

Company number: 2610559
Charity Number: 1011056

SignHealth

Report and financial statements
For the year ended 31 March 2017

SignHealth

Contents

For the year ended 31 March 2017

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	18
Consolidated statement of financial activities	22
Balance sheets	23
Consolidated statement of cash flows	24
Notes to the financial statements	25

SignHealth

Reference and administrative information

For the year ended 31 March 2017

Company number 2610559

Charity number 1011056

Registered office and operational address Falcon Mews
46 Oakmead Road
Balham
London
SW12 9SJ

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

S Bean	Resigned January 2017
R. Clark	Resigned February 2017
R. Dunford	Resigned September 2016
J. Gallard	Appointed 8 May 2017
P. Gerrard	
F. Iqbal	
K. Judd	
A. Ryan	
M. Wyatt	

Key management personnel	J. Watson–O'Neill	Chief Executive (appointed 10 October 2016)
	G. Cottrell	Finance Director (left November 2016)
	R. Eley	Interim Finance Director
	J. Maidens	Managing Director (InterpreterNow Ltd)
	S. Norbury	Fundraising Director
	S. Peter	Head of HR
	C. Player	Operations Director
	L. Prentice	Governance & Performance Manager
P. Stemman	Head of Policy & Communications	

Bankers Metro Bank
10 Cheapside
London
EC2V 7JB

SignHealth

Reference and administrative information

For the year ended 31 March 2017

Solicitors

Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 31 March 2017.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

Objectives of the charity

The SignHealth vision is a world where there are no barriers to good health or wellbeing for Deaf people.

The SignHealth mission states that we will work to improve healthcare and achieve equal access for Deaf people.

We will work with the Deaf community, health services and other charities to achieve our goals.

Our stated aims and values are:

- We value the individual and feel strongly about what we do
- We will talk and listen to Deaf people about their thoughts and opinions
- We support Deaf people to live independently and to access information to make their own choices
- We support our staff to fulfil their role with appropriate training and development
- We aim to employ a high percentage of Deaf staff
- We are respected and trustworthy
- We provide a high quality and professional service
- We recognise and respect that Deaf culture is important
- We will respond to local, regional and national agendas and take opportunities to develop our work
- We will work with our partner organisations
- We work to safeguard and promote the welfare of vulnerable adults and children

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Message from Interim Chair, Anne Ryan

SignHealth reached a milestone this year – our 30th birthday! To mark the occasion, we held a series of events and activities throughout the year culminating in a video showcasing 30 magic moments in the life of SignHealth. We held an event with supporters of the charity, thanks to the free use of private grounds in Beaconsfield and a successful conference with all staff to celebrate our birthday.

2016/17 was a year of change for SignHealth. Our Chair, Richard Dunford, stepped down after four years in the role, and 18 years as a SignHealth Trustee. We would like to thank him for his commitment over the years to the charity. Having been a Trustee for over 20 years, I am currently interim Chair whilst we search for a permanent successor.

Whilst we were sad to say goodbye to some trustees who stood down during the year, particularly Rod Clark who has been a trustee for 30 years, including 20 as Chair, we were also pleased to welcome two new faces to SignHealth. Joe Gallard joined as a new Trustee and Treasurer in May 2017 and we were very pleased to welcome James Watson-O'Neill as our Chief Executive in October 2016, bringing a wealth of experience from his previous roles at Scope and NSPCC.

Throughout the year, difficult decisions were made to safeguard the future of the charity and action taken in order to restructure the organisation and move forward positively. During this time we have made positive changes to the management structure and assurance framework of the organisation. The decision to sell our two properties is bringing funds into the charity, restoring our cash reserves and enabling us to make investments into our future.

After many happy years in our head office in Beaconsfield, Buckinghamshire, we have relocated to Balham, South London, consolidating our office space and operating out of one location. Being based near our projects and important Deaf services in London is a positive step forward for SignHealth and has enabled us to recruit more Deaf staff to work with us already

We are excited for the next year of activities. During 2017/18, alongside our head office relocation and continuing to provide services for Deaf people, we will deliver a new strategy for SignHealth, undertake a governance review and move our award-winning psychological therapies service online.

Anne M Ryan
Interim Chair

Achievements and performance

About us

SignHealth's roots lie in offering mental health services to Deaf people. That is still a big part of what we do, but today we are actively engaged in a wide range of projects and services, which are all designed to improve the health and wellbeing of Deaf people.

Sadly, in 2017, Deaf people generally have poorer health than hearing people, simply because access to medical services and health information isn't routinely provided in sign language.

We think it's time for change.

The past year

This was a busy year for policy and communications. Work included a major campaign for psychological therapy to be available in BSL. SignHealth highlighted the different experiences of Deaf people across the country: some are refused a BSL interpreter, some have to try therapy with an interpreter first, and a few are able to see a therapist who can sign.

An online petition was very popular and demonstrated the strength of feeling. While we have not yet achieved all that we want, this will be built on in the coming year.

There was also a lot of work on NHS England's Accessible Information Standard. The Standard clearly explains to NHS providers what they need to do to make their services accessible for Deaf people (and other people who have a communication need). Following the Standard, providers should be asking their patients about their communication needs, recording that information and then acting on it. This might mean, for instance, booking a BSL/English interpreter for an appointment.

SignHealth raised awareness of the Standard within the Deaf community and the health service and we have supported Deaf people who have not had the access they are entitled to under the Standard. This has seen some important individual successes. However, it is clear that the Standard still needs embedding as many NHS providers are not proactively embracing it.

There have been less positive changes elsewhere. The introduction of Personal Independence Payments (to replace the Disability Living Allowance) is causing problems for many Deaf people. There have also been concerns raised about the way Access to Work is being administered, with many Deaf people finding it harder to get the right level of support. We know that both of these changes can increase anxiety and SignHealth is monitoring the effect.

The Communications team established a strong presence on social media and filmed more health information in BSL. This involved working with our partners in the voluntary sector, such as the Terrence Higgins Trust.

SignHealth featured twice on BBC SeeHear and ensured important NHS consultations understood the views of Deaf people.

Over the past few years SignHealth took the strategic decision to invest in new areas of work to reach more Deaf people needing support, both in the UK and in Uganda. This has brought immense benefit to many Deaf people and we have done some ground breaking pieces of work. Despite best intentions, financial returns have not been realised on these investments and the charity continued to make a financial loss at a level it can no longer maintain.

Unfortunately, towards the end of the 2016/17 financial year we made a difficult decision to cease our work in Uganda, given the financial losses we were incurring. We made our last financial contribution to SignHealth Uganda towards the end of the financial year.

We are heartened by the fact that whilst this has undoubtedly been a difficult period of transition for SignHealth Uganda it is now in a position to operate without our financial support, and so we're pleased to report that their fantastic work with extremely vulnerable Deaf people will continue, independently of SignHealth.

Our projects & programmes

Many services this year have met or exceeded their targets. As of 31 March 2017, our homes were 97% occupied. Throughout the year there have been high numbers of referrals to psychological therapies, IAPT, outreach, DeafHope and Young DeafHope. These services continue to go from strength to strength thanks to the dedicated staff involved.

SignHealth residential services provided registered care for 35 Deaf people with enduring mental health concerns and complex needs in six locations around the country during the year. Staff receive ongoing training and support and continuous risk assessments are undertaken of the accommodation and tenants.

During the year two of our services, Bowfell Road and Claridge Road, received a Good rating from the Care Quality Commission whilst our services at Constance Way and London Outreach received Requires Improvement ratings. Both of these services have completed an action plan of improvements and are awaiting re-inspection.

Tenants in SignHealth care homes are supported by highly trained staff who are Deaf themselves or fluent BSL users. Our staff liaise closely with community mental health professionals. All of the tenants are encouraged to achieve their individual potential and the support we offer is tailored to the requirements of each and every person.

We offer additional support to Deaf people through our Outreach schemes in London, Manchester and Birmingham. These services help and support Deaf people in the community with their day to day activities. Outreach workers help vulnerable Deaf people to lead independent lives, by giving support in difficult tasks at home and elsewhere. We develop a personalised plan for each client, after carefully looking at their needs. Our staff are all fluent sign language users, and most are Deaf.

Trustees' annual report

For the year ended 31 March 2017

The Outreach teams also work with the residential services when a tenant is ready to move into community accommodation so that each tenant is well supported throughout their move. SignHealth continues to provide the Leeds Housing Support Service, a 'floating support' scheme for Deaf, Deafblind and blind people that provides assistance to ensure smooth tenancies. Outreach services supported 42 Deaf people across the year to lead independent lives by giving support in difficult tasks at home and elsewhere.

Our Advocacy service works with Deaf people in health and social care settings to make sure they are treated fairly and receive what they are entitled to. It's all done using BSL. Advocates work to help people understand complicated situations, explain their rights and make sure their views and opinions are properly heard. 69 clients have been seen and 1,139 advocacy sessions delivered across the year. This service is delivered by trained advocates who offer a specialist service in BSL.

BSL Healthy Minds is a service for Deaf people who are feeling stressed, low in mood, depressed, nervous or worried. Deaf people are referred to a BSL-fluent therapist, often Deaf themselves, who will listen and provide advice and support. Sessions take place face-to-face and everything is confidential. Deaf clients can have a one-on-one conversation in their own language and culture, without the need for an interpreter, and this therapy is highly effective, producing effective results.

The BSL Healthy Minds team received 484 referrals across the year, ensuring that Deaf people received therapy through BSL in a one-to-one setting. In 2016, evaluation showed that BSL Healthy Minds had achieved outstanding results:

- 53% of Deaf patients achieved recovery, compared to a national mainstream average of only 46%
- 79% of Deaf clients were fully satisfied with the service
- 33% of referrals received through BSL Healthy Minds were initially sent to a hearing mainstream service but unfortunately through their lack of understanding of Deaf culture and appropriate communication they have not met the needs of the Deaf individual and they were then referred on to the specialist service, BSL Healthy Minds, for successful treatment.

DeafHope is the UK's only sign-language based service to help Deaf women and children who suffer from domestic abuse. Deaf women are more at risk of domestic abuse than hearing women. DeafHope is run by Deaf women for Deaf women. It provides practical and emotional support to Deaf women who are experiencing domestic abuse, and to those who have survived it. The team help women to make choices and to stay safe.

Young DeafHope is a unique project working with young Deaf people to raise awareness of abuse and domestic violence. Young DeafHope gives young people the knowledge, skills and confidence to develop healthy relationships, to protect themselves and to be safe.

DeafHope received 89 new referrals in the year and supported clients for over 1,847 hours. The team also ensured information on staying safe and awareness of domestic abuse was offered to

SignHealth

Trustees' annual report

For the year ended 31 March 2017

people across all of the areas we work in. Young DeafHope worked with and supported over 100 young Deaf people.

InterpreterNow

InterpreterNow is an online interpreting service that Deaf people can use to communicate with hearing people, in face-to-face meetings or over the phone. Using a smartphone, tablet or computer, Deaf people can make a video call to a fully qualified and registered BSL interpreter. This service vastly improves the equality of access for Deaf people.

Key contracts with NHS England and Public Health England were renewed for a further year and InterpreterNow is also working with these organisations to develop a new Text Relay Service.

In the autumn of 2016, Scottish Government approved plans for the service to go to full implementation for a 3-year commission. InterpreterNow will continue operating and supporting the ContactSCOTLAND-BSL service which is delivered by Sign Language Interactions. In recognition of the positive impact ContactSCOTLAND-BSL has made to Deaf people in Scotland, the service won two awards at the 2016 Scottish Council on Deafness star award event.

Over 6100 calls were handled during 2016/17. InterpreterNow is looking to continue to build on this and grow call volumes over 2017/18.

Across 2016/17 a significant review was undertaken of the way the business was operating and decisions taken to remove costs that would not result in a reduction in income nor impact upon operational capability.

Beneficiaries of our services

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees continue to consider how planned activities will contribute to the aims and objectives they have set.

The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities provide direct benefit to the Deaf people who use our support services, to Deaf people in the wider community as a whole, and to the health professionals who provide care to Deaf people and their families.

The Trustees have concluded that there is no detriment or harm arising from its aims or activities.

Thank you

Trustees' annual report

For the year ended 31 March 2017

We would like to extend our sincere appreciation to everyone who has supported SignHealth during the year. The extremely kind and generous contributions have significantly helped to improve the lives of the people we serve, for which we are incredibly grateful.

We would especially like to thank all the organisations who have supported us, including the following:

Ashington Page	Brian Souter Charitable Trust
BUPA UK Foundation	Buttle UK
Charles Irving Charitable Trust	DMF Ellis Charitable Trust
East Kent Free Masons	Enterprise Rent-A-Car Foundation
Hampshire Police Plod	Helianthus Charitable Trust
Home Office	IMI Plc
John Lewis	Joseph & Mary Hiley Charitable Trust
K E Prideaux-Brune's Charitable Settlement	Kent Police Crime Commissioner
London Councils Grant Committee	Manchester Guardian Society Charitable Trust
Margate Women's Institute	Music in Offices
Office of the PCC for Surrey	People's Postcode Trust
Public Health England	Reuben Foundation
Department of Health, IESD Fund	Sir George Martin Trust
Starbucks Coffee Company	Souter Charitable Trust
Surbiton Social Deaf Club	The Ammco Trust
The Ardwick Trust	The Austin and Hope Pilkington Trust
The Austin Bailey Foundation	The Bryan Guinness Charitable Trust
The Charles Hayward Foundation	The Constance Travis Charitable Trust
The Doris Field Charitable Trust	The Drewry Trust
The Haberdashers' Company	The Hospital Saturday Fund
The Hugh Fraser Foundation	The Leeds Community Foundation
The Lynn Foundation	The Mickleham Trust
The Pauline Quirke Academy	The Pilgrim Trust
The Rainford Trust	The Rest-Harrow Trust
The Roger Vere Foundation	The Rowlands Trust
The Shanly Foundation	The Sir John Eastwood Foundation
The SMB Trust	The Sydney Black Charitable Trust
The Sylvia & Colin Shepherd Charitable Trust	The Warwickshire Masonic Charitable Trust
Three UL	The Volant Charitable Trust
Waitrose	Wandsworth Grant Fund
White Stuff Foundation	Wycombe Leisure Centre

We would also like to take this opportunity to mention all the wonderful schools that have supported SignHealth by taking part in our annual flagship event, Sign2Sing. The event raised over £60,000 for our work with Deaf adults and children, and involved approximately 80,000 school children, firemen, police officers, baristas, vicars, brownies, office workers and choirs

across the country signing and singing to our song, 'Together'. We would like to say a collective thank you to you all.

Our heartfelt thanks also go to all the fantastic individuals who have contributed to our cause through giving or taking part in sponsored challenges, our payroll giving friends and our community groups. And, of course, to our brilliant volunteers who continue to give up their precious time to help the work of the charity – thank you! – whether you have taught school children to sign, taken part in bucket collections, helped in the office, or accompanied Deaf clients on trips, your support has been extremely valuable.

Much of the support we have received over the year has been towards our award-winning service, DeafHope, run by Deaf women for Deaf women and children affected by domestic abuse. Our service helps to improve awareness, resilience and independence and is achieving some great results: 100% of survivors declared they were more aware of their rights, had better access to services, were better able to make safe choices, and felt more confident. It relies entirely upon voluntary contributions and grants to operate and the Trustees extend their thanks and appreciation to these donors for the support they have given throughout the year.

Other donors helped towards: our holidays for Deaf people with complex mental health issues; providing accessible health information in BSL, including important HIV resources and therapeutic services; enabling peer-to-peer mental health support groups to take place, for instance. We have also been fortunate to receive support for our work in Uganda and the difference we have been able to make to the lives of Deaf adults and children as a consequence has been significant.

Thank you, we couldn't do it without you!

Financial review

During the year, income increased from £5m to £5.5m whilst expenditure increased from £5.4m to £5.9m. SignHealth's two freehold properties were offered for sale resulting in net revaluation gain of £0.8m. This therefore resulted in an operating loss of (£560k) and a surplus on the net movement of funds of £324k.

In 2016/17, SignHealth was able to increase its total income but increased its costs at the same level. The underlying work of the charity continues to generate surpluses but some of the projects have made losses, the support costs were too high and InterpreterNow continued to make a loss.

Consequently, during the year the Trustees made fundamental changes to the cost base of its operations. The following actions were taken:

- the loss making projects were terminated
- the operational model for InterpreterNow has been changed
- staffing levels in support services have been reduced
- non-pay costs have been reduced

- two freehold properties put up for sale and a decision made to transfer the head office function to an existing operational property thus reducing property costs

All of these actions reduced the prospective deficit in 2016/17 and enabled the Trustees to agree a budget for an operational surplus in 2017/18.

The Trustees took out a £1.5m loan with Charity Bank during this year, of which only £1.3m had been drawn down at the balance sheet date. This enabled the charity to successfully restructure its balance sheet. At the same time the Trustees took the decision to place both freehold properties on the market, both to release cash and to reduce costs. This resulted in a net gain on revaluation of £813k. These properties are held for sale at a value of £5.3m. The charity's property in Beaconsfield, 5 & 7 Baring Road, was sold on 23 August 2017 for a value of £2.75m. This enabled the charity to completely repay the loan from Charity Bank.

The net assets of the charity have increased from £3.9m to £4.3m. The asset sales, alongside cost reductions made, ensure the charity is now well placed for the future.

Beaconsfield Executive Office Centre

Under the SignHealth group BEOC continues to operate with a profit that is returned to the charity as a donation. In the 2016/17 year there was a donation of £86,506 to SignHealth (2015/16: nil). BEOC remains a popular suite of offices in Beaconsfield and the surrounding area. For the 2016/17 financial year all units were occupied. However, with the sale of the Head Office building, the company will only continue to trade for a short time during 2017/18.

InterpreterNow

InterpreterNow income increased from £401 to £534k during the year. However, costs increased from £573k to £731k resulting in a similar loss to the last financial year.

The Trustees therefore took action in 2016/17 to address this deficit and agreed to a change in the operating model of InterpreterNow that maintained income but reduced the cost base. As a consequence the loss for InterpreterNow was reduced for 2016/17 and enabled the company to set a breakeven budget for 2017/18.

Principal risks and uncertainties

Responsibility for the management of risk has been delegated to the Chief Executive and Senior Management Team by the Board of Trustees though they retain overall responsibility. All risks in the register are allocated to specific individuals for monitoring.

SignHealth's Risk Register will be reviewed at least annually, or following a significant change in the business or with a related process. Recommendations will be implemented and reviewed frequently.

Trustees' annual report

For the year ended 31 March 2017

The following were identified as risks to the organisation over the coming year. All risks were given a gross score and a net score with control procedures. Control procedures include such items as insurance, review of policies, staff training, quality assurance checks and incident reporting.

Below are the most critical risks to SignHealth identified over the coming year:

Risk	Control	Monitoring
<p>Safeguarding – Risk that poor practice could lead to a safeguarding incident resulting in harm to a client, reputational loss and financial loss.</p>	<p>Training for staff and trustees Full investigation of incidents Policy and procedure reviewed by Board each year</p>	<p>Quality assurance audits Incidents reported to CEO and lead safeguarding trustees Inspection reports from CQC, Host and Sponsoring LAs Feedback routinely sought from all visiting professionals</p>
<p>Cashflow – Risk of lack of sufficient working capital and difficulties in managing cashflow increases impact of cost increases and any vacant care home places should they occur.</p>	<p>Financial controls Cash and I&E forecasting Renewed credit control processes Ongoing cost reduction Vacant place management and referral pipeline process Regular forecasting process Weekly debtors review</p>	<p>Management accounts thoroughly reviewed by SMT and trustees each month</p>
<p>Financial systems – Risk of poor systems and a lack of competent staff leading to inefficiencies, fraud and non-adherence.</p>	<p>New procedures documented New structure for Finance team Segregation of duties Staff induction / training</p>	<p>Assurance Framework External Audit</p>
<p>Quality – Risk of poor practice and non-compliance with regulation leads to diminished quality of service</p>	<p>Staff training and mentoring Quality assurance checks Regular CQC updates to staff Service satisfaction survey</p>	<p>Quality issues discussed and owned at SMT, and Board where relevant Quality assurance audits Action plans in place following inspections if needed</p>

Reserves policy and going concern

The charity has a reserves policy with two main objectives:

- a target of 12 months running costs held in free reserves (2017/18 – £5.9m), with a minimum of three months running costs, to guard against fluctuations in income and cashflow requirements
- to build up sufficient funds to support the charity's capital requirements in order to deliver high quality services

At 31 March 2017, free reserves were £4m and therefore fell short of this target by £1.9m. This current policy takes a conservative view of the level of Reserves that need to be held. The Board intends to fully review this policy in the light of an improved Income and Expenditure position and an improved liquidity position. To achieve this, the Board will be reviewing the Reserves Policy during 2017/18. Despite the above policy, the Board believes that it has sufficient Free Reserves in order to be able to continue the operations of the charity for the foreseeable future.

The CEO, together with the Senior Management Team, will be developing a strategic plan focused on growing our services and the number of people we help whilst ensuring the achievement of a surplus financial position in 2017/18.

Going Concern

At the time of approving the accounts, one freehold property has been sold with a further property being marketed for sale. Sufficient cash has been realised from the first sale to repay the outstanding loan and provide significant levels of working capital.

The Trustees are confident that the sale of the properties, together with tight cost control, will allow SignHealth to continue in operation. For these reasons the Board considers it appropriate to prepare these financial statements on a going concern basis.

Plans for the future

The Trustees approved a one year business plan and budget for the 2017/18 financial year. It plans for sustainable growth alongside a step change in the charity's development offering:

- A new strategic review that builds on the mission and values through to individual staff objectives, and a set of aims for the next three to five years driven by the people SignHealth supports
- Strong operational plans to deliver our aims and objectives
- A governance review and IT review to ensure the most appropriate working structure

SignHealth is currently reviewing its strategy. This process involves trustees, staff, the wider Deaf community and other stakeholders. A great deal of work has been done to look at what the future challenges are for the health of Deaf people, and how SignHealth should be responding.

SignHealth

Trustees' annual report

For the year ended 31 March 2017

The Trustees agreed a revised purpose for the charity in their meeting in June 2017 and the full strategy will be agreed by Trustees in July 2017. This will then inform our work over the next few years, and will be used to check that what we do stays true to the strategy we have set.

SignHealth will concentrate its activities for 2017/18 around three main themes:

- Sustainability: Diversifying income streams, increasing income from fundraising and service fees, as well as maintaining and expanding trading income
- Improvement: Improving focus and increasing charitable impact
- Growth: Expanding existing programmes and identifying new business opportunities

The sale of the property in Beaconsfield at £2.75 million has, importantly, allowed SignHealth to repay its loan from Charity Bank. The remaining proceeds from the sale will be used to restore reserves whilst the Trustees consider investment.

Our other property located in London, Old Church, was the site of a residential service for SignHealth until 2012. The property is currently being marketed by Knight Frank and offers have been received in excess of £2.5 million. We are yet to exchange contracts on this property but anticipate exchange and completion before the end of 2017.

Structure, governance and management

The organisation is a private company limited by guarantee, incorporated on 14 May 1991 and registered as a charity on 13 May 1992. SignHealth has two trading companies; InterpreterNow Limited, registration number 05300335, and Beaconsfield Executive Office Centre Limited, registration number 07427251.

Charitable objects

The relief of deaf and hearing impaired persons in particular by, but without limitation, the provision of residential services and of other such services, activities and facilities as the charity shall from time to time deem fit.

Governance

SignHealth is a company limited by guarantee, with registration number 02610559, and a registered charity with registration number 1011056. The company was established under a Memorandum of Association, which created the objects and powers of the charitable company, and is governed by its Articles of Association. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

R Dunford stepped down as Chair in September 2016 and A Ryan was appointed as interim Chair whilst a permanent replacement is sought. James Watson-O'Neill was appointed Chief Executive of SignHealth on 10 October 2016.

Trustees' annual report

For the year ended 31 March 2017

None of the Directors have any beneficial interest in the Company. All Directors agree to contribute £1 in the event of a winding up. Related party transactions are detailed in note 9 of the accounts.

The charity is governed by the Board of Trustees who meet with management regularly. Day to day management is delegated to the Chief Executive and his team. During the next financial year the Trustees have planned a full Governance Review, including an audit of the Board.

The Board of Trustees meet regularly and receive reports from the Chief Executive and Senior Management Team. The Chair, as representative of the Board, maintains regular contact with the Chief Executive. The Senior Management Team are invited to Board Meetings to provide reports on their areas of work. The Trustees provide advice and support to SMT and other areas of the charity where their expertise is appropriate.

Management

SignHealth's 30th Anniversary Conference included a Recognition Scheme where employees were applauded for both long service and outstanding performance within the workplace. Awards included the "Above and Beyond Award" and the "CEO Impact Award." It's hoped the scheme will become a more regular event.

Managers and employees can now access and update the new HR and Payroll system, Cascade, following training.

The HR function has been focused on supporting managers to redraft job roles and restructure teams to be smaller and more efficient. This included Fundraising and Communications, Finance and DeafHope.

The Senior Management Team undertook the Insights Profiling Exercise and training day. This leadership and team development programme has provided the SMT with greater self-awareness, enhanced understanding of each other's motivation and a language to assist communication between members of the team.

Appointment of trustees

SignHealth began a Governance Review in 2017. A full skills audit of the Trustees was undertaken and led to the appointment of a new Trustee and Treasurer, Jonathan Gallard, in May 2017. The Trustees expect to appoint a new Chair and several new Trustees during the 2017/18 financial year, in line with best practice from organisations such as the Charity Commission, ACEVO and NCVO. The Trustee skills audit will be completed annually.

When new Trustees are appointed they have an opportunity to meet with staff across the organisation, visit projects and services and receive information and training on their trustee responsibilities. All Trustees received comprehensive training on their role, responsibilities and duties in March 2017 from Stone King LLP and this will be repeated during the 2017/18 financial year to include new Trustees.

Related parties and relationships with other organisations

InterpreterNow and BEOC, as SignHealth wholly owned subsidiaries, donate any available profits back to the organisation.

Both Trustees and key management personnel complete annual declarations of interest. Trustees declare any conflicts of interest at the beginning of each meeting and discuss how the conflict should be managed with regard to agenda items.

Details of related party transactions can be found in note 9 of the financial statements.

Remuneration policy for key management personnel

The Chief Executive's salary is determined by the Board of Trustees, and their review will take account of the past year's achievements, environmental and market conditions, and of sector comparisons.

The pay of senior staff is reviewed annually and can be increased in accordance with average earnings and the level of responsibility required. In view of the charitable nature of the company, the remuneration benchmark is determined through comparative research into charities of a similar size and scope.

Statement of responsibilities of the trustees

The trustees (who are also directors of SignHealth for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

SignHealth

Trustees' annual report

For the year ended 31 March 2017

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The charity has taken out indemnity insurance on behalf of the Trustees.

Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 8 September 2017 and signed on their behalf by

Anne M Ryan
Chair of Trustees

Independent auditor's report

To the members of

SignHealth

Opinion

We have audited the financial statements of SignHealth (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2017 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2017 and of the group's 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Independent auditor's report

To the members of

SignHealth

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

Independent auditor's report

To the members of

SignHealth

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Jonathan Orchard (Senior statutory auditor)

13 September 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations and legacies	2	97,433	60,665	158,098	149,082	70,600	219,682
Charitable activities							
Supported Living	3a	2,601,944	-	2,601,944	2,395,031	-	2,395,031
Support Services	3b	1,354,965	649,042	2,004,007	1,169,788	614,666	1,784,454
Interpreter Now	3c	534,069	-	534,069	401,583	-	401,583
Other trading activities – fundraising events		39,198	-	39,198	53,154	-	53,154
Investments	4	122,711	-	122,711	125,470	-	125,470
Total income		4,750,320	709,707	5,460,027	4,294,108	685,266	4,979,374
Expenditure on:							
Raising funds	5	432,603	-	432,603	300,799	-	300,799
Charitable activities							
Supported Living	5	2,141,805	26,500	2,168,305	2,207,183	45,364	2,252,547
Support Services	5	1,617,062	731,084	2,348,146	1,352,001	508,767	1,860,768
Campaigning and health promotion	5	269,189	-	269,189	237,461	221,158	458,619
Interpreter Now	5	730,720	-	730,720	572,983	-	572,983
Total expenditure		5,191,379	757,584	5,948,963	4,670,427	775,289	5,445,716
Net expenditure before net gains on revaluation of properties		(441,059)	(47,877)	(488,936)	(376,319)	(90,023)	(466,342)
Net gains on revaluation/sale of properties		813,336	-	813,336	368,328	-	368,328
Net income / (expenditure) for the year	6	372,277	(47,877)	324,400	(7,991)	(90,023)	(98,014)
Transfers between funds	20	(94,101)	94,101	-	-	-	-
Net movement in funds		278,176	46,224	324,400	(7,991)	(90,023)	(98,014)
Reconciliation of funds:							
Total funds brought forward		3,751,841	187,292	3,939,133	3,759,832	277,315	4,037,147
Total funds carried forward		4,030,017	233,516	4,263,533	3,751,841	187,292	3,939,133

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20a to the financial statements.

As at 31 March 2017

	Note	The group		The charity	
		2017	2016	2017	2016
		£	£	£	£
Fixed assets:					
Tangible assets	11	88,007	1,023,482	41,446	918,768
Investment properties	12	-	3,617,200	-	3,617,200
Investments	13	100	100	201	201
		88,107	4,640,782	41,647	4,536,169
Current assets:					
Properties held for sale	11	5,322,000	-	5,322,000	-
Debtors	15	540,987	497,674	656,998	413,968
Cash at bank and in hand		238,660	154,730	163,610	147,732
		6,101,647	652,404	6,142,608	561,700
Liabilities:					
Creditors: amounts falling due within one year	16	(1,798,320)	(974,053)	(1,709,046)	(887,423)
Net current assets / (liabilities)		4,303,327	(321,649)	4,433,562	(325,723)
Total assets less current liabilities		4,391,434	4,319,133	4,475,209	4,210,446
Creditors: amounts falling due after one year	18	(127,901)	(380,000)	(127,901)	(380,000)
Total net assets		4,263,533	3,939,133	4,347,308	3,830,446
Funds:					
Restricted income funds	20a	233,516	187,292	233,516	187,292
Unrestricted income funds:					
Designated funds		41,447	918,768	41,447	918,768
General funds		3,988,570	2,833,073	4,072,345	2,724,386
Total unrestricted funds		4,030,017	3,751,841	4,113,792	3,643,154
Total funds		4,263,533	3,939,133	4,347,308	3,830,446

Approved by the trustees on 8 September 2017 and signed on their behalf by

A Ryan
TrusteeJ Gallard
Trustee

SignHealth

Consolidated statement of cash flows

For the year ended 31 March 2017

	Note	2017	2016
		£	£
Cash flows from operating activities	28		
Net cash provided by / (used in) operating activities		(1,069,331)	144,561
Cash flows from investing activities:			
Dividends, interest and rents from investments		122,711	125,470
Proceeds from the sale of fixed assets		-	-
Purchase of fixed assets		(17,352)	(167,092)
Proceeds from sale of investments		-	-
Purchase of investments		-	(31,672)
Net cash provided by / (used in) investing activities		105,359	(73,294)
Cash flows from financing activities:			
Repayments of borrowing		(252,098)	-
Cash inflows from new borrowing		1,300,000	-
Net cash provided by / (used in) financing activities		1,047,902	-
Change in cash and cash equivalents in the year		83,930	71,267
Cash and cash equivalents at the beginning of the year		154,730	83,463
Cash and cash equivalents at the end of the year	29	238,660	154,730

1 Accounting policies

a) Statutory information

SignHealth is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is Falcon Mews, 46 Oakmead Road, Balham, London, SW12 9JS.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Interpreted Now Limited and Beaconsfield Executive Offices Centre on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the parent charity and its subsidiary companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The Charity obtained a short term loan from Charity Bank which has now been repaid following the sale of a property at £2.75m and resulted in a material net increase in cash levels. Budgets have been set to produce an operational surplus for 2017/18.

Key judgements that the charitable company has made which have a significant effect on the accounts include the valuation of the fixed asset properties and investment properties that are held for sale at 31st March 2017.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any requirements attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any conditions attached to the grants are expected to be met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)**f) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned to activities as a percentage of it's cost on the following estimated basis;

- | | |
|------------------------------------|-----|
| ● Supported Living | 25% |
| ● Support Services | 25% |
| ● Campaigning and Health Promotion | 25% |
| ● Interpreter Now | 0% |

Governance costs are allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- | | |
|------------------------------------|----|
| ● Supported Living | 2% |
| ● Support Services | 2% |
| ● Campaigning and Health Promotion | 2% |
| ● Interpreter Now | 2% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £2,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|------------------------------------|------------------------------|
| ● Freehold Land and Buildings | 50 years |
| ● Leasehold Land and Buildings | Over the period of the lease |
| ● Fixtures, Fittings and Equipment | 4 years |
| ● IT Equipment | 3 years |

1 Accounting policies (continued)**l) Investment properties**

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

Investments in subsidiaries

Investments in subsidiaries are at cost.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Gifts	97,433	34,165	131,598	112,059
Gifts – Supported Living		26,500	26,500	26,500
Legacies	–	–	–	81,123
	<u>97,433</u>	<u>60,665</u>	<u>158,098</u>	<u>219,682</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
3a Supported Living				
Fees	2,477,324	-	2,477,324	2,291,165
Client income	124,620	-	124,620	103,866
Sub-total for Supported Living	2,601,944	-	2,601,944	2,395,031
3b Support services				
Access to work	20,552	-	20,552	19,869
Fees	1,334,413	-	1,334,413	1,149,919
Grants receivable from trusts – Support Services	-	649,042	649,042	614,666
Sub-total for Support Services	1,354,965	649,042	2,004,007	1,784,454
3c Interpreter Now				
Interpreter Now Income	534,069	-	534,069	401,583
Sub-total for Interpreter Now	534,069	-	534,069	401,583
Total income from charitable activities	4,490,978	649,042	5,140,020	4,581,068

4 Income from investments

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Interest receivable	-	-	-	846
Rental income – Beaconsfield Executive Office Centre	114,197	-	114,197	103,137
Other rental income	8,514	-	8,514	21,487
	122,711	-	122,711	125,470

5 Analysis of expenditure

	Charitable activities						2017 Total £	2016 Total £	
	Raising funds £	Residential Services £	Support Services £	Campaigning and Health Promotion £	Interpreter Now £	Governance costs £			Support costs £
Staff costs (Note 7)	226,530	1,280,166	1,196,193	192,492	158,410	48,167	433,612	3,535,570	3,810,554
Depreciation and impairment	-	-	-	-	46,561	-	14,801	61,362	81,150
Employee development	8,481	22,738	16,517	4,475	3,975	-	101,856	158,042	100,219
Travel and subsistence	3,672	13,836	217,825	5,694	11,128	709	20,002	272,866	315,991
Building repairs and maintenance	-	290,389	32,658	41	12	3,323	78,232	404,655	281,970
IT and Telecommunications	16,520	20,575	79,181	535	236,290	30	62,960	416,091	141,866
Office running costs	3,411	24,482	24,111	2,322	79,966	255	52,562	187,109	57,671
Client and project costs	-	59,636	48,049	-	-	-	-	107,685	189,707
Marketing & Fundraising	40,525	-	9,112	2,541	58,940	-	12,595	123,713	169,728
Other trading costs	43,510	5,614	236,236	5,115	123,058	278	72,140	485,951	195,942
Interest payable and bank charges	-	-	-	-	1,801	-	79,152	80,953	29,417
Insurance	-	-	-	-	-	-	32,299	32,299	18,523
Audit, tax and accountancy fees	-	-	-	-	7,940	36,595	-	44,535	14,818
Legal and professional	-	-	-	-	2,639	-	17,424	20,063	26,694
Independent report and review	-	-	-	-	-	15,918	-	15,918	11,466
Trustees' expenses	-	-	-	-	-	2,151	-	2,151	-
	342,649	1,717,436	1,859,882	213,215	730,720	107,426	977,635	5,948,963	5,445,716
Support costs	81,048	406,231	439,924	50,432	-	-	(977,635)	-	-
Governance costs	8,906	44,638	48,340	5,542	-	(107,426)	-	-	-
Total expenditure 2017	432,603	2,168,305	2,348,146	269,189	730,720	-	-	5,948,963	
Total expenditure 2016	300,799	2,252,547	1,860,768	458,619	572,983	-	-		5,445,716

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2017 £	2016 £
Depreciation	61,362	81,150
(Gain) on revaluation of fixed assets	(813,336)	–
Interest payable	80,993	29,417
Operating lease rentals:	210,447	210,447
Auditor's remuneration (excluding VAT):		
Current Auditors – audit	10,500	–
Current Auditors – other services	4,810	9,600
Former Auditors – audit	–	9,087
Former Auditors – other services	–	10,250
	<u>61,362</u>	<u>81,150</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	3,124,650	3,406,010
Redundancy and termination costs	16,268	–
Social security costs	283,335	262,353
Employer's contribution to defined contribution pension schemes	111,317	142,191
	<u>3,535,570</u>	<u>3,810,554</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2017 No.	2016 No.
£60,000 – £69,999	<u>1</u>	<u>2</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £328,624 (2016: £327,985). The Key Management Personnel includes the Trustees, the CEO, the Operations Director, the Finance Director and the Managing Director of Interpreter Now.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

£2,151 of Trustee expenses, for attendance at trustee meetings, were incurred or paid on behalf of the trustees in the year. (2016: none).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 143 (2016: 161).

The FTE number of employees for the year was 109 (2016: 116)

Staff are split across the activities of the charitable company as follows (head count basis):

	2017 No.	2016 No.
Raising funds	6.0	8
Services	128.0	140
Administration	8.0	13
Governance	1.0	–
	<u>143.0</u>	<u>161</u>

9 Related party transactions

In 2016 and 2017, Interpreter Now, a fully owned subsidiary of SignHealth, paid Deaf Direct for interpreting services the following sums of money, 2017 – £116,854, 2016 – £54,350. P Gerrard, a trustee of SignHealth, is the CEO of Deaf Direct.

The charity took out a short term loan in 2017, temporarily secured against the property of Mr and Mrs Ryan. This loan has been repaid in full and there is no longer a charge against the property.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary BEOC Limited gift aids available profits to the parent charity. Its charge to corporation tax in the year was:

	2017 £	2016 £
UK corporation tax at 20%	-	-

11 Tangible fixed assets**The group**

	Freehold property £	Leasehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost/valuation					
At the start of the year	1,005,629	7,188	251,335	139,684	1,403,836
Additions in year	17,352	-	-	-	17,352
Reclassification of former investment property	3,617,200	-	-	-	3,617,200
Revaluation of freehold property held for sale	813,335	-	-	-	813,335
Reclassification of BEOC Assets	(15,629)	-	15,629	-	-
Transfer to Properties for Sale	(5,437,887)	-	(193,324)	-	(5,631,211)
At the end of the year	-	7,188	73,640	139,684	220,512
Depreciation					
At the start of the year	258,137	-	75,655	46,562	380,354
Charge for the year	23,707	-	(8,906)	46,561	61,362
Reclassification of BEOC Assets	(7,944)	-	7,944	-	-
Transfer to Properties for Sale	(273,900)	-	(35,311)	-	(309,211)
At the end of the year	-	-	39,382	93,123	132,505
Net book value					
At the end of the year	-	7,188	34,258	46,561	88,007
At the start of the year	747,492	7,188	175,680	93,122	1,023,482

Land is included within Properties for Sale and not depreciated.

BEOC assets have been reallocated following the Charity's decision to put the property up for sale.

Freehold property held as Properties for Sale includes Annaly House (Old Church) and the Head Office based at Baring Road. The property at Baring Road was sold on 23 August 2017. It is expected that Annaly House will be sold within the next 12 months. The valuation of Annaly House is based on the valuation of a qualified valuer. The historical cost of these revalued assets is £2,863,865 (2016: £2,863,865).

11 Tangible fixed assets (continued)

The charity

	Freehold property £	Leasehold land and buildings £	Fixtures and fittings £	Total £
Cost/valuation				
At the start of the year	990,000	7,188	251,335	1,248,523
Additions in year	17,352	-	-	17,352
Reclassification of former investment properties	3,617,200	-	-	3,617,200
Net Revaluation of freehold property held for sale	813,335	-	-	813,335
Transfer of Assets from BEOC	-	-	15,629	15,629
Transfers to Properties for Sale	(5,437,887)	-	(193,324)	(5,631,211)
At the end of the year	-	7,188	73,640	80,828
Depreciation				
At the start of the year	254,100	-	75,655	329,755
Charge for the year	19,800	-	(8,906)	10,894
Transfer of Assets from BEOC	-	-	7,944	7,944
Transfers to Properties for Sale	(273,900)	-	(35,311)	(309,211)
At the end of the year	-	-	39,382	39,382
Net book value				
At the end of the year	-	7,188	34,258	41,446
At the start of the year	735,900	7,188	175,680	918,768

Land is included within freehold property and not depreciated.

Freehold property held as Properties for Sale includes Annaly House (Old Church) and the Head Office based at Baring Road. The property at Baring Road was sold on 23 August 2017. It is expected that Annaly House will be sold within the next 12 months. The valuation of Annaly House is based on the valuation of a qualified valuer. The historical cost of these revalued assets is £2,863,865 (2016: £2,863,865).

All of the above assets are used for charitable purposes.

12 Investment properties

The group and charity

	2017 £	2016 £
Fair value at the start of the year	3,617,200	3,217,200
Additions	-	31,672
Disposals	-	-
Reclassification as tangible fixed assets	(3,617,200)	-
Revaluation during the year	-	368,328
Fair value at the end of the year	-	3,617,200

The investment properties comprised Annaly House (Old Church) and the element of Head Office (at Baring Road) that was used to generate returns for the charity. The group owns the freehold of both properties.

At 31 March 2017, both properties were held for sale. As such, and in accordance with section 10.46 of SORP 2015, they have been reclassified as tangible fixed assets. As both sales are anticipated within 12 months of the balance sheet date, they have been shown as current assets under Properties for Sale. The property at Baring Road was sold on 23 August 2017.

Annaly House was valued in November 2016 by JLL. Baring Road is valued at its exchanged sale value less costs.

13 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of Interpreter Now Limited, Sign Healthcare Limited, and Beaconsfield Executive Offices Centre (BEOC), which are companies registered in England and Wales. BEOC is used for non-primary purpose trading activities (rental of office space). Interpreter Now is used for primary purpose trading activities (healthcare). Interpreter Now has negative reserves of £598,693, and Signhealth has confirmed its financial support for the foreseeable future. The Sign HealthCare Limited is dormant. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the non-dormant subsidiaries is shown below:

	Interpreter Now Ltd		BEOC	
	2017	2016	2017	2016
	£	£	£	£
Turnover	534,069	401,583	123,821	103,137
Expenditure	(730,720)	(572,983)	(33,128)	(34,628)
Operating profit / (loss)	(196,651)	(171,400)	90,693	68,509
Deed of covenant to parent undertaking	-	-	(86,606)	(72,566)
Profit / (loss) for the financial year	(196,651)	(171,400)	4,087	(4,057)
The aggregate of the assets, liabilities and funds was:				
Assets	159,584	189,447	31,055	24,187
Liabilities	(758,268)	(591,480)	(30,955)	(28,274)
Funds	(598,684)	(402,033)	100	(4,087)

Subsidiary Undertakings

	Country of Incorporation	Class	Percentage Held	Number Held
Interpreter Now	England & Wales	Ordinary	100%	1
SignHealth Limited	England & Wales	Ordinary	100%	100
Beaconsfield Executive Offices Centre	England & Wales	Ordinary	100%	100

The registered office of the above subsidiaries is 5 Baring Road, Beaconsfield, Buckinghamshire, HP9 2NB.

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2017	2016
	£	£
Gross income	4,831,136	4,919,282
Result for the year	430,357	(406,311)

15 Debtors

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	348,272	424,611	311,363	352,907
Other debtors	-	23,790	-	-
Prepayments and accrued income	192,713	49,273	160,593	49,263
Amounts owed by group undertakings	-	-	185,041	11,798
	540,985	497,674	656,997	413,968

All of the group's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 19a below.

16 Creditors: amounts falling due within one year

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
Overdraft	-	136,668	-	136,668
Bank loans	1,315,600	74,617	1,315,600	74,617
Amounts due under finance leases	-	-	-	-
Trade creditors	112,587	336,615	92,308	336,485
Taxation and social security	85,713	236,504	66,153	223,666
Other creditors	23,152	60,262	23,152	55,267
Accruals and deferred income	261,268	129,387	211,833	60,720
	-	-	-	-
	1,798,320	974,053	1,709,046	887,423

Within bank loans is £1.3 million from Charity Bank, this incurs interest at 3.75% above base rate per annum. The loan was secured against property of a trustee. This loan has been fully repaid since the year-end and the charge has been released.

17 Deferred income

Deferred income comprises income that has been billed in advance of the 31st March 2017.

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
Balance at the beginning of the year	118,249	56,000	118,249	56,000
Amount released to income in the year	(118,249)	(56,000)	(118,249)	(56,000)
Amount deferred in the year	159,578	118,249	114,543	118,249
Balance at the end of the year	159,578	118,249	114,543	118,249

18 Creditors: amounts falling due after one year – group and charity

	2017	2016
	£	£
Fixed asset development loan	127,901	140,925
Other loans	-	239,075
	127,901	380,000

The fixed assets development loan was used to purchase the freehold of the investment property, Annaly House. The loan is secured against SignHealth head office premises. The loan is arranged with Metro Bank over a term of 10 years and incurs interest at 4.5% per annum. The loan is being repaid in monthly instalments. SignHealth has an overdraft facility for £200,000 with Metro Bank that was unused at 31st March 2017. This facility is renewable in January 2018.

Other loans were repaid during the financial year.

Long term creditors are payable as follows:

	2017	2016
	£	£
Less than one year	15,600	74,617
One to five years	62,400	309,274
Over five years	65,501	70,726
	143,501	454,617

19a Analysis of group net assets between funds (current year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	46,660	41,447	-	88,107
Investment properties	-	-	-	-
Properties held for Sale	5,322,000	-	-	5,322,000
Net current assets	(1,276,975)	-	258,302	(1,018,673)
Non-current liabilities	(127,901)	-	-	(127,901)
Net assets at 31 March 2017	3,963,784	41,447	258,302	4,263,533

19b Analysis of group net assets between funds (prior year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	104,714	918,768	-	1,023,482
Investment properties	3,617,200	-	-	3,617,200
Investments	100	-	-	100
Net current assets	(508,941)	-	187,292	(321,649)
Non-current liabilities	(380,000)	-	-	(380,000)
Net assets at 31 March 2016	2,833,073	918,768	187,292	3,939,133

20a Movements in funds (current year)

	At 1 April 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2017 £
Restricted funds:					
Deaf Hope	100,551	336,623	(339,089)	-	98,085
Residential	5,170	26,500	(26,500)	-	5,170
Brudenell road	15,748	-	-	-	15,748
Tablets4Health	55,309	192,589	(247,898)	-	-
Nick Kitson	3,736	-	-	-	3,736
Deaf with cancer	1,778	-	-	-	1,778
Leeds Mental Health	-	21,096	(5,018)	-	16,078
Online Therapy – BUPA	-	57,500	(16,910)	-	40,590
HIV	-	51,000	(10,424)	-	40,576
Leeds Crisis Centre	-	10,858	-	-	10,858
Health Promotion	-	897	-	-	897
CAMHS	-	-	(7,400)	7,400	-
Deaf Health Champions	-	-	(19,248)	19,248	-
SignHealth Uganda	5,000	12,644	(85,097)	67,453	-
Total restricted funds	187,292	709,707	(757,584)	94,101	233,516
Unrestricted funds:					
Designated funds:					
Fixed asset fund	918,768	-	-	(877,321)	41,447
Total designated funds	918,768	-	-	(877,321)	41,447
Fair value reserve	-	-	-	-	-
General funds	2,833,073	4,750,320	(4,378,042)	783,220	3,988,571
Non-charitable trading funds	-	-	-	-	-
Total unrestricted funds	3,751,841	4,750,320	(4,378,042)	(94,101)	4,030,018
Total funds	3,939,133	5,460,027	(5,135,626)	-	4,263,534

The narrative to explain the purpose of each fund is given at the foot of the note below.

20b Movements in funds (prior year)

	At 1 April 2015 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2016 £
Restricted funds:					
CAMHS	18,236	-	(18,236)	-	-
DeafHope	97,822	349,480	(346,751)	-	100,551
Deaf health champions	5,595	125,835	(131,430)	-	-
Health promotion	4,851	600	(5,451)	-	-
Outreach – LHSS	1,350	-	(1,350)	-	-
Residential	8,576	7,870	(11,276)	-	5,170
Brudenell road	15,748	-	-	-	15,748
Tablets4Health	68,763	181,481	(194,935)	-	55,309
Nick Kitson	3,736	-	-	-	3,736
Deaf health	49,300	-	(49,300)	-	-
Deaf with cancer	3,338	-	(1,560)	-	1,778
SignHealth Uganda	-	20,000	(15,000)	-	5,000
Total restricted funds	277,315	685,266	(775,289)	-	187,292
Unrestricted funds:					
Designated funds:					
Fixed asset fund	922,041	-	(30,681)	27,408	918,768
Total designated funds	922,041	-	(30,681)	27,408	918,768
Fair value reserve	-	-	-	-	-
General funds	2,837,791	4,662,436	(4,639,746)	(27,408)	2,833,073
Non-charitable trading funds	-	-	-	-	-
Total unrestricted funds	3,759,832	4,662,436	(4,670,427)	-	3,751,841
Total funds	4,037,147	5,347,702	(5,445,716)	-	3,939,133

20c Purposes of restricted funds

DeafHope

DeafHope refers to our work with the Deaf survivors of domestic abuse and includes Young DeafHope, where we work with Deaf children. It is funded by our fantastic supporters, who include the Home Office, The Charles Hayward Foundation, The Pilgrim Trust, The Volant Charitable Trust, The Police and Crime Commissioners for Kent and Surrey, Wandsworth Community Fund and The People's Postcode Trust.

£136,800 was awarded from the London Councils Grant Committee during the financial year 2016–2017 for DeafHope and was expended for the purpose for which it was awarded: for abused Deaf women and children in London. Of the grant, £24,200 was spent on direct project costs. £14,900 on project overheads and £97,700 on staff costs.

Residential

Support has kindly been received for specific work in our residential schemes, including small refurbishment work at some of the homes and breaks with carers for those service users with the most complex mental health needs.

Brudenell Road

Funding received for 'Brudenell Road' refers to a new housing scheme we are developing in Leeds.

Tablets4Health

Tablets4Health is the shortened name we use for our Department of Health's Innovation Excellence and Strategic Development funded project, 'Improving Deaf Patient Experience through Telecommunications Technology', which is assessing the innovative use of technology by Deaf people in health settings.

Nick Kitson

Bursary funds have been restricted in memory of former trustee, Nick Kitson.

20c Purposes of restricted funds (continued)**Deaf with Cancer**

Funding provides therapy for deaf people diagnosed with or recovering from cancer.

SignHealth Uganda

Supported by trusts, foundations and individuals from around the globe.

CAMHS

Child and Adolescent Mental Health Service (CAMHS) was a partnership with the National Deaf CAMHS to develop training materials.

Deaf Health Champions

This was a volunteer led project in the North West of England in 2015/16, funded by the Department of Health via their Health and Social Care Fund.

Health promotion

This was to promote various health subjects to Deaf audiences in British Sign Language.

Outreach – LHSS

This was to provide community support for deaf people in Led, funded by Leeds City Council in 2015/16.

Deaf Health

This was to improve access for health and social care for Deaf people.

Leeds Mental Health & Leeds Crisis Centre

The Leeds Community Foundation has funded two projects: one to provide peer-to-peer support for Deaf people with mental health needs and another to provide crisis community support.

Online Therapy – BUPA

With support from the Bupa Foundation, we have been able to develop an online resource for Deaf people needing cognitive behavioral therapy (CBT).

HIV

A project to help prevent HIV infection and raise awareness among Deaf people, with funding from Public Health England.

Leeds Crisis Centre

Community support for Deaf people in Leeds.

Purposes of Designated Funds and General Funds

The fixed asset fund represents the net book value of all assets held by the charity, excluding the Restricted funds. The net funds are held entirely as Properties for Sale. As they have not yet been disposed of, these funds are not available for use.

21 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	324,400	(98,014)
Depreciation charges	61,362	81,150
(Gains)/losses on investment properties	(813,336)	(368,328)
Dividends, interest and rent from investments	(122,711)	(125,470)
(Profit)/loss on the disposal of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	(43,313)	39,180
Increase/(decrease) in creditors	(475,733)	616,043
Net cash provided by / (used in) operating activities	(1,069,331)	144,561

22 Analysis of cash and cash equivalents

	At 1 April 2016	Cash flows	Other changes	At 31 March
	£	£	£	2017
				£
Cash at bank and in hand	154,730	83,930	-	238,660
Overdraft facility repayable on demand	-	-	-	-
Total cash and cash equivalents	154,730	83,930	-	238,660

The Charity has an overdraft facility of £200,000 but was not accessing the facility at the Balance Sheet date.

23 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	2016	Equipment	2016
	2017	£	2017	£
	£		£	
Less than one year	202,675	202,675	7,772	7,772
One to five years	100,000	100,000	300	600
Over five years	-	-	-	-
	302,675	302,675	8,072	8,372

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	2016	Equipment	2016
	2017	£	2017	£
	£		£	
Less than one year	202,675	202,675	7,472	7,472
One to five years	100,000	100,000	-	-
Over five years	-	-	-	-
	302,675	302,675	7,472	7,472

24 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.