

Charity Number (England & Wales): 1016532
Charity Number (Scotland): SC040779
Company number: 02752456

THE NATIONAL DEAF CHILDREN'S SOCIETY
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 March 2019

The National Deaf Children's Society
Annual Report and Financial Statements
for the year ended 31 March 2019

Contents

Page	
1	Legal and administrative information
2	Report of the directors
23	Report of the independent auditors
26	Consolidated statement of financial activities
27	Consolidated balance sheet and balance sheet
28	Consolidated statement of cash flows
29	Notes forming part of the financial statements

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2019

Board of Directors

Lisa Capper	(Chair)
Tim Polack	(Vice Chair)
Sally Procopis	(Treasurer, resigned 19 May 2018)
Helen Selwood	(Treasurer from 19 May 2018)
Sheila McKenzie	(Deputy Treasurer)
Suzanne Beese	
Gerard Featherstone	
Lynn Gadd	(appointed 19 July 2019)
Jane Hill	(resigned 26 July 2018)
Dominic Holton	
Damian Proctor	(appointed 19 July 2019)
Jennie Rayson	
Jan Rutherford	
Lorraine Wapling	(appointed 2 November 2018)

Chief Executive

Susan Daniels OBE

Auditor

Crowe U.K. LLP, St Brides House, 10 Salisbury Square, London EC4Y 3EH

Solicitors

Bates Wells London LLP, 10 Queen Street Place, London EC4R 1BE

Bankers

National Westminster Bank plc, 46 Notting Hill Gate, London W11 3HZ

Principal and registered office

Ground Floor South, Castle House, 37–45 Paul Street, London EC2A 4LS

Charity number (England and Wales)

1016532

Charity number (Scotland)

SC040779

Company number

02752456

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2019

The trustees (who are the directors) of the National Deaf Children's Society have pleasure in presenting their report and financial statements for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published on 16 July 2014.

The charity is registered with the Charity Commission under registration number 1016532 and with the Office of the Scottish Charity Regulator under number SC040779. It is a company limited by guarantee.

We operate in England, Northern Ireland, Scotland, Wales and the Channel Islands and we are developing our international work through partners in South Asia and East Africa and through a regional parents' group in Latin America. Details of trustees and the chief executive who served during the year are set out on page 19.

Our aims and objectives

Object

The charity's objects are to further the education of and to relieve the needs of deaf children.

Vision

Our vision is a world without barriers for every deaf child.

Charitable aims

Our mission is that together we will overcome the social and educational barriers that hold deaf children back. We are focused on overcoming barriers:

- in local and national services
- in language and communication
- to independence.

Public benefit

The achievement of these long-term aims drives our objectives and activity programme. We review our aims, objectives and activities annually. As part of that process, we consider the outputs of our activities, assess the benefit of those outputs on the lives of deaf children and develop future objectives to make sure that our work continues to deliver the most benefit against our charitable aims.

The following section contains more information on the way our work has benefited deaf children and their families over the last 12 months, measured against objectives set at the beginning of the year.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2019

Strategic report

Our mission is to overcome the social and educational barriers that hold deaf children back, and our ambition is that by 2030 no deaf child will be left behind.

This year marked the second year of our 2017–2022 strategy, with a continued focus on three key areas:

- > local and national services
- > language and communication
- > independence.

Area of focus A: Overcoming barriers in local and national services
--

We will defend services for deaf children and young people against reductions in local authority budgets, identify policy solutions and advocate for investment and improvement in the quality of services.

Measure: Our evidence of the extent we have influenced national and local reforms to improve support for deaf children.

We have challenged local and national services and advocated for improvements in the quality of services in the areas of education, children's hearing services and social care.

Education

In education, we have continued to challenge and campaign around cuts to support for deaf children and declining numbers of Teachers of the Deaf. We worked to identify priority local authorities in which to challenge potential cuts for our Stolen Futures campaign. Our parliamentary work for this campaign included raising awareness with MPs, which resulted in 13 MPs speaking in a parliamentary debate on services for deaf children using our briefings, and putting pressure on central Government to act. Additionally, in excess of 600 people wrote to their MP about our campaign calling for action. Specific campaign wins where we improved education support for deaf children included at Southampton City Council and Cumbria County Council.

We gave written evidence to the Education Select Committee and National Audit Office inquiries on Special Educational Needs and Disability (SEND) spending. Our Stolen Futures campaign also contributed towards getting a meeting with the Minister for SEND at the Department for Education, and an appearance by our Executive Director, Steve Haines, in front of the Education Select Committee. Two deaf young people, who are members of our Young People's Advisory Board were also invited to provide oral evidence to the Education Select Committee in November 2018, a big achievement and an example of deaf young people campaigning to improve the services they depend on for their education. This is the first time deaf young people have been asked to give evidence. Additionally, as a result of our campaigning work on the funding crisis in the SEND system, alongside many other charities and groups campaigning in this area, December 2018 saw the Government release an extra £350million to support children with disabilities like deafness in their education.

We continued to influence the Care Quality Commission (CQC) and Ofsted's SEND provision inspections in England. The proposed new inspection framework for schools which will be introduced by Ofsted in September 2019 includes a statement around the need for high expectations for pupils with sensory impairment, largely down to our influence. We have also influenced the Welsh Estyn inspection framework, the Welsh Additional Learning Needs and Education Tribunal Bill and the new Northern Ireland SEND framework.

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2019

We have been campaigning around Ofsted local area inspections of SEND provision in England, ensuring deafness is a focus and encouraging parents to get involved. Overall, 2018/19 saw 49% of Ofsted visits resulting in written letters of action and 59% of reports specifically mentioning deafness. Eighty five percent of the reports which specifically mention deafness talk about services for deaf children as a relative strength. The high number of mentions of deafness in Ofsted reports compared to other forms of SEND are a result of our contribution in this area and this has been a very positive result for us. The Department for Education have indicated that they would like Ofsted to continue these inspections beyond the current five-year cycle, which is also a positive outcome from our campaigning work.

Children's Hearing Services

In England, we undertook a comprehensive survey of audiology services and released our *Listen Up!* report, which got media coverage for the first time, including on Channel 5 news and in the Mail on Sunday. We have continued to encourage and promote the *Improving Quality in Physiological Services* (IQIPS) accreditation to Hospital Trusts across the country. This accreditation shows that a children's audiology department is reaching certain quality standards in how it works. Progress is slow, with only three new services accredited in the past year, making 29 in total (22% of services).

We also submitted responses to various stages of the National Institute for Health and Care Excellence (NICE) TA166 cochlear implants consultation. This was about guidelines on candidature for children to receive cochlear implants. All our recommendations for revised candidature were accepted and the final guidance was published by NICE in March 2019 (TA566). Our influence on this could potentially double the numbers of children eligible for cochlear implants, providing significant benefits to these children.

In Northern Ireland we have secured the introduction of paediatric audiology standards across all services, an issue we have campaigned on since 2011.

Social care

Whilst our work in the area of social care remains small in comparison to education and children's hearing services, we have worked to provide tailored support to professionals who requested it, with positive feedback.

Supporting families to access and influence services

We have continued to provide information, support and advice to families around education issues, children's hearing services and social care, where possible supporting parents through workshops and events which have led to positive outcomes.

The National Trial began in England in April 2018, involving education cases where the young person also has a social care or health need and the Education, Health and Care plan. We have begun supporting families with National Trial cases, which will set strong guidance to other Tribunals and creates the potential for better outcomes for the young person.

Did we succeed in this objective?

Yes. Due to the agenda of austerity, we have been finding it difficult to prevent cuts to education completely, however we have continued to influence in this area and in the past year our campaigning has resulted in many partial wins. Our work on children's hearing services has resulted in some very positive progress, especially in Northern Ireland. However, we are still concerned about the continued decline in the number of qualified Teachers of the Deaf, despite our campaigning work. In addition, Government data still shows deaf children are achieving significantly lower grades at all levels of school, despite deafness not being a learning disability.

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2019

We will improve local and regional support for deaf children and young people and their families through local groups and by promoting Deaf-Friendly Standards.

Measure: Parents report improved access to activities and sports by their children.

From our membership survey results, it is clear that deaf children are generally accessing sports and activities less than the benchmark of the general population of children in Great Britain, and this has worsened compared to the previous year. Our work to address this through a project called 'Deaf-Friendly Standards' is still in the early stages. More work is being done on this in 2019/20.

One of the other ways we support access to non-statutory services is through our local parent groups. We have 101 formal groups and nine informal groups and are reaching 5,095 families through these. In addition, we also now have 113 Facebook groups with 12,668 families connecting through them. Through our local groups networks, parents are accessing mutual support and are working together to influence services locally.

Did we succeed in this objective?

Partly. We have improved local and regional support for deaf children and young people and their families through local groups. From our membership survey we have evidence that families really value the opportunity to connect with other parents of deaf children (both for their own benefit and the benefit of their children); overall 23% included the ability to connect with others as one of the best things about us. However the delay in the launch of our Deaf-Friendly Standards means we have not improved access to local sports and activities as much as we had anticipated.

Area of focus B: Overcoming barriers in language and communication

We will help families to support the language and communication skills of their deaf child.

Measure: Parents have increased ability to communicate with their deaf child.

We have delivered a range of courses and events through both the Big Lottery funded Positive Families Programme and our core funded family programme work. These have been delivered across the UK with a focus on building peer support and connecting families, as well as providing information and support that can enhance language and communication development. We reached 364 attendees across 27 events. Amongst a range of positive outcomes, over 80% of parents reported an increased ability to communicate with their deaf child following Family Sign Language courses and over 80% of parents attending all courses reported feeling better able to interact with and support their deaf child.

This year our support and advice services have worked on 433 cases supporting deaf children to develop language and communication skills. We have also supported families to develop their deaf child's language and communication skills through our technology service. Our Language Environment Analysis (LENA) loan service was developed and launched at the end of the year. This service will give families access to use of the LENA device via trained professionals, which will help them to adjust their environment to support the language and communication development of their child.

Two years ago we launched research showing that radio aid technology can dramatically improve the language and communication skills of deaf children. As a result we launched a campaign in England to get more local authorities to provide these to very young deaf children for their use at home. Because of

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2019

our campaigning work in the last year, an additional 21 local authorities now provide radio aids to young deaf children.

This year also saw a break-through in our Right to Sign campaign in England. Because of our campaigning work, the Department for Education are now working with the exam body Signature and the qualifications watchdog Ofqual to develop a new GCSE in British Sign Language. Before our campaign, they said that no new GCSEs would be developed. While the process for developing this is long, the early indications are positive.

Did we succeed in this objective?

Yes. Our courses and events have shown positive outcomes for families in supporting the language and communication skills of their deaf child. We also continue to work to improve the environment and technology available to support this more widely.

We will become the go-to place for parents and professionals on the issue of deafness in the early years.

Measure: Our evidence of the development of our early years support, resources, training and tools.

We have been developing new early years products, including launching our third children's book, *Elephant and the Lost Blanket*. Early years work has increased through our support and advice services, where we have supported over 400 early years calls and over 900 early years cases this year. We have continued to develop two early years projects, *Active and Ready to Learn* and *See Me Read*, the launch of which have been postponed until 2019/20.

Our technology project, *Borrow to Buy*, continued and was improved to make it more beneficial for young deaf children through the introduction of tamper-proofing. Of the 112 families that used the *Borrow to Buy* scheme, 43% of applications were for children aged five and under, the youngest being just 10 weeks old. Additionally, technology research for early years informed by views of parents of deaf children resulted in several new products being identified for our *Technology Test Drive*.

We delivered 13 workshops to managers and heads of deaf education services at local councils on *Quality Standards: Early Years Support*, reaching 154 professionals. The aim of these workshops was to raise awareness of the standards and encourage services to review and audit their own provision. We also piloted our new training *Deaf awareness for early years professionals* in Wales for 21 professionals from a range of early years settings and had excellent feedback from early years practitioners, as well as local Teachers of the Deaf who took part.

Did we succeed in this objective?

Mostly. We have made some good progress in our work to build our early years offer this year, either directly with families or by working with early years professionals. Our new early years pilot programmes will launch in 2019/20.

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2019

Area of focus C: Overcoming barriers to independence

We will support deaf children and young people to make their own decisions and develop social networks, increasing opportunities for independence.

Measure: The number of opportunities provided for deaf children and young people to increase their independence.

We have created a number of opportunities for deaf children and young people to increase their independence. This includes our youth activities programme, which 282 deaf young people participated in. Overall, 100% reported achieving outcomes they had identified as important at the start of the event; this included improved communication, making friends and feeling more confident. Other activities included over 100 deaf young people accessing volunteering opportunities and 31 attending our *Raising the Bar* performing arts weekend in May 2018. We awarded 31 grants to deaf children and young people. The grants have led to a good range of activities supporting independence including deaf young people becoming democracy ambassadors, sports leaders, anti-bullying ambassadors and wellbeing first aiders.

There have been over 19,000 visitors over the year on our Buzz website for deaf children and young people, which is a large increase on the previous year. We have been providing useful information to deaf children and young people through this website to support them, and have been increasing the number of stories written by deaf young people themselves.

In October 2018 we also launched a technology loan service to deaf young people over the age of 16. The service offered 11 new products that were identified, researched and reviewed by deaf young people themselves. By the end of the year we received applications from 78 young people aged 16-25, who requested a total of 133 products between them, and who also became young members of the organisation. 91% said they wouldn't have been able to borrow technology without this service.

Did we succeed in this objective?

Yes. We created many opportunities for deaf young people to increase their independence. We will continue to increase these opportunities in the future with additional opportunities through youth membership and volunteering opportunities.

We will campaign for more deaf young people to achieve successful career outcomes by challenging narrow expectations of what they can achieve at key points of decision-making and through improvements to careers advice, work experience opportunities and the Access to Work scheme.

Measure: Our evidence of the extent we have influenced the range of options open to deaf young people and the good quality support available to them.

Some of our work to support this objective has been through supporting professionals who work with deaf young people. In July 2018 we delivered a *Right for the Future* conference attended by 125 people. Participants were from a range of secondary, further and higher education settings, the health sector, and social care sectors. As a result, 89% attendees were more confident in supporting deaf young people and 81% said they would review/change how they support deaf young people.

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2019

We have also been developing a careers campaign. Our Young People's Advisory Board completed 'Young Inspectors' research on careers advice provision at their schools, and have also undertaken regional consultations with other deaf young people. This work has provided an evidenced-based approach to improving careers advice and challenging narrow expectations of deaf young people, which will be used for our campaign launch later in 2019. Additional work to improve our evidence-base in this area has been through commissioning a longitudinal research study on post-16 transitions into adulthood, which will be delivered by the University of Manchester and the University of Edinburgh. The research study is called Recording Emerging Adulthood in Deaf Youth (READY), and will provide us with increased knowledge in the area of independence to improve our work.

We have been continuing to raise issues with the relevant education departments about post-16 high needs funding and we drafted quality standards for the Further Education and Skills sector, to be published later in 2019. We also contributed to the Welsh Government's development of inclusive apprenticeship guidance; the inclusive apprenticeships action plan was published in December 2018.

We have provided information, advice and support to over 400 deaf young people over the age of 16 in cases about transitions to adulthood. Examples of support include helping deaf young people with Access to Work funding, and helping them to settle into new jobs. We have also provided information and guidance at community engagement events, including schools and colleges. The focus of this has been on raising awareness of their rights, how they can access services, and to empower deaf young people to achieve independence.

Did we succeed in this objective?

Mostly. We have made good progress in this area, having achieved some positive outcomes. Much of the work is laying the ground for our careers campaign launch later in 2019, which should see even more success in this area.

Scotland

Overcoming barriers in local and national services

In Scotland this year, we have made significant progress on longstanding audiology objectives, having secured agreement to the introduction of the Local Record of Deaf Children (allowing much improved evidence-based planning of audiology and early intervention services) and of a Managed Clinical Network (supporting the quality of audiology services and improving the pathways by which other services become involved). We have been monitoring the development of both of these.

We have challenged education cuts and potential cuts in West Dunbartonshire, Western Isles, West Lothian and Falkirk, with success in three of these areas so far. In the Western Isles, for example, we secured the replacement of a Teacher of the Deaf post along with the training of an additional staff member. We have also been campaigning for the introduction of key recommendations of the Scotland Education and Culture Committee report. We have made significant progress here and the recommendation to review the Teacher of the Deaf competencies within Scotland is underway.

We have also delivered parent campaigners training, youth campaigning workshops and Deaf Learners Conferences as part of our British Sign Language (BSL) Act project. This included running 'craftivism' workshops in five areas across Scotland where we supported 42 deaf young people to campaign through arts and crafts. This project supports young people and their parents to develop new campaigning skills, share their views on the BSL National Plan for Scotland and to feed into local public body plans.

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2019

In the last year, 111 children and young people have participated in our deaf-friendly swimming events in Scotland. We have also delivered face-to-face *Making Swimming Deaf Friendly* training to 116 swimming teachers in Scotland, meaning our work through this funded project should continue to impact on many deaf children and their ability to access deaf-friendly swimming in the future.

Overcoming barriers in language and communication

Through our *Everyone Together* project, we have delivered group Family Sign Language (FSL) courses in Glasgow and Aberdeen, in addition to supporting some families with one-to-one courses across Scotland. Our *FSL for Early Years Professionals* course has supported staff working with a family receiving one-to-one FSL support. We delivered a further pilot of our FSL stage two course, with feedback from families being used to refine and improve the course. In total, 12 professionals and 135 individual family members from 35 families have participated in FSL in Scotland this year.

We delivered 60 deaf awareness sessions to 760 children in nursery and primary schools across Scotland. Children were taught how they can best support their deaf friends through effective communication, and the evaluations after the workshops showed that children retained this information. This will help deaf children communicate with their peers.

We have been developing an *Informed Choice Toolkit* which we will pilot with families in Scotland. This will support families to make an informed choice about language and communication for their child. We also developed the *Journey Book*: a publication for parents at the point of diagnosis to introduce them to the National Deaf Children's Society.

Overcoming barriers to independence

With our youth activities, five events reached 104 deaf young people in Scotland, with positive outcomes. We have influenced key Members of the Scottish Parliament and civil servants around post-16 SEND funding and we have also completed our post-14 Scotland research, which will be disseminated in 2019/20. We continued to support our young campaigners, who have been inundated with requests for consultation and co-design from the government and the third sector. We have also continued to work with *for Scotland's Disabled Children (fSDC)* to influence education reforms. Working with the *Association for Real Change Scotland (ARC)*, we have developed a deafness supplement to Scotland's principles of good transition which will be used by Local Authorities across Scotland.

International

We will continue to work with partners in East Africa and South Asia, supporting deaf children internationally. We will also continue to support the development of the regional parents group in Latin America. We will develop our international role as an expert trainer and leading source of information.

Throughout the year, Deaf Child Worldwide has continued to work in East Africa and South Asia with partner organisations. We trained 3,653 professionals and supported 1,928 families. We also supported 25 parents groups and 12 youth groups. We have continued to support work in Latin America through a regional parents' group representing parents from six countries. We have been working to develop our role as an expert trainer, having delivered initial training to five Senior Lead Trainers and 11 Lead Trainers, with positive outcomes in their knowledge and skills. We have also worked on strengthening our monitoring and evaluation in order to increase our evidence base for being a leading source of information. Some examples of our work in the strategic areas of focus can be seen below.

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2019

Overcoming barriers in local and national services

Our main focus for our international work in this area is on education, with 17 of our partners having delivered projects linking to education. Our work has included one-to-one support for deaf children in education by Deaf Role Models and Community Rehabilitation Workers. Often the child is the only deaf child in their school and can be very isolated both educationally and socially, so we have also been developing a 'model' schools approach. This is where we ensure deaf children have at least one day a week where they are brought together into a classroom with other deaf children with specialised support to increase the quality of their education.

Some examples of positive outcomes in our education work include teachers now using basic sign language with deaf children in schools, deaf-friendly teaching materials being developed and inclusive teaching methodologies being embedded as a result of our work with partners. We have also seen children showing considerable improvements in their academic performance and increased participation in school competitions and extra-curricular activities.

As a result of our work in communities and with families in South Asia, awareness of deafness is rapidly increasing, and as a result deaf children are receiving increased support. Parent groups have been advocating for improved services, such as the inclusion of sign language interpreters to support access to exams. Government departments, primarily at local level, are responding to demands for entitlements made by the parent and youth groups we have supported, which are gradually becoming stronger in voicing their needs.

Overcoming barriers in language and communication

The development of language and communication skills is at the core of our international work. In South Asia and East Africa, the vast majority of deaf children have little or no language skills when they enter primary school. Nine of our partners' projects have been supporting deaf children and young people to develop language and communication skills as early as possible. Some positive outcomes of our projects include 101 parents in Kenya having been trained in sign language, who are now more confident having meaningful conversations with their children; support in Indian Sign Language being given across multiple partners in India, resulting in deaf children's improved ability to communicate; hearing classmates and friends learning sign language and deaf-friendly communication skills in one project in India, resulting in increased confidence with sign language and increased positivity towards their deaf classmates.

We conducted a language and communication research project in Kenya in three schools for the deaf. This helped us to better understand the strengths and weaknesses of current language and communication practices in Kenya and the report was also used to discuss policy and practice with the Education Authorities in Kenya. We are continuing to use this research to refine and develop our projects, so they have a rigorous evidence-base behind them.

In Tanzania, for the first time ever, 27 students graduated with a certificate in Sign Language and Interpreting from the University of Dar Es Salaam. This increases the number of certified sign language interpreters in the country from zero to 27. We funded the course and provided technical support in its development and delivery. The course is pioneering in its approach to bridge the communication gap and overcome some of the barriers to communication for deaf children as well as deaf adults in Tanzania. This will continue again in 2019/20 with a new cohort of students.

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2019

Overcoming barriers to independence

Twelve of our partners' projects support deaf young people to become independent in adulthood, for example, working with Deaf Role Models, developing vocational skills and developing life skills. In East Africa we supported two partners to deliver projects focused on improving deaf young people's skills for employment. The projects started in September 2018, and work so far includes over 100 deaf young people being trained in life skills, 23 deaf young people being trained in various vocational skills and 40 deaf young people being trained in business skills and management. Additionally, in Kenya some deaf young people are undertaking internships, employers are demonstrating interest in hiring deaf young people and training their staff on how to effectively communicate with deaf people and vocational training centres are allocating sign language interpreters to support deaf students. In one project in India targeting 134 deaf young people, 118 of them have been trained in life skills. They also have awareness and understanding of their rights due to additional training given on disability legislation in the countries they live in.

Some of our other work linking to independence has included projects about sexual and reproductive health (SRH). This is because research shows deaf young people often find it difficult to access this type of information, and so are left more vulnerable to SRH issues. One example of this is that peer leaders have been raising awareness on SRH in the three districts of the Uganda.

Did we succeed in this objective?

Yes. We have continued to work with partners in East Africa and South Asia, and with the regional parents group in Latin America, and have seen positive outcomes across our strategic areas of focus. We have started some training work and have been strengthening our evidence base to become a leading source of information for organisations working with deaf children and young people in developing countries.

Underpinning activities and smarter working

We will continue to develop the support we give to our members, providing them with information, help and advice, and will continue to protect the rights of deaf children and young people in line with our strategy. We will continue to strive to work more effectively and efficiently.

We have continued to provide information, support and advice to our members, having successfully launched a new website in January 2019 to help parents, professionals and deaf young people access the information they need more easily. Our Helpline answered 8,170 enquires through various different channels, our Children and Families Support Officers worked on 1,508 cases and our Appeals and Disputes Advisors worked on 272 cases. The total amount of Disability Living Allowance (DLA) and Personal Independence Payment (PIP) income generated for families this year was £1,119,467.37. Through our Appeals and Disputes team, we have been identifying cases which have the potential to not only improve the lives of those directly involved in the case, but to also influence decision-making in other cases. We have started supported a growing number of these 'strategic' cases, which will lead to greater reach and impact through our casework.

Our Children and Families Support Officers in England and Wales have grown their level of community engagement, including attendance at audiology clinics, secondary school events and community centres. Through 293 community engagement events they have extended their reach to 3,078 families and 893 professionals this year. Our Roadshow has also engaged significantly more people than planned through outreach work and deaf awareness assemblies, reaching over 20,000 people.

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2019

Other areas of increased efficiency and effectiveness over the year include the successful launch of new finance and HR systems, leading to more streamlined and automated processes, and successful launch of electronic voting for our Annual General Meeting, which more than doubled the number of votes we received from members. Increasing our in-house video production, with 131 videos having been produced, has also supported services, campaigns and wider engagement with our work. An 'innovation pipeline' was launched as a way to engage our staff in generating ideas for new services or the improvement of existing services, with a number of the ideas having been piloted.

We have also worked on increasing staff wellbeing and positive mental health through initiatives including e-learning, staff seminars and face-to-face training for staff, and our feedback shows that it has been well received and achieved its objectives. We also held our first volunteer celebration and development event in November 2018, which was a success with 66 volunteers attending, and we hope will encourage improved engagement.

Did we succeed in this objective?

Yes. We have provided tailored support and advice to thousands of families of deaf children, having also launched our new website to help even more people access the information they need as easily as possible. We have increased organisational efficiency and effectiveness through a number of new systems and new initiatives.

Targets for 2019/20

Our mission is to overcome the social and educational barriers that hold deaf children back. Our ambition is that by 2030 no deaf child will be left behind. Our 2017–2022 strategy has a focus on three key areas:

- > local and national services
- > language and communication
- > independence.

Local and national services

> We will defend services for deaf children and young people against reductions in local authority budgets, identify policy solutions and advocate for investment and improvement in the quality of services.

Measure: Our evidence of the extent we have influenced national and local reforms to improve support for deaf children.

> We will improve local and regional support for deaf children and young people and their families through a network of local groups and by working with mainstream organisations to become deaf-friendly.

Measure: Size of local groups network and deaf young people and/or their parents reporting improved access to sports and activities.

Language and communication

> We will help families to support the language and communication skills of their deaf child, particularly in the early years.

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2019

Measure: Parents have increased ability to communicate with their deaf child and report their child is more confident in communicating.

> We will promote and campaign for best practice and standards in the language and communication development of deaf children and young people, particularly in the early years.

Measure: Our evidence of the extent we have influenced language and development policy and practice to improve support for deaf children.

Independence

> We will support deaf children and young people by continuing to develop our youth membership offer, providing opportunities to help them connect to support and information and to our face-to-face activities and engagement opportunities.

Measure: The number of opportunities provided for deaf children and young people to increase their essential life skills and support networks.

> We will influence the quality of support for deaf young people in further and higher education and broaden aspirations for deaf young people in employment.

Measure: Our evidence of the extent we have influenced the range of options open to deaf young people, their aspirations and the good quality support available to them.

International

We will continue to work with partners in East Africa and South Asia, supporting deaf children internationally in our three strategic areas of focus. We will also continue to support the development of the regional parents group in Latin America. We will continue to increase our profile and to develop our international role as an expert trainer.

Underpinning activities

We will continue to develop the support we give to our members, providing them with information, support and advice, and will continue to protect the rights of deaf children and young people in line with our strategy.

Smarter working

We will continue to work more effectively and efficiently.

Fundraising

Fundraising is essential to allow us to carry out our vital work to support deaf children, young people and their families, and trustees are grateful to the many individuals, companies, trusts and institutions who have supported our work over the year. Our fundraising is supervised in detail by the Finance Audit and Risk trustee sub-committee, with regular reporting to our full Trustee Board who receive copies of all fundraising mailings. We are active members of the new Fundraising Regulator and of the Institute of Fundraising, and our staff engage widely across the sector to support measures to increase public trust and support in fundraising.

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2019

As well as employing our own professional fundraising staff, we use specialist agency support to help us reach out to engage new supporters for our work. We require all such agencies to be members of both the Institute of Fundraising and the Fundraising Regulator and work closely with them to ensure they treat all individuals they deal with courteously and professionally. We are particularly conscious of the need to take care when interacting with individuals who are or may be vulnerable, and require all staff and agencies we work with to follow our Ethical Fundraising and Fundraising from Vulnerable People policies. We also ensure that all fundraising agencies have their own Fundraising from Vulnerable People policy which is consistent with the requirements of our own.

As part of their scrutiny of our fundraising, trustees review annually the completed Charity Commission checklist *Charity Fundraising: A guide to trustee duties (CC20)*. We follow rigorous processes to ensure all complaints and allegations of fraud are recorded and investigated within strict timeframes by a designated staff member, and that any learning is documented and acted upon. Any proven cases of fraud are reported to the police and detailed complaint and fraud reports are regularly reviewed by trustees. Over the course of the year we received 602 complaints about our fundraising activity.

As part of our commitment to maintaining high standards we set targets for the number of face to face interactions and outbound telephone calls which are monitored, and receive regular reports on this. A designated compliance officer supports this work and progress is monitored by trustees.

Principal risks and uncertainties

A Risk Management policy has been agreed and implemented by the trustees. Key risks are reviewed quarterly by the executive directors and by the relevant board committee at each committee meeting, and more frequently if required. Mitigating actions are assigned to individuals. These actions reduce the likelihood and/or impact of any detrimental events. The trustees consider the following to be the key risks facing the organisation.

- Our target audiences (deaf young people, their parents, professionals and decision-makers) have many competing demands for their time and attention. If we're to achieve our ambitions we must stand out in an increasingly crowded marketplace. The brand refresh in 2017 and our new website launched in January 2019 have been designed to help our audiences more easily engage with us. We will review our membership offer and continue to: build our marketing capability to promote our services; strengthen our position as experts on childhood deafness; and develop partnerships with organisations who share our views and offer complementary activities.
- Our strategy sets out an ambition for the transformation of our international work. This will require changes in the governance of our international work to build on and continue to strengthen our work in line with legal and moral obligations. All our policies and procedures are being reviewed and updated, with additional policies and procedures being developed and implemented where appropriate. We are investing more in training and in the monitoring and evaluation of our international work. We have appointed a trustee with significant experience of international development, and established a trustee oversight committee. We continue to refer to our International Advisory Reference Group of Experts and to take external professional advice where necessary.
- We recognise the importance of safeguarding children and young people in all areas of our work, and in activities organised by affiliated local groups and our international partners. The charity has

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2019

a Safeguarding policy which applies to everyone who works with or for the charity. The policy is implemented through robust procedures and supported by safer recruitment practice and training programmes for staff and volunteers. We provide online training and require affiliated local groups to meet safeguarding standards. We have toughened our approach to those local groups who have not yet achieved these standards. Similarly, we set clear standards and procedures and provide training for our international partners. There is an experienced Trustee lead on safeguarding and safeguarding work across the organisation is regularly reported to the Board. All policies and procedures are regularly reviewed internally and with an external advisor. Although we believe the operational procedures have strong safeguards embedded in them, it remains a key risk on our risk register.

- We are almost completely reliant on fundraised income and therefore need to take into account changing economic, policy and social conditions that may affect individual supporters, corporate and major donors, and statutory and trust funders. The Executive team monitor results monthly and consider the longer term impact of emerging trends. This is discussed regularly with trustees, with mechanisms in place for additional reporting if there is cause for concern. Trustees also oversee compliance with fundraising regulations and make sure that fundraising is carried out to high ethical standards. Investment continues in income diversification projects to mitigate the risk of reliance on fundraised income where possible.

Financial Review

Overview

Although our legacy income increased for the third year in a row, reaching £2 million, our income overall reduced by £1.5 million to £23 million. In response our expenditure also fell leading to a small deficit of £48k on unrestricted funds, before taking account of investment gains of £0.2million. This was an improvement on the budgeted deficit for the year and, building on our secure reserves base, trustees plan to invest additional funds from our reserves in 2019/20 to recruit new supporters who will generate unrestricted income in future years to fund our vital work.

Fundraising contribution

We are fortunate to have so many committed and generous supporters who continue to make regular monthly contributions, in most cases enhanced by Gift Aid, generating £19 million of income in the year. Together our supporters form our most important income stream. Almost 99% of their contributions are unrestricted giving us the flexibility to focus our financial resources where they are most needed, even when other sources of funding are not available. We spent £7.2 million on recruiting new supporters in 2018/19, less than in recent years, but we plan to increase our supporter numbers in 2019/20 which will strengthen our income streams in future years. The net income generated from this form of fundraising was ahead of target for 2018/19. We will continue to closely monitor the performance of individual giving fundraising against targets and seek to further diversify its income streams when suitable opportunities arise.

Our second largest source of income continues to be from legacy bequests. This can be a volatile income stream but in 2018/19 we had the highest level of legacy income in our history reaching £2.1 million, £0.9 million more than in our financial plans for the year and including accrued legacy income of £0.5 million.

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2019

Charitable expenditure

We spent £14.7 million on charitable activities, £0.9 million less than in 2017/18. There was a 3% fall in unrestricted charitable expenditure. The balance (£0.4 million) was due to less activity being funded from restricted sources. You can read about how this expenditure helped us to achieve the targets we set ourselves earlier in the report.

Capital expenditure

During the course of the year £0.1 million was spent, or transferred from assets in the course of construction, on intangible fixed assets as part of our planned investment in IT infrastructure to promote smart and effective working.

Financial position at year end

Net assets are now £11.6 million, an increase of £0.5 million, providing a sound financial base to continue to deliver our strategic plan.

Performance of subsidiaries

NDCS Limited had a successful year and will pass a profit of £81,000 to the charity, further details are shown in Note 3 of the financial statements.

Reserves

We have a risk based reserves policy which is underpinned by the organisational risk register and is linked with the charity's strategy and corporate plan. This has determined that the target range of general reserves (excluding those reserves represented by restricted funds, fixed assets and the revaluation reserve) required by the charity as being between £5.5 million and £7.3 million.

The total reserves for the charity as at 31 March 2019 were £11.6 million (2018: £11.1 million). Unrestricted reserves formed £11.0 million (2018: £10.7 million) and restricted reserves £0.6 million (2018: £0.4 million).

Of the unrestricted reserves balance of £11.0 million, £0.2 million was related to intangible and tangible fixed assets.

General reserves (excluding reserves represented by restricted funds and fixed assets) stood at £10.8 million. This exceeds the upper target reserves level. However, a deficit budget has been planned for 2019/20 which will result in general reserves being brought down to within the target range whilst continuing to provide quality-driven and impactful services and support to deaf children and their families.

The trustees conduct an annual review of the appropriate level of general reserves and changes to the charity's risk profile, strategy and plan are considered as part of that review. The output of the annual review informs subsequent planning and budgeting cycles.

Investments

Trustees have considered the requirements of the SORP and the Charity Commission's guidance (CC14) and remain of the opinion that there are no listed investments adverse to the purpose of the charity. The Investment policy is reviewed annually and there are no specific investment restrictions. Trustees have adopted a cautious and diversified investment strategy to balance potential return with appropriate risk and mitigate the consequences of volatility in the markets.

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2019

Quilter Cheviot manage a medium risk, multi asset portfolio for the charity with a total return target at CPI inflation plus 3.5% pa net of fees. This is benchmarked against CPI plus 3.5% annualised, ARC Steady Growth Charity Index and a composite of market indices:

- Fixed interest and government bonds: FTSE Actuaries UK All Stock Gilts;
- UK corporate bonds: ICE Bank of America ML Sterling Corporate Bonds;
- UK equities: FTSE All Share;
- Overseas equities: FTSE All World ex UK;
- Alternative investments: 50% FTSE All Share and 50% FTSE Actuaries Government All Stocks;
- Cash: UK Interbank 1 week.

The market value of investments stood at £3.8 million at 31 March 2019, an increase of £0.3million over the year.

Grant policy

As part of delivering our international charitable activities we award grants to partner organisations in line with our strategic objectives. We undertake a formal appraisal of the project and partner organisation before making a grant which is subject to a specific grant agreement. The due diligence process includes review of the governance, senior management, financial capacity and an assessment of the organisation's capacity to deliver the project objectives and safeguard the young people they work with. Progress against targets is monitored before making further grant payments and if we are not satisfied that the grant is being managed in accordance with the partnership agreement the grant will be delayed or terminated. In 2018/19 we spent £0.4 million in grants to partner organisations in relation to our international work.

We operated a small grants programme making grants totalling £27,000 to local deaf children's societies. These are independent charities affiliated to the National Deaf Children's Society. This money enabled them to run events and services that benefited deaf children and their families in their local area. Further detail is shown in Note 7 to the financial statements.

Corporate structure, governance and accountability

We have three subsidiary undertakings and a 25% share in a joint venture consolidated in the group. The three subsidiary undertakings are NDCS Limited, Friends for Young Deaf People, both registered in England and Wales, and Fundacion Ninos Sordos Del Mundo, a charity registered in Spain. NDCS Limited is the only subsidiary undertaking that is actively trading and donates its trading profit to the National Deaf Children's Society. Further details are included in Note 3 to the financial statements. We have a 25% share in Childlife, a company limited by guarantee. Further details are included in Note 4 to the financial statements.

The Trustee Board governs the charity and has a maximum of 12 trustees. A majority of trustees must be elected by the membership. All elected trustees must be carers or parents of deaf children and members of the charity. These trustees can be appointed by the Trustee Board, but must stand for election by the voting membership at the next Annual General Meeting (AGM). Additional trustees may be co-opted by the Trustee Board to enhance the skills of the Board. These co-opted trustees do not have to be a full member of the National Deaf Children's Society. The honorary chair must be the parent of a deaf child. In addition to the honorary chair there are three honorary officer roles – honorary vice chair, honorary treasurer and honorary deputy treasurer.

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2019

The articles require that each year one-third of the elected trustees – those who have been in office the longest since last elected – should offer themselves for re-election. Elected and co-opted trustees may serve for a maximum of nine consecutive years. After maximum service, all trustees must have a break of three years before being eligible to stand again for election or co-option.

Potential trustees are invited to submit a written application which is considered by a nominations panel comprising the chair, vice chair and an independent governance expert. We have implemented a Board diversity action plan to encourage applications from a wider section of the community. Suitable applicants are interviewed before being proposed as a trustee. All new trustees undertake an induction programme which involves an introduction to their responsibilities and to the operation of the charity. They are offered the opportunity to have an existing trustee as a mentor in their first year.

The trustees provide leadership and direction for the charity, setting the vision, mission and strategy, which are delivered by the chief executive and their team. The trustees are legally responsible for ensuring that resources are used prudently and only in support of our objectives, for stewardship of our assets and for ensuring that the charity complies with all relevant legislation and regulation. The Trustee Board operates a Conflicts of Interest policy. A declaration of interest form is completed annually by trustees, senior management and fundraising staff and new declarations are made and recorded at the start of every trustee committee meeting.

The Trustee Board meets four times a year. It is supported by three committees, each of which has specific terms of reference. The Finance, Audit and Risk Committee, which meets four times a year, oversees all financial and administrative matters of the charity; the Services and Campaigns Committee, which meets three times each year, provides strategic support and direction to the development of services for beneficiaries and for advocacy; and the Governance Committee, which meets four times each year, and is responsible for ensuring the Trustee Board has an effective governance framework and an appropriate skills mix. A fourth, International, committee will have its first meeting in July 2019 to provide strategic support and greater oversight of our international work. The committees are chaired by trustees with a minimum of three trustee members. Committee meetings are also attended by relevant staff. Each committee has its decisions ratified by the Trustee Board where appropriate. The day to day running of the National Deaf Children's Society and the exercise of executive responsibility are delegated to the chief executive for operational matters including finance, employment and service delivery.

There are clear distinctions between the role of the trustees and of senior management. Matters such as policy and strategic plans are prepared by senior management for consideration and approval by the trustees. All trustees give up their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in Note 7d of the financial statements. There were no related party transactions.

Employees

Our aim is to ensure that all employees feel supported, developed and included. All new employees attend induction events where the chief executive and other senior members of staff explain the areas of focus of their teams and the importance of safeguarding, and employees receive deaf awareness training. All staff are encouraged to build on this to improve their sign language and communication skills.

The charity is committed to an ethos of continuous improvement encouraging feedback and suggestions. Employees across the charity were involved in the development of our five year strategy

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2019

and are kept updated on progress and objectives as well as day to day news and events through team meetings, seminars, our intranet and a weekly digital newsletter *In the Loop*.

We support equal opportunities and are a 'Disability Confident Employer'. We recruit and promote on the basis of aptitude and ability without discrimination. We support the continued employment and retraining of employees who become disabled during employment with us.

We have continued to build on our Behaviours Framework which details expected behaviours in job descriptions, recruitment, performance achievement reviews and the 1:1 framework used for line management across the charity. The behaviours are broken down as (i) Supports the National Deaf Children's Society, (ii) Accountability, (iii) Continuous Improvement, (iv) Personal Effectiveness.

Remuneration

The charity recognises the contribution of every employee and our policy on remuneration is to ensure that the reward package offered is both sustainable and competitive with other organisations so that we can recruit, retain and develop staff with the skills to deliver our strategy. In setting pay levels for our staff we take account of pay practice in other similar sized charities, the public sector and, where necessary, the private sector for specialist and technical roles. The Finance, Audit and Risk Committee reviews a recommendation from the CEO for an annual pay increase as part of the annual budget approval process. Trustees consider affordability, economic trends and external market pay movement and make a recommendation for approval by the Trustee Board.

We operate a defined contribution group personal pension scheme, to which all eligible employees are auto-enrolled. We make a contribution of 5.5% of salary and during the year staff could opt to make a contribution.

Information on the maximum and minimum remuneration levels for each grade, and all benefits (including pension) are available to all employees.

Executive pay:

The total remuneration of the Executive team (as defined below) was £491,415 (£491,488 in 2017/18). This included pension contributions of £17,352 (£17,421 in 2017/18). There were no benefits in kind. The Executive team received the same annual pay increase as all other staff.

The Executive team consists of: Susan Daniels (CEO), Jane Foreman (Deputy CEO and Director People, Finance and Business Solutions), Helen Cable (Director Children, Young People and Families), Steve Haines (Director Policy and Campaigns) and Mike Wade (Director Fundraising and Communications).

Members of the Trustee Board 2018–2019

Lisa Capper	(Chair)
Tim Polack	(Vice Chair)
Sally Procopis	(Treasurer, resigned 19 May 2018)
Helen Selwood	(Treasurer from 19 May 2018)
Sheila McKenzie	(Deputy Treasurer)
Suzanne Beese	
Gerard Featherstone	
Lynn Gadd	(appointed 19 July 2019)
Jane Hill	(resigned 26 July 2018)
Dominic Holton	

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2019

Damian Proctor	(appointed 19 July 2019)
Jennie Rayson	
Jan Rutherford	
Lorraine Wapling	(appointed 2 November 2018)

As well as trustees, we are supported by our President Sir Christopher Benson JP, DL, FRICS, FRSA.

Members

There are the following categories of membership:

Full members

Full members have the right to attend, speak and vote at general meetings. The following shall be qualified for full membership:

- parents or carers of deaf children aged between 0 and 25 years and deaf people aged between 18 and 25 years, living in the United Kingdom.

Supporter members

Supporter members have the right to attend and speak, but not to vote at, general meetings. They retain the benefit of all other rights under company law and all other facilities and advantages of supporter membership. The following shall be qualified for supporter membership:

- any individual aged 18 or over, who is not a full member, making at least a minimum subscription to the charity and who is a participant in the charity's supporter scheme.

Associate members

Associate members have the right to attend and speak, but not to vote at, general meetings. An associate member shall be either an individual, who is not a full member, or a supporter member, or an organisation that falls into one of the following categories:

- professional members – professionals working in fields related to the education and relief of deaf children
- affiliate members – any group or organisation based in the United Kingdom which adheres to the charity's vision and values statement
- board members – co-opted members of the trustees who have been appointed by the existing members of the Trustee Board (and are known as the co-opted trustees)
- international individual members – any individual living outside the United Kingdom (adopted by a resolution of the trustees made on 12 September 2009)
- international affiliate members – any group or organisation based outside the United Kingdom which adheres to the charity's vision and values statement
- family members – anyone who is a family member of a deaf person

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2019

- parent/carer members – anyone who is a parent or carer of a deaf person aged over 25 years
- adult deaf members – anyone who is a deaf person aged over 25 years
- young deaf members – anyone who is a deaf person aged 16–18 years
- other members – any individual aged 16 or above living in the United Kingdom.

Volunteers

We have over 520 volunteers who supported deaf children and young people over the course of the year. We have a range of volunteering opportunities, including family programme volunteers, youth support volunteers and community support volunteers.

We have also received over 1,500 pro bono hours of legal support during the financial year 2018/19. The value of these volunteers is estimated at £24,000.

The trustees would like to take this opportunity to thank all of our volunteers for their continued support. Without their time and skills, our activities programme would not be as extensive and successful as it is, nor our offices as well run.

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2019

Statement of trustees' responsibilities

The trustees (who are also directors of the National Deaf Children's Society for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming or outgoing resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and 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 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 charitable company will continue in business.

The trustees are responsible for keeping proper 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

Auditors

Crowe U.K. LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

By order of the Board

In approving this Report, the trustees are also approving the Strategic Report included here in their capacity as company directors.



Lisa Capper
Director and Trustee

Date: 1 November 2019

The National Deaf Children's Society
Report of the Independent auditors
for the year ended 31 March 2019

Independent Auditor's Report to the Members and Trustees of National Deaf Children's Society

Opinion

We have audited the financial statements of National Deaf Children's Society for the year ended 31 March 2019 which comprise Consolidated Statement of Financial Activities (including the Consolidated Income and Expenditure Account), the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and 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 the charitable company's affairs as at 31 March 2019 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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.

Conclusions relating to going concern

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 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report

The National Deaf Children's Society
Report of the Independent auditors
for the year ended 31 March 2019

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 our audit

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 22, the Trustees (who are also the directors of the 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 or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to

The National Deaf Children's Society
Report of the Independent auditors
for the year ended 31 March 2019

going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees 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, the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 5th November 2019

The National Deaf Children's Society
Consolidated statement of financial activities
(including consolidated income and expenditure account)
for the year ended 31 March 2019

Income and expenditure	Note	Unrestricted funds £000s	Restricted funds £000s	Total 2019 £000s	Total 2018 £000s
<u>Income and endowments from:</u>					
Donations and legacies					
Regular donations and subscriptions from individuals		18,778	269	19,047	20,603
Legacy income	5(a)	1,849	222	2,071	1,986
Other donations and gifts		833	205	1,038	805
		21,460	696	22,156	23,394
Charitable activities	5(b)	63	493	556	839
Other trading activities	5(c)	139	-	139	182
Investments	5(d)	189	-	189	85
		21,851	1,189	23,040	24,500
Share of net gain in joint venture	4	8	-	8	11
Total		21,859	1,189	23,048	24,511
Expenditure on:					
Raising funds	7(a)	8,104	-	8,104	8,716
Charitable activities:					
Overcoming barriers in local and national services		6,664	226	6,890	7,832
Overcoming barriers in language and communication		2,540	469	3,009	3,514
Overcoming barriers to independence		2,879	159	3,038	3,331
Other charitable activities		1,720	76	1,796	912
Total charitable activities	7(a)	13,803	930	14,733	15,589
Total	7(a)	21,907	930	22,837	24,305
Net gain on investments	10(c)	261	-	261	39
Net (expenditure) / income and Net movement in funds after transfers	7(e)	213	259	472	245
Fund balances brought forward		10,772	376	11,148	10,903
Fund balances carried forward		10,985	635	11,620	11,148

All amounts relate to continuing activities.

There were no recognised gains or losses other than those dealt with in the above Statement of Financial Activities.

The National Deaf Children's Society
Consolidated balance sheet and balance sheet
for the year ended 31 March 2019

	Note	Group 2019 £000s	Group 2018 £000s	Charity 2019 £000s	Charity 2018 £000s
Fixed assets					
Intangible assets	8	110	181	110	181
Tangible assets	9	65	129	65	129
Investment in joint venture - share of net assets	4	64	56	-	-
Other investments	10	3,823	3,486	3,823	3,486
		<u>4,062</u>	<u>3,852</u>	<u>3,998</u>	<u>3,796</u>
Current assets					
Debtors	11	2,383	2,295	2,450	2,342
Cash at bank and in hand		7,190	6,385	7,116	6,295
		<u>9,573</u>	<u>8,680</u>	<u>9,566</u>	<u>8,637</u>
Creditors: amounts falling due within one year	12	<u>2,015</u>	<u>1,384</u>	<u>2,008</u>	<u>1,341</u>
Net current assets		<u>7,558</u>	<u>7,296</u>	<u>7,558</u>	<u>7,296</u>
Net assets		<u>11,620</u>	<u>11,148</u>	<u>11,556</u>	<u>11,092</u>
The funds of the charity					
Unrestricted funds					
Fixed asset reserve		175	310	175	310
General funds		10,810	10,462	10,746	10,406
		<u>10,985</u>	<u>10,772</u>	<u>10,921</u>	<u>10,716</u>
Restricted funds	13	<u>635</u>	<u>376</u>	<u>635</u>	<u>376</u>
	15	<u>11,620</u>	<u>11,148</u>	<u>11,556</u>	<u>11,092</u>

The surplus for the financial year dealt with in the financial statements of the parent company was £464,274 (2018: deficit of £234,228).

The financial statements were approved by the Board and authorised for issue on 1 November 2019 and signed on its behalf by:



.....
 Lisa Capper
 Director

Date: 1 November 2019

The notes on pages 29 to 50 form part of the financial statements.

The National Deaf Children's Society
Consolidated Statement of cash flows
for the year ended 31 March 2019

	2019 £000s	2018 £000s
Cash flow from operating activities:		
Net income for the year	472	245
<i>Adjustments for:</i>		
Depreciation/amortisation	161	586
(Gains) on investments	(261)	(39)
Income from investments	(189)	(85)
Investment management fees	24	3
Share of net (gain)/loss in joint venture	(8)	(11)
(Increase)/decrease in debtors	(88)	297
Increase/(decrease) in creditors	631	(1,028)
Net cash provided by/(used in) operating activities	<u>742</u>	<u>(32)</u>
Cash flows from investing activities:		
Interest on cash deposits	17	4
Income from joint venture	72	58
Purchase of intangible fixed assets	(26)	(148)
Purchase of tangible fixed assets	-	(61)
Net cash provided by/(used in) investing activities	<u>63</u>	<u>(147)</u>
Increase/(decrease) in cash and cash equivalents in the year	805	(179)
Cash and cash equivalents at 1 April 2018	<u>6,385</u>	<u>6,564</u>
Cash and cash equivalents at 31 March 2019	<u>7,190</u>	<u>6,385</u>

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

1 Company information

The National Deaf Children's Society is a private company, limited by guarantee, registered in England and Wales, registration number 02752456. The registered office is Ground Floor South, Castle House, 37-45 Paul Street, London, EC2A 4LS. The company is a registered charity, registered in England & Wales, registration number 1016532, and in Scotland, registration number SC040779.

2 Accounting policies

a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention, with the exception of listed investments which are included on a market value basis.

The financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, The Charities Act 2011 and the Companies Act 2006.

The charity meets the definition of public benefit entity under FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of the financial statements. In particular, the trustees have considered the charitable group's forecasts and projections and have taken account of the pressures on donation income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

b) Critical accounting estimates and areas of judgement

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements, nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year. With respect to the next accounting period the most significant area of uncertainty that affects the carrying value of assets held by the charitable company is the performance of the investment market.

c) Currencies

The financial statements are presented in sterling (£).

Transactions denominated in foreign currencies are translated at the rate of exchange prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the end of the reporting period are translated at the rate of exchange prevailing at that date.

d) Group financial statements

These financial statements consolidate the results of the charity and its subsidiary undertakings. The results of the wholly-owned subsidiaries, NDCS Limited and Friends for Young Deaf People, are consolidated on a line-by-line basis. In the group financial statements the joint venture is accounted for using the equity method under FRS 102 so that the consolidated SOFA includes the group's net share of profit or loss, while the group's share of the net assets of the joint venture is shown in the consolidated Balance Sheet. The results included for the joint venture in Childlife are derived from audited accounts.

No separate Statement of Financial Activities or Income and Expenditure account has been presented for the National Deaf Children's Society as permitted by Section 408 of the Companies Act 2006. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

2 Accounting policies (continued)

e) Fund accounting

Unrestricted funds - these are accumulated surpluses and deficits on general funds which can be used in furtherance of the general objectives of the charity at the discretion of the trustees. They include a fixed asset reserve, equivalent in value to the net book value of fixed assets.

Designated funds - these are unrestricted funds which have been set aside by trustees for specific future purposes or projects.

Restricted funds - these are funds that have restrictions imposed by donors and can only be applied for the particular purposes specified by donors. The funds are not available for work performed by the National Deaf Children's Society other than that specified by the donor.

f) Income recognition

All income is recognised and accounted for in the SOFA when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably. The following specific policies apply to categories of income:

Legacies - legacies are recognised when there is entitlement, it is probable that the legacy will be received and when it can be measured with sufficient reliability. Specifically, residual legacies are recognised when probate has been granted, any conditions pertaining to the legacy over which the charity has control have been met and either cash or estate accounts are received. Pecuniary legacies are recognised when probate has been granted. Legacies received after the year end are reviewed and, where material, are accrued where entitlement had been met at the balance sheet date. Income is not recognised for legacies which remain subject to a life interest.

Income from trading and merchandising - is accounted for when earned. Activity income received in advance is deferred until entitlement to the income has arisen (the activity has taken place) at which time it is credited to the SOFA.

Donated services and facilities - are included at the value to the charity where this can be quantified. No amounts are included in the financial statements for services donated by volunteers. The Trustees Report includes further detail of the contribution from volunteers.

Investment income - is accounted for on a receivable basis.

Grants and contractual payments - are included on a receivable basis. Income received for expenditure in future accounting periods is deferred. Where entitlement occurs before income is received the income is accrued. Capital grants are accounted for as income as soon as they are receivable.

g) Expenditure recognition

Expenditure is accounted for on an accruals basis and classified under headings in the accounts that aggregate all costs related to the category.

Expenditure on raising funds include the costs incurred in generating voluntary income and fundraising trading costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities. They do not include the costs of disseminating information.

Charitable activities expenditure includes the costs identified as wholly or mainly attributable to achieving the charitable objects of the charity, including the costs of disseminating information in support of charitable activities. These costs include direct staff costs, wholly or mainly attributable support costs and an apportionment of general overheads allocated on a basis consistent with the use of resources.

Grants payable are accounted for when awarded except where future payments are conditional on performance and specific deliverables of the project. In such cases, amounts payable are accounted for as expended when the reporting criteria are satisfactorily met.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

2 Accounting policies (continued)

g) Expenditure recognition (continued)

Support costs, including governance costs, are those costs that assist the work of the charity but are not directly on fundraising or charitable activities. Governance costs are associated with the governance arrangements of the charity and include audit, legal advice for trustees and costs associated with meeting constitutional and statutory requirements such as the cost of trustee meetings and the preparation of the statutory accounts. This category also includes costs associated with the strategic management of the charity's activities. Other support costs include central office functions such as budgeting and accounting, payroll administration, human resources, information systems, communications, property management and legal costs. Support and governance costs have been allocated to an activity cost on a basis consistent with the use of resources. The basis is explained in the notes to the accounts.

h) Operating leases

Expenditure on operating leases is accounted for in the period in which the lease charge arises.

The benefit of lease incentives received to enter an operating lease are recognised as a reduction to the expense on a straight line basis over the period of the lease, except as noted below.

The charity has taken advantage of the transitional exemption for lease incentives in existence on the date of transition to FRS 102 (1 April 2014) and continues to credit such lease incentives to income and expenditure over the period to the first rent review date on which the rent is adjusted to market rates.

i) Intangible fixed assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised on a straight line basis over its estimated useful life of 3 years. Computer software costs of less than £10,000 are not capitalised.

j) Tangible fixed assets

Tangible fixed assets costing less than £10,000 are not capitalised, and are written off in the year of purchase. Tangible fixed assets which are capitalised are included at cost, including any incidental expenses of acquisition. They are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets, except freehold land, at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful economic life. The rates are as follows:

Plant, machinery, fixtures and fittings	5 years
Computers and ancillary equipment	3 years

A full year's worth of depreciation is charged in the year of acquisition.

Plant, machinery, fixtures and fittings are eliminated from the accounts when no longer in use.

k) Assets in the course of construction

Payments on account of intangible and tangible fixed assets which are not operational at the balance sheet date are recorded in separate fixed asset categories "Assets in the course of construction". No depreciation is charged on assets in the course of construction until they are brought into operational use at which point the asset is transferred into the relevant fixed asset category and depreciated/amortised over their useful economic life. At 31 March 2019, there were no assets in course of construction.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

2 Accounting policies (continued)

l) Investments

Investments in subsidiaries are stated in the company accounts at cost less impairment.

Listed investments are initially measured at cost and subsequently at fair value (using market value). The SOFA includes the net gains and losses arising on movements in fair value and disposals throughout the year.

m) Stock

Stocks of publications and Christmas cards are written off in the year of purchase as net realisable value is estimated at nil.

n) Taxation

NDCS is a registered charity and as such is potentially exempt from taxation of its income and gains to the extent that they fall within the exemptions available to charities under the Taxes Act and are applied to its charitable objectives. N.D.C.S. Limited is subject to Corporation Tax but it remits by Gift Aid its taxable profit to the National Deaf Children's Society.

Tax credits, tax deducted from income and receipts under deed of covenant or Gift Aid are recorded on a receivable basis. They are recorded as part of the income to which they relate.

The accounts include irrecoverable VAT which has been apportioned between categories within expenditure based upon fair estimates of the directors.

o) Pensions

The group makes payments into a group defined contribution personal pension scheme. These pension costs are allocated to activities and between restricted/unrestricted funds in proportion to the related staffing costs incurred.

At 31 March 2019 contributions amounting to £50,145 (2018 - £45,797) were payable.

p) Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Basic financial assets which are receivable within one year, which include trade and other receivables and accrued income (£1,798,000) and cash and bank balances (£7,190,000) are initially measured at transaction price and subsequently carried at settlement amount.

Basic financial liabilities which are payable within one year, which include trade and other payables and accruals (£1,753,000) are initially measured at transaction price and subsequently carried at settlement amount.

q) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with bank and other short term liquid investments with original maturities of three months or less.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

3 Results of subsidiaries

a) N.D.C.S. Limited

The charity has a wholly owned trading subsidiary, N.D.C.S. Limited, a company registered in England and Wales, company number 00893232. The registered address of N.D.C.S. Limited is 37-45 Paul Street, Ground Floor South, Castle House, London, EC2A 4LS. The principal activity of the company is the sale of advertising, cards, and other goods and services and the company pays all of its profits to the charity under the Gift Aid scheme. A summary of its results is shown below:

	2019	2018
	£000s	£000s
Turnover	153	171
Cost of sales	(67)	(78)
Gross profit	86	93
Administrative expenses	(5)	(5)
Net income	81	88
Amount Gift Aided to the National Deaf Children's Society	(81)	(88)
	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Current assets	107	136
Creditors: amounts falling due within one year	(107)	(136)
Total net assets	<u>-</u>	<u>-</u>
Equity shareholders' funds	<u>-</u>	<u>-</u>

At the end of the year, N.D.C.S. Limited paid £81,323 (2018 - £87,656) to the charity by Gift Aid.

In these consolidated accounts, turnover consolidated in activities for generating funds is £153,461 (2018 - £171,234) and investment income is £117 (2018 - £30) with the associated costs included under fundraising expenditure.

b) Friends for Young Deaf People

The charity has a wholly owned charity, Friends for Young Deaf People, a charitable company registered in England and Wales (company number 3029501, registered charity number 1045011). The registered address of N.D.C.S. Limited is 37-45 Paul Street, Ground Floor South, Castle House, London, EC2A 4LS. Friends for Young Deaf People was dormant throughout the year ended 31 March 2019, as well as the year ended 31 March 2018.

At the end of the year, no amounts were due between the National Deaf Children's Society and Friends for Young Deaf People.

In these consolidated accounts, income consolidated in voluntary income is £nil (2018 - £nil) with the associated costs included under charitable expenditure.

c) Fundacion Ninos Sordos del Mundo

Throughout the year, the National Deaf Children's Society had one other wholly owned subsidiary, Fundacion Ninos Sordos del Mundo, a charity registered in Spain, which was dormant for the year ended 31 March 2018. The registered address of Fundacion Ninos Sordos del Mundo is Torre Europa, Paseo de la Castellana 95 -18º, 28046, Madrid, Spain.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

4 Share in joint venture

Childlife

The National Deaf Children's Society has a 25% share in Childlife, a company limited by guarantee. The registered office of Childlife is Westmead House, Westmead, Farnborough, Hampshire, GU14 7LP. This is accounted for in the consolidated accounts of NDCS as a joint venture.

	2019	2018
	£000s	£000s
The 25% share of Childlife's results for the year is shown below:		
Income from:		
Voluntary income	227	225
Other trading activities	-	-
	227	225
Expenditure on:		
Raising funds	164	158
Charitable activities	55	56
	219	214
Net income	8	11
Funds balances brought forward	56	45
Fund balances carried forward	64	56

Income receivable from Childlife for the year of £71,500 (2018: £58,031) is included in investment income (see note 5d). This includes an honorarium of £1,500 (2018: £1,500) received from Childlife for fulfilling the role of Honorary Treasurer.

	2019	2018
	£000s	£000s
The 25% share of assets and liabilities of Childlife were:		
Fixed assets	-	-
Current assets	69	81
Gross assets	69	81
Gross liabilities	(5)	(25)
Total assets less total liabilities – share of net assets	64	56
Unrestricted funds		
Other charitable funds	64	56

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

5 Income

a) Legacy income

At 31 March 2019 the charity had been notified of legacies amounting to an estimated £400,000, which have not been included within the accounts as the recognition criteria had not been met at the year end date.

b) Income from charitable activities

	Grants £000s	Fees from non-statutory Sources £000s	Total £000s
Overcoming barriers in local and national services	96	58	154
Overcoming barriers in language and communications	325	7	332
Overcoming barriers to independence	37	7	44
Other charitable activities	26	-	26
Total 2019	<u>484</u>	<u>72</u>	<u>556</u>
Total 2018	<u>797</u>	<u>42</u>	<u>839</u>

Further information of grant income is provided in note 13.

c) Other trading activities

	2019 £000s	2018 £000s
Gross income from trading	139	172
Income from training and services	-	10
	<u>139</u>	<u>182</u>

d) Investment income

	2019 £000s	2018 £000s
Interest on cash deposits	17	4
Income from listed investments	100	23
Income receivable from joint venture	72	58
	<u>189</u>	<u>85</u>

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

6 Staff costs, trustee remuneration and expenses and costs of key management personnel

a) Staff costs comprise:

	2019 £000s	2018 £000s
Wages and salaries	7,887	7,886
Social security costs	798	793
Pension costs	429	421
	<u>9,114</u>	<u>9,100</u>

The average number of employees during the year was as follows:	2019 No.	2019 (FTE)	2018 No.	2018 (FTE)
Charitable activities	201	166	209	170
Fundraising	28	28	25	25
Administration and support services	<u>32</u>	<u>30</u>	<u>30</u>	<u>28</u>
	<u>261</u>	<u>224</u>	<u>264</u>	<u>223</u>

The above staff numbers include an average of 21 (2018: 23) casual workers who primarily worked on our events programme.

b) During the year, redundancy and termination payments totalling £58,417 (2018: £160,891) were payable. All payments were settled at the year end. These related to redundancy payable at the end of the fixed term contracts for specific projects and restructures within departments.

c) Employee benefits, excluding employer pension costs and employer's NI, of higher paid staff within the following scales were:

	2019	2018
£60,000 - £69,999	2	1
£70,000 - £79,999	-	1
£80,000 - £89,999	-	2
£90,000 - £99,999	2	-
£100,000 - £109,999	<u>1</u>	<u>1</u>

d) The charity trustees were not paid, nor received any other benefits from employment with the charity or its subsidiary in the year (2018: £nil). Reasonable expenses for travel, subsistence and incidentals reimbursed to 9 trustees (2018: 7 trustees) during the year totalled £1,792 (2018: £1,240) are included in note 7(d) below.

e) The key management personnel of the group, other than the trustees, comprise the Chief Executive, the Deputy CEO and Director People, Finance and Business Solutions, the Director Children, Young People and Families, the Director Policy & Campaigns and the Director Fundraising & Communications. Their total employee benefits, including employer pension costs and employer's NI, for the year ended 31 March 2019 was £491,415 (2018: £491,488).

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

7 Analysis of expenditure

a) Expenditure on:	Direct costs £000s	Grants payable £000s	Support costs £000s	Total 2019 £000s	Total 2018 £000s
<i>Raising funds</i>					
Regular donations and subscriptions from individuals	6,862	-	297	7,159	7,829
Legacies	204	-	17	221	248
Other fundraising costs *	571	-	132	703	629
	<u>7,637</u>	<u>-</u>	<u>446</u>	<u>8,083</u>	<u>8,706</u>
Investment management fees **	21	-	-	21	10
	<u>7,658</u>	<u>-</u>	<u>446</u>	<u>8,104</u>	<u>8,716</u>
<i>Charitable activities</i>					
Overcoming barriers in local & national services	5,834	203	853	6,890	7,832
Overcoming barriers in language & communications	2,113	176	720	3,009	3,514
Overcoming barriers to independence	2,389	51	598	3,038	3,331
Other charitable activities	1,353	-	443	1,796	912
	<u>11,689</u>	<u>430</u>	<u>2,614</u>	<u>14,733</u>	<u>15,589</u>
<i>Net share of loss in joint venture</i>	-	-	-	-	-
Total expenditure 2019	<u>19,347</u>	<u>430</u>	<u>3,060</u>	<u>22,837</u>	<u>24,305</u>
Total expenditure 2018	<u>20,639</u>	<u>893</u>	<u>2,773</u>	<u>24,305</u>	

* Other fundraising costs includes costs of challenge events, community and corporate fundraising, and other trading activities

** In the year ended 31 March 2018 the investment portfolio was held in investment funds in which the investment management fees were not separately identifiable up to November 2017 and no cost of investment management fees is therefore showing for this period of the prior year.

b) Analysis of grants payable

	2019 £000s
UK grants	
Grants to affiliated local registered Deaf Children's Societies *	27
Other UK grants	18
	<u>45</u>

* Each grant was for a maximum of £500, with the maximum received by any one local Deaf Children's Society (£1,000).

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

b) **Analysis of grants payable (cont'd)**

	2019 £000s
International grants	
APD - Karnataka	31
Cini Asha Deaf Way	36
Khagenhat Welfare Organisation	16
Samuha – Deaf children and families	12
Centre for Disability in Development	83
Sadhana	21
Citizens Association for Rural Development	19
SNDAYP	24
Lipica	18
Childreach Tanzania	(4)
Graham Bell Centre for the Deaf	41
University of Dar es Salaam	40
Deaf Empowerment Kenya	17
National Association of Parents of Deaf Children	17
Uganda National Association for the Deaf	14
	385
Total grants	430

There are no grant commitments.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

c) **Allocation of support costs**

	Governance £000s	Finance and legal £000s	Human resources £000s	IT £000s	Facilities management and shared premises £000s	Total 2019 £000s
<i>Raising funds</i>	-	78	53	110	205	446
<i>Charitable activities</i>						
Overcoming barriers in local & national services	97	176	118	246	216	853
Overcoming barriers in language & communications	37	150	101	211	221	720
Overcoming barriers to independence	39	133	90	186	150	598
Other charitable activities	22	96	64	134	127	443
Total support costs 2019	<u>195</u>	<u>633</u>	<u>426</u>	<u>887</u>	<u>919</u>	<u>3,060</u>
Total support costs 2018	<u>216</u>	<u>709</u>	<u>425</u>	<u>672</u>	<u>751</u>	<u>2,773</u>

Costs directly attributable to fundraising and charitable activities are allocated to direct costs. Those costs not directly attributable are included in support costs. Finance and legal costs, human resources and IT costs are allocated on the basis of full time equivalent staff. Facilities management and shared premises costs are allocated based on floor area. Governance costs are allocated to charitable activity categories in proportion to their direct costs.

d) **Governance costs**

	2019 £000s	2018 £000s
Audit fees	17	18
Trustee costs	8	12
Other costs supporting governance activities	170	186
	<u>195</u>	<u>216</u>

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

e) **Net income / expenditure for the year**

	2019 £000s	2018 £000s
Net income/expenditure for the year is stated after charging:		
Auditor's remuneration		
Statutory audit	17	18
Other	3	3
Amortisation	97	333
Depreciation	64	253
Operating lease rentals	639	574
	639	574

8 Intangible fixed assets

	Computer software £000s	Assets in the course of construction £000s	Total £000s
Cost			
As at April 2018	1,141	108	1,249
Transfers from assets under construction	108	(108)	-
Additions	26	-	26
	1,275	-	1,275
As at 31 March 2019	1,275	-	1,275
Amortisation			
As at April 2018	1,068	-	1,068
Charge for the year	97	-	97
	1,165	-	1,165
As at 31 March 2019	1,165	-	1,165
Net book value			
As at 31 March 2019	110	-	110
As at 31 March 2018	73	108	181

During the year, assets which were under construction at the previous year end, including the Finance system were completed and the assets brought into use.

Computer software includes the finance system which has a carrying value of £77,000 and a remaining amortisation period of 2 years.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

9 Tangible fixed assets

Charity and group	Plant and machinery £000s	Fixtures, fittings and equipment £000s	Total £000s
Cost			
As at April 2018	222	1,548	1,770
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2019	222	1,548	1,770
Depreciation			
As at April 2018	133	1,508	1,641
Charge for the year	45	19	64
Adjustment for disposal	-	-	-
As at 31 March 2019	178	1,527	1,705
Net book value			
As at 31 March 2019	44	21	65
As at 31 March 2018	89	40	129

10 Fixed asset investments

a) **Childlife**

The National Deaf Children's Society has a 25% in Childlife, a company limited by guarantee whose object is to promote the relief of children who are in need, by enabling the member charities to meet their respective charitable purposes, through the provision of grant payments. This is accounted for in the consolidated accounts of the National Deaf Children's Society as a joint venture. See note 4 for details of the National Deaf Children's Society share of Childlife's results for the year.

b) **Other investments**

	Group		Charity	
	2019 £000s	2018 £000s	2019 £000s	2018 £000s
Listed investments at market value (see note 10c)	3,823	3,486	3,823	3,486
Investments in subsidiary (NDCS Limited) £100 – see note 3				

c) **Listed investments**

	2019 £000s	2018 £000s
Market value at 1 April 2018	3,486	3,427
Reinvested income	100	23
Management fees	(24)	(3)
Realised gain on investments	261	39
Market value as at 31 March 2019	3,823	3,486
Listed investments at historic cost	3,579	3,550

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

10 Fixed asset investments (continued)

d) Listed investments by type

	2019 £000s	2018 £000s
Equities	2,620	2,490
Alternative investments	532	527
Fixed interest	521	441
Cash	150	28
Market value as at 31 March 2019	<u>3,823</u>	<u>3,486</u>

11 Debtors

	Group 2019 £000s	Group 2018 £000s	Charity 2019 £000s	Charity 2018 £000s
Due within one year:				
Trade debtors	26	32	8	4
Due from subsidiary undertaking	-	-	100	93
Other debtors	1,202	824	1,202	824
Prepayments and accrued income	1,155	1,439	1,140	1,421
	<u>2,383</u>	<u>2,295</u>	<u>2,450</u>	<u>2,342</u>

12 Creditors: amounts falling due within one year

	Group 2019 £000s	Group 2018 £000s	Charity 2019 £000s	Charity 2018 £000s
Trade creditors	725	372	724	370
Social security and other taxes	221	223	221	223
Other creditors	71	267	65	226
Accruals	935	402	935	402
Deferred income	63	120	63	120
	<u>2,015</u>	<u>1,384</u>	<u>2,008</u>	<u>1,341</u>

Deferred income mainly consists of deposits from events taken in advance and funds raised for challenge events which will take place in future years. All amounts at the year end related to new deferrals in the year.

Deferred income reconciliation	2019 £000s	2018 £000s
At 1 April 2018	120	57
Recognised in the year	(120)	(57)
Deferred in the year	63	120
At 31 March 2019	<u>63</u>	<u>120</u>

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations, gifts and grants to be applied for restricted purposes.

	Balance at 1 April 2018 £000s	Income £000s	Expenditure £000s	Balance at 31 March 2019 £000s
National Lottery Community Fund (England) – <i>Community for families with deaf children in SW England</i>	24	-	(11)	13
National Lottery Community Fund (England) – <i>Positive Families Plus</i>	19	126	(103)	42
Young Start (Scotland) – <i>Deaf Friendly Swimming Scotland</i>	13	13	(24)	2
National Lottery Community Fund (Scotland) – <i>Everyone Together</i>	129	155	(163)	121
Dept. for Communities Northern Ireland	10	18	(19)	9
Dept. for Communities Northern Ireland – <i>Signs for the Future Plus</i>	-	21	(15)	6
Scottish Government – <i>Managed Clinical Networks</i>	28	-	-	28
Scottish Government – CYPEIF & ALEC	-	98	(98)	-
Scottish Government – <i>Equality Funding, Sign of the Future</i>	17	-	(1)	16
Scottish Government – <i>PECF, Deaf Sector Partnership</i>	26	42	(63)	5
Scottish Council for Voluntary Organisations - <i>CJS</i>	-	8	-	8
Glasgow City Council - <i>SERI</i>	-	2	-	2
	<u>266</u>	<u>483</u>	<u>(497)</u>	<u>252</u>
Deaf Child Worldwide	-	270	(270)	-
Dr A Evans Trust Fund	51	-	(3)	48
The P F Charitable Trust	-	10	(3)	7
The Bell Foundation	-	6	(6)	-
The Robertson Trust	6	18	(18)	6
The Adam Wilson Foundation	16	-	(16)	-
Careers & Enterprise Company	-	6	(6)	-
Halifax Foundation for Northern Ireland	-	2	-	2
Scottish Power Foundation	-	39	(3)	36
Legacy for work in Bristol and the surrounding area	-	213	-	213
Other restricted funds	37	142	(108)	71
	<u>376</u>	<u>1,189</u>	<u>(930)</u>	<u>635</u>

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

13 Restricted funds (continued)

Other restricted funds comprise a number of funds, each of which are immaterial for disclosure purposes but further details are available on request.

The restricted funds are held for the following purposes:

The National Lottery Community Fund (England) - *Community for families with deaf children in SW England* project funding provides for salary costs of a new part time project officer, as well as costs for recruitment, general running expenses, travel, consultancy and advice, family events and courses, support for local groups, youth events, training professionals and office equipment.

The National Lottery through Big Lottery Fund (England) - *Positive Families Plus* project funding provides for salary costs for two project officers and one part time project administrator; for recruitment, general running costs; for provision of Family Sign Language and parenting courses; and for deaf awareness, family volunteer and facilitator training in North West, East and West Midlands, Yorkshire and Humber, Eastern England and Greater London.

Young Start (Scotland) - *Deaf Friendly Swimming Scotland* project funding, from dormant bank accounts in Scotland distributed by the National Lottery Community Fund, provides for salary costs of a project officer, running costs, and training and activity costs to enable deaf young people in Scotland, aged 8-24, to take part in swimming activities, build confidence and increase opportunities for healthy physical activities and social interaction.

The National Lottery Community Fund (Scotland) - *Everyone Together* project funding provides for salary costs of a project manager and two project officers as well as project running and activity costs related to delivering an early years programme of activities for families with young deaf children and professionals supporting them in Scotland.

The National Lottery Community Fund (Wales) - *Gearing Up* project funding provides for salary costs of a project officer as well as running and activity costs to empower deaf young people in Wales by working with them to increase their self-confidence, build their leaderships skills and build their social support networks.

Department for Communities Northern Ireland - Sign Language Partnership Group - *Signs for the Future* project funding for costs associated with delivering courses and activities for deaf children, young people and their families to develop sign language skills and improve communication abilities, and producing a NI specific family sign resource.

Department for Communities Northern Ireland - Sign Language Partnership Group - *Signs for the Future Plus* project funding for costs associated with delivering courses and activities for deaf children, young people and their families to develop sign language skills and improve communication abilities, as well as begin developing the curriculum for older deaf children and train tutors to deliver the courses.

Scottish Government - *Managed Clinical Networks* - grant funding contributes towards salary costs of a managed clinical network (MCN) manager and local groups coordinator to explore the viability of a Children's Hearing Managed Clinical network via multi-agency partners; and to build capacity within local groups and Children's Hearing Services Working Groups (CHSWGs) to support on-going local sensory impairment work.

Scottish Government CYPFEIF and ALEC Fund - *Children Young People and Families Early Intervention Fund* grant contributes towards infrastructure costs of NDCS Scotland to ensure deaf children, young people and their families have access to high quality services and support that address the attainment gap and improve life outcomes for deaf children.

Scottish Government Equalities Funding – grant funding contributes towards the costs of delivering our Sign of the Future project to support families in developing effective communication and language skills with their deaf children.

Scottish Government Promoting Equality and Cohesion Fund (PECF) 2017-2020 - *BSL Information and Engagement* project - grant funding towards activities undertaken with deaf young people aged 10-18 years and with parents/carers of deaf children and young people to support the implementation of the BSL (Scotland) Act 2015.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

13 Restricted funds (continued)

Scottish Council for Voluntary Organisations (SCVO) - *Community Jobs Scotland fund* from Scottish Government to provide salary and training costs to enable unemployed deaf young people to take up a job with NDCS Scotland to gain work experience that will support them towards sustainable employment.

Glasgow City Council - Scotland's Employment Recruitment Initiative (SERI) fund from Scottish Government to contribute towards the additional costs of recruiting a young person during their first 52 weeks of sustainable employment with NDCS in our Glasgow office.

Deaf Child Worldwide is the international arm of the National Deaf Children's Society. Supporter income and other donations are generated for Deaf Child Worldwide specifically and this is used to fund a sustainable international programme.

Dr A Evans Trust Fund - funding provides for costs associated with the delivery of Family Sign Language training in Wales.

The P F Charitable Trust funding contributes to the purchase of software for a project to research the impact that radio aids have on language development in pre-school deaf children.

The Bell Foundation - funding supports Deaf Children with English as an Additional Language (EAL) project to identify and evidence good practice in supporting deaf children with EAL and produce practical resources and guidance for specialist and mainstream education professionals on how to provide quality support for deaf children with EAL to develop communication and language skills.

The Robertson Trust funding contributes to salary costs for the children and family support officers supporting deaf children and young people and their families living in North East Scotland.

The Adam Wilson Foundation grant funding supports NDCS' post-14 work in Scotland.

Careers & Enterprise Company grant funding supports our *My Future - Careers Guidance for Deaf Young People* project working with deaf young people, careers advisors and five local authorities in England to develop a toolkit to support deaf young people into work.

Halifax Foundation for Northern Ireland grant funding towards the costs of delivering a *Raising a Deaf Family* course to families with a deaf child living in Northern Ireland.

Scottish Power Foundation grant funding towards costs of delivering Roadshow workshops and outreach sessions to deaf child and young people and their hearing peers.

14 Movement on unrestricted funds

Charity and group	Fixed Asset reserve £000s	General funds £000s	Total Unrestricted funds £000s
Balance at 1 April 2018	310	10,462	10,772
Income	-	21,859	21,859
Expenditure	(135)	(21,772)	(21,907)
Gains/losses on investments	-	261	261
Balance at 31 March 2019	175	10,810	10,985

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

15 Analysis of group net assets between funds at 31 March 2019

	Unrestricted funds £000s	Fixed asset funds £000s	Restricted funds £000s	Total funds £000s
Intangible and tangible fixed assets	-	175	-	175
Investments	3,887	-	-	3,887
Current assets	8,938	-	635	9,573
Current liabilities	(2,015)	-	-	(2,015)
	<u>10,810</u>	<u>175</u>	<u>635</u>	<u>11,620</u>

16 Parent undertaking's income and expenditure

As permitted by Section 408 of the Companies Act 2006, the income and expenditure account of the parent undertaking is not presented as part of these accounts. The consolidated Income and Expenditure Account includes a surplus of £464,274 (2018: surplus of £234,228) which is dealt with in the accounts of the parent undertaking.

17 Share capital

The National Deaf Children's Society is a company limited by guarantee and has no share capital. Every member of the company guarantees to contribute a maximum of £1 on winding up, including up to one year after ceasing to be a member.

18 Financial commitments

The future minimum payments under non-cancellable operating leases are payable as follows:

	2019 £000s	2018 £000s
Within one year	801	680
Between two and five years	3,029	3,060
After five years	818	676
	<u>4,648</u>	<u>4,416</u>

19 Capital and other commitments

At 31 March 2019, there were no capital commitments (2018: £12,115 in respect of finance software, £107,693 in respect of the website).

20 Related party transactions

Expenses paid to trustees in their capacity as directors of the charity are disclosed in Note 6 to the accounts. The Deputy Director Fundraising at NDCS is also Treasurer at Childlife (Note 4 refers). There were also transactions with subsidiaries and the joint venture (disclosed in Notes 3 and 4).

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

The following pages represent comparative figures for the year ended 31 March 2018, in accordance with paragraph 2.29 of the SORP.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

21 **Comparative SOFA**

Income and expenditure	Unrestricted funds £000s	Restricted funds £000s	Total 2018 £000s
<u>Income and endowments from:</u>			
Donations and legacies			
Regular donations and subscriptions from individuals	20,261	342	20,603
Legacy income	1,976	10	1,986
Other donations and gifts	682	123	805
	22,919	475	23,394
Charitable activities	42	797	839
Other trading activities	182	-	182
Investments	85	-	85
Total	22,228	1,272	24,500
Share of net gain in joint venture	11	-	11
Total	23,239	1,272	24,511
<u>Expenditure on:</u>			
Raising funds	8,716	-	8,716
Charitable activities:			
Overcoming barriers in local and national services	7,435	397	7,832
Overcoming barriers in language and communications	2,906	608	3,514
Overcoming barriers to independence	3,071	260	3,331
Other charitable activities	854	58	912
Total charitable activities	14,266	1,323	15,589
Net share of loss in joint venture	-	-	-
Total	22,982	1,323	24,305
Net gain on investments	39	-	39
Net income / (expenditure)	296	(51)	245
Transfer of funds	-	-	-
Net income / (expenditure)	296	(51)	245
Fund balances brought forward	10,476	427	10,903
Fund balances carried forward	10,772	376	11,148

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

22 Comparative restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations, gifts and grants to be applied for restricted purposes.

	Balance at 1 April 2017 £000s	Income £000s	Expenditure £000s	Balance at 31 March 2018 £000s
Big Lottery Fund (England) – <i>Community for families with deaf children in SW England</i>	44	66	(86)	24
Big Lottery Fund (England) – <i>Positive Families Plus</i>	22	135	(138)	19
Big Lottery Fund (Scotland) – <i>Deaf Friendly Swimming Scotland</i>	-	25	(12)	13
Big Lottery Fund (Scotland) <i>Everyone Together</i>	82	144	(97)	129
Big Lottery Fund (Wales) – <i>Gearing Up</i>	25	37	(62)	-
Big Lottery Fund International – <i>Deaf Children and Primary Education West Bengal</i>	(16)	119	(103)	-
Dept. for Communities Northern Ireland	43	18	(51)	10
Scottish Government – <i>Managed Clinical Networks</i>	34	-	(6)	28
Scottish Government – <i>CYPEIF & ALEC</i>	-	98	(98)	-
Scottish Government – <i>Equality Funding, Sign of the Future</i>	6	40	(29)	17
Scottish Government – <i>PECF, Deaf Sector Partnership</i>	-	49	(23)	26
Scottish Government – <i>Community Jobs Scotland</i>	1	11	(12)	-
Scottish Government – <i>Sustainable Employment</i>	-	2	(2)	-
Sport England – <i>Deaf Friendly Swimming England</i>	19	53	(72)	-
	260	797	(791)	266
Deaf Child Worldwide	-	344	(344)	-
Dr A Evans Trust Fund	58	-	(7)	51
Garfield Weston Foundation	30	-	(30)	-
The P F Charitable Trust	2	-	(2)	-
The Bell Foundation	6	-	(6)	-
The Robertson Trust	6	18	(18)	6
The Steel Charitable Trust	10	-	(10)	-
The Adam Wilson Foundation	-	23	(7)	16
Other restricted funds	55	90	(108)	37
	427	1,272	(1,323)	376

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2019

23 Comparative movement on unrestricted funds

	Fixed asset reserve £000s	General Funds £000s	Total Unrestricted funds £000s
Balance at 1 April 2017	687	9,789	10,476
Income	-	23,239	23,239
Expenditure	(377)	(22,605)	(22,982)
Gains/losses on investments	-	39	39
Balances at 31 March 2018	<u>310</u>	<u>10,462</u>	<u>10,772</u>

24 Comparative analysis of group net assets between funds at 31 March 2018

	Unrestricted funds £000s	Fixed asset funds £000s	Restricted funds £000s	Total funds £000s
Intangible and tangible fixed assets	-	310	-	310
Investments	3,542	-	-	3,542
Current assets	8,304	-	376	8,680
Current liabilities	(1,384)	-	-	(1,384)
	<u>10,462</u>	<u>310</u>	<u>376</u>	<u>11,148</u>