

Summarised Financial Report (2020/21) to the Members

In another challenging year for the UK economy, we can report that **income for 2020-21 decreased by 13.9%**. The BDA **decreased its charitable expenditure by 33.7%**, this is mainly due to the use of designated and restricted funds. The overall result was that the **surplus for the year was £307,642** (2019-20: surplus: £4,818).

Income

Total income decreased to **£1,325,038** (2019-20: £1,539,772). Of this income £383,885 was from legacies, which represents 30% of the total income. Legacies remain an unpredictable income source, which should not be relied upon.

Expenditure

Total Resources Expended: Expenditure decreased during the year by £517,558 to **£1,017,396** (2019-20: £1,534,954) and the breakdown of this is:

- **31%** spent on **Deaf Children, Youth and Families projects** (2019-20: 36%)
- **20%** spent on **Access and Inclusion projects** (2019-20: 19%)
- **16%** spent on **Deaf Community Advocacy projects** (2019-20: 9%)
- **13%** spent on **Publications, Membership and Communications** (2019-20: 12%)
- **8%** spent on **Sign Language projects** (2019-20: 9%)
- **5%** spent on **BDN / BSL Media and Communications** (2019-20: 10%)
- **3%** spent on **Policy and Campaigns** (2019-20: 4%)
- **3%** spent on **Governance, Access to Work and Others** (2019-20: 5%)
- **1%** spent on **Deaf Community Development projects** (2019-20: 4%)

During 2020-21, **63p of every £1 of total expenditure was spent on direct costs towards empowering Deaf people** (2019-20: 61p). A further 30p is spent on support costs for these Deaf projects. The remaining 7p in every £1 was spent to support our fundraising, governance and international work.

Funds

Total funds were £969,015 (2019/2020: £661,373) of which £319,897 related to general funds (2019/2020: (£28,240)). In addition, £46,328 has been set aside for business development by way of designated funds (2019/2020: £66,328). Our pension liability debt is currently nearly £400,000 and we have £555,514 cash allocated in the Pension Reserve Fund for this. Based on the September 2020 actuarial valuation a new payment plan was agreed commencing in April 2022. The new plan requires the charity to make deficit reduction payments of £47,810 and pay scheme administration expenses of £53,441 for the year to 2025, with expenses increasing at 3% per annum. The Board has maintained its policy to cover the total cost of the repayment from unrestricted funds by setting aside funds for this purpose thereby providing reassurance to funders that project grants will not be used to service pension contributions.

In the 2020-21 accounts the Pension Trust liability has been included as part of reporting requirements. As noted above the BDA has a pension fund of £160,302, compared to a deficit of £151,689 (2019-20). This includes funds designated to cover the balance of future payments to the recovery plan including expenses. As the BDA is a member of the Pension Trust with a planned repayment scheme until 2025, this Balance Sheet risk has been reduced as the BDA has a designated Pension Fund to cover the next circa 3 years of repayments. A new recovery plan will commence from April 2022.

There are a number of restricted funds that have supported specific BDA activities over the past year such as the BSL Charter and Sign Language Week activities. Total restricted funds have decreased by £20,495 to £602,790 (2019-20 total: £623,285).

Plans for using BDA reserves in the next three years

In summary, the financial statements for 2020-21 show a surplus of £307,642 (2019-20: £4,818).

Our unrestricted reserves have increased from £38,088 in 2019-20 to £366,225 in 2020-21. The trustees have designated an element of their unrestricted funds in order to settle future pension obligations.

Income and existing project grants have been designated for, and will continue to underpin, key areas of work such as Deaf Roots and Pride, Deaf Advocacy, Access and Inclusion, and the increased use and visibility of sign language presentations and videos through our social media platforms.

Therefore, the reserves at 31st March 2021 are:

Current Project Grants:	£119,893	from £102,905 in 2020
Legacies/ADAs Funds	£482,897	from £520,380 in 2020
Total Restricted Funds	£602,790	from £623,285 in 2020

Pension Reserve:	£160,302	from (£151,689) in 2020
Development Funds:	£46,328	from £66,328 in 2020
General Funds:	£159,595	from £123,449 in 2020
Total Unrestricted Funds	£366,225	from (£203,685) in 2020

Total Funds	£969,015	from £661,373 in 2020
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As a result of the above, the Board recognises there is still a **very tight free cash reserve representing around 1.91 months of the annual expenditure budget for 2021-22**. However, we are managing to secure grant funding to deliver much needed services to Deaf people.

The BDA will continue to monitor its reserves carefully. In 2021, we prioritised securing project funding for much-needed Deaf community projects – particularly given the need to provide additional support through visual language communication mediums in our first language, BSL. With the impact of Covid-19 and the increasing funding pressures BDA will continue to monitor and reduce expenditure costs during the 2021-22 year.

The current reserves policy as agreed by the Trustees is a minimum of 50% of annual expenditure or 6 months running costs in the current financial year to preserve the BDA's cash flow and to meet any unexpected contingencies. For the year, a 50% target would require a reserve of £650,000 in unrestricted general funds. The present level of free reserves of £362,928 (2019/2020: £34,625) available to the charity falls short of this target level. Of the free reserves £160k is considered as funds set aside for future pension expense obligations for an additional 3 years. The Board of Trustees is well aware this it is unlikely that the target range will be reached for at least three years due to the Covid-19 Pandemic, Brexit and other crises creating serious financial implications.

In conclusion, the BDA will be monitoring its reserves more carefully. **We have also made it a priority to seek new core and project funding from new funders wishing to support much needed Deaf Community projects and provide additional support through visual language communication mediums in the first language, BSL.**

BDA Summarised Accounts	2020/21	2019/20
Income		
Donations and Gifts	£61,400	£44,597
Legacies	£383,885	£649,401
Sign Language	£67,426	£22,454
Deaf Children, Youth & Families	£131,770	£348,385
Deaf Community Advocacy	£273,283	£171,427
Deaf Access and Inclusion	£144,954	£149,817
Members, Conferences & Congress	-	-
Area Deaf Associations	-	-
Advertising	£13,946	£29,816
Investment Income	£422	£3,010
Other Income	£247,952	£120,865
Total	£1,325,038	£1,539,772
Expenditure		
Sign Language	£67,654	£70,903
Deaf Children, Youth & Families	£273,352	£479,935
Deaf Community Advocacy	£142,129	£125,971
Deaf Community Development	£23,134	£46,652
Deaf Access and Inclusion	£180,434	£257,636
Policy & Campaigns	£24,486	£49,827
BSL Media and Others	£47,743	£144,281
Publication and Communications	£120,901	£165,710
Area Deaf Associations	-	-
Fundraising	£45,095	£105,192
Other – Pension Costs	£73,994	£42,990
Governance and Others	£18,474	£45,857
Total	£1,017,396	£1,534,954
Operating Surplus / (Deficit)	£307,642	£4,818

BDA Summarised Balance Sheet	2020/21	2019/20
Net Assets		
Tangible Fixed Assets	£3,297	£3,463
Current Assets	£1,458,002	£1,215,790
Liabilities – within one year	(£196,783)	(£185,602)
Liabilities – after one year	(£295,501)	(£372,278)
	£968,015	£661,373
Represented by		
Restricted Funds	£602,790	£623,285
Designated Funds - Development Fund	£46,328	£66,328
General Reserves	£159,595	£123,449
Pension Reserve	£160,302	(£151,689)
	£968,015	£661,373

Summarised Accounts

This information is extracted from the BDA Report and Financial Statements for 2020/21, which were approved by the Trustees and signed on their behalf on 27th April 2022. This information does not comprise the full statutory accounts.

The full statutory financial statements, on which the auditors Price Bailey LLP gave an unqualified audit report on 27th April 2022, will be submitted to the Registrar of Companies and the Charity Commission.

Hard copies of full report and accounts can be:

- downloaded from BDA website: www.bda.org.uk
- requested by email: finance@bda.org.uk