

Trustees' financial statement

The financial year continued to provide both the BDA and charities in general challenges in raising income. In the financial year 2017-2018 total income fell by 5% from 2017.

As stated in the previous annual report, legacies remain an unpredictable income source which should not be relied upon, though there was an increase of 6% from 2017 in legacies receivable. This led to an increase in total legacies, donations and gifts of 6% from the previous year.

Given the decrease in income, there was also a larger decrease in the total expenditure of 12% from 2017.

The deficit for the year 2017-2018 of £87,906 is an improved position from last year (2017 deficit £218,297), and within it is an unrestricted surplus of £36,723, and therefore the total deficit represents a drawdown on restricted funds of £124,629.

INCOME

Total income fell from **£1,668,932** to **£1,578,948**, with the largest decrease

incoming resource from charitable activities (9%), which represent **61%** of total income.

- 36.3% Donations and legacies
- 17% Deaf access and inclusion grants
- 16.7% Deaf children, youth and families grants
- 9.9% Other grants
- 9.6% Deaf community advocacy grants
- 7.9% Sign language grants
- 2.3% Other trading activities
- 0.2% Members and conferences
- 0.0% Area Deaf associations

EXPENDITURE

During 2017-18, **56p of every £1 of total expenditure that was spent on direct costs towards empowering Deaf people.**

A further 38p was spent on support costs for these projects such as staff salaries and governance. The remaining 6p in every £1 was spent to support our central costs such as fundraising, organisational governance and international work.

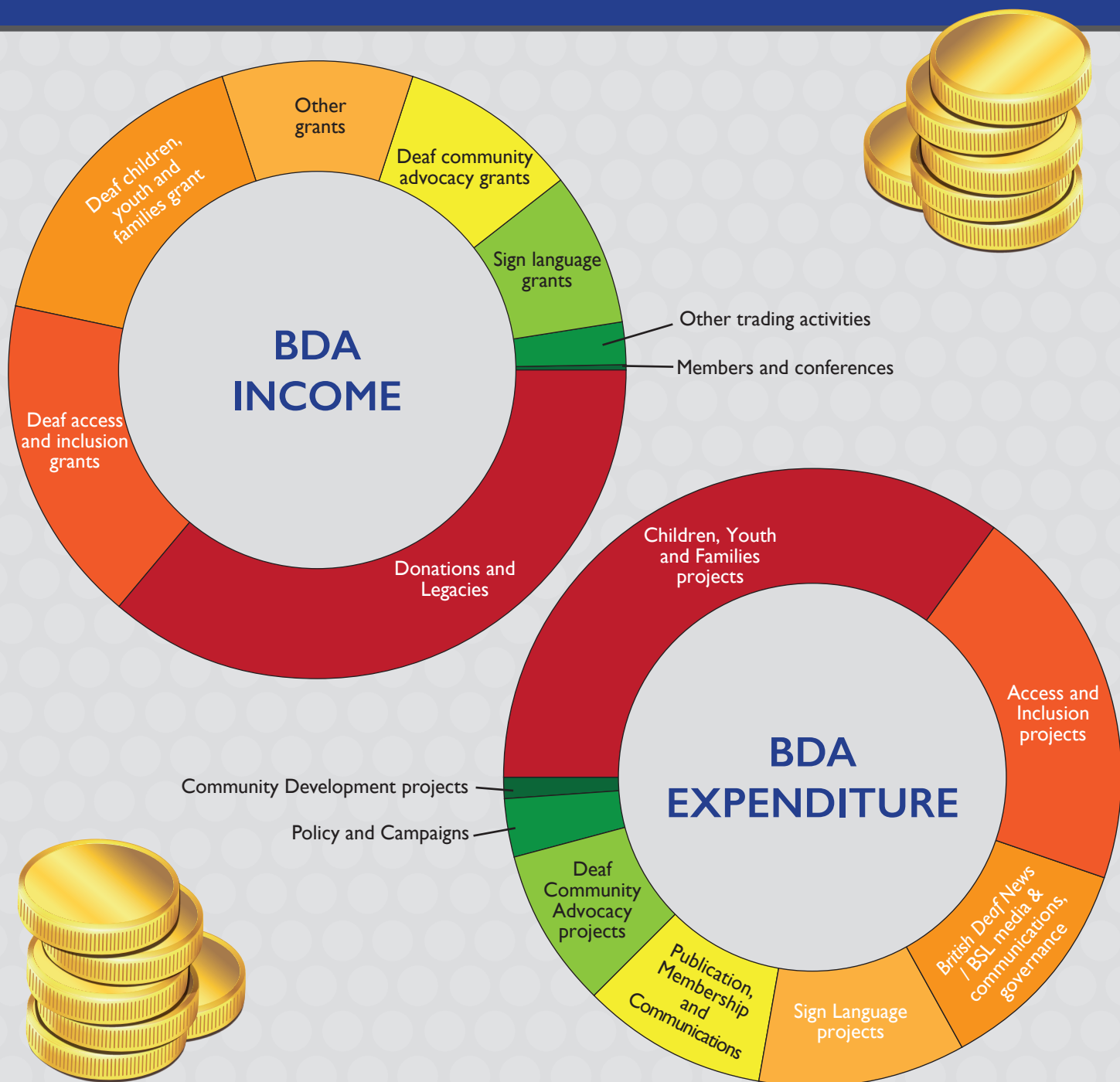
Once again, expenditure decreased during the year by **£220,344** to **£1,666,854** (2016-17: £1,887,229).

The breakdown of the expenditure on charitable activities:

- 35.2% spent on **Children, Youth and Families projects**
- 20.1% spent on **Access and Inclusion projects**
- 11.8% spent on **British Deaf News/BSL media & communications, governance**
- 10.7% spent on **Sign Language projects**
- 9.7% spent on **Publication, Membership and Communications**
- 8.6% spent on **Deaf Community Advocacy projects**
- 2.8% spent on **Policy and Campaigns**
- 1.1% spent on **Community Development projects**

FUNDS

Total net assets between funds were **£190,334** of which **£130,911** related to general funds. In addition, **£106,328** has been set aside for business development by way of designated funds. As the **BDA** have a legal obligation to service additional pension contributions of **£132,000** a year to the Pension Trust for twelve years ending in 2025, in order to reduce the charities



multi-employer pension scheme debt, **£351,877** has been set aside to meet 2.75 years of the future liability. The Board has maintained its policy to achieve the total cost of the repayment with the aim of locking in these funds, providing reassurance that external funding will not be used to service pension contributions.

In the 2017-2018 accounts the Pension Trust liability has been included as part of reporting requirements. This shows that the **BDA** have a pension fund deficit of **£700,811**. As the **BDA** is part of the Pension Trust planned repayment scheme until 2025, this balance sheet risk has been reduced as the **BDA** has a designated Pension fund to cover the next three years repayments. As long as the **BDA** maintain repayments to 2025 then the Pension liability will not be triggered enabling full liability costs to be recovered by the Pension Trust

There are a number of restricted funds that have supported specific **BDA** activities over the past year supporting Deaf Roots and Pride, BDAYouth Camps for young people and Sign Language Week activities.

PLANS FOR USING THE BDA RESERVES IN THE NEXT 3 YEARS

In summary, the audited accounts for 2017-18 once again show a smaller deficit than the previous year though this is recognised as still being significant. There has been a reduction in net assets, but much of this can be attributed to the fluctuation in restricted funds.

Incoming resources have been designated for Deaf Children and Youth, Area Deaf Associations, and existing project grants will continue to underpin key areas of work such as Deaf Roots and Pride, Deaf Advocacy, Access and Inclusion, Heritage, and the increased use and visibility of sign language and video through social media platforms.

The newly elected Board have agreed to maintain the **BDA** strategic plans for 2018 and during the year will be developing a strategic plan for the years 2019-2021.

Therefore, the reserves at 31 March 2017 are:

- **Current Project Grants: £210,835**
(from £237,828 in 2017)
- **Legacies/ADAs Funds: £443,071**

(from £540,707 in 2017)

- **Total Restricted Funds: £653,906**
(from £778,535 in 2017)
- **Designated Funds: £106,328**
(from £64,328 in 2017)
- **Pension Fund: £700,811**
(from £700,811 in 2017)
- **General Funds: £130,911**
(from £70,188 in 2017)

As a result of the above, the Board recognises there is still a very tight free cash reserve similar to the previous year, however **BDA** are managing to secure grant funding to deliver much needed services to Deaf people in need.

The **BDA** will continue to monitor its reserves carefully. In 2017-18 we prioritised new core and project funding for much needed Deaf community projects and to provide additional support through visual language communication mediums in the first language, BSL. There has not been increase in grant funding this year, and it is recognised that further work is clearly needed in this area and in eliminating the deficit.

Michael Kyriakides, Treasurer