

BIRMINGHAM INSTITUTE FOR THE DEAF
(a company limited by guarantee)

ANNUAL REPORT

YEAR ENDED 31 MARCH 2001



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BIRMINGHAM INSTITUTE FOR THE DEAF
(a company limited by guarantee)

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2001

CONSTITUTIONAL AND ADMINISTRATIVE DETAILS

Name of Charity

The organisation is incorporated under the name of Birmingham Institute for the Deaf and is commonly known as BID (Services for deaf people).

Principal Activities

The principal activities of BID continued to be the provision of care and support to deaf people, together with education and training to further their advancement in the community at large.

The policies adopted in furtherance of the principal activity of the company are to promote safeguard and protect the interests and welfare of deaf people. There have been no material policy changes during the year.

Charitable Status

Birmingham Institute for the Deaf is a registered charity number 1053184.

Company Status

The company is a company limited by guarantee (number 3124204), and as such has no share capital. The liability of the members of the company, as set out in the Memorandum of Association, is limited to £1 per member.

DIRECTORS' REPORT (continued)

YEAR ENDED 31 MARCH 2001

CONSTITUTIONAL AND ADMINISTRATIVE DETAILS

Board of Directors

Mr M Reynolds (Chairman)
Mrs J Richards (Treasurer)
Mr M Jackson
Mr S Hewitt
Mr I Cox
Mrs S Grew (resigned 8th October 2000)
Mrs E Wilcox
Mr R Southern
Mrs F Debney
Mr C Daniels

Mrs J Richards is chairman of the Finance Committee. Mr C Daniels and Mr R Southern are also members of the Finance Committee.

All directors of the company are elected in accordance with the Memorandum and Articles of the company.

The directors retiring by rotation are Mrs F Debney, Mr I Cox, and Mr C Daniels who, being eligible, offer themselves for re-election.

Company Secretary	Mr B Sheppard
Registered Office and Principal address	Ladywood Road Birmingham B16 8SZ
Auditors	PKF New Guild House 45 Great Charles Street Birmingham B3 2LX
Bankers	Lloyds Bank Plc New Street Branch The Rotunda 149 New Street B2 4NZ
Solicitors	Cartwright and Lewis 100 Hagley Road Birmingham B16 8LT

DIRECTORS' REPORT (continued)

YEAR ENDED 31 MARCH 2001

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

We are working in interesting times. Suddenly people are beginning to wake up to the needs of deaf people, even if it's taken the implementation of the Disability Discrimination Act and Human Rights legislation to act as the catalyst. These developments offer a great chance for deaf people to move closer towards taking their rightful place in society and enjoy the benefits of citizenship that the majority of the population takes for granted.

We firmly believe that it is up to organisations like BID to help make these opportunities become realities and consequently have made significant strides forward to meet this aim. Perhaps the most exciting of these has been a project in partnership with local solicitors Cartwright and Lewis, whereby discrimination of deaf people is fought on a "no win no fee" basis. In addition to this the corporate sector is increasingly seeking support to understand their obligations under the act and BID has been proactive in providing training and development to ensure they are complying with the legislation. This has in turn stimulated interest amongst the staff of these organisations to learn sign language with BID.

Whilst the past year has been very busy with many new developments, it is worth highlighting BID's achievement in being awarded the Investor in People standard. It is a tribute to all the staff and volunteers that this was reached in such short timescale and our thanks go out to them for their hard work and support. The recognition by IiP will be very important in the future as competition for contracts becomes keener and the ever-decreasing pot of government money reduces further.

Future plans include creation of a marketing post with a view to raising the local and national profile of BID and the deaf community, an ethnic minority development worker to address issues relating to that section of the community as well as appointing additional interpreters to meet growing demand for their services. Recognising that our accommodation is now inadequate for the size of the organisation and the needs of the deaf people we support, investigations have commenced to assess the most effective ways in which these problems can be met.

BID provides a full range of supported living options for deaf people with additional needs. However there have been some exciting developments over the past year. One home in West Birmingham has been developed, in conjunction with Midland Area Housing Association, to meet the changing needs of the client group. Formally there were two houses both designated as rehabilitation units, but people were not moving on. The reason for this was that some residents' needs appeared to require a home for life whilst others needed more supported independence.

With this in mind BID decided to rethink the residential services it provided and after full consultation with residents and stakeholders embarked on implementing a forward thinking development plan. Essentially one of the homes was returned to Midland Area whilst the other was reduced to four beds and redesignated as a "home for life". Over £20,000 was spent on completely refurbishing the house and the residents were fully involved in choosing the furniture and fittings, as well as getting involved in the painting and decorating.

DIRECTORS' REPORT (continued)

YEAR ENDED 31 MARCH 2001

REVIEW OF ACTIVITIES AND ACHIEVEMENTS (continued)

Whilst these changes were taking place negotiations were underway with Trident Housing Association to provide a range of more independent living options as part of their new developments in the north of city. Four deaf people with additional needs have been accommodated within a new housing complex; one living with support from BID's home care service, two living in a staffed flat and a fourth resident living close by supported by our residential staff. The residents have now settled in and think their new homes are "just brilliant".

Following the success of the Centenary Appeal, BID continues to work towards securing its financial position. In common with many charities, BID must constantly review its position in the light of change in legislation and best practice, including the revised Statement of Recommended Practice to be adopted next year. You will see from the statement of financial activities that income has increased from £1,558,632 to £2,829,142. This is due to an increase in service grants and the receipt of a substantial legacy. Expenditure has increased from £1,496,560 to £1,566,204 due in the main to additional charitable expenditure.

As a result BID achieved a surplus of £1,262,938 compared to £62,072 in the previous year. In addition a designated reserve of £140,000 has been created to fund investigation, planning and implementation of further developments in services to be provided by BID. Unrestricted funds of £1,262,939 provide an adequate capital base for the organisation and will enable the Trustees to plan with vision and confidence. It will also ensure that adequate funds are available to cover future capital and revenue expenditure which may not be covered by future incoming resources. In view of the substantial legacy, which has not yet been received, the directors will undertake a thorough review of the opportunities this provides BID in the forthcoming year. This is a highly creditable performance in the challenging conditions in which BID operates.

Much has been achieved during the past year, including a comprehensive review of the financial policies and procedures of BID. There have also been a number of changes. My thanks go to Stuart Collins, who, having recently passed his final exams, has moved on to further his career. I would also like to place on record my thanks to BDO Stoy Hayward, our former Auditors, for their support and advice. I would also like to welcome Michael Price the new Finance and Systems Manager, who I am sure will continue the good work started by Stuart, along with our new Auditor PKF. I look forward to working with them. In conclusion, I would like to thank the staff, the Finance Sub-Committee and the Board for their support and tireless work.

Finally we wish to place on record our thanks to the deaf community for their continued support and stress that we, the board, are committed to working even closer with you to improve the quality of life for all deaf people. *Only together can we make it happen.*

DIRECTORS' REPORT (continued)

YEAR ENDED 31 MARCH 2001

AUDITORS

In accordance with Section 384 of the Companies Act 1985 a resolution for appointment of PKF as auditors of the company is to be proposed at the forthcoming annual general meeting.

PREPARATION OF FINANCIAL STATEMENTS

Prepared in accordance with the Special provisions of Part VII of the Companies Act 1985 relating to small entities.

**Approved by the board on
and signed on their behalf**

M Reynolds



Director

DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2001

Law applicable to incorporated charities in England and Wales requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of its financial activities during the year then ended. In preparing those financial statements, the directors are required to:

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

The directors 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 have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

YEAR ENDED 31 MARCH 2001

We have audited the financial statements on pages 8 to 19, which comprise the Summary Income and Expenditure Account, Statement of Financial Activities, Balance Sheet and the related notes, as prepared under the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

The responsibilities of the directors who also act as trustees for the charitable activities of Birmingham Institute for the Deaf for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 6.

Our responsibility is to audit the financial statements 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 charitable 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 charitable company is not disclosed.

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

Basis of opinion

We conducted our audit in accordance with 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2001 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF

BIRMINGHAM
27 September 2001

PKF
Registered Auditors

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2001

	Note	2001			2000
		Un- restricted funds £	Restricted funds £	Desig- nated funds £	Total £
Incoming resources:					
Gifts and donations		6,917	41,428	-	48,345
Legacies		1,308,795	-	-	1,308,795
Grants receivable	2	614,275	580,055	-	1,194,330
Investment income		15,262	-	-	15,262
Trading income		14,744	1,526	-	16,270
Other income	3	229,580	16,560	-	246,140
Total incoming resources		2,189,573	639,569	-	2,829,142
Resources expended:					
Direct charitable expenditure	4	902,339	604,249	-	1,506,588
Fund raising and publicity	5	23,254	24,093	-	47,347
Management and administration	6	12,269	-	-	12,269
Total resources expended		937,862	628,342	-	1,566,204
Net incoming resources before transfers		1,251,711	11,227	-	1,262,938
Transfer between funds		(140,000)	-	140,000	-
Net incoming resources and net movement in funds		1,111,711	11,227	140,000	1,262,938
Fund balances brought forward at 1 April 2000		498,410	148,713	-	647,123
Fund balances carried forward at 31 March 2001		1,610,121	159,940	140,000	1,910,061

All amounts above are derived from continuing operations and the company has no recognised gains or losses other than those passing through the statement of financial activities.

SUMMARY INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2001

	<u>2001</u> £	<u>2000</u> £
Income	2,813,880	1,545,444
Expenditure	<u>(1,566,204)</u>	<u>(1,496,560)</u>
Operating surplus	1,247,676	48,884
Interest receivable and similar income	<u>15,262</u>	<u>13,188</u>
Net income for the period from continuing activities	<u>1,262,938</u>	<u>62,072</u>

The summary income and expenditure account is derived from the statement of financial activities on page 8 which, together with the notes to the financial statements on pages 11 to 19, provides full information on the movements during the period on all funds of the company.

The company has no recognised gains or losses other than the result for the year.

BALANCE SHEET

31 MARCH 2001

	Note	<u>2001</u>	<u>2000</u>
		£	£
Fixed assets			
Tangible assets	11	284,772	291,237
Investments	12	<u>59</u>	<u>59</u>
		284,831	291,296
Current assets			
Stocks	13	-	14,827
Debtors	14	1,172,199	101,067
Cash at bank and in hand		<u>568,342</u>	<u>356,719</u>
		1,740,541	472,613
Creditors: amounts falling due within one year	15	<u>(115,311)</u>	<u>(116,786)</u>
Net current assets		<u>1,625,230</u>	<u>355,827</u>
Net Assets		<u>1,910,061</u>	<u>647,123</u>
Reserves			
Unrestricted funds		1,610,121	498,410
Restricted funds	17	159,940	148,713
Designated funds	18	<u>140,000</u>	<u>-</u>
		<u>1,910,061</u>	<u>647,123</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

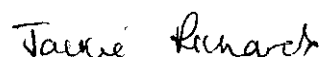
Approved by the board of directors on 27 September 2001

Signed on their behalf by:

M Reynolds (Chairman)



Mrs J Richards (Treasurer)



NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial statements.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and comply with the requirements of the Statement of Recommended Practice, "Accounting by Charities".

b) Grants, donations and legacies

Grants, donations and legacies are credited to the statement of financial activities when the company is legally entitled to the proceeds, with amounts relating to subsequent years deferred.

c) Expenditure

Direct charitable expenditure represents the direct costs of projects undertaken during the period.

Management and administration costs represent establishment costs, finance costs and staff costs.

Fund raising and publicity costs relate to costs of operating the company's fund raising and marketing department.

d) Restricted funds

Where income is received for purposes specified by the donor or by the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpected balance is carried forward as restricted income funds.

e) Deferred income

Deferred income comprises amounts granted in advance on projects, where it is clear from the terms under which the funds are received that they cannot be used until future periods.

f) Interpreting services and residential income

Interpreting services and residential income are accounted for in the period in which services are provided.

g) Stocks

Stocks are valued at the lower of cost and net realisable value. The Institute donates the majority of items held as stock and these are written off as they are purchased.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES (CONTINUED)

h) Investment

The unlisted investment is stated at market value.

i) Depreciation

Depreciation is calculated so as to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Freehold land and buildings	: over 50 years
Leasehold buildings	: over term of lease
Computer equipment	: over 3 years
Motor vehicles	: 25% reducing balance basis
Fixtures and equipment	: 10% reducing balance basis

j) Pensions

The company pays contributions to personal and other defined contribution pension schemes. The charge in the accounts represents amounts payable in respect of these contributions.

k) Operating leases

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the life of the asset.

l) Gifts in kind

Gifts in kind are valued at their open market value as reported by external valuers and recorded in these financial statements at this value.

2. GRANTS RECEIVABLE

Significant grants received during the year were:

	<u>2001</u> £	<u>2000</u> £
Birmingham City Council	935,552	897,047
Solihull Metropolitan Borough Council	104,365	102,218
Birmingham EDD	54,967	62,505
MAHAL	17,661	25,136
Gloucester Council	-	21,491
National Lottery	17,243	58,787
British Deaf Association	6,000	13,000
Henry Smith Charity	17,400	-
Other grants, individually less than £10,000	41,142	9,371
	<u>1,194,330</u>	<u>1,189,555</u>

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2001

3. OTHER INCOME

	<u>2001</u>	<u>2000</u>
	£	£
Interpreting service charges	189,379	128,292
Other	56,761	104,349
	<u>246,140</u>	<u>232,641</u>

4. DIRECT CHARITABLE EXPENDITURE

	<u>2001</u>	<u>2000</u>
	£	£
Staff salaries, national insurance and pension costs	994,561	932,395
Running costs	57,023	56,392
Building costs	86,204	77,494
Client group and resident expenditure	59,428	64,813
Interpreting support charges	8,370	24,966
Equipment purchases and depreciation charges	64,815	20,056
Professional fees	7,830	1,434
Internal support charges	170,772	158,501
Internal occupancy charges	57,568	56,392
Other operational costs	17	1,655
	<u>1,506,588</u>	<u>1,394,098</u>

5. FUND RAISING COSTS

	<u>2001</u>	<u>2000</u>
	£	£
Staff salaries, national insurance and pension costs	32,243	27,014
Running costs	3,123	8,394
Equipment purchases and depreciation charges	2,874	9,478
Internal support charges	5,381	7,502
Internal occupancy charges	3,726	3,288
	<u>47,347</u>	<u>55,676</u>

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2001

6. MANAGEMENT AND ADMINISTRATION

	<u>2001</u> £	<u>2000</u> £
Trustee administration costs	6,229	7,060
Audit fees and financial costs	6,040	7,947
Other operational costs	-	31,779
	<u>12,269</u>	<u>46,786</u>

7. STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including executive directors) during the year, analysed by category, was as follows:

	Number of employees	
	<u>2001</u> No	<u>2000</u> No
Office and management	5	10
Support services	10	10
Core management	5	7
Direct services	34	29
Residential services	18	17
	<u>72</u>	<u>73</u>

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2001

8. STAFF NUMBERS AND COSTS (continued)

The aggregated cost of these persons was as follows:

	<u>2001</u> £	<u>2000</u> £
Wages and salaries	913,390	852,460
Social security costs	75,320	70,464
Pension costs	38,094	36,485
	<u>1,026,804</u>	<u>959,409</u>

One employee received emoluments exceeding £50,000 (2000: One).

9. TRANSACTION WITH DIRECTORS

No director received any remuneration for services provided.

During the year ended 31 March 2001, directors received reimbursed travel and subsistence expenses amounting to £146 (2000 £138).

10. NET INCOMING RESOURCES FOR THE YEAR

	<u>2001</u> £	<u>2000</u> £
Net incoming resources for the year is stated after charging:		
Auditors' remuneration:		
Audit	6,040	6,613
Depreciation - owned assets	33,369	42,013
Rentals payable under operating leases:		
Land and buildings	<u>17,860</u>	<u>17,860</u>

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2001

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Long leasehold buildings £	Plant machinery fixtures & fittings £	Total £
Cost				
At 1 April 2000	55,781	230,631	261,147	547,559
Additions	-	29,292	3,191	32,483
Disposals	-	-	(25,144)	(25,144)
At 31 March 2001	55,781	259,923	239,194	554,898
Depreciation				
At 1 April 2000	11,137	62,013	183,172	256,322
Charge for the year	1,116	7,767	24,486	33,369
Disposals	-	-	(19,565)	(19,565)
At 31 March 2001	12,253	69,780	188,093	270,126
Net book value				
At 31 March 2001	43,528	190,143	51,101	284,772
At 1 April 2000	44,644	168,618	77,975	291,237

12. INVESTMENTS

Market value at start and end of year	
3.5% War Stock	<u>59</u>
Cost at start and end of year	
3.5% War Stock	<u>135</u>

13. STOCKS

	2001 £	2000 £
Finished goods	-	13,990
Fund raising merchandise	-	837
	<u>-</u>	<u>14,827</u>

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2001

14. DEBTORS

	<u>2001</u> £	<u>2000</u> £
Trade debtors	18,852	87,011
Other debtors	1,141,756	7,596
Prepayments and accrued income	11,591	6,460
	<u>1,172,199</u>	<u>101,067</u>

At 31 March 2001 other debtors includes a legacy receivable amounting to £1,100,000.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2001</u> £	<u>2000</u> £
Trade creditors	51,093	47,905
Other taxable and social security costs	27,025	25,727
Other creditors	31,796	13,497
Accruals and deferred income	5,397	29,657
	<u>115,311</u>	<u>116,786</u>

16. ANALYSIS OF ASSETS AT 31 MARCH 2001

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	273,331	11,500	284,831
Current assets	1,588,815	151,726	1,740,541
Current liabilities	(112,025)	(3,286)	(115,311)
Total net assets	<u>1,750,121</u>	<u>159,940</u>	<u>1,910,061</u>

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2001

17. RESTRICTED FUNDS

	Balance 1.4.2000 £	Incoming Resources £	Outgoing Resources £	Balance 31.3.2001 £
a Fund raising (Centenary appeal)	5,520	11,540	11,022	6,038
b Care management	2,607	249,690	230,279	22,018
c Social work provision	2,482	123,052	109,967	15,567
d Information service	14,058	17,243	20,360	10,941
e Employment	13,290	55,034	61,484	6,840
f Deaf care	19,272	-	-	19,272
g Residential services	22,454	12,874	16,930	18,398
h Other projects	69,030	170,136	178,300	60,866
	148,713	639,569	628,342	159,940

- a The Centenary Appeal was a specific appeal to mark the Charity's 100 years. It aims to provide libraries in both Birmingham and Solihull videophones.
- b The company has received local authority grants towards a scheme to provide care and support to deaf people in the community who have additional disabilities.
- c The social services funds relates to the local authority grant monies toward providing Environmental equipment for the deaf and hard of hearing community.
- d The information officer project was formally started in May 1998, with a three year funding agreement from the National Lotteries Board. It aims to specifically improve access and information to deaf people and establish self-help groups.
- e The company has received local authority grants towards a scheme to provide assistance to deaf people in the community who are seeking employment.
- f The Social Services fund relates to the local authority grant monies used toward providing respite and support for the deaf and hard of hearing community.
- g The company operates two homes in conjunction with Midland Area Housing Association Limited, these being used for support and advancement of deaf people in the community.
- h Small donations and grants received during the year that have not been utilised as at 31 March 2001, the funds being carried forward for future use.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2001

18. DESIGNATED FUNDS

A designated fund of £140,000 was created during the year to fund investigation, planning and implementation of further developments in services.

19. COMMITMENTS

At the end of the year the company had annual commitments under non-cancellable operating leases as follows:

	<u>2001</u>	<u>2000</u>
	£	£
Land and buildings		
Expiring after five years	<u>17,860</u>	<u>17,860</u>

20. PENSIONS

The company makes payments into personal pension schemes and a defined contribution pension scheme whose assets are administered separately from those of the company in an independently administered fund. The pension cost charges in the accounts represent contributions payable by the company in respect of these scheme. As at the year end contributions totalling £5,347 (2000 : £Nil) were outstanding.

21. RELATED PARTY TRANSACTIONS

There were no transactions which require reporting under Financial Reporting Standard number 8.