

DEAFINITELY INDEPENDENT
(Company limited by guarantee and not having a share capital)
(Registered No 2852695)
(Charity No. 1027567)

ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2004



BURGIS & BULLOCK
Chartered Accountants
2 Chapel Court
Holly Walk
Leamington Spa
CV32 4YS

DEAFINITELY INDEPENDENT

FOR THE YEAR ENDED 31 DECEMBER 2004

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FOR THE YEAR ENDED

31 DECEMBER 2004

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DEAFINITELY INDEPENDENT
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2004

Directors and Trustees

J Plaskitt MP (President)
A Morrisson (Chairman) (resigned 31/3/04)
Mrs D Wareham (Vice Chairwoman) (resigned 31/3/04)
R Lymn (Treasurer) (resigned 31/3/04)
Mrs S Cox (Secretary)
A Savage (resigned 6/9/04)
Mrs H Swan (resigned 31/3/04)
Mrs W Baxter (resigned 15/9/04)
Mr D Knight (resigned 9/9/04)
J Baxter (appointed 13/3/04 – resigned 5/9/04)
A Beesley (appointed 5/9/04)
W McLaughlin (Chairman) (appointed 5/9/04)

Secretary

Mrs S Cox

Registered Office

Beech Lodge
28 Warwick New Road
Leamington Spa
CV32 5JJ

Registered Number

2852695 (England and Wales)

Auditors

Burgis & Bullock
2 Chapel Court
Holly Walk
Leamington Spa
CV32 4YS

Bankers

Lloyds Bank plc
73 Parade
Leamington Spa
CV32 4BB

DEAFINITELY INDEPENDENT
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DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2004

The trustees present their report and accounts for the year ended 31 December 2004.

Charitable Status

The company is registered as a charity by the Charity Commissioners (No 1027567) and recognised as such by the Inland Revenue. The charity is governed by its Memorandum and Articles of Association (incorporated 13 September 1993).

Trustees

The trustees named on page 1 have served during the year. Appointment of trustees is governed by the Trust deed of the charity. The Board of Trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of existing trustees.

Investment Powers

The Trust Deed authorises the trustees to make and hold investments using the general funds of the charity, but no such investments are presently held.

Constitution, Objects and Policies

The charitable trust is constituted by Trust Deed and its objects are to:

Promote the relief of persons with learning, physical and/or dual sensory disabilities of all ages who are deaf and to provide learning experiences for such persons so as to encourage them to take responsibility for their own welfare as far as they are able and to provide residential accommodation, counselling, education and training in furtherance of these objects.

The policy of the charitable trust continues to be to seek additional finance and support to meet the needs presented by existing and potential beneficiaries.

The trustees delegate the day to day responsibility for all routine financial matters, staff selection, development and supervision, residents' and staff safety and compliance with all necessary legislation to the Operational Director.

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DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2004
(Continued)

Reserves Policy

This organisation exists to provide services to adults who are known to be vulnerable due to the nature of their disabilities and difficulties.

The trustees declared financial reserves policy has been determined to ensure not only financial viability but also service level stability.

The trustees aim is to keep sufficient "liquid" reserves to meet at least two month's revenue expenditure at all times. All revenue income comes from Central and Local Government. Certain Local Authorities have been in "overspend" in the past and this has delayed their payments to us.

The organisation has in place tight financial control systems to ensure it can meet all revenue expenditure within revenue income.

The organisation operates within a framework of Minimum Standards of Service which is determined by legislation and has a declared policy of seeking additional finance and support to meet the varying needs presented by existing and potential beneficiaries.

The level of reserves that were held at the year-end was £227,687.

Development, Activities and Achievements

The charity continued to consolidate its activities within the two existing homes and is close to maximum occupancy in both. Much time and professional attention has been given to implementing the new Care Homes Regulations and National Minimum Standards, which came into effect in April 2002.

Financial Review

The trust has managed all its activities within income generated, donations received and Fund balances brought forward, these are set out in the Statement of Financial Activities.

Future Developments

The organisation will continue to consolidate its operation and financial stability. No new or additional developments are envisaged in the coming year.

The trustees recognise considerable property refurbishment work will be required in the next financial year. The trustees are also seeking to retain reserves, above the stated policy limit, during the next few years in order to facilitate the purchase a building. This will give the organisation a solid asset base and ensure stability of tenure for its beneficiaries.

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DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2004
(Continued)

Statement of Trustees' Responsibilities

The trustees are required under the constitution of the charity to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the results for that period. In preparing those financial statements the trustees are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act, 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Risk Policy

The Trustees examine the major risks that the homes face each financial year when preparing and updating the strategic plan. The charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the home in the future.

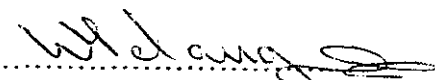
Small Company Exemption

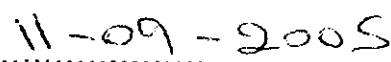
The report of the directors and trustees has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Re-appointment of Auditors

Burgis & Bullock were re-appointed as the charitable company's auditors during the year and expressed their willingness to continue in that capacity.

The report was approved on behalf of the board


.....
W McLaughlin
Chairman


.....
Date

INDEPENDENT REPORT OF THE AUDITORS TO THE MEMBERS OF DEAFINITELY INDEPENDENT

We have audited the accounts of Deafinitely Independent for the year ended 31 December 2004 which comprise the statement of financial activities, profit and loss account, balance sheet and related notes. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the statement of directors responsibilities the trustees, who are also the directors of Deafinitely Independent for the purposes of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of Opinion

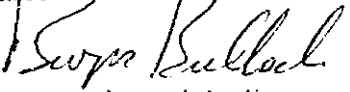
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements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

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

**INDEPENDENT REPORT OF THE AUDITORS TO THE MEMBERS
OF DEAFINITELY INDEPENDENT
(Continued)**

Opinion

In our opinion the accounts give a true and fair view of the state of the charitable company's affairs as at 31 December 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.


Registered Auditors
Chartered Accountants

2 Chapel Court
Holly Walk
Leamington Spa

11 September 2005

DEAFINITELY INDEPENDENT
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2004
(Including Income and expenditure Account)

	Notes	2004 Total Funds (unrestricted) £	2003 Total Funds (unrestricted) £
Incoming Resources			
Donations		1021	1147
Activities in furtherance of Charity's Objects:			
County Councils and DSS		707547	646106
Deposit Account Interest		3037	1367
Total Incoming Resources		<u>711605</u>	<u>648620</u>
Resources expended			
Costs of activities in furtherance of the Charity's Objects:			
Charitable Expenditure	3	672741	577780
Management & Administration	4	21858	8137
Total Resources Expended		<u>694599</u>	<u>585917</u>
Net incoming resources		17006	62703
Fund Balances brought forward		<u>210681</u>	<u>147978</u>
Unrestricted Fund Balances carried forward		<u>£227687</u>	<u>£210681</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

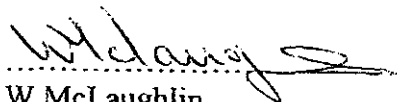
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BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004		2003	
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	7		52775		66860
Current Assets					
Debtors	8	10858		13493	
Cash at Bank		195428		156854	
		<u>206286</u>		<u>170347</u>	
Creditors					
Amounts Falling Due within one year	9	31374		26256	
		<u> </u>		<u> </u>	
Net Current Assets			174912		143821
			<u> </u>		<u> </u>
Net Assets			£227687		£210681
			<u> </u>		<u> </u>
Reserves					
Unrestricted fund			227687		210681
			<u> </u>		<u> </u>
			£227687		£210681
			<u> </u>		<u> </u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board


W McLaughlin
Chairman

11-09-2005
Date

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2004

1. Accounting Policies

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 1985 and applicable accounting standards. In preparing the financial statements the charity follows best practice as laid down in *Accounting and Reporting by Charities: Statement of Recommended Practice issued in October 2000*.

The charity has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adopted the Companies Act formats to reflect the special nature of the charities activities.

(b) Incoming resources

Incoming resources from Country Councils, other agencies, donations and investments are included when receivable. Deferred Income represents amounts received for future periods and is released to incoming resources in the period for which it relates.

(c) Tangible Fixed Assets

Depreciation is provided at the following annual rates to write off each asset over its estimated useful life:

Fixtures and Fittings	-	20% on cost
Motor Vehicles	-	25% on reducing balance
Computer Equipment	-	20% on cost
Leasehold Improvements	-	Over the term of the lease.

Improvements to property not subject to a leasehold interest are written off in the year of the expenditure.

(d) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

(e) Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2004
(Continued)

2.	Operating Profit	2004	2003
		£	£
	Operating Profit is stated after charging:-		
	Auditor's Remuneration - audit services	1500	500
	- non audit services	822	264
	Depreciation	34270	28163
	Operating Leases	122250	122250
3.	Costs of activities in furtherance of the Charity's Objects	2004	2003
		£	£
	Staff Salaries	380587	320499
	Staff compensation payment	6840	-
	Staff Welfare and Recruitment	2665	1882
	Residents and Housekeeping Allowances	38029	32716
	Electricity and Gas	8790	9890
	Rates and Water	3999	3790
	Rent	122250	122250
	Insurance	8265	7423
	Residents' Holiday Costs	17156	6025
	Cleaning and Laundry	8715	9215
	Refurbishment and Relocation	4147	6214
	Repairs and Renewals	3632	1468
	Registration Fees	1688	1445
	Freelance Careworkers and Enablers	5086	1588
	Annual Subscriptions	448	557
	Travelling and Minibus Expenses	6378	6442
	Depreciation	34270	28163
	Profit on disposal of Minibus	-	(150)
	Programme Support	5138	2995
	Social Support	3605	5678
	Training Courses	4842	5008
	Health and Safety	6211	4682
		<hr/>	<hr/>
		672741	577780
		<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2004
(Continued)

4.	Management and Administration	2004	2003
		£	£
	Telephone	3501	2622
	Stationery and Postage	5520	3830
	Sundry Expenses	133	231
	Audit and Accountancy	2322	705
	Legal and Professional	9619	200
	Bank Charges	763	549
		<hr/>	<hr/>
		21858	8137
		<hr/>	<hr/>
5.	Staff Costs	2004	2003
		£	£
	Salaries	350457	287572
	Social Security	30130	25343
		<hr/>	<hr/>
		£380587	£312915
		<hr/>	<hr/>

The average number of full time equivalent employees during the year was as follows:-

Direct Charitable Services	22	21
	<hr/>	<hr/>

No employees received emoluments over £50,000.

6. Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2004 nor for the year ended 31 December 2003.

The company is registered as a charity and as such is not liable to corporation tax.

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2004
(Continued)

7.	Tangible Fixed Assets	Fixtures & Fittings £	Motor Vehicle £	Computer Equipment £	Leasehold Improvements £	Total £
	Cost					
	At 1 January 2004	179609	38080	13739	24953	256381
	Additions	17355	-	2830	-	20185
	At 31 December 2004	<u>196964</u>	<u>38080</u>	<u>16569</u>	<u>24953</u>	<u>276566</u>
	Depreciation					
	At 1 January 2004	147096	26395	11984	4046	189521
	Charge for year	24138	6953	1156	2023	34270
	At 31 December 2004	<u>171234</u>	<u>33348</u>	<u>13140</u>	<u>6069</u>	<u>223791</u>
	Net Book Value					
	At 31 December 2004	<u>£25730</u>	<u>£4732</u>	<u>£3429</u>	<u>£18884</u>	<u>£52775</u>
	At 31 December 2003	<u>£32513</u>	<u>£11685</u>	<u>£1755</u>	<u>£20907</u>	<u>£66860</u>
8.	Debtors: Amounts Falling Due Within One Year				2004 £	2003 £
	Trade Debtors				6554	9847
	Other Debtors				50	200
	Prepayments				4254	3446
					<u>£10858</u>	<u>£13493</u>
9.	Creditors: Amounts Falling Due Within One Year				2004 £	2003 £
	Trade Creditors				-	5522
	Social Security and Other Taxes				9891	8405
	Deferred Income				10729	4986
	Accruals				10754	7613
					<u>£31374</u>	<u>£26526</u>

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2004
(Continued)

10. Operating Lease Commitments

The future minimum payments to which the Company is committed at 31 December 2004 under Operating Leases are payable as follows:

	Land & Buildings 2004 £	Land & Buildings 2003 £
Due to expire:		
Over Five Years	122250	122250
	<u> </u>	<u> </u>

11. Members' Liability

The company is limited by guarantee and does not have a share capital. Each member of the company undertakes to contribute to the assets of the company in the event of the same being wound up while they are a member, or within one year after they cease to be a member, for payment of debts and liabilities of the company contracted before they cease to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding twenty pounds.

12. Related Party Transactions

During the year the company paid course fees of £207 for Mr W McLaughlin.

The directors did not receive any emoluments or other benefits in the year.

13. Controlling Party

The charity's controlling party is the board of directors.