

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 2021

**The National Deaf Children's Society
Annual Report and Financial Statements
for the year ended 31 March 2021**

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The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2021

Board of Directors

Tim Polack	(Chair)
Dominic Holton	(Vice Chair)
Helen Selwood	(Treasurer)
Sheila McKenzie	(Deputy Treasurer)
Suzanne Beese	
Katherine Binns	
Lynn Gadd	
Altaf Kassam	
Damian Proctor	
Jennie Rayson	
Jan Rutherford	
Lorraine Wapling	

Chief Executive

Susan Daniels OBE

Auditor

Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

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)

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Company number

02752456

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2021

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 2021.

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. Details of trustees and the Chief Executive who served during the year are set out on page 23.

Our aims and objectives

Objectives

The charity's objectives 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 to 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.

From February 2020 onwards, all our activities were increasingly affected by the COVID-19 pandemic. The impact of this, and how we responded to it and adapted our work, so that we could continue to deliver our charitable aims, is included under each heading in the following report.

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.

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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 fourth year of our 2017 to 2022 strategy. Taking into consideration that the COVID-19 global pandemic started to impact the UK from February 2020, we worked quickly to revise our plans and targets for 2020/21 early in the year. We adopted a more flexible approach, using a clear set of regularly reviewed planning assumptions, to help us adapt to the situation as it evolved, including the risk of multiple waves and local lockdowns. We considered our use of the furlough scheme when assessing our capacity to deliver our work, and we ensured that learning from the situation was used to shape our work throughout 2020/21 and beyond.

Our existing strategy and our three strategic areas were still appropriate in the 2020/21 year, despite the global pandemic. These areas are:

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

Within these strategic areas, we repositioned much of our campaigning to react to possible COVID-19 developments which may have had a particularly negative impact on deaf children and young people. We also accelerated plans to deliver more of our services online, building on pilots in 2019/20. We have extended and refreshed our current five-year strategy by an additional year to give us more time to develop our next strategy. Our work throughout the year, and our impact and reach, can be seen in the following sections.

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

We will refocus and increase our reactive influencing and campaigning to advocate for the rights and needs of deaf children and young people at this time, particularly with regard to education and audiology.

Measure: Our evidence of the extent we have influenced, in order that the rights of deaf children and young people are upheld and their needs are met in the current situation and as services recover.

Reactive influencing and campaigning for the rights and needs of deaf children and young people

During 2020/21 we collected and submitted evidence to parliamentary committees and groups such as the All-Party Parliamentary Groups across the UK, to highlight the needs of deaf children and young people. This included video evidence, direct evidence from young people, and evidence responding to consultations. In England, our evidence was mentioned in the Education Committee and the Women and Equalities Committee. In Wales, there are references to deafness consistently in Welsh Government guidance to schools, with our materials now available on the Welsh Government's education platform. In Northern Ireland, the committee took forward nine actions from our evidence. There was also a motion debated in the Northern Assembly in September 2020 on the impact of COVID-19 on identification and intervention of deaf children.

A large part of our reactive campaigning due to COVID-19 was around face masks. This is because no matter what communication method they use, deaf children face challenges with communication and isolation when unable to lipread. From the early stages of face masks being introduced, we pushed for

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clear masks, to support the communication, education and wellbeing needs of deaf children and young people. The Women's and Equalities Committee published a report which included a recommendation on clear face masks – likely a result of our evidence. The committee also had a positive response from the Government who stated that, "When we find out which clear face masks work best, we will buy them for the Health and Social Care teams that need them". We participated in the Department of Health and Social Care (DHSC) Transparent Mask Stakeholder meetings looking at procurement and longer-term use in the NHS. In Q3, DHSC purchased 250,000 clear face masks. Further trials are underway on new face masks, and we continue to work with the NHS Supply Chain PPE group on trialling other designs in the NHS. We have been involved in this group since the beginning and are regularly invited to provide input, highlighting the needs of deaf children. We also continue to update our blog on clear masks and coverings so that families and professionals have the information they need. During the year, our blog *Clear Face Masks and Face Coverings – Where to buy and what to look for* had over 9,400 unique page views.

The return to school after lockdown saw the use of face masks in classrooms across the UK. In England, we worked to ensure the initial Department for Education (DfE) guidance on the use of face masks was amended to include face shields/visors as an alternative to exemption. After our influence, it now sets out reasonable adjustments, mentioning impact on "those who rely on visual signals for communication", and stressing the need to discuss it with the young person and family. (After year end, in May 2021, the wording in their guidance was further improved.) We supported one of our Young People's Advisory Board members, Dinah, with her petition about face masks in school, and this was signed by over 35,000 campaigners at year end (and more after year end). In addition, three MPs tabled a series of Parliamentary Questions regarding DfE Guidance on face coverings, and 23 questions on face masks were asked by seven MPs. In the devolved nations, our work on face masks led to guidance from governments, including references to deaf children, drawing heavily from the information we provided.

Education

We have undertaken work UK-wide to ensure that deaf children and young people were supported with schools reopening in autumn after the lockdown, and our return to school survey was used to brief the Department for Education, Ofsted, key stakeholders in the devolved nations, the National Sensory Impairment Partnership (NatSIP) and the British Association of Teachers of the Deaf (BATOD). We developed resources for both professionals and parents to ensure deaf children continued to receive the specialist support they need. With BATOD and NatSIP, we also produced an open letter to all schools. We received positive feedback from parents and professionals on the resources we developed. We also successfully influenced Ofsted with our local insight reports on responses to the COVID-19 situation.

We adapted our face-to-face Roadshow offer into a series of digital workshops to support education. Despite school closures at points in the year, we managed to reach over 2,540 people through our digital Roadshow – including deaf children and young people, their hearing peers, parents, and professionals. The feedback has been positive, with at least one positive outcome reported for all those who fed back, and with many schools booking more sessions after having initial ones.

We fed back to Ofqual on their proposals for exams in 2021, and Ofqual will now require Heads of Centre to consult with 'specialists' and Special Educational Needs Coordinators in the grading of disabled students. This is an improvement on the 2020 exams, when it was only 'recommended'. We also influenced T-levels, pushing for flexibility for deaf British Sign Language (BSL) users. As a result, deaf young people who use BSL will not have to meet the requirement to pass English at GCSE standard for the new T-level qualification. Instead, they can achieve the Level 2 BSL certificate.

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Due to the Government focus being changed by COVID-19, some other elements of our national planned influencing work in education have been delayed, for example to influence the forthcoming SEND review and the BSL GCSE in England. In Wales, we continued work on the Welsh Additional Learning Needs (ALN) reforms. Significant influencing has been undertaken throughout the year and the ALN Code laid before parliament included changes we had requested, with several references to deafness throughout the final Code. In Northern Ireland we held some focus groups on the new Special Educational Needs (SEN) Framework and pushed for better disaggregation of data to support better planning for deaf children.

Local policy and campaigning successes in education include the Wirral, where our action on the potential closure of a resource base has led to the Council now agreeing to support the base financially; and Barnet, where our action on a significant threat to Teacher of the Deaf numbers has led to a commitment from the Council to arrange cover and for permanent recruitment to commence. In Tower Hamlets, we challenged significant budget and staffing cuts through local campaigning, supporting parents and contacting local MPs. It has since been confirmed that a total of six posts have been added back into the structure. In Kent, they have agreed to undertake a consultation with parents and are including co-production in the review of their services. Several local authorities have been impacted by COVID-19. We continue to collect evidence on planned local SEND reviews so we can ensure the views and needs of deaf pupils and their families are taken into consideration.

Children's Hearing Services

Over the past year we have continued to engage with key professionals, consortia, groups and organisations across the UK. With COVID-19 having a large impact on services, we worked with the British Academy of Audiology on guidance for remote services and prioritisation for children's services (which has reached across the sector), and contributed to the *Rapid Review into Paediatric Audiology* in England, with follow-up meetings to ensure that our asks are implemented by NHS England. We provided a response to the Newborn Hearing Screening Programme Quality Standards consultation, and worked with them on a new animation encouraging parents to take their baby for diagnostic audiology appointments. Together with two deaf young people, we met with and contributed to the review of BSL Interpretation services during COVID-19.

In Northern Ireland, we were appointed to a Public Health Agency working group on access to health services for deaf children and young people during the pandemic. In Wales, we participated in the Newborn Hearing Screening Wales Quality Assurance Group. Paediatric audiology audits – which we normally contribute to – were delayed by COVID-19, but we expect them to restart in autumn 2021.

We work with Children's Hearing Services Working Groups (CHSWGs) – groups where professionals from Children's Hearing Services from different organisations come together. At the start of the first lockdown, we encouraged CHSWGs to meet virtually, and, despite lockdown, we have participated in meetings for all 115 CHSWGs during the year. Work to encourage parent representation continues. We have run four Parents as Partners workshops reaching 56 parents, and we have 10 parents who have joined/said they will be joining a CHSWG after attending our workshop. We are actively encouraging CHSWGs to become more strategic, and in autumn 2020 we shared an action plan template to add structure to meetings. Through participating in CHSWGs, we are working to improve multi-agency working, including sharing Local Authority (LA) education information. We have reduced the number of inactive CHSWGs from 12 to three, and 56 CHSWGs have initiated work on action plans.

Social care

Whilst our work in this area remains small in comparison to education and Children's Hearing Services, we have worked on some key projects this year aimed at influencing practice. We finalised and

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published a social care Early Help tool, for services to consider deaf children's and their family's needs. This is now available to download, and, as a result of the tool, we are working with local councils who have asked for help, highlighting areas of concern. With the National Working Group on Safeguarding Disabled Children (which we co-chair) we worked on an audit tool to help councils consider the needs of deaf and disabled children, which is currently being trialled in Hertfordshire. As a result of this co-chairing role, we received a request from the NSPCC for bespoke training on safeguarding deaf and disabled children, which we delivered to 50 participants with positive feedback. We are also advising sensory education professionals in Hull and Manchester on referrals into children's social care.

In Northern Ireland, a small amount of funding has been allocated to support the development of specialist Deaf Child and Adolescent Mental Health Services (DCAMHS) and the work of a Task and Finish Group, on which we sit, has started. In England, we aim to build a provider collaborative proposition with DCAMHS, in partnership with SignHealth, Sense and Kooth, as a comprehensive Tier1–3 England-wide offer for deaf children, parents and schools. An initial proposal has gone to NHS England and we are waiting to hear their response.

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. Throughout the year we have also continued to provide up to date information to families on changes to Special Education Needs and Disabilities (SEND) laws in each country.

Did we succeed in this objective?

Yes. In an incredibly challenging year, we have worked hard to ensure that the rights and needs of deaf children and young people have been kept on the agenda. Our work has ensured deaf awareness around the use of face masks, and that schools have been considering the needs of their deaf pupils. We have been integral to providing audiology guidance for remote services and to supporting CHSWGs to run remotely during this period.

It remains to be seen what long-term impact COVID-19 will have on deaf children and young people and on the services which support them. It will also be important for us to be ready for when the Government begins to address issues they had put on pause due to COVID-19, such as the SEND review and the BSL GCSE in England.

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, particularly focusing on the home environment and home learning, and we will focus on understanding the impact of late diagnosis and support.

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

We pivoted early in Q1 of 2020/21 to deliver our family events online, which provided a wide range of support, information, peer connections and child-focused activities. We held 104 online events in total, reaching 2,194 attendees from across the four nations, with 99% of those who gave us feedback saying they had achieved at least one positive outcome. We had more than five times as many event attendees

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as in 2019/20, and there were improvements to numbers of Black, Asian, and other ethnic group families, and families from more deprived areas, compared to our face-to-face events.

Fourteen of our events were home learning and education online sessions for families with children of various ages, and these reached 241 attendees. We observed a real need for this during lockdown, and we adapted and developed sessions in response to the changing learning situation throughout the pandemic. Dedicated early years sessions, with a focus on early learning, and language and communication development, have been delivered, for example Baby and Toddler sessions, Sensory Play, and Sleep.

At the start of the year, we launched a series of sequential Family Sign Language (FSL) videos on YouTube (with versions for each of the four nations to cover national variations in signing). They had high engagement, with nearly 8,000 views in the first month, and over 29,000 views across the year. We also swiftly moved our FSL courses to online delivery, where priority families across all four nations were given one-to-one tutor support. Overall, 53 courses were delivered to families with over 200 people reached, and 100% reporting positive outcomes linking to communication. We now also have a commissionable FSL offer.

During the year we developed and delivered Success from the Start – an online developmental resource for families of deaf children aged 0 to 3 and specialist early years professionals. This included delivery of training to 61 professionals in England, and 50 attendees at the National Sensory Impairment Partnership working day. Feedback throughout has been positive, and workshops have been oversubscribed. The resource has been downloaded over 300 times.

We developed and updated blogs and resources for parents and professionals, providing the latest information and across all four nations. Resources include *Top Tips for Learning at Home With Your Child* (over 1,400 unique page views), *Deaf Friendly Remote Learning: A checklist for teachers* (over 2,500 unique page views), and *How to Make Your Resources Accessible to Deaf Children and Young People* (around 500 unique page views). We also continued to provide and participate in webinars including delivering a webinar on Making Webinars Accessible to Deaf Learners, on behalf of the Education and Training Foundation, with 120 professionals registered.

Improving the accessibility of home learning materials became important during the pandemic. During the year we conducted and shared an audit of Department for Education (DfE) resources, raised accessibility with governments across the UK, the BBC, and the Oak National Academy, found volunteers to help subtitle the Oak National Academy online lessons and assemblies and, with young people, created accessibility guidelines. Our work in partnership with the Oak National Academy was particularly impactful, with their video lessons going from 0% subtitled to 100% subtitled. Oak Academy has around 220,000 users accessing it every day. (Not all these children will be deaf, but there is easily accessible content for those who are.)

The evidence we gave to the Education Select Committee in England also led to the Chair writing to the Minister of State about accessible remote learning. We developed and published a series of blogs, information pages, and tutorial and demonstration videos to contextualise assistive technology for home learning and working. Vicky Ford MP (Parliamentary Under-Secretary of State for Children and Families at the DfE) responded to our letters stating that our accessibility checklist was shared with their regional SEND advisers and that as part of their work reviewing 'Get help with remote education', they "will include the link to this guidance as an option for consideration". Working with a parent campaigner we also met with Developing Experts, an online education provider, who agreed to 100% subtitling. In Northern Ireland, we lobbied for guidance on the accessibility of home learning materials for deaf

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children, which the Education Authority published. Overall, we have achieved much greater awareness of accessibility of home learning resources.

Technology can have a large impact on a deaf child or young person's communication, however due to COVID-19, our Technology Test Drive and our Borrow to Buy technology loan services have been mainly on hold. Despite this, we continued to actively monitor radio aid policies and procedures across the nations, challenging cases at a local level across the UK. During lockdowns we produced information for families, professionals and schools about COVID-19-secure use of radio aids. We also worked to influence governments on the provision of radio aids for home use, especially on the return to school post-COVID-19. In Northern Ireland, as lockdown began, radio aids were provided for home use following our advice.

Early in the year, we developed a briefing on the impact of late diagnosis and delayed support due to COVID-19. Practice examples were collated with evidence from local authorities, specialist education services and special schools/colleges across England on how they have been supporting deaf children since the COVID-19 lockdown. These were used in a briefing which was shared with DfE and Ofsted.

Did we succeed in this objective?

Yes. Our work to swiftly move our events online, and to make our sign language courses available online and/or thorough videos have supported parents with developing their children's language and communication skills. Our work on the home learning environment has also been key, with our focus on highlighting the importance of accessibility benefiting children across the UK. In our annual Deaf Children Today survey, parents rated happiness with how they and their child communicate in everyday situations, from 0 (not at all happy) to 10 (very happy). The average was 7.30 out of 10, continuing fairly in line with the 2020 survey average of 7.35, despite the pandemic.

Area of focus C: Overcoming barriers to independence

We will support deaf children and young people by developing digital support, including opportunities for them to connect with each other, and information and support related to careers, transitions, and independence.

Measure: The take-up and feedback on these activities, including evidence of how they support independence.

We spent some time after the pandemic hit adapting our events for deaf children and young people. We delivered 19 digital events from Q2 onwards, based on six themes: cooking, sport, quizzes, mental health, creative arts and skills-based with activities such as yoga, vlogging and filmmaking skills. These were attended by 106 deaf young people from across the UK, which is 44% of those reached with face-to-face youth activities in the previous year. 100% of those who fed back to us said they achieved a positive outcome. We also piloted a Pen-Pals service from Q1, and this proved to be popular with deaf children and young people, reaching 228 throughout the year. 98% of those who fed back to us said they achieved a positive outcome.

As well as online events, we have also been working on our online information and support. We progressed work throughout the year on re-developing our website for deaf children and young people – the Buzz. All content was written in English and BSL, and over 130 deaf children and young people fed into the Buzz project over the year. (The Buzz launched after year end in April 2021, along with our new

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young people's sub-brand.) We developed and piloted an 'And You' series of webinars – to deliver information to deaf children and young people, with topics such as Access to Work, technology, benefits, and deaf role models. The number of young people engaging with the webinars was up to 70 a month at its highest point – either attending the live session or watching the recording. All young people reported that they had found the sessions useful, and either learnt something new or felt more confident in that topic.

Despite COVID-19 affecting our Deaf Works Everywhere careers campaign (launched the previous financial year), we have been continuing to make progress in several areas over the year, for example, we organised a broad coalition of disability and youth unemployment organisations to lobby Government to include specific support for disabled young people in the Plan for Jobs. We also met with Justin Tomlinson MP, Minister of State at the Department for Work and Pensions. This all led to a dedicated working group being set up as part of the Youth Employment Group, and engagement with the Disability Unit in Cabinet Office. Jointly, with Leonard Cheshire, we co-chair the new disability sub-group within the Youth Employment Group. We also met with the Shadow Minister for the Cabinet Office who agreed to write to the Employment Minister about access to Kickstart, and we secured significant improvements in the Northern Ireland rollout of the scheme (JobStart).

We submitted our Deaf Works Everywhere campaign video to the Drum content awards and won the award for Best Charity Content Marketing Campaign, when it was referred to as “powerful” and “inspiring”. We also received our first annual report from our post-16 research, READY. This cohort study has provided some very valuable evidence in the areas of social networks, health, wellbeing, communication and education for deaf young people – and how these elements link together and support independence.

We completed our work on the funded Careers & Enterprise Company project, having shifted our tailored, deaf-specific careers advice sessions to be online. During the project, we reached 160 deaf young people, and with increased knowledge and aspirations, 91% said they were more likely to apply for support after they leave school. We also completed an extension project for home learners/those who dropped out of education. Linked to this, we created, tested, and launched our Deaf Works Everywhere Toolkit in Q4, with an e-learning module to support it. By the end of Q4, the toolkit had been downloaded by 175 people covering 87 Local Authorities. Twenty-eight external professionals had accessed the module. There was a 50-percentage-point increase in delegates rating themselves as confident in supporting deaf young people with their careers opportunities post training. 89% said they felt confident they could apply what they learned. We developed a Deaf Awareness for Careers Advisors Wales e-learning module. 130 Careers Advisors completed the module, with 100% saying it was valuable to their role, and Careers Wales has now made it mandatory for all new Careers Advisors. We also adapted our Accessibility in the Workplace training to be deliverable over a digital platform – we trialled this and have delivered the training to 12 organisations reaching 46 professionals, with positive feedback. We were also invited to join a Disabled Student Stakeholder Group looking at reviewing the procurement model for the supply of the Disabled Students' Allowance.

Did we succeed in this objective?

Yes. Despite COVID-19, we created many opportunities for deaf young people to increase their independence, connect with each other and access careers-related information and support. We also managed to progress some of our policy and campaigning work through new opportunities which arose because of the Government response to COVID-19. Although our Deaf Children Today survey shows careers advice provision is still patchy, it also shows we can be quite confident that parents' aspirations for their children's future career seem to have remained stable, despite the pandemic.

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We will continue to develop our online offer for deaf young people going forward, and we plan to pick up our work with the possible partnerships that we've started developing, for example, for volunteering opportunities and work experience placements for deaf young people.

Scotland

Overcoming barriers in local and national services

In Scotland, we were invited to join the Scottish Government's Children and Families COVID-19 Response Working Group focusing on early years/under 5s. The pace of change in responding to the pandemic can mean government focus changes, and some of the work we have undertaken has been superseded by events such as the exam position paper, blended learning in Scotland and drafting a submission to the Comprehensive Spending Review.

With face masks work, we provided guidance, promoted our position paper, and worked to influence guidance on face coverings in education. Our work on face masks and accessibility during COVID-19 has raised our profile with civil servants and helped develop relationships further. In Scotland, government guidance links to our blogs, referring to reasonable adjustments and clear face masks.

We continued to tailor our online support for professionals during lockdown. This included the development of new e-learning opportunities and online support for health visitors to increase deaf awareness.

Due to government focus being changed by COVID-19, many other elements of our planned influencing work in education have been delayed, for example the Additional Support Needs (ASN) review and BSL Act work in Scotland.

We have been regularly participating in the Hearing Impairment Network for Children and Young People and asked to chair sub-groups. We are also developing work to evidence need for Deaf Child and Adolescent Mental Health Services in Scotland.

Overcoming barriers in language and communication

Of families attending our online events, 143 were from Scotland, and of families attending our online Family Sign Language courses, 53 people were from Scotland.

We worked with partners to produce the *BSL Act National Progress Report*. The report identified good practice and highlighted areas for improvement. A summary report (including BSL translation) for parents/carers was published. We also increased our capacity to support young people, families and professionals to help implement commitments under the BSL Act.

During the year we developed and delivered *Success from the Start* – an online developmental resource for families of deaf children aged 0 to 3 and specialist early years professionals. We delivered *Success from the Start* in Scotland, with two sessions to the Scottish Sensory Consortium and 90 attendees. Feedback throughout has been positive and workshops have been oversubscribed.

Overcoming barriers to independence

We continued to help prepare deaf children and young people in Scotland for adulthood. Our research helped to identify the impact of COVID-19 on deaf young people, and findings were key in developing

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campaign plans in Scotland. We used a variety of online initiatives to support and connect deaf children and young people during the pandemic, for example, our Pen-Pals project.

We sit on the Social Security Scotland External Equalities Network and have been attending meetings feeding in on how equalities can be mainstreamed within the new system. Plans for the Scottish Government to take full responsibility for disability benefits have been delayed due to COVID-19 until at least summer 2021.

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 prioritise ensuring that those we support through our partners have access to appropriate health messaging, and will continue to increase our profile and develop our international role as an expert trainer.

In our international work through Deaf Child Worldwide (DCW), we continued to support our partners in South Asia and East Africa, with ten partners having focused on providing education and communication support to deaf children and young people and their families. The support provided evolved throughout the pandemic, with our partners continuing to reach beneficiaries over the year as much as possible, even if not always face-to-face. In Q4, we had our highest reach of the year: 986 parents/family members were supported, 1,004 deaf children and young people were reached, 375 peers and 684 professionals were reached. Thirty-five parents' groups were supported, though intermittently due to COVID-19 restrictions. In Q4, 209 parents and Community Resource parents were trained, the highest in the year.

From the beginning of the pandemic, with no travel possible, we have been adapting to delivering our international work remotely. We have re-developed our training, with a focus on blended learning, using a combination of e-learning and Zoom sessions. In Q3, we developed Deaf Awareness training for online delivery, which was trialled in partnership with Basic Needs India. Following this, nine new DCW consultants in India were trained remotely as an induction, using the blended learning approach. In Q4, the East Africa Senior Lead Trainer team delivered Deaf Awareness online sessions and one face-to-face session in Nairobi (where COVID-19 restrictions were more relaxed at the time) to 14 partner staff, using the manuals as the basis of workshops. In turn, partner staff trained 10 facilitators and trainers to improve the quality of their training for deaf young people. As a result, the facilitators reviewed their content to make it more accessible for the young people to understand, using more participatory methods.

We have continued to strengthen our evidence base, closely monitoring learnings and insights from partners on the ground as COVID-19 hit and developed. We also did some thorough evaluations of projects, including an internal mid term review in Kenya and an end of project evaluation in Uganda. In addition, three internal reviews were conducted with six partners (of which four in Orissa are considered as one large programme). We have been testing new developmental evaluation and participatory evaluation methods, and embedding these into the new projects. We have been sharing the learning from our monitoring and evaluation work as widely as possible.

To support the work to increase our global profile, we launched the Deaf Child Worldwide *Unheard Children* report, on the experiences of deaf children in developing countries. The report, with its Foreword signed by Former UK Prime Minister, and the UN's Global Envoy on Global Education, Gordon

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Brown, was launched in an online webinar on 1 December, with 87 attendees, and further views on YouTube. Following on from this, 178 people registered for the first Unheard Children webinar (exploring the topic of language and communication) in March, and 90 people attended from 35 different countries, with a third of them based in the UK.

Did we succeed in this objective?

Yes. We have continued to work with partners in East Africa and South Asia, and despite COVID-19, have seen positive outcomes across our strategic areas of focus. We have also further developed our training and our profile, and have been strengthening our monitoring and evaluation work. New projects were paused but some extensions to existing projects were granted and were reviewed quarterly.

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. In particular, we will accelerate our digital offer, expand our user-generated content, increase opportunities for peer-to-peer support, and continue to grow our activism work. We are aware that a digital offer is not appropriate for all of our beneficiaries, and we will seek to reintroduce some limited face-to-face support later in the year, but only when it can be done safely.

We were joined by over 4,000 new members this year, with our cumulative membership (excluding supporter members) now sitting at around 97,000. Of these, around half are UK parents/carers. We believe we are reaching over 27,000 permanently deaf children and young people aged 0-25 across the UK, through at least one of their parents/carers being a member of the National Deaf Children's Society.

We have continued to provide information, advice and guidance to our members. We have provided tailored support through our advice and guidance services, with 3,290 initial contacts with our Helpline, and full casework support provided through 1,367 advice and guidance cases over the year. Satisfaction levels remain very high, with families consistently reporting more than a 95% satisfaction with our support. This is also the case for our casework outcomes, with very high levels of positive outcomes for deaf children, young people and their families. Families have been supported to take their cases to independent tribunals where there is merit, and we supported 237 families to appeal their case over the year, again with a very high success rate. We also supported families to apply for over £1.3 million of 'in year' benefits and over £5.2 million of 'full award' benefits, providing vital financial support to families during a difficult and challenging year. We have continued to focus on strategic casework which can impact policy and practice more widely.

We continued to provide information through our website, and through delivering our annual four editions of Families Magazine and 12 e-newsletters, with a steady rate of engagement. There have been many improvements made to the website this year, including improvements to navigation and our sign-up form (using user testing), creating a new Search Engine Optimisation strategy, and work on improving page speed. We have continued to increase the amount of user-generated content, such as our family blogs.

We believe that families being able to connect to other families with similar experiences plays a large part in the ability of members to self-support. After much scoping, development, and testing work, we successfully launched Your Community online forum at the end of July 2020, providing parents and other family members with a new way to connect with each other, share experiences and seek support. It already has around 500 members signed up. We also launched a new project – a parent-to-parent

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support scheme in Bristol, our first pilot area. Twelve referrals have been received from Q3 onwards and families are being supported by our trained parent volunteers.

We had 91 local groups at year-end, allowing an estimated 5,000 people to connect, and 140 online groups allowing an estimated 27,000 people to connect online. We have continued to be proactive in delivering remote support to local Deaf Children's Society groups throughout this difficult time. Alongside this, we are continuing to work with a range of emerging groups at different stages of development. We further developed our 'Connecting Families' model, and our new sub-brand for our 'Connecting Families' offer. This will provide a flexible response to the need to connect – enabling new types of local group support to grow and (importantly during such a difficult time for small charities) offering formal groups an option to 'step-down' but maintain support to families.

As a result of COVID-19 we have been unable to carry out any community engagement work and our focus shifted to the digital divide. We have made some progress towards supporting those experiencing digital poverty and exclusion, for example a new webpage to link families to support, grants and training, and our internal family engagement toolkit being created and updated extensively to include work around digital exclusion and research in this area. Staff also identified families who would benefit from tablets to assist with home schooling as part of the Vodafone Tech Appeal in partnership with Barnardo's, as part of the See, Hear, Respond project. Seventy free tablets and dongles have been distributed to families most in need in England.

We have continued to grow our activism work and have taken this approach throughout much of our campaigning. Our Young People's Advisory Board (YAB) has been instrumental in sharing its views to inform our work, including informing the National Rail's accessible travel approach and process, talking to Vicky Ford (MP) about inaccessible learning and partners who must improve accessibility, and feeding in their views and experience of COVID-19 to the SEND All-Party Parliamentary Group. The YAB also secured a slot interviewing MPs as part of My Life My Say Quarantine Question Time (Kier Starmer and Ed Davey) in front of over 2,000 young people. We also supported other organisations with consultations, including ChildLine, Coppafel, SignHealth, Thomas Polkington Trust and BBC Newsround. We are 364% above target for consultations with deaf children and young people across the year (727 young people aged 8 to 25).

We have also been increasingly positioning ourselves as experts through our professional training and consultancy work. We successfully delivered our Starting Out virtual early years conference in November 2020 – our first online conference. It sold out ahead of time, reaching 250 delegates, more than doubling our target. This was particularly impressive as we have struggled to attract professionals from early years settings in the past. 93% of respondents rated it as 'good' or 'excellent.' 85% of respondents said they intended to change practice, because of what they learnt on the day. We also delivered online training and developed new e-learning modules, broadening our total reach to professionals across the UK to 1,593 – nearly double compared to last year. We also piloted some free Live@4 webinars for professionals and reached 537 professionals across the UK through nine of these.

Did we succeed in this objective?

Yes. We have provided tailored information, support and advice to thousands of families of deaf children. We have grown our digital offer, moving all face-to-face events online and improving our online content. We successfully launched Your Community online forum for parents, increasing their ability to connect, and have continued to focus on activism as a key part of our campaigning work. We have also grown our reach of professionals through our online methods. We are conscious that there is more to do to ensure those impacted by the digital divide are being reached – our research suggests there has been little sector-wide progress on the digital divide and most organisations seem to be

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struggling with the best approaches. It has not yet been deemed safe to start delivering work face-to-face yet, but we are prepared for when it is.

Smarter working

We will continue to work more effectively and efficiently. In particular, we will prioritise the safety and wellbeing of our staff. Having proved that we can work at home effectively we will not reopen the offices until it is considered safe to do so, including consideration of employees' need to use public transport to get to work.

We surpassed our media reach target for the year with 296 million Opportunities to See, mainly due to the popularity of our face masks media work, which generated a fifth of media coverage for the year in one week. We established a new internal commissioning group to manage all information, training, and external communications, and to make sure our communications were accurate, up to date and sensitive. We also updated our brand guidelines and video guidelines.

We have also prioritised the importance of internal communications over the past year. Workplace by Facebook was rolled out to all staff in late March 2020, and it has proven to be an important channel. On average we had 198 Facebook Workplace accounts active on a monthly basis – around 85% of staff. In the Loop, our weekly newsletter, continues with a regular update on the most recent organisation-wide news as well as recognition of great work in the past week. A new initiative, Live@11, was implemented early on during the first lockdown, replacing the lunchtime seminars. Attendance has averaged around 80 people each session from around the country – a much better engagement rate than our previous lunchtime seminars and much more accessible to staff based across the UK.

We did regular pulse surveys to ensure staff had the opportunity to tell us how they felt and what support they needed, especially with COVID-19. We noted that areas for improvement were wellbeing, work-life balance and return to the office. In response, we facilitated some online 'jam' sessions to give managers an opportunity to discuss the outcome of the pulse surveys and raise any concerns/suggestions, re-designed an online wellbeing toolkit for staff, and provided support for staff wellbeing with a new Employee Assistance Provider which we frequently reminded staff they could access confidentially. We carried out the furlough process sensitively and in compliance with government guidance, successfully submitting our claims on a timely basis. Throughout the year, our staff have been amazing; embracing learning and innovation, and delivering projects cross-organisationally with speed and agility.

We shortened our planning cycle to be more reactive, including keeping planning assumptions and interim risk registers under review. We improved our approaches to understanding and reporting our context, trends, performance, and impact. We closely monitored the needs of our members, from campaign surveys, to insights and trends from our work, to our annual Deaf Children Today survey. A digital review from an external consultancy also helped us start thinking about how we could further capitalise on all we have been learning over the past year and increasing our digital offer even further in the future.

We made great progress with our safeguarding work this year, quickly adapting to support the shift to remote/digital offerings for our beneficiaries. This has meant ensuring all staff received training and support, and rolling out a new safeguarding recording system. Our health and safety work helped us manage new and different risks, and we have been preparing for when face-to-face service activity and working in offices returns. Having adapted quickly at the start of the year to ensure all staff were able to

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work remotely, this support continued throughout the year. Microsoft Teams was rolled out, our intranet was upgraded, and a new desk booking system has been setup for the offices for when we are able to return.

Did we succeed in this objective?

Yes. We have focused on ensuring our staff have been supported through the pandemic, and that they could work effectively from home, prioritising internal communications and feedback opportunities. We adapted swiftly to changes from the impact of COVID-19, ensuring we remain an effective and efficient organisation. At year end, it has not yet been deemed safe to start returning to offices, but we are prepared for when it is. (As of July 2021, we have started piloting a safe return to our London office, and we have plans to do the same for our other offices.) We are also exploring what the future of work might look like for us, embracing learnings from the pandemic.

Targets for 2021/22

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. We have extended and refreshed our current 2017–2022 five-year strategy by an additional year to give us more time to develop our next strategy.

The changes to the three key areas of focus in the current strategy are:

- local and national services – this is the same
- language and communication – this has shifted to focus on the early years of a deaf child's life
- independence – this is the same.

Language and communication will continue to run as a theme throughout our work in all three areas.

We will focus on these areas for the year ahead. With the COVID-19 global pandemic continuing to affect the way we work, we will continue to keep a clear set of regularly reviewed planning assumptions, to help us adapt to the situation as it evolves, including regular risk register updates. Our plans and targets for 2021/22 take these into account:

Local and national services

> We will improve outcomes for deaf children and young people by making sure that services for them are available, accessible and of a high quality to meet their needs.

Measure: Evidence of our influence, so that the rights of deaf children and young people are upheld, and their needs are met, as services recover from COVID-19.

Early years

> We will help families to ensure their deaf child has the best possible start in life, particularly focusing on information, advice, access to Family Sign Language and peer-to-peer support.

Measure: Evidence of positive outcomes for families with children in the early years.

Independence

> We will support the development of deaf children's independence and preparation for adulthood, with a focus on post-16 transitions and entry into employment.

Measure: Evidence of positive outcomes for deaf young people in activities which link to independence.

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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 continue to increase our profile, build our evidence base and 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, advice and guidance. We will continue to build on our accelerated digital transformation from the previous year.

Smarter working

We will continue to improve the efficiency and effectiveness of our work, and will prioritise the safety and wellbeing of our staff.

Fundraising

Fundraising is essential to allow us to carry out our vital work to support deaf children, young people and their families. 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 trustee Finance Audit and Risk sub-committee, with regular reporting to our full trustee board which receives copies of all fundraising mailings. We are active members of the Fundraising Regulator and of the Chartered Institute of Fundraising, and our staff engage widely across the sector to support measures to increase public trust and support.

As well as employing our own professional fundraising staff, we use specialist agency support to help to engage new supporters for our work. The standards we expect from agencies working on our behalf are formally agreed in advance, and include a requirement to abide by the Code of Fundraising Practice. We encourage all such agencies to be members of both the Chartered Institute of Fundraising and the Fundraising Regulator, and work closely with them to ensure they treat everyone 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 we require all staff and agencies we work with to follow our Ethical Fundraising, and Fundraising and Vulnerable People policies. We also ensure that all fundraising agencies have their own Fundraising and Vulnerable People policy which is consistent with the requirements of our own. Fundraisers working on our behalf receive initial and regular ongoing training which ensures they are given detailed information about the work of the charity, understand the regulations governing professional fundraising, and are equipped with the skills necessary to fundraise responsibly and respectfully on our behalf.

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.

Over the course of the year, we investigated 32 allegations of suspected fraud, 6 of which were upheld and reported to the police via Action Fraud. Our website outlines our Complaints Policy and clearly explains how an individual can complain. We received 353 complaints about our fundraising activity, 314 of which related to our face-to-face supporter recruitment campaigns. To put this in context, our recruiters made contact with an estimated one million individuals over the course of the year, giving a

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complaint rate of one complaint per 3,300 contacts made. All complaints were handled in line with our Complaints Policy and none were escalated to the Fundraising Regulator. We also received 17 requests to amend communication preferences via the Fundraising Preference Service, all of which were actioned promptly on our database. Detailed complaint and fraud reports covering the above are regularly reviewed by our trustees.

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.

The impact of COVID-19 on our fundraising and our plans to manage the financial impact is addressed in the following section.

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.

- **A breach of our IT security.** Cyberattacks, including phishing and malware etc, have significantly increased in frequency and sophistication. The fact that most staff are working remotely, and that hybrid or home working is likely to be an increasing choice for staff, emphasises our reliance on our IT systems and has the potential to increase our vulnerability. We have put protective measures in place including additional IT staff to implement security projects, and training and awareness raising for all staff. We continue to monitor and review our systems and to keep them up to date. To support effective oversight by the board we are introducing reporting on cyber risks and the status of our cyber security programme.
- **Income drops significantly.** From February 2020, necessary restrictions resulting from the COVID-19 pandemic impacted significantly on our ability to recruit new supporters and raise income. Supporter recruitment resumed in summer 2020, with precautions and in accordance with government guidelines. We took a cautious approach to ensure the safety of recruiters and potential supporters, for example not recruiting in towns where cases of COVID-19 were high and abiding by the lockdown restrictions over the winter of 2020/21. Therefore, we did not recruit as many supporters as we have in previous years. Depending on how the pandemic continues to impact on daily life, we hope to be able to recruit additional supporters in 2021/22 to make up the shortfall. We are closely monitoring the lapse rate of supporters. While this has remained low, we are concerned that as the government's furlough scheme comes to an end, we may see more job losses, and affected supporters reducing or cancelling their monthly contributions. To mitigate this, we are monitoring the fundraising environment very closely. We are regularly reviewing data on our supporters, updating our financial forecasts, and making sure we are ready to manage the impact of any drop in income. 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.

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- **We are no longer relevant to our members.** Our target audiences (deaf young people, their parents, professionals, and decision-makers) have different needs and many competing demands for their time and attention. If we are to achieve our ambitions, we must stand out, in an increasingly crowded marketplace, with a clear offer that is relevant to them at this time. We are investing in audience insights and marketing, as well as regularly engaging with, and responding to, our audiences through consultation and co-production on new offers. In response to COVID-19, we have moved swiftly to adapt more of our offer to digital platforms and are working on developing a new digital vision and a refreshed post lockdown offer relevant to each audience.
- **A safeguarding failure.** 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. Although COVID-19 means that we are not currently delivering face-to-face activities, opportunities to identify/investigate abuse by others have reduced, and the risk of online abuse has increased. As government restrictions ease, we are planning for a limited return to face-to-face activities. The charity has a Safeguarding policy which applies to everyone who works with or for the charity. The policy is implemented through robust procedures and supported by training programmes for staff and volunteers. We provide online training and require affiliated local groups to meet safeguarding 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.

Financial review

The financial year 2020/21 was marked by high levels of financial uncertainty but also a fantastic response by our teams as they swiftly moved to embrace digital delivery to maintain our support to deaf children and their families.

With the benefit of hindsight the decision of trustees to invest in recruiting more new supporters than we originally planned in 2019/20 was well timed. It enabled us to enter 2020/21, the most challenging year the charity has faced, with more supporters than any other year. As we adjusted to the initial period of lockdown, there was some uncertainty about the resilience of our income streams. Our supporters, who make regular contributions by direct debit, have been our main source of income for many years. Now we were faced the very real risk that they would lapse at much higher rates as they sought to understand the impact of the pandemic on both the wider economy and their personal financial circumstances. This risk to our main source of income was further exacerbated by the lockdown restrictions, necessary to fight the pandemic, but which also halted almost all of our usual fundraising activities.

Our initial concerns were realised when we experienced a significant increase in lapsing at the start of the year. We responded by communicating regularly with our supporters to keep them updated on how we had changed the ways in which we were supporting deaf children and their families during the pandemic and how positively our innovative digital approaches were being received. Their response was generous, with most maintaining their crucial monthly direct debits to support our work so that lapsing over the year was less than in 2019/20 and our income from supporters, in most cases boosted by Gift Aid, grew marginally to £21.7 million. However as lockdown restrictions prevented us from recruiting new supporters for most of the year our investment in fundraising fell to its lowest level since 2006. This means we will have fewer supporters than we had expected in 2021/22 and beyond and so less income.

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As we rely on our fundraising income to finance our charitable expenditure we have plans to address this. The fundraising underspend in 2020/21 has increased our reserves and we will use these to raise our planned fundraising investment in 2021/22 and 2022/23 to make up for the lower level of investment in 2020/21. As a result a substantial, but affordable, deficit is planned in 2021/22. We will continue to closely monitor the performance of our supporter income fundraising against targets and will seek to further diversify our income streams when suitable opportunities arise

Overall in 2020/21 our income increased by £1.0 million to £25.4 million. Supporter income made up 86% of the total but legacy income, our second highest income stream fell by 11% to £1.1m. A number of grant makers (see Note 13) funded some of our covid response initiatives with new grants and we were also supported by furlough grants of £0.56 million. Our total expenditure of £17.4 million fell by £10.6 million year on year, £7.3 million of this fall was on fundraising investment. We spent £12.7 million on charitable activities, £3.3 million less than in 2019/20 as we refocused our planned work on what was now required and what it was possible to deliver with pandemic restrictions in place. You can read about how this expenditure helped us to achieve the targets we set ourselves earlier in the report.

During the course of the year £0.05 million was spent on fixed assets as part of our planned infrastructure investment.

Financial position at year end

The resilience of our income streams, following the exceptional level of fundraising investment in 2019/20, the covid related fall in all areas of our expenditure and the investment gains of £0.9m increased net assets by £8.9 million to £16.4 million. This will enable us to make up the shortfall in planned fundraising investment in 2020/21 over the next two years, subject to our recruitment activity not being curtailed by further covid related restrictions.

Performance of subsidiaries

NDCS Limited had a successful year and will pass a profit of £49,000 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 and fixed assets reserve) required by the charity as being between £7.3 million and £9.6 million. The target range has increased to reflect the risks and uncertainty faced by the charity with £1.50 million to be used to fund strategic investment in digital transformation of our services and income generation.

The total reserves for the charity as at 31 March 2021 were £16.4 million (2020: £7.6million). Unrestricted reserves formed £16.0 million (2020: £7.3 million) and restricted reserves £0.4 million (2020: £0.3 million).

Of the unrestricted reserves balance of £16.0 million, £0.1 million was related to intangible and tangible fixed assets.

General reserves (excluding reserves represented by restricted funds, fixed assets and the revaluation reserve) stood at £16.0 million. As a result of the in year surplus this is significantly above the target reserves range. However a £5.2million deficit budget is planned for 2021/22 and further significant

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investment in fundraising to secure future income and our digital transformation in 2022/23 and 2023/24 is expected to bring us within the target reserves range.

During 2020/21 trustees considered a number of financial scenarios at each meeting which reflected the levels of uncertainty and key risks the charity was facing at the time and how they could impact our reserves and longer term financial sustainability. Additionally they 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.

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: iBoxx £ UK Gilts;
- UK corporate bonds: iBoxx Sterling Corporates;
- UK equities: MSCI UK IMI;
- Overseas equities: MSCI AC World ex UK;
- Alternative investments: 50% iBoxx £ Gilt 1-5yr and 50% MSCI AC World Index (ACWI)
- Cash: Bank of England Base Rate.

The market value of investments stood at £4.6 million at 31 March 2021, an increase of £1.0 million in the year after reinvestment of income. Investments recovered strongly in the year, following the £0.3 million net loss on investments in the previous year which was incurred in the final quarter as the effect of the pandemic on stock markets was felt.

Going concern

The trustees have reviewed our activities, current financial position and risks, including the continued impact of uncertainty arising from the Covid-19 pandemic on our voluntary income and planned support recruitment. As in 2020/21 we continued to incorporate social distancing into our fundraising and programme of work and, after experiencing increased take up and reach we will continue to focus on digital delivery methods to support, and campaign for, deaf children and their families. Although we have now restarted very limited face to face activities we will continue to use digital as our primary method of delivery in future. Although we plan to run a significant but planned deficit in 2021/22 this will be funded by drawing down our reserves. Our trustees will continue to regularly review financial scenarios that model a range of fundraising outcomes. They are confident that these currently indicate that it remains appropriate to adopt the going concern basis of accounting in preparing the financial statements. The trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements, including a review of updated forecasts to 31 March 2024, a consideration of key risks – including the ongoing impact of Covid-19 – that could impact the charity and the latest available management information. Covid-19 has had a significant impact on the charity. As set out in our section on risk, from February 2020 to July 2020 and from November 2020 to year end Covid-19 impacted significantly on our ability to

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recruit new supporters with the temporary suspension of recruitment activity. Although we restarted recruitment activity in April 2021 and recruitment volumes have grown we are closely monitoring the risk of future government guidance reducing our recruitment activity. Scenarios presented to trustees also consider lapsing levels and the impact of falling investment values. Our analysis, and our experience last year, shows that suspending supporter recruitment results in an improved short term financial position due to the associated significant reduction in costs, however over time there is a significant impact on income as we have fewer supporters than planned. Our plans for delivery of charitable activities have been adjusted to increase our use of digital delivery methods to support, and campaign for, deaf children and their families and this is reflected in the scenarios considered. Trustees conclude it is appropriate for the financial statements to continue to be prepared on a going concern basis.

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. 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 2020/21 we spent £0.4 million in grants to partner organisations in relation to our international work.

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 Fundación Niños 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. The 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 full members 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 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

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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 making sure 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 four 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 four times each year, provides strategic support and direction to the development of services for beneficiaries and for advocacy. The International Committee, which meets three times each year, provides strategic support and direction to the development of our international work; 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. 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.

Each year, the Governance Committee reviews our governance practices in detail against the Governance Code using an 'apply or explain' approach. The review has led to the development of the Board Diversity Action Plan to address the weakest area. Progress and outcomes of the action plan are reported to the Governance Committee. This is being updated in response to the revised Governance Code (2020).

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

With all of our staff working from home throughout the year and most experiencing their most challenging year both in and out of work we increased our focus on staff wellbeing so that all employees felt supported, developed and included. We recognised the home schooling, childcare, and other caring responsibilities many of our staff faced and worked with them to identify solutions which, in some cases included furloughing or flexing working hours.

We recognised that effective internal communications at all levels would be vital as we responded to the challenges presented by Covid. As all staff worked virtually we encouraged one to one contact between colleagues with teams having more informal contact as well as regular team meetings. This helped to promote wellbeing and ensured staff were aware of how our planned work had changed in

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response to the pandemic and how their role was affected. Our existing programme of seminars updating staff on areas of our work moved fully online resulting in higher levels of attendance and information continued to be shared through our intranet, Facebook workplace and a weekly digital newsletter In the Loop, which included an update from the CEO each week. We ran regular virtual meetings drawing together managers from across the teams to give training and support while providing a forum for issues to be raised so that effective support could be given. We also ran a series of pulse surveys which gave staff the opportunity to feedback on their wellbeing, their experience of working in lockdown and how they see ways of working evolving in the future which informed both our more immediate responses and our longer term planning.

Our induction events moved on line so the chief executive and other senior members of staff could explain to new starters how their teams were supporting deaf children and their families during the pandemic, ensure that safeguarding continued to be highlighted and new starters benefitted from deaf awareness training. All staff are encouraged to build on this initial deaf awareness training to improve their sign language and communication skills.

We support equal opportunities and are a Level 2 'Disability Confident Employer'. We encourage applications from disabled persons and will liaise with them to identify and provide the adjustments to support their application and if successful, their employment with us. 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, working with them to identify and deliver the appropriate support and training required.

We have a 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. As a result of the uncertainty over the resilience of our income during the year there was no annual increase but annual increments were awarded to eligible staff.

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 with staff contributing 1.5% though they can opt to contribute more.

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

The total remuneration of the Executive team (as defined below) was £499,069 (£498,371 in 2019/20). This included pension contributions of £16,514 (£18,342 in 2019/20). There were no benefits in kind. As with all other staff, the Executive team did not receive an annual increase but annual increments were

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2021

awarded to eligible 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) to 31 December 2020, Maria Chambers (Interim Director of Services and Innovation) from 4 January 2021, Steve Haines (Director Policy and Campaigns) to 18 February 2021, Mike Hobday (Executive Director of Policy and Campaigns) from 25 March 2021 and Mike Wade (Director Fundraising and Communications).

Members of the Trustee Board 2020–2021

Tim Polack	(Chair)
Dominic Holton	(Vice Chair)
Helen Selwood	(Treasurer)
Sheila McKenzie	(Deputy Treasurer)
Suzanne Beese	
Katherine Binns	
Lynn Gadd	
Altaf Kassam	
Damian Proctor	
Jennie Rayson	
Jan Rutherford	
Lorraine Wapling	

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

The National Deaf Children's Society
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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 UK 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 UK. (Adopted by a resolution of the trustees made on 12 September 2009.)
- international affiliate members – any group or organisation based outside the UK which adheres to the charity's vision and values statement
- family members – anyone who is a family member of a deaf person
- 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 to 18 years
- other members – any individual aged 16 or above living in the United Kingdom.

Volunteers

We have 390 volunteers who help us support deaf children and young people, with 49 of them having done a volunteer assignment in the course of the year. Due to COVID-19, face-to-face events involving volunteers were not able to take place, and during the transition to more digital events there were fewer opportunities for volunteering. However, through the year several new opportunities to volunteer digitally were developed. This included volunteers attending online events to share their experiences with families of deaf children and young people, volunteer support to our new Pen-Pals programme, volunteer involvement in a pilot of a new mentoring programme, and a new volunteer parent-to-parent support scheme being piloted in Bristol.

In addition, Legal Volunteers have provided pro bono support to 37 of our cases this year. We have received over 1,800 pro bono hours of legal support during the financial year 2020/21. The value of these volunteers is estimated at £29,000.

The trustees would like to take this opportunity to thank all our volunteers for their continued support. Without their time and skills, and their continued commitment in the face of a global pandemic, our activities and events would not be as extensive and successful as they are, nor our teams as well supported.

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2021

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 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.



Tim Polack
Director and Trustee

Date: 10 November 2021

The National Deaf Children's Society
Report of the independent auditors
for the year ended 31 March 2021

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 ('the charitable company') and its subsidiary ('the group') for the year ended 31 March 2021 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 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 2021 and of the group's 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 and 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other

The National Deaf Children's Society

Report of the independent auditors

for the year ended 31 March 2021

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

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 this gives rise to a material misstatement in the financial statements themselves. 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 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 requires 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 26, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going

The National Deaf Children's Society

Report of the independent auditors

for the year ended 31 March 2021

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were: General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation, Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

The National Deaf Children's Society
Report of the independent auditors
for the year ended 31 March 2021

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance, Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body 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

11 November 2021

The National Deaf Children's Society
Consolidated statement of financial activities
(including consolidated income and expenditure account)
for the year ended 31 March 2021

Income and expenditure	Note	Unrestricted funds £000s	Restricted funds £000s	Total 2021 £000s	Total 2020 £000s
Income and endowments from:					
Donations and legacies					
Regular donations and subscriptions from individuals		21,473	262	21,735	21,465
Legacy income	5(a)	1,077	10	1,087	1,221
Other donations and gifts		834	285	1,119	914
		23,384	557	23,941	23,600
Charitable activities	5(b)	178	389	567	346
Other trading activities	5(c)	82	-	82	139
Investments	5(d)	200	-	200	201
Other income	5(e)	561	-	561	-
		24,405	946	25,351	24,286
Share of net gain in joint venture	4	24	-	24	41
Total		24,429	946	25,375	24,327
Expenditure on:					
Raising funds	7(a)	4,756	-	4,756	12,084
Charitable activities:					
Overcoming barriers in local and national services		5,493	287	5,780	8,232
Overcoming barriers in language and communication		2,386	276	2,662	3,052
Overcoming barriers to independence		2,424	212	2,636	2,922
Other charitable activities		1,490	106	1,596	1,789
Total charitable activities	7(a)	11,793	881	12,674	15,995
Total	7(a)	16,549	881	17,430	28,079
Net gain on investments	10(c)	908	-	908	(283)
Net income / (expenditure) and Net movement in funds before and after transfers	7(e)	8,788	65	8,853	(4,035)
Fund balances brought forward		7,268	317	7,585	11,620
Fund balances carried forward		16,056	382	16,438	7,585

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 2021

	Note	Group 2021 £000s	Group 2020 £000s	Charity 2021 £000s	Charity 2020 £000s
Fixed assets					
Intangible assets	8	12	53	12	53
Tangible assets	9	43	-	43	-
Investment in joint venture - share of net assets	4	129	105	-	-
Other investments	10	4,643	3,630	4,643	3,630
		<u>4,827</u>	<u>3,788</u>	<u>4,698</u>	<u>3,683</u>
Current assets					
Debtors	11	1,858	2,158	1,907	2,175
Cash at bank and in hand		11,044	3,769	10,987	3,734
		12,902	5,927	12,894	5,909
Creditors: amounts falling due within one year	12	<u>1,291</u>	<u>2,130</u>	<u>1,282</u>	<u>2,112</u>
Net current assets		<u>11,611</u>	<u>3,797</u>	<u>11,612</u>	<u>3,797</u>
Net assets		<u>16,438</u>	<u>7,585</u>	<u>16,310</u>	<u>7,480</u>
The funds of the charity					
Unrestricted funds					
Fixed asset reserve		55	53	55	53
General funds		16,001	7,215	15,873	7,110
		16,056	7,268	15,928	7,163
Restricted funds	13	<u>382</u>	<u>317</u>	<u>382</u>	<u>317</u>
	15	<u>16,438</u>	<u>7,585</u>	<u>16,310</u>	<u>7,480</u>

The surplus for the financial year dealt with in the financial statements of the parent company was £8,829,361 (2020: deficit of £4,075,588).

The financial statements were approved by the Board and authorised for issue on 10 November 2021 and signed on its behalf by:



.....
 Tim Polack
 Director and Trustee

Date: 10 November 2021

The notes on pages 34 to 54 form part of the financial statements.

The National Deaf Children's Society
Consolidated statement of cash flows
for the year ended 31 March 2021

	2021 £000s	2020 £000s
Cash flow from operating activities:		
Net income for the year	8,853	(4,035)
<i>Adjustments for:</i>		
Depreciation/amortisation	53	135
(Gain)/Loss on investments	(908)	283
Income from investments	(200)	(201)
Investment management fees	27	26
Share of net (gain) in joint venture	(24)	(41)
Decrease / (increase) in debtors	300	226
(Decrease) / increase in creditors	(839)	115
Net cash provided by/ (used in) operating activities	7,262	(3,492)
Cash flows from investing activities:		
Interest on cash deposits	5	20
Income from joint venture	63	64
Purchase of intangible fixed assets	(12)	(13)
Purchase of tangible fixed assets	(43)	-
Net cash provided by/(used in) investing activities	13	71
Decrease /(increase) in cash and cash equivalents in the year	7,275	(3,421)
Cash and cash equivalents at 1 April 2020	3,769	7,190
Cash and cash equivalents at 31 March 2021	11,044	3,769

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2021

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)(Second Edition) (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.

As detailed in the going concern commentary in the Directors Report the trustees have reviewed the charity's activities, financial position and risks, including the impact of uncertainty arising from the Covid-19 pandemic on our voluntary income. We continued to incorporate social distancing into our fundraising and programme of work, making greater use of digital delivery methods to support, and campaign for, deaf children and their families which received positive feedback and increased our reach. As a result, and given the trustees continued to regularly review of financial scenarios that incorporated a range of fundraising outcomes, the going concern basis of accounting continues to be adopted in preparing the financial statements.

The trustees have assessed the charity's ability to continue as a going concern. The trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements, including a review of updated forecasts to 31 March 2024, a consideration of key risks – including the impact of Covid-19 – that could impact the charity and the latest available management information. These forecasts took account of the further restrictions on fundraising activity and also reflected the increased use of digital delivery methods to support, and campaign for deaf children and their families.

Trustees conclude it is appropriate for the financial statements to continue to be prepared on a going concern basis.

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.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2021

2 Accounting policies (continued)

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 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.

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. Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2021

2 Accounting policies (continued)

g) Expenditure recognition

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT where applicable. It is 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.

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.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2021

2 Accounting policies (continued)

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.

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.

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 2021 contributions amounting to £51,314 (2020: £51,412) 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 were £1,027,000 (2020: £968,000) and cash and bank balances of £11,044,000 (2020: £3,769,000) 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 were £1,057,000 (2020: £1,861,000) 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 2021

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:

	2021	2020
	£000s	£000s
Turnover	82	134
Cost of sales	(27)	(101)
Gross profit	55	33
Administrative expenses	(6)	(8)
Net income	49	25
Amount Gift Aided to the National Deaf Children's Society	(49)	(25)
	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Current assets	73	62
Creditors: amounts falling due within one year	(73)	(62)
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 £48,987 (2020 - £25,279) to the charity by Gift Aid.

In these consolidated accounts, turnover consolidated in activities for generating funds is £82,466 (2020: £133,912) and investment income is £15 (2020: £127) 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 Friends for Young Deaf People 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 2021, as well as the year ended 31 March 2020.

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

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 2021. 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 2021

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.

	2021	2020
	£000s	£000s
The 25% share of Childlife's results for the year is shown below:		
Income from:		
Voluntary income	249	238
Other trading activities	-	-
	249	238
Expenditure on:		
Raising funds	144	129
Charitable activities	66	68
Other expenditure	15	-
	225	197
Net income / (expenditure)	24	41
Funds balances brought forward	105	64
Fund balances carried forward	129	105

Income receivable from Childlife for the year of £62,500 (2020: £64,000) is included in investment income (see note 5d).

	2021	2020
	£000s	£000s
The 25% share of assets and liabilities of Childlife were:		
Fixed assets	-	-
Current assets	142	124
Gross assets	142	124
Gross liabilities	(13)	(19)
Total assets less total liabilities – share of net assets	129	105
Unrestricted funds		
Other charitable funds	129	105

5 Income

a) **Legacy income**

At 31 March 2021 the charity had been notified of legacies amounting to an estimated £382,308 (2020: £225,900) which have not been included within the accounts as the recognition criteria had not been met at the year end date.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2021

5 Income (continued)

b) Income from charitable activities

	Grants £000s	Fees from non-statutory sources £000s	Total £000s
Overcoming barriers in local and national services	88	70	158
Overcoming barriers in language and communications	126	53	179
Overcoming barriers to independence	112	21	133
Other charitable activities	63	34	97
	<hr/>	<hr/>	<hr/>
Total 2021	389	178	567
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2020	274	72	346
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Further information about the above grant income is provided in note 13.
Other government grants, included in other income, are detailed in note 5e.

c) Other trading activities

	2021 £000s	2020 £000s
Gross income from trading	82	139
Income from training and services	-	-
	<hr/>	<hr/>
	82	139
	<hr/> <hr/>	<hr/> <hr/>

d) Investment income

	2021 £000s	2020 £000s
Interest on cash deposits	5	20
Income from listed investments	132	117
Income receivable from joint venture	63	64
	<hr/>	<hr/>
	200	201
	<hr/> <hr/>	<hr/> <hr/>

e) Other income

	2021 £000s	2020 £000s
UK Government Coronavirus Job Retention Scheme	561	-
	<hr/>	<hr/>
	561	-
	<hr/> <hr/>	<hr/> <hr/>

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2021

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

a) Staff costs comprise:

	2021	2020
	£000s	£000s
Wages and salaries	7,943	7,800
Social security costs	797	779
Pension costs	416	429
	<u>9,156</u>	<u>9,008</u>

The average number of employees during the year was as follows:	2021	2021	2020	2020
	No.	(FTE)	No.	(FTE)
Charitable activities	182	156	188	155
Fundraising	27	26	29	28
Administration and support services	38	37	39	37
	<u>247</u>	<u>219</u>	<u>256</u>	<u>220</u>

The above staff numbers include an average of 14 (2020: 20) casual workers who primarily worked on our events programme.

b) During the year, redundancy and termination payments totalling £190,222 (2020: £77,966) 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:

	2021	2020
	No.	No.
£60,000 - £69,999	2	3
£70,000 - £79,999	-	1
£80,000 - £89,999	-	-
£90,000 - £99,999	2	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 (2020: £nil). Reasonable expenses for travel, subsistence and incidentals reimbursed to no trustees (2020: 8 trustees) during the year totalled £nil (2020: £1,256) 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 2021 was £499,069 (2020: £498,371).

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2021

7 Analysis of expenditure

a) Expenditure on:	Direct costs £000s	Grants payable £000s	Support costs £000s	Total 2021 £000s	Total 2020 £000s
<i>Raising funds</i>					
Regular donations and subscriptions from individuals	3,510	-	327	3,837	11,061
Legacies	285	-	38	323	291
Other fundraising costs *	365	-	203	568	705
	<u>4,160</u>	<u>-</u>	<u>568</u>	<u>4,728</u>	<u>12,057</u>
Investment management fees **	28	-	-	28	27
	<u>4,188</u>	<u>-</u>	<u>568</u>	<u>4,756</u>	<u>12,084</u>
<i>Charitable activities</i>					
Overcoming barriers in local & national services	4,675	196	909	5,780	8,232
Overcoming barriers in language & communications	1,854	207	601	2,662	3,052
Overcoming barriers to independence	1,902	117	617	2,636	2,922
Other charitable activities	1,157	-	439	1,596	1,789
	<u>9,588</u>	<u>520</u>	<u>2,566</u>	<u>12,674</u>	<u>15,995</u>
Total expenditure 2021	<u>13,776</u>	<u>520</u>	<u>3,134</u>	<u>17,430</u>	<u>28,079</u>
Total expenditure 2020	<u>24,143</u>	<u>452</u>	<u>3,484</u>		<u>28,079</u>

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

b) Analysis of grants payable

	2021 £000s
UK grants	
Grants to University of Manchester (3 research grants)	81
Grant to University of London	9
Grants to affiliated local registered Deaf Children's Societies *	12
Grants to NHS National Services Scotland	10
Other UK grants	1
	<u>113</u>

* Each grant was for a maximum of £500, with the maximum received by any one local Deaf Children's Society £727.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2021

7 Analysis of expenditure (continued)

b) **Analysis of grants payable** (continued)

	2021 £000s
International grants	
Cini Asha Deaf Way	40
Khagenhat Welfare Organisation	22
Samuha – Deaf children and families	27
Centre for Disability in Development	110
Sadhana	25
Citizens Association for Rural Development	22
SNDAYP	35
Lipica	31
Graham Bell Centre for the Deaf	30
University of Dar es-Salaam	12
Deaf Empowerment Kenya	25
National Association of Parents of Deaf Children	28
	407
Total grants	520

There are no grant commitments.

c) **Allocation of support costs**

	Governance £000s	Finance and legal £000s	Human resources £000s	IT £000s	Facilities management and shared premises £000s	Total £000s
<i>Raising funds</i>	-	89	66	138	275	568
<i>Charitable activities</i>						
Overcoming barriers in local & national services	96	170	128	263	252	909
Overcoming barriers in language & communications	40	124	93	192	152	601
Overcoming barriers to independence	39	121	91	188	178	617
Other charitable activities	23	88	66	136	126	439
Total support costs 2021	198	592	444	917	983	3,134
Total support costs 2020	196	621	452	1,122	1,093	3,484

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.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2021

7 Analysis of expenditure (continued)

d) Governance costs

	2021 £000s	2020 £000s
Audit fees	18	17
Trustee costs	11	15
Other costs supporting governance activities	169	164
	<u>198</u>	<u>196</u>

e) Net income / expenditure for the year

	2021 £000s	2020 £000s
Net income/expenditure for the year is stated after charging:		
Auditor's remuneration		
Statutory audit	18	17
Other	5	4
Amortisation	53	70
Depreciation	-	65
Operating lease rentals	825	818
	<u>825</u>	<u>818</u>

8 Intangible fixed assets

Charity and group

	Computer software £000s	Total £000s
Cost		
As at 1 April 2020	1,253	1,253
Additions	12	12
Disposals	-	-
As at 31 March 2021	<u>1,265</u>	<u>1,265</u>
Amortisation		
As at 1 April 2020	1,200	1,200
Charge for the year	53	53
Adjustment for disposals	-	-
As at 31 March 2021	<u>1,253</u>	<u>1,253</u>
Net book value		
As at 31 March 2021	<u>12</u>	<u>12</u>
As at 31 March 2020	<u>53</u>	<u>53</u>

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2021

9 Tangible fixed assets

Charity and group	Assets in the course of construction £000s	Plant and machinery £000s	Fixtures, fittings and equipment £000s	Total £000s
Cost				
As at April 2020	-	222	1,452	1,674
Additions	43	-	-	43
Disposals	-	-	-	-
As at 31 March 2021	<u>43</u>	<u>222</u>	<u>1,452</u>	<u>1,717</u>
Depreciation				
As at April 2020	-	222	1,452	1,674
Charge for the year	-	-	-	-
Adjustment for disposal	-	-	-	-
As at 31 March 2021	<u>-</u>	<u>222</u>	<u>1,452</u>	<u>1,674</u>
Net book value				
As at 31 March 2021	<u>43</u>	<u>-</u>	<u>-</u>	<u>43</u>
As at 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Assets under construction at the year end related to costs of new computer infrastructure, which was not completed and brought into use until 2021-22.

10 Fixed assets 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	
	2021 £000s	2020 £000s	2021 £000s	2020 £000s
Listed investments at market value (see note 10c)	<u>4,643</u>	<u>3,630</u>	<u>4,643</u>	<u>3,630</u>
Investments in subsidiary (NDCS Limited) £100 – see note 3				

c) **Listed investments**

	2021 £000s	2020 £000s
Market value at 1 April 2020	3,630	3,823
Reinvested income	132	116
Management fees paid	(27)	(26)
Realised gain on investments	908	(283)
Market value as at 31 March 2021	<u>4,643</u>	<u>3,630</u>
Listed investments at historic cost	<u>4,020</u>	<u>3,805</u>

The National Deaf Children's Society
Notes forming part of the financial statements
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10 Fixed asset investments (continued)

d) **Listed investments by type**

	2021 £000s	2020 £000s
Equities	3,236	2,463
Alternative investments	710	544
Fixed interest	584	598
Cash	113	25
Market value as at 31 March 2021	<u>4,643</u>	<u>3,630</u>

11 Debtors

	Group 2021 £000s	Group 2020 £000s	Charity 2021 £000s	Charity 2020 £000s
Due within one year:				
Trade debtors	27	55	22	44
Due from subsidiary undertaking	-	-	64	45
Other debtors	561	987	561	987
Prepayments and accrued income	1,270	1,116	1,260	1,099
	<u>1,858</u>	<u>2,158</u>	<u>1,907</u>	<u>2,175</u>

12 Creditors: amounts falling due within one year

	Group 2021 £000s	Group 2020 £000s	Charity 2021 £000s	Charity 2020 £000s
Trade creditors	524	503	524	503
Social security and other taxes	211	215	209	212
Other creditors	72	79	72	79
Accruals	466	1,279	459	1,264
Deferred income	18	54	18	54
	<u>1,291</u>	<u>2,130</u>	<u>1,282</u>	<u>2,112</u>

Deferred income mainly consists of deposits for 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	2021 £000s	2020 £000s
At 1 April 2020	54	63
Recognised in the year	(54)	(63)
Deferred in the year	18	54
At 31 March 2021	<u>18</u>	<u>54</u>

The National Deaf Children's Society
Notes forming part of the financial statements
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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 2020 £000s	Income £000s	Expenditure £000s	Balance at 31 March 2021 £000s
National Lottery Community Fund (England) – <i>Coronavirus Community Support Fund</i>	-	173	(173)	-
Dept. for Communities Northern Ireland - <i>Sign Language Covid-19 Support Funding</i>	-	28	(28)	-
Dept. for Communities Northern Ireland, Sign Language Partnership Group – <i>Family Sign Online</i>	-	18	(18)	-
Dept. for Communities Northern Ireland, Sign Language Partnership Group - <i>Signs for the Future Twenty Twenty</i>	11	-	(11)	-
Scottish Government – <i>Managed Clinical Networks</i>	18	-	(10)	8
Scottish Government – CYPFEIF & ALEC	-	98	(98)	-
Scottish Government – <i>Equality Funding, Sign of the Future</i>	11	-	(10)	1
Scottish Government – PECF, <i>Deaf Sector Partnership</i>	27	38	(33)	32
Careers & Enterprise Company – <i>My Future: Careers Guidance for Young Deaf People</i>	-	33	(33)	-
	<u>67</u>	<u>388</u>	<u>(414)</u>	<u>41</u>
Barclays – 100x100k UK Covid-19 Community Relief Funding	-	100	(100)	-
Deaf Child Worldwide	-	263	(263)	-
Dr A Evans Trust Fund	42	-	-	42
Estate of David Griffith	41	-	(38)	3
The P F Charitable Trust	10	-	-	10
Richard Lumley Charitable Trust	4	-	(1)	3
The Robertson Trust	11	-	(11)	-
Scottish Power Foundation	5	-	(5)	-
Legacy for work in Bristol and the surrounding area	69	-	-	69
Other restricted funds	68	195	(49)	214
	<u>317</u>	<u>946</u>	<u>(881)</u>	<u>382</u>

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 – Coronavirus Community Support Fund - provides funding to support our work between October 2020 and March 2021 during the Covid-19 pandemic. This included support for the helpline, our digital roadshow, AGOs, digital workshops, video content development, comms support and support for our volunteers.

Department for Communities Northern Ireland – Sign Language Covid-19 Support Funding – provides funding to support our work in Northern Ireland during the Covid pandemic.

The National Deaf Children's Society
Notes forming part of the financial statements
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13 Restricted funds (continued)

Department for Communities Northern Ireland – Sign Language Partnership Group – comprises two grants, the most recent of which, *Family Sign Online* awarded in the financial year for the period from 1 August 2020 to 31 March 2021, to provide an online programme to increase use and awareness of BSL as a family-friendly, inclusive means of interacting with deaf children and young people.

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. NDCS is holding this funding to pass to the Hearing Impairment Network for Children and Young People which began operation in autumn 2019.

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 – Equality Funding, Sign of the Future – 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 child. The Scottish Government has agreed that NDCS can use the remaining funding to deliver Family Sign Language Level 2 and create signed vocabulary videos.

Scottish Government Promoting Equality and Cohesion Fund (PECF) 2020-2021 - grant funding contributes towards costs of our BSL Act Partnership project to youth and parent participation and inform delivery of the BSL Act 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.

Barclays – 100x100 *UK Covid-19 Community Relief Funding* – funding to support our work during the Covid-19 pandemic. This included support for Family Webinars, Children and Families Support Officers (CFSOs), Digital Roadshow Workshops, Family Sign Language (FSL).

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.

Estate of David Griffith – bequest applied to activities in North Wales, in accordance with the terms of the legacy.

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.

Richard Lumley Charitable Trust – Active and Ready to Learn project in Wales to support the development of communication and language skills to help increase the provision and support for deaf babies and young children.

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.

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

Estate of Sylvia Whitby - bequest to be applied to a variety of activities in Bristol and the surrounding area, in accordance with the terms of the legacy.

The National Deaf Children's Society
Notes forming part of the financial statements
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13 Restricted funds (continued)

Specific Donors Disclosure

In March 2019, the charity was awarded £80,961 over the period January 2019 to September 2020 by the Careers & Enterprise Company for the My Future – Careers Guidance for Deaf Young People Project. A further £13,700 was awarded by The Careers & Enterprise Company as part of the CEF18B Fund – Additional Funds in late 2020. The key financial totals for the project are as follows:

	Note	2019 & 2020 £000s	2021 £000s	Total £000s
Cash received during the year		38	25	63
Expenditure incurred & income recognised in the accounts	13	(61)	(33)	(94)
Balance within accrued income	11	(23)	(8)	(31)

14 Movement on unrestricted funds

	Fixed Asset reserve £000s	General funds £000s	Total Unrestricted funds £000s
Balance at 1 April 2020	53	7,215	7,268
Income	-	24,429	24,429
Expenditure	2	(16,551)	(16,549)
Gains/(losses) on investments	-	908	908
Balance at 31 March 2021	55	16,001	16,056

15 Analysis of group net assets between funds at 31 March 2021

	Unrestricted funds £000s	Fixed asset funds £000s	Restricted funds £000s	Total funds £000s
Intangible and tangible fixed assets	-	55	-	55
Investments	4,772	-	-	4,772
Current assets	12,520	-	382	12,902
Current liabilities	(1,291)	-	-	(1,291)
	16,001	55	382	16,438

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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 £8,829,361 (2020: deficit of £4,075,588) 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:

	2021	2020
	£000s	£000s
Within one year	777	792
Between two and five years	1,530	2,281
After five years	763	782
	<u>3,070</u>	<u>3,855</u>

19 Capital and other commitments

At 31 March 2021 there were no capital commitments (2020: none).

20 Related party transactions

Expenses paid to trustees in their capacity as directors of the charity are disclosed in Note 6 to the accounts. Other than transactions with subsidiaries and the joint ventures (disclosed in Notes 3 and 4), there were no related party transactions.

The National Deaf Children's Society
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The following pages represent comparative figures for the year ended 31 March 2020, in accordance with paragraph 2.29 of the SORP.

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21 Comparative SOFA

Income and expenditure	Unrestricted funds £000s	Restricted funds £000s	Total 2020 £000s
<u>Income and endowments from:</u>			
Donations and legacies			
Regular donations and subscriptions from individuals	21,189	276	21,465
Legacy income	1,179	42	1,221
Other donations and gifts	817	97	914
	<hr/> 23,185	<hr/> 415	<hr/> 23,600
Charitable activities	61	285	346
Other trading activities	139	-	139
Investments	201	-	201
	<hr/> 23,586	<hr/> 700	<hr/> 24,286
Total	23,586	700	24,286
Share of net gain in joint venture	41	-	41
	<hr/> 41	<hr/> -	<hr/> 41
Total	23,627	700	24,327
<u>Expenditure on:</u>			
Raising funds	12,084	-	12,084
Charitable activities:			
Overcoming barriers in local and national services	7,998	234	8,232
Overcoming barriers in language and communications	2,668	384	3,052
Overcoming barriers to independence	2,596	326	2,922
Other charitable activities	1,715	74	1,789
	<hr/> 14,977	<hr/> 1,018	<hr/> 15,995
Total charitable activities	14,977	1,018	15,995
Net share of loss in joint venture	-	-	-
	<hr/> -	<hr/> -	<hr/> -
Total	27,061	1,018	28,079
Net gain on investments	(283)	-	(283)
Net income / (expenditure)	(3,717)	(318)	(4,035)
Transfer of funds	-	-	-
	<hr/> -	<hr/> -	<hr/> -
Net income / (expenditure)	3,717	(318)	(4,035)
Fund balances brought forward	10,985	635	11,620
	<hr/> 10,985	<hr/> 635	<hr/> 11,620
Fund balances carried forward	7,268	317	7,585
	<hr/> 7,268	<hr/> 317	<hr/> 7,585

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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 2019 £000s	Income £000s	Expenditure £000s	Balance at 31 March 2020 £000s
National Lottery Community Fund (England) – <i>Community for families with deaf children in SW England</i>	13	-	(13)	-
National Lottery Community Fund (England) – <i>Positive Families Plus</i>	42	-	(42)	-
National Lottery Fund (Scotland) <i>Everyone Together</i>	121	-	(121)	-
Big Lottery Fund (Scotland) – <i>Deaf Friendly Swimming Scotland</i>	2	12	(14)	-
Dept. for Communities Northern Ireland – Sign Language	9	-	(9)	-
Dept. for Communities Northern Ireland – Sign Language Partnership Group – <i>Signs for the Future Plus</i>	6	7	(13)	-
Dept. for Communities Northern Ireland – Sign Language	-	34	(23)	11
Scottish Government – <i>Managed Clinical Networks</i>	28	-	(10)	18
Scottish Government – <i>CYPFEIF & ALEC</i>	-	98	(98)	-
Scottish Government – <i>Equality Funding, Sign of the Future</i>	16	-	(5)	11
Scottish Government – <i>PECF, Deaf Sector Partnership</i>	5	64	(42)	27
Scottish Council for Voluntary Organisations - CJS	8	4	(12)	-
Glasgow City Council – <i>Young People Scotland Sustainable</i>	2	-	(2)	-
Careers & Enterprise Company – <i>My Future Careers Guidance for Young Deaf People</i>	-	55	(55)	-
	<u>252</u>	<u>274</u>	<u>(459)</u>	<u>67</u>
Deaf Child Worldwide	-	276	(276)	-
Dr A Evans Trust Fund	48	-	(6)	42
Halifax Foundation for Northern Ireland	2	-	(2)	-
Estate of David Griffith	-	41	-	41
The P F Charitable Trust	7	10	(7)	10
Richard Lumley Charitable Trust	10	-	(6)	4
The Robertson Trust	6	19	(14)	11
ScottishPower Foundation	36	5	(36)	5
Legacy for work in Bristol and the surrounding area	213	-	(144)	69
Other restricted funds	61	75	(68)	68
	<u>635</u>	<u>700</u>	<u>(1,018)</u>	<u>317</u>

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23 Comparative movement on unrestricted funds

	Fixed asset reserve £000s	General Funds £000s	Total Unrestricted funds £000s
Balance at 1 April 2019	175	10,810	10,985
Income	-	23,627	23,627
Expenditure	(122)	(26,939)	(27,061)
Gains/losses on investments	-	(283)	(283)
Balances at 31 March 2020	<u>53</u>	<u>7,215</u>	<u>7,268</u>

24 Comparative analysis of group net assets between funds at 31 March 2020

	Unrestricted funds £000s	Fixed asset funds £000s	Restricted funds £000s	Total funds £000s
Intangible and tangible fixed assets	-	53	-	53
Investments	3,735	-	-	3,735
Current assets	5,586	-	317	5,903
Current liabilities	(2,106)	-	-	(2,106)
	<u>7,215</u>	<u>53</u>	<u>317</u>	<u>7,585</u>