handbook has been created detailing the organisation's policies and procedures that are applicable to their role as a volunteer.

### **BSL Awareness**

Action Deafness created free taster sessions open to the public during Deaf Awareness Week as well as an open evening to provide information regarding Sign Language and the organisation's services. The sessions proved to be extremely popular and many attendees signed up for BSL courses with the organisation. Plans are now being made to develop a series of BSL Awareness tasters during the Deaf Awareness Week in May on an annual basis.

### **Information & Activities**

Action Deafness now employs an Information Officer as a direct response to the level of requests for information received from members of the Deaf and Hard-of-Hearing communities, as well as those received from the hearing community. This was also as a direct result of the forum events that had been held over the previous financial year where members of the Deaf and Hard-of-Hearing communities had expressed their views about having a liaison between the organisation and the community. The Information Officer was appointed and assumed responsibility for organising and running the open forum events throughout the year.

### **vi) Chaplaincy Services**

The Chaplaincy has maintained its pastoral, spiritual and liturgical role within the community, through an ongoing programme of worship and the occasional offices of baptism, weddings and funerals with associated pastoral support. The Chaplain has been involved in visits to hospitals, care-homes, prisons and schools as well as offering support to individuals and groups within the organisation, and in people's own homes. Ongoing positive links with Social Services have contributed towards this. Ecumenical visits to other churches have helped raise awareness both of our Diocesan Deaf Churches and of the skills and needs of Deaf people and how they might be supported in their own communities, and by the wider range of services at Action Deafness.

### **Financial Review 2007-08**

Income increased during the year from £559,178 to £574,466. This was mostly due to receiving funding for the 'Spotlight on Deafness' research project. Other areas of incoming resources remained comparable with the prior year, with the exception of legacy income, income from service provision, and training and awareness provision. Legacy income was high in 2006-07 due to the receipt of one significant legacy. Although the charity received a legacy of £35,329 in 2007-08, together with a few smaller bequests, overall legacy income was lower than in 2006-07. Income from service provision increased in the year. This was mainly due to increased provision of Access to Work for Deaf staff members. Training and Awareness income also increased during the year. The range of courses available, including Level 3 BSL, led to increased income from training courses. Income from transport services decreased compared to the prior year due to a fall in the value of the transport contract with Leicestershire County Council Social Services Department.

Expenditure increased during the year to £902,979 compared with £870,478 in 2006-07. All departments had to bear an increase in allocated administration and premises costs. The joint arrangement with Deaf Direct led to increased Communication and Interpreting costs, due to payments to Deaf Direct in return for the use of their Interpreting Services Manager and other resources. This arrangement has been subject to review since the year end, and some of the payments have now been converted to a loan. The loan advanced is expected to be recovered from Deaf Direct, on terms to be agreed during 2008-09. Employment costs in Communication and Interpreting services increased because a number of new staff members were employed during 2006-07 and these staff members worked a full year in 2007-08, and two new staff members were recruited in 2007-08. Transport expenditure increased due to increased vehicle expenses. Governance costs increased due to engaging a VAT consultant to advise on correct VAT recovery and to greater emphasis on trustee training and mentoring.

The investment portfolio showed a loss against the modest gains of 2006-07. A small loss was realised as a consequence of reducing the portfolio to provide necessary working capital.

Fixed assets decreased by £23,094, due to modest additions offset by depreciation for the year. Debtors increased due to a slower rate of recovery than in 2006-07 and the advancing of the loan to Deaf Direct as detailed above. The cash held at the year end was substantially less than the large balance at 31 March 2007, which was distorted by a working capital injection from investments and a large unexpected legacy at the previous year end. Creditors decreased compared to the prior year because of the receipt in 2006-07 of funding for the 'Spotlight on Deafness' research project which was carried forward as deferred income.

The pension liability is now required to be shown on the balance sheet. The gain in respect of defined benefit pension scheme was £113,000 arising from a reduction in the scheme liability from £123,000 at 31 March 2007 to £10,000 at 31 March 2008.

Funds on hand at the balance sheet date comprised restricted fund balances of £19,885 and designated funds of £1,082,492, which primarily comprised the charity's tangible fixed assets and fixed asset investments, with general funds of £93,434.

### **Investment policy**

The trustees have the power to invest in such assets as they see fit.

The investment portfolio is divided between two investment managers; Collins Stewart Ltd and CCLA Investment Management Ltd. Collins Stewart Ltd manages a portfolio of fixed interest UK Government stocks, other UK fixed interest securities and equity shares, and some European and worldwide equities. CCLA are responsible for the amounts invested in the units of the Charities Official Investment Fund and Fixed Interest Fund. The objective of the investment policy is to generate income while retaining the value of the underlying funds and achieving modest capital growth.

### **Reserves policy**

A review is taking place of the Charity's reserves requirements in line with the guidance issued by the Charity Commissioners. Revisions are being made to the amount of working (operational) reserves to be held to cover possible closure of the Loughborough centre. Furthermore, some of the reserves are to be earmarked for committal – services such as youth work, community development support, advocacy and self-directed support services. The Trustees aim to show that holding sufficient reserves to cover potential cash requirements will leave free cash at a reduced level that will satisfy donors and will enhance Business Development opportunities.

### **Grant making policy**

The Charity does not make any significant grants.

## **Future Developments**

### **Action Plan**

An organisational wide Action Plan will be created for 2008/09. Individual departments within the organisation will set their own objectives for the year based on the needs of the individual services. Once each department has created their individual Action Plan these will then be collated into one overarching Action Plan that will serve the entire organisation. The plan will incorporate elements from the strategic and operational aspects of the Three Year Strategic Plan, 2006-2009. A new rolling five year Strategic Plan will be formulated for the organisation during 2008/09.

This Action Plan will also provide trustees with an overview of the operational objectives that the organisation plans to undertake during 2008/09. The Action Plan will set out clear, realistic and achievable goals.

### **Expansion of BSL Classes**

As part of the agreed budget Action Deafness aims to increase its profile and capitalise on its success with BSL Classes in Leicester City by expanding its classes within the county and the East Midlands Region. In addition to this the organisation will be researching the feasibility of establishing a BSL NVQ 3 course.

### **Community Development, Floating and Support opportunities**

Action Deafness is planning to follow action points arising from the Spotlight on Deafness Research Project, in which the levels of need for Deaf and Hard-of-Hearing people with additional disabilities or complex needs will be targeted. We endeavour to identify possible gaps in community based & self-directed service provision such as Direct Payments, Floating Support and Advocacy. The primary focus of these schemes would be to maximise independence and individual potential whilst encouraging inclusion within mainstream society. Action Deafness will work with partners e.g. VISTA, Mosaic, Age Concern Leicestershire & Rutland, Leicester City & Leicestershire County & Rutland Primary Care Trusts, Leicestershire Adult Social Care & Health, Learning Disability and Mental Health Services, to identify these service users via user engagement, involvement and liaison.

**Other key developments for 2008-09**

Other key developments of projects and services as identified in the Three Year Strategic Plan:

- Achieve Trustee Matrix of Roles and Responsibilities of Board members
- Achieve registration of a company limited by guarantee
- Achieve Investors in People Award
- Complete 'sustainability' appraisal to secure/renew/expand contracts for existing and future service levels
- Work on devising a new 2009-2012 'Strategic Staircase' to replace 2006-09 Strategic Plan
- Establish new systems and procedures in Communication & Interpreting Services to include Access
- Expand Volunteer recruitment
- Expand Advocacy Support
- Restructure and develop fundraising via event management
- Establish research, project & service development base to be PQQ compliant for tenders
- Further consultation to review and develop office and multi-purpose activity/training rooms at Action Deafness Leicester Centre
- Develop new youth projects/services
- Expand infrastructure provision in the East Midlands Region
- Expand range and volume of learning and training delivery
- Expand Community Development Support for User Groups
- Expand social enterprise opportunities for Deaf entrepreneurs
- Regular Forum Meetings with Deaf and Hard-of-Hearing Groups/people

**Trustees' responsibilities:**

Charity 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 at the year-end and of its incoming resources as well as those expended during that year. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- Prepare financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue its operations.


The trustees are responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that all financial statements comply with the Charities Act 1993. 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.

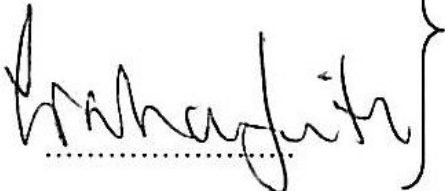
**Auditors**

MacIntyre Hudson LLP were reappointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005).

Approved by the Board of Trustees on 16 September 2008 and signed on their behalf by:

Mrs P Osborne 

Mr G Smith FCCA 

Members of the Board of Trustees

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LEICESTER & COUNTY MISSION FOR DEAF PEOPLE**

We have audited the financial statements of Leicester & County Mission for Deaf People for the year ended 31 March 2008 which comprise the Statement of Financial Activities, the Statement of Total Recognised Gains and Losses, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments and the accounting policies set out therein.

This report is made solely to the charity's trustees as a body, in accordance with The Charities (Accounts and Reports) Regulations made under Section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As described in the Statement of Trustees' Responsibilities you are responsible as trustees for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom & Ireland). We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (United Kingdom & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2008 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

*MacIntyre Hudson LLP*

MacIntyre Hudson LLP  
Chartered Accountants &  
Registered Auditors

Lyndale House  
Ervington Court  
Harcourt Way  
Meridian Business Park  
Leicester LE19 1WL

30 October 2008

## Statement of Financial Activities for the year ended 31 March 2008

	Note	Unrestricted funds £	Restricted funds £	2008 £	2007 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
<i>Voluntary income:</i>					
Legacies		41,750	-	<b>41,750</b>	81,826
Donations		3,959	-	<b>3,959</b>	7,160
<i>Activities for generating funds:</i>					
Charitable and other trading		3,335	-	<b>3,335</b>	2,935
Property income		31,200	-	<b>31,200</b>	27,773
Investment income	2	37,773	-	<b>37,773</b>	39,854
<b>Incoming resources from charitable activities</b>					
	3				
Grants and contracts		40,711	34,500	<b>75,211</b>	45,070
Service provision		318,083	-	<b>318,083</b>	301,383
Training and awareness		63,155	-	<b>63,155</b>	53,177
<b>Total incoming resources</b>		<b>539,966</b>	<b>34,500</b>	<b>574,466</b>	<b>559,178</b>
<b>Resources expended</b>					
	5				
<b>Cost of generating funds:</b>					
Fundraising and trading costs		8,661	-	<b>8,661</b>	8,494
Investment management costs		5,110	-	<b>5,110</b>	9,006
<b>Charitable activities:</b>					
Communication and information services		440,903	-	<b>440,903</b>	265,777
Learning services		134,275	-	<b>134,275</b>	133,475
Business development		102,761	-	<b>102,761</b>	259,744
Ongoing and development projects		105,590	31,586	<b>137,176</b>	132,607
Loughborough & District Centre		4,867	-	<b>4,867</b>	4,096
Groups		1,734	-	<b>1,734</b>	4,085
Transport		17,213	-	<b>17,213</b>	14,971
<b>Governance costs</b>		<b>50,279</b>	-	<b>50,279</b>	38,223
<b>Total resources expended</b>		<b>871,393</b>	<b>31,586</b>	<b>902,979</b>	<b>870,478</b>
<b>Net (outgoing)/incoming resources before other recognised gains</b>	6	<b>(331,427)</b>	2,914	<b>(328,513)</b>	(311,300)
Realised (losses)/gains on investments		(3,907)	-	<b>(3,907)</b>	13,976
<b>Net (expenditure)/income for the year</b>		<b>(335,334)</b>	<b>2,914</b>	<b>(332,420)</b>	<b>(297,324)</b>
Unrealised (losses)/gains on investments		(67,606)	-	<b>(67,606)</b>	34,815
<b>Net movement in funds for the year</b>		<b>(402,940)</b>	<b>2,914</b>	<b>(400,026)</b>	<b>(262,509)</b>

*The accounting policies and notes on pages 12 to 21 form part of these financial statements*

**Statement of Financial Activities for the year ended 31 March 2008 continued**

	Unrestricted funds	Restricted funds	2008	2007
Note	£	£	£	£
<b>Net movement in funds for the year</b>	(402,940)	2,914	<b>(400,026)</b>	(262,509)
Total funds brought forward excluding pension liability	1,578,866	16,971	<b>1,595,837</b>	1,858,346
<b>Total funds carried forward excluding pension liability</b>	<u>1,175,926</u>	<u>19,885</u>	<u><b>1,195,811</b></u>	<u>1,595,837</u>

All incoming resources and resources expended derive from continuing activities.

**Statement of Total Recognised Gains and Losses for the year ended 31 March 2008**

	Unrestricted funds	Restricted funds	2008	2007
	£	£	£	£
<b>Net movement in funds for the year</b>	(402,940)	2,914	<b>(400,026)</b>	(262,509)
Gain in respect of defined benefit pension scheme (including employer contributions)	113,000	-	<b>113,000</b>	106,000
<b>Total recognised gains and losses since the last annual report</b>	<u>(289,940)</u>	<u>2,914</u>	<u><b>(287,026)</b></u>	<u>(156,509)</u>

The accounting policies and notes on pages 12 to 21 form part of these financial statements

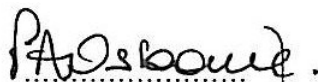
**Charity balance sheet as at 31 March 2008**

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Tangible fixed assets	12	443,666	466,760
Fixed asset investments	13	622,065	968,688
		<u>1,065,731</u>	<u>1,435,448</u>
<b>Current assets</b>			
Debtors	14	166,568	135,506
Cash at bank and in hand		29,893	175,309
		<u>196,461</u>	<u>310,815</u>
<b>Creditors: amounts falling due within one year</b>	15	<b>(66,381)</b>	<b>(150,426)</b>
<b>Net current assets</b>		<u>130,080</u>	<u>160,389</u>
<b>Net assets excluding pension liability</b>		<b>1,195,811</b>	<b>1,595,837</b>
<b>Pension liability</b>	9	<b>(10,000)</b>	<b>(123,000)</b>
<b>Net assets including pension liability</b>		<u>1,185,811</u>	<u>1,472,837</u>
<b>Funds</b>			
<b>Restricted funds</b>			
	16	19,885	16,971
		<u>19,885</u>	<u>16,971</u>
<b>Unrestricted funds</b>			
Designated funds	17	1,082,492	1,453,572
General funds	17	93,434	125,294
		<u>1,175,926</u>	<u>1,578,866</u>
<b>Unrestricted funds excluding pension liability</b>		<b>1,175,926</b>	<b>1,578,866</b>
<b>Pension reserve</b>	9	<b>(10,000)</b>	<b>(123,000)</b>
<b>Unrestricted funds including pension liability</b>		<u>1,165,926</u>	<u>1,455,866</u>
<b>Total funds</b>		<u>1,185,811</u>	<u>1,472,837</u>

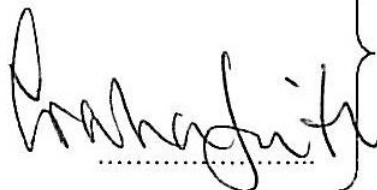
**Statement by the Board of Trustees**

Approved by the Board of Trustees on 16 September 2008 and signed on its behalf:

Mrs P Osborne



Mr G Smith FCCA



Members of the  
Board of Trustees

The accounting policies and notes on pages 12 to 21 form part of these financial statements

**Notes forming part of the financial statements for the year ended 31 March 2008**

**1. Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005, and the Financial Reporting Standard for Smaller Entities (effective January 2007).

**Fund accounting**

- Unrestricted funds are available for use at the discretion of the Board of Trustees in furtherance of the general objects of the charity.
- Designated funds are unrestricted funds earmarked by the Board of Trustees for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

**Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable certainty. The following specific policies are applied to particular categories of income:

- Voluntary income received by way of donations and gifts is included in full in the Statement of Financial Activities when receivable.
- Legacies are accounted for when the conditions of entitlement, certainty and measurement are satisfied.
- Grants, where entitlement is not conditional on delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grant income receivable is accounted for in full in the year of receipt.
- Revenue grants are carried forward to the extent that the grantor specifies that the grant is for expenditure in future accounting periods. Grants carried forward in this way are accounted for as deferred income.
- Grants from local government and other agencies have been included as income from activities in furtherance of the charity's objects where these amount to a contract for services, but as donations where the money is given in response to an appeal or as core funding with greater freedom of use. Grants are recognised in the Statement of Financial Activities when the conditions for receipt have been complied with.
- Income tax recoverable on covenanted giving and Gift Aid donations is accounted for in the year of receipt of the associated income on an accruals basis.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is accounted for when receivable.

**Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered.

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of fundraising.
- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. per capita, as set out in note 5.
- Qualifying staff, being those in post prior to 1998, are eligible to join the Leicestershire County Council Pension Fund, which is a defined benefits scheme. Other employees are eligible to participate in a defined contribution scheme. The regular costs of these pension arrangements are expended in the Statement of Financial Activities as and when incurred.

**Fixed asset investments**

Fixed asset investments are valued at market value. Surpluses or deficits arising on revaluation are accounted for in the Statement of Financial Activities.

**Fixed Assets**

Major expenditure on tangible fixed assets is capitalised. Expenditure on fixed assets not exceeding £500 for each asset is written off in the year in which it is incurred.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life on the following bases; freehold buildings 2% per annum on cost, fixtures and fittings 10 – 20% per annum on cost, and motor vehicles 25% per annum on cost.

**Operating leases**

Operating lease rentals are charged to the Statement of Financial Activities at current rates under lease agreements.

**2. Investment income**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2008 Total</b>	2007 Total
	£	£	£	£
Interest	4,392	-	<b>4,392</b>	3,798
UK dividends	33,381	-	<b>33,381</b>	36,056
	<u>37,773</u>	<u>-</u>	<u><b>37,773</b></u>	<u>39,854</u>

**3. Incoming resources from charitable activities**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2008 Total</b>	2007 Total
	£	£	£	£
<b>Grants and contracts</b>				
<b>Encouraging volunteers</b>				
Opportunities for Volunteering	14,296	-	<b>14,296</b>	14,016
<b>Chaplaincy</b>				
Diocesan Board of Finance	17,527	-	<b>17,527</b>	17,100
<b>Information, advice and guidance</b>				
Next Step	5,483	-	<b>5,483</b>	4,500
<b>Community support</b>				
Leicestershire County Council	-	34,500	<b>34,500</b>	5,666
<b>Others</b>	3,405	-	<b>3,405</b>	3,788
	<u>40,711</u>	<u>34,500</u>	<u><b>75,211</b></u>	<u>45,070</u>
<b>Service provision</b>				
Interpreting fees	164,361	-	<b>164,361</b>	162,473
Deaf staff support	135,913	-	<b>135,913</b>	103,779
Transport services	17,229	-	<b>17,229</b>	29,864
Other services	580	-	<b>580</b>	5,267
	<u>318,083</u>	<u>-</u>	<u><b>318,083</b></u>	<u>301,383</u>
<b>Training and awareness</b>				
<b>BSL training</b>				
Leicester City Council	22,826	-	<b>22,826</b>	25,888
<b>Other training courses</b>				
Various	40,329	-	<b>40,329</b>	27,289
	<u>63,155</u>	<u>-</u>	<u><b>63,155</b></u>	<u>53,177</u>

**4. Deferred income**

	<b>Project</b>	<b>Training</b>	<b>Rental</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 31 March 2007	35,000	1,485	360	<b>36,845</b>
Released in the period	(34,500)	(1,485)	(360)	<b>(36,345)</b>
Deferred in the period	9,000	985	-	<b>9,985</b>
At 31 March 2008 (Note 15)	<u>9,500</u>	<u>985</u>	<u>-</u>	<u><b>10,485</b></u>

## 5. Resources expended

	Basis of Allocation	Cost of generating funds	Communication and information services	Learning services	Business development	Ongoing and development projects	Loughborough & District Centre	Groups	Transport	Governance	2008 Total	2007 Total
		£	£	£	£	£	£	£	£	£	£	£
<b>Costs directly allocated to activities</b>												
Staff costs	<i>Direct</i>	938	139,839	58,019	58,275	52,122	-	-	-	20,630	<b>329,823</b>	238,661
Staff travelling expenses	<i>Direct</i>	-	3,439	355	473	37	-	-	-	-	<b>4,304</b>	5,953
Staff recruitment and training	<i>Direct</i>	-	4,781	-	-	-	-	-	-	-	<b>4,781</b>	7,770
Interpreters' fees	<i>Direct</i>	-	66,811	-	-	-	-	-	-	-	<b>66,811</b>	64,492
Tutors and other course costs	<i>Direct</i>	-	-	29,049	-	130	-	-	-	-	<b>29,179</b>	49,473
Repairs and maintenance	<i>Direct</i>	-	-	-	-	-	-	-	-	-	<b>-</b>	3,217
Vehicle costs	<i>Direct</i>	-	-	-	-	-	-	-	16,227	-	<b>16,227</b>	12,999
Depreciation	<i>Direct</i>	-	-	-	-	-	-	-	986	-	<b>986</b>	2,433
Audit and accountancy	<i>Direct</i>	-	-	-	-	-	-	-	-	5,548	<b>5,548</b>	5,688
Investment brokers' fees	<i>Direct</i>	5,110	-	-	-	-	-	-	-	-	<b>5,110</b>	9,006
Deaf Direct consultancy fees	<i>Direct</i>	-	28,067	-	-	-	-	-	-	-	<b>28,067</b>	7,620
Other professional fees	<i>Direct</i>	-	-	-	-	-	-	-	-	7,882	<b>7,882</b>	11,924
Mentoring and trustee training	<i>Direct</i>	-	-	-	-	-	-	-	-	2,316	<b>2,316</b>	-
Bad debts	<i>Direct</i>	-	1,718	-	-	-	-	-	-	-	<b>1,718</b>	2,985
Direct project costs	<i>Direct</i>	-	827	-	536	34,218	-	1,734	-	-	<b>37,315</b>	37,679
Fundraising and publicity	<i>Direct</i>	6,712	-	-	-	7,444	-	-	-	-	<b>14,156</b>	3,138
General expenses	<i>Direct</i>	-	3,817	2,616	-	-	4,867	-	-	-	<b>11,300</b>	9,155
<b>Support costs allocated to activities</b>												
Administration	} <i>Head count</i>	439	83,132	19,193	18,864	18,754	-	-	-	6,032	<b>146,414</b>	188,845
Core services		572	108,472	25,043	24,613	24,471	-	-	-	7,871	<b>191,042</b>	209,440
<b>Total resources expended</b>		<b>13,771</b>	<b>440,903</b>	<b>134,275</b>	<b>102,761</b>	<b>137,176</b>	<b>4,867</b>	<b>1,734</b>	<b>17,213</b>	<b>50,279</b>	<b>902,979</b>	<b>870,478</b>

**6. Net (outgoing)/incoming resources before other recognised gains**

This is stated after charging:	<b>2008</b>	2007
	<b>£</b>	£
Depreciation	<b>29,126</b>	28,025
Auditors' remuneration - statutory audit	<b>4,500</b>	4,000
- non-audit services	<b>285</b>	1,688
Operating lease rentals - other equipment	<b>2,345</b>	-
	<u><b>29,256</b></u>	<u>33,713</u>

**7. Staff costs and numbers**

Staff costs are as follows:	<b>2008</b>	2007
	<b>£</b>	£
Salaries and wages	<b>395,955</b>	359,047
Social security costs	<b>35,547</b>	32,943
Pension contributions	<b>27,777</b>	22,536
Total	<u><b>459,279</b></u>	<u>414,526</u>

No employee received emoluments of more than £60,000 in the year.

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

Staff costs are as follows:	<b>2008</b>	2007
	<b>Number</b>	Number
Charitable activities	<b>14</b>	13
Executive staff	<b>4</b>	3
Core services staff	<b>3</b>	3
	<u><b>21</b></u>	<u>19</u>

Unpaid pension contributions at the end of the financial year amounted to £5,375 (2007: £4,851) which have been included in other creditors.

**8. Pensions – defined contribution scheme**

The charity participates in a defined contribution pension scheme administered externally; the Pension Trust's Growth Plan. The assets of the scheme are held separately from those of the charity. Membership of the scheme is available to employees satisfying qualifying conditions. Payments made to the fund are charged annually in the financial statements. The pension cost charge amounted to £8,579 (2007: £4,400).

The Growth Plan is a multi-employer pension plan which is in most respects a money purchase arrangement but it has some guarantees. Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Plan was performed at 30 September 2005 by a professionally qualified actuary. The market value of the Plan's assets at the valuation date was £675.2 million and the technical provisions of the scheme were £704.5 million, a funding level of 95.8%. The main assumptions underlying the valuation were that returns on investment would be 7.2%, the rate of price inflation would be 2.5%, and that increases in pensions would be 2.5% of total pensions.

Following a change in legislation in September 2007 there is a potential debt on an employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the charity ceasing to participate in the Plan or the Plan winding up and, in that event, such debt could amount to £13,707.

**9. Pensions – defined benefits scheme**

The charity operates a defined benefits final earnings pension scheme, which was closed to new members with effect from 1998.

The charity's contributions were set after advice from an independent actuary. The pension costs for the year were £19,198 (2007 - £18,136).

The latest actuarial valuation of the scheme was prepared at 31 March 2008. The method used for this valuation was the projected unit method and the main assumptions were that on average pensionable earnings would increase at the rate of 5.1% per annum, returns on investment would be 7.2% and that increases in pensions would be 3.6% of total pensions.

The assets of the scheme are held separately from those of the charity and are administered by independent trustees. At 31 March 2008 the actuarial value of the assets of the pension scheme was £875,000, and the present value of scheme liabilities was £885,000.

The additional disclosures required under the Financial Reporting Standard for Smaller Entities (effective January 2007) are:

	2008	2007
	£	£
Estimated employer assets	<b>875,000</b>	1,029,000
Present value of scheme liabilities	<b>(885,000)</b>	(1,152,000)
	<u><b>(10,000)</b></u>	<u>(123,000)</u>

Movement in deficit during the year

	2008	2007
	£	£
Deficit at beginning of the year	<b>(123,000)</b>	(229,000)
Current service cost	<b>(4,000)</b>	(5,000)
Employer contributions	<b>19,000</b>	18,000
Net return on assets	<b>10,000</b>	7,000
Actuarial gain in pension plan	<b>88,000</b>	86,000
	<u><b>(10,000)</b></u>	<u>(123,000)</u>

The trustees have agreed to make additional contributions to the scheme in the next accounting period. These contributions will be £10,000 in 2008-09. The trustees will then review the funding requirements of the scheme based on the actuarial advice they receive.

**10. Trustee remuneration**

No member of the Board of Trustees received any remuneration during the year. Travel and subsistence costs amounting to £127 (2007: £Nil) were reimbursed to 4 members of the Board of Trustees.

**11. Taxation**

As a charity, Leicester & County Mission for Deaf People is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

**12. Tangible fixed assets**

	Freehold land & buildings £	Fixtures & fittings £	Motor vehicles £	<b>Total</b> £
<b>Cost or valuation</b>				
At 31 March 2007	582,215	262,136	25,459	<b>869,810</b>
Additions	-	6,032	-	<b>6,032</b>
At 31 March 2008	<u>582,215</u>	<u>268,168</u>	<u>25,459</u>	<u><b>875,842</b></u>
<b>Depreciation</b>				
At 31 March 2007	194,586	186,947	21,517	<b>403,050</b>
Charge for the year	11,711	16,429	986	<b>29,126</b>
At 31 March 2008	<u>206,297</u>	<u>203,376</u>	<u>22,503</u>	<u><b>432,176</b></u>
<b>Net book value</b>				
At 31 March 2008	<u><b>375,918</b></u>	<u><b>64,792</b></u>	<u><b>2,956</b></u>	<u><b>443,666</b></u>
At 31 March 2007	<u>387,629</u>	<u>75,189</u>	<u>3,942</u>	<u>466,760</u>

In the absence of a recent valuation the trustees are unable to ascertain the market value of freehold land and buildings.

**13. Investments**

	<b>2008</b> £	2007 £
UK listed investments at market value	<b>161,641</b>	509,111
Charities Official Investment Fund	<b>425,087</b>	444,092
	<u><b>586,728</b></u>	<u>953,203</u>
Bank balances held as investments	<b>35,337</b>	15,485
	<u><b>622,065</b></u>	<u>968,688</u>
<b>UK listed investment</b>	<b>2008</b> £	2007 £
<b>Market value</b>		
At 31 March 2007	<b>953,203</b>	1,246,243
Additions	<b>18,901</b>	293,566
Disposals	<b>(317,770)</b>	(621,421)
Unrealised (losses)/gains on revaluation	<b>(67,606)</b>	34,815
At 31 March 2008	<u><b>586,728</b></u>	<u>953,203</u>
Historical cost at 31 March 2008	<u><b>605,650</b></u>	<u>844,436</u>

**14. Debtors**

	2008	2007
	£	£
Other debtors	118,049	126,538
Loan to Deaf Direct	37,000	-
Prepayments	11,519	8,968
	<u>166,568</u>	<u>135,506</u>

The loan to Deaf Direct is repayable more than one year after the balance sheet date.

**15. Creditors: amounts falling due within one year**

	2008	2007
	£	£
Other creditors	51,226	109,681
Accruals	4,670	3,900
Deferred income	10,485	36,845
	<u>66,381</u>	<u>150,426</u>

**16. Movement in restricted funds**

	Balance at 31 March 2007	Incoming resources	Outgoing resources/ transfers	Balance at 31 March 2008
	£	£	£	£
Learning Partnership project 1	2,030	-	-	2,030
Learning Partnership project 2	11,869	-	-	11,869
BSL awareness project	3,072	-	-	3,072
Spotlight on Deafness	-	34,500	(31,586)	2,914
	<u>16,971</u>	<u>34,500</u>	<u>(31,586)</u>	<u>19,885</u>

**Purpose of Restricted Funds****Learning Partnership project 1**

This grant was awarded to set up and run an English course for deaf people for whom BSL is their first language.

**Learning Partnership project 2**

This grant was awarded using NLDC (Neighbourhood Learning in Deprived Communities) funds for two projects. The first is to develop 'bolt on' modules for a teacher training course for deaf tutors for whom BSL is their first language. The second project is for core capacity training in Level 3 BSL.

**BSL awareness project**

This is a project funded by the Department of Works & Pensions. This is part of a nationwide project to promote the awareness and understanding of BSL following the announcement by Government of their official recognition of BSL in March 2003. The Leicester Centre is part of a nationwide consortium of ten organisations spread around the country.

**Spotlight on Deafness**

This is a project funded by Leicestershire County Council. This project was set up to help identify areas of difficulty for deaf people in accessing services and in doing so help to improve the support services provided.

**17. Movement in unrestricted funds**

	Balance at 31 March 2007 £	Transfers between funds £	Incoming resources £	Outgoing resources £	Balance at 31 March 2008 £
<b>Designated funds</b>					
Fixed asset fund	466,760	(23,094)			443,666
Fixed asset investments fund	968,688	(275,110)	(71,513)		622,065
Project funds	18,124	-	-	(1,363)	16,761
	<u>1,453,572</u>	<u>(298,204)</u>	<u>(71,513)</u>	<u>(1,363)</u>	<u>1,082,492</u>
<b>General</b>	125,294	298,204	539,966	(870,030)	93,434
<b>Total unrestricted funds</b>	<u>1,578,866</u>	<u>-</u>	<u>468,453</u>	<u>(871,393)</u>	<u>1,175,926</u>

**Project funds**

	Balance at 31 March 2007 £	Incoming resources £	Outgoing resources £	Balance at 31 March 2008 £
NVQ sign language training	3,000	-	-	3,000
Communications equipment upgrade	1,124	-	(827)	297
Wooden Spoon Project	14,000	-	(536)	13,464
	<u>18,124</u>	<u>-</u>	<u>(1,363)</u>	<u>16,761</u>

**Purpose of unrestricted funds****General funds**

General funds represent the balance of unrestricted funds that may be used for revenue or capital expenditure without having recourse to externally imposed restrictions.

**Designated funds**

These funds represent general funds earmarked for future project work. Although the designated funds have not been expended in the year the charity anticipates undertaking these projects in the next financial year and accordingly the designations remain.

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

	2008 General fund £	2008 Designated funds £	2008 Restricted funds £	2008 Total funds £
Tangible fixed assets	-	443,666	-	443,666
Investments	-	622,065	-	622,065
Current assets	159,815	16,761	19,885	196,461
Current liabilities	(66,381)	-	-	(66,381)
	<u>93,434</u>	<u>1,082,492</u>	<u>19,885</u>	<u>1,195,811</u>

**19. Related party transactions**

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2007: Nil).

**20. Controlling party**

The charity is controlled by the Board of Trustees.

**21. Operating lease commitments**

At 31 March 2008 the charity had annual commitments under non-cancellable operating leases on other equipment as set out below:

	2008	Other equipment 2007
	£	£
Operating leases which expire:		
Within one year	<u>2,572</u>	<u>-</u>

**22. Legacies**

At 31 March 2008 the charity has been notified of entitlement to a legacy in the form of a share of a freehold residential property. The amount of that legacy is estimated to be £66,000 but the actual legacy is dependent upon the realisation of that asset by disposal and accordingly the amount is uncertain at the balance sheet date and is not included as income for the year ended 31 March 2008.