

# Annual Report and financial statements



The National Deaf Children's Society  
For the year ended 31 March 2017



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### Board of Directors

Lisa Capper (Chair)

Tim Polack (Vice Chair)

Sally Procopis (Treasurer)

Sheila McKenzie (Deputy Treasurer)

Suzanne Beese (appointed 21 July 2016)

Gerard Featherstone

Dominic Holton (appointed 20 July 2017)

Jane Hill

Jennifer Rayson (appointed 20 July 2017)

Claire McClafferty (resigned 20 May 2017)

Jan Rutherford

Helen Selwood

Chris Saunders (resigned 28 January 2017)

### Chief Executive

Susan Daniels OBE

### Auditor

Crowe Clark Whitehill, St Bride's House, 10 Salisbury Square, London, EC4Y 3EH

### Solicitors

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

### Bankers

National Westminster Bank plc, 16a Westbourne Grove, London W2 5SQ

### Principal and Registered Office

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

Charity Number (England and Wales) 1016532.

Charity Number (Scotland) SC040779. Company Number 02752456

# The National Deaf Children's Society Report of the Directors for the year ended 31 March 2017

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 2017.

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, East Africa and Latin America. Details of trustees and the chief executive who served during the year are set out on page 22.



## Our aims and objectives

### Object

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

### Vision

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

### Charitable aims

Our ultimate charitable purpose is to remove the barriers to the achievement of deaf children throughout the world. We aim to fulfil this by:

- > empowering deaf children, young people and their families to determine what happens in their lives and shape the services they receive
- > increasing awareness of the support deaf children and young people need to achieve and challenging social attitudes which prevent them achieving
- > influencing and challenging key decision makers to make deaf children and young people a political priority.

### Public benefit

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

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

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

## Strategic report

### Aim A

Empowering deaf children, young people and their families to determine what happens in their lives and shape the services they receive.

### Objective: Improve the support received by deaf children and young people to develop language and communication skills.

There is considerable research into how best to support deaf children to develop language and communication. We conducted a literature review to ensure the Family Sign Language course and communication sessions take full advantage of the most recent findings.

We supported 126 parents through our Family Sign Language courses (an increase of 70% compared to last year). 94% of those surveyed reported an increased ability to communicate with their child using sign language. We also ran nine one-to-one Family Sign Language courses for families living in remote regions of the UK.

48 people attended our parenting course, which includes support on language and communication. 93% of those attending our early years and communication events said they felt more confident supporting the development of their child's communication.

During the year we researched how radio aids (a technology that helps to make speech clearer and reduces background noise) affect outcomes for deaf children and young people. We updated our radio aids resource and radio aids quality standards. We also produced a briefing for specialist education services on LENA (a device which records the quality and quantity of conversations).

We have been working with the Royal College of Speech and Language Therapists to help improve the support deaf children receive from professionals. Last year we jointly produced a commissioning guidance, this year we shared it with 18 services, eight of which are now actively using it.

Early intervention is critical in the development of children's language and communication. 2016 marked 10 years since the introduction of the newborn hearing screening. To mark this anniversary, we released a report called Right from the Start, which highlighted the need for more support for children after they are identified as deaf. 254 people emailed this report to their MP.

Internationally we trained 2,980 families in South Asia, East Africa and Latin America in language and communication. This is key for improving inclusion of deaf children and improving family relationships.

### Did we succeed in this objective?

Yes. We supported families by running Family Sign Language courses and introducing new resources. We are making sure that our support and advice

is based on sound evidence through research into communication and radio aids.

Nationally, the attainment gap between deaf children and children with no identified special educational needs has reduced for early years (from 61% in 2015 to 56% in 2016). However, this remains a significant gap, and there is much more work to be done.

**Objective: Increase the ability of deaf children and young people and their families to make informed choices.**

There has been a 7% increase in the average monthly visitors to the family support content on our website (to 52,851). We created 32 new resources, including videos giving advice for deaf young people going into employment, information on getting sign language lessons and profiles of the type of professionals families may meet. Following extensive consultation with families we redesigned Families magazine, to ensure it covers the topics of most interest to parents in the most accessible format. We also released a children's book, which features a deaf character and explores topics such as deaf awareness and communication.

Our Technology Test Drive service enabled families to try 539 products (including 110 radio aids) and find out which technology works best for their child. Parents say the test drive helps them identify which technology will be useful, so they can buy it or approach the school or local authority.

Families consistently highlight the importance of peer support and advice in making informed choices. Our network of local groups provide peer support to the families of 4,717 deaf children and young people. To extend this support we are piloting informal groups, which can then become local deaf children's societies. Initial results suggest this is increasing the reach of groups and support.

We ran 46 information and weekend events for families, reaching 653 people. The events included information on communication, technology, play, education, benefits and accessing a broad range of services. 94% of parents said they felt confident understanding the school admissions process and finding the right school for their child after attending our education information days. 89% said they understood how the Equality Act 2010 could support their child's education. 89% of parents said they were confident in knowing where to get support and information from local services. We ran two targeted *Raising a Deaf Child* courses for foster carers and families referred by social workers.

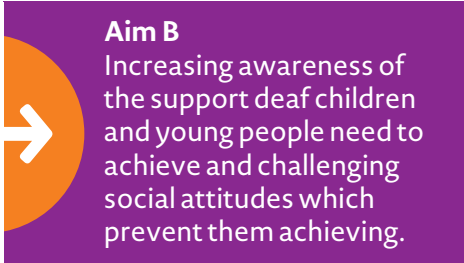
We also supported families to make informed choices through our Freephone Helpline, children and families' support officers and Appeals and Disputes team. This year our helpline answered 2,389 calls. Improvements have been made to the pick-up rate after it was identified as a cause for concern. Our Support and Advice Service saw a 13% increase in casework. Most of these cases related to education and welfare benefits.

Our Roadshow bus visits schools and events, providing information to children and young people and running workshops about independence, technology and wellbeing. The bus reached 1,125 deaf children and young people, and 100% rated the experience as 'good' or 'very good'.

### Did we succeed in this objective?

Yes. We supported families and deaf children to make informed decisions by providing accessible information, and access to peer support, our helpline, children and families' support officers, events and the Roadshow.

#### Aim B



Increasing awareness of the support deaf children and young people need to achieve and challenging social attitudes which prevent them achieving.

### Objective: Increase the availability of high quality support for deaf children and young people from public services.

We responded to the Department for Education's consultation on high needs funding (which includes funding for specialist education services for deaf children) and provided advice through membership of a funding advisory group. The Department for Education has agreed to maintain current funding. Whilst this is good news, this does not take account other pressures on school budgets (such as rising pupil numbers).

Our Appeals and Disputes team continued to support deaf young people and their families and challenge where there are opportunities to improve the process and outcomes when claiming Personal Independence Payments (PIP). To improve the PIP application process we have worked with Atos and Capita (the agencies commissioned to carry out assessments), to advise them on assessment meetings with deaf young people.

Following our campaign, Ofsted and the Care Quality Commission (CQC) began inspecting special educational needs (SEN) provision in May 2016. We supported parents to become involved in local inspections, and we have provided feedback to Ofsted on the inspection process as well as information on their particular area. Unfortunately the inspections are not funded to look in detail at the quality of specific services for children with different types of special education needs. Nevertheless, just under half of Ofsted/CQC inspections reference provision for deaf children.

We continue to support professionals through publications and training, focusing on early years as this is a critical period in deaf children's development. We published updated quality standards for commissioners of early years services for deaf children, along with a self-audit tool. We piloted a new course, *Supporting the Achievement of Deaf Children in Early Years Settings*, which we will be rolling out next year. Results were positive; at the end of the course 100% of attendees said they were confident understanding



deafness and its impact on learning, compared to 18% at beginning of the course.

Participants planned to make

positive changes as a result of the course, particularly around improving acoustics and inclusion.

We raised awareness of the challenges audiology services are facing with our report *The Health of Children's Hearing Services*, which covered staffing, training, budgetary pressures and commissioning challenges. It also covered which services were accredited for IQIPS (Improving Quality in Physiological Services accreditation) and which services were working towards accreditation. We made this information available to parents for the first time.

Local campaigns have prevented the closure of four resource bases (a specialist unit for deafness usually attached to a mainstream school), ensured Teacher of the Deaf vacancies were filled in two boroughs and persuaded one council not to reduce education support.

In Wales there were plans by Public Health Wales to reduce funding for the newborn hearing screening, to bring it in line with other screening programmes. Our concern was the negative impact these changes would have on paediatric audiology services. We successfully campaigned for the cut to be significantly

reduced, although we are still concerned about the impact on paediatric audiology services. We have taken part in audits of all paediatric audiology services; this has enabled us to challenge where improvements are needed and to build on relationships with the services.

NHS England proposed a cut in funding for cochlear implants (known as the 'national tariff') which would have made it harder for those deaf children who may benefit from cochlear implants to receive them. Alongside other organisations we flagged this risk and as a result NHS England did not go ahead with the planned change.

In Scotland we were involved in revising paediatric audiology standards and currently are taking part in peer review audits.

In South Asia, East Africa and Latin America, we trained 6,071 professionals in deaf awareness and communication skills. In South Asia we were significantly above target (our target was 1,865 and we reached 4,651) due to an increase in professionals asking for training. This is promising, as it highlights increased recognition of the importance of improving how deaf children learn.

### **Did we succeed in this objective?**

Partly. Despite successes such as the protection of high needs funding, improvements to the assessment process for PIP, and Ofsted inspections of special educational needs provision, much of our work has focused on maintaining current provision in an environment of budget cuts.



Young people's educational outcomes are a key measure of the effectiveness of support from services throughout their childhood. Progress towards closing the attainment gap between deaf children and their peers, which has been consistently improving year on year, has levelled off. There has only been a 0.2% improvement in the number of deaf children achieving five GCSEs at grades A\* to C. Data from CRIDE (Consortium of Research into Deaf Education) shows that there has been a 5% decrease in the number of qualified Teachers of the Deaf, and a decline of 13% over the past six years. Although there has been a 15% increase in other specialist support staff working with deaf children, it is essential that deaf children have access to specialist Teachers of the Deaf who have an additional mandatory qualification.

### **Objective: Increase opportunities for deaf children and young people to take part in society.**

This year, we trained 504 sports, arts and leisure professionals on how to make their activities more inclusive and deaf-friendly, this is a 136% increase compared to last year. Following the training, 92% of attendees reported having increased confidence in including deaf children and young people in activities. There have been 19,906 downloads of our resources to help organisations involve deaf children and young people.

Our national deaf football tournament involved 19 teams. We supported 19 deaf young people to qualify as level 1 swimming teachers. 369 children and

young people attended our Raising the Bar arts competition, swimming gala, swimming residential and swimming taster day. Our deaf-friendly swimming project won the National Lottery Sports Award (in competition against 600 organisations) and received an extra £3,000 of funding as a result.

382 deaf children and young people took part in our sports, creative and outdoor pursuits programme and 44 deaf young people aged 16–18 attended our transition and life skills residential events. 92% of those who attended reported achieving one or more of their stated outcomes. We achieved another 'good' rating from Ofsted for our residential activity scheme for deaf young people.

We developed a new resource called *Supporting the Achievement of Deaf Young People on Apprenticeships* and piloted a new workshop on deaf apprentices with the National Sensory Impairment Partnership, which was attended by 28 delegates. 96% rated the workshop as excellent or good.

We secured a commitment from the Department for Education that deaf young people who use British Sign Language as their main language will be exempt from the requirement to have a level 2 qualification in English to access apprenticeships. This will help widen access for this group of deaf young people.

We secured an amendment to the National Citizen Service Bill that will lead to greater transparency over the number

of disabled young people participating in the National Citizen Service. We also received assurances that the scheme will be adequately funded to meet the needs of disabled young people.

### Did we succeed in this objective?

Yes. We continued to provide opportunities for deaf children to take part in society, and we have increased our training of professionals. Our campaigning work on apprenticeships and the National Citizens Service Bill will also help to improve opportunities for deaf young people.

#### Aim C

Influencing and challenging key decision makers to make deaf children and young people a political priority.

### Objective: Ensure that deaf children and young people are represented in decision making that affects them.

Our Young People's Advisory Board (YAB) consists of 18 deaf young people from across the UK who inform our work. We provided them with training in influencing and lobbying. This year the YAB have been campaigning for more opportunities to learn British Sign Language (BSL) in school, this campaign will launch in May 2017. 2,167 children and young people responded to the YAB's survey on this subject, and the research found 97% of the young people

surveyed thought BSL should be taught in schools and 92% thought schools should offer BSL GCSEs. We will be using these results to inform our campaign.

In Wales, we worked with YAB members and two deaf young people to develop a BSL challenge for the Welsh Baccalaureate, which is now available from WJEC (Welsh Exam Board). This involves young people learning fingerspelling and passing on this skill to others – ensuring that it will have a wider impact than just the young people taking the challenge. This was introduced in January.

Last year we conducted research into deaf young people's transition to adulthood which highlighted that some young people felt nervous about discussing their deafness with potential employers. As a result this year we published 'personal profiles' (templates deaf young people could fill in and give to their employers including important information about their deafness and communication and support preferences). After testing these resources, 84% of young people said they would use the personal profile, saying it made them feel "relieved" and "it will make things easier for both the employer and me". Following these results, we created personal profiles for children and young people of all ages to help communication of children's preferences to teachers and other professionals.

Parents play a key role in ensuring that children are represented in decision making that affects them. We ran

workshops for 39 parents, training them to be 'Expert Parents' in their knowledge of services. Following attendance 100% of parents said they felt better informed about how health systems worked to support their child. 97% of parents said they felt more confident about raising concerns about their child's health and wellbeing with professionals involved in their care.

### **Did we succeed in this objective?**

Yes. We provided opportunities for deaf children and young people to share their views and shape the future through involvement in campaigns. We also helped deaf children and young people to have their say in the support they receive at school and in the workplace, through our work on personal profiles.

### **Objective: Ensure that the National Deaf Children's Society develops to meet the changing needs of deaf children and young people.**

This year we finalised our strategy for 2017–2022. Deaf children, young people and their families have been involved from the outset, including through focus groups and surveys at key points during planning and objective-setting. This should help to ensure that our future direction reflects their priorities and needs.

Input from the Young People's Advisory Board (YAB) also helps to make sure that our services meet the needs of deaf children and young people. YAB members contributed to ideas for a global online community of deaf young people and talked about their concerns

for the future – this helped inform our strategy and work plans. They also advised on our refreshed brand (launching in summer 2017) and the design of materials for young people.



One of the ways we consult with deaf young people throughout the year is through polls on the Buzz, our website for young people aged 12-18. This year we have run 16 polls asking young people's views on a broad range of topics such as technology they would like to know more about and how they would like to campaign. In order to capture the views and opinions of older deaf young people, and to ensure we are meeting their needs, we will be expanding our youth membership offer. We have begun working towards this, and have consulted with the YAB on the plans.

This year we have seen considerable progress in the build of our new website. The new website will include major improvements in the accessibility of our information and advice and has been subject to extensive user testing. However, technical challenges have resulted in this project being delayed, and the website will not be launched until autumn 2017.

### **Did we succeed in this objective?**

Partly. Through the new strategy and continued input of the Young People's Advisory Board we are developing to meet the changing needs of children and

young people. However, further work is needed to enable us to work more closely with older children, and the website will not be launched until autumn 2017.

## Activities in Scotland

### Campaigning and policy work

This year, the Scottish government have confirmed they will roll out the Local Record of Deaf Children (the collection of data on the number of deaf children, and type of hearing loss). We have been campaigning for this since the successful pilot in 2011, and it was a key recommendation of our early years report *Getting it Right from the Start*. We launched this report with a week long programme of events at the Scottish Parliament. The reception event was attended by 101 delegates. The report also gave key recommendations on monitoring outcomes for deaf children in early years and investment in specialist services.

We took a leading role in the implementation of the British Sign Language (Scotland) Act 2015 through our membership of the Deaf Sector Partnership. We helped to facilitate consultations with parents and deaf children and young people on the first British Sign Language (BSL) National Plan for Scotland. This included leading two deaf learners' conferences and helping deliver a third; 90 deaf young people discussed their education experiences and took part in a consultation on the BSL National Plan. Young people flagged the importance of improving deaf awareness in schools, tackling social isolation and bullying, and how much they valued the support of their Teachers of the Deaf.

These views will be submitted to the Scottish government in May, who will use the results to inform the design of the BSL National Plan.

Our young campaigners have represented deaf young people in meetings with government ministers, MSPs and the Glasgow Disability Alliance, and have attended Enable Scotland's event for disabled and deaf young people. We recruited and trained a new cohort of 13 deaf young people in January to continue this campaigning.

### Support for families

We continue to support families to learn Family Sign Language, delivering group courses to 28 family members. We also delivered one-to-one Family Sign Language courses for nine families living in remote regions.

We piloted a mixed delivery Family Sign Language course combining face to face and online tuition – to enable us to reach a remote family in Orkney. Initial results are positive, with the family continuing to learn sign language and setting up a local deaf children's society in Orkney.

We provide outreach events to help increase parents' access to our support services and events, to encourage peer support and enable parents to meet one another. 38 families from across Scotland attended the outreach event for our Everyone Together programme.

We ran four family day events to help boost peer support for families in their local area and to help them to engage with local services. These

include a combination of activities and information, and are varied in format. For example, one event included Making Activities Deaf Friendly training for professionals followed by a day out for families, while another event provided an opportunity for families to meet education, health and social care professionals.

### Support for professionals

We have been raising awareness of our planned Health Visitor training, and as a result the University of West Scotland has requested training for their 92 trainee health visitors. This will ensure that health visitors enter the field with a strong understanding of how to support families of deaf children.

In collaboration with Sense Scotland we ran an information day for professionals working in childcare, education, the NHS and social work. This covered key topics relating to deafness and blindness, including audiology, and how to support deaf children and their families.

This year we worked on a scoping project to assess the possible benefits of introducing managed clinical networks (linked groups of professionals working across different parts of the health service) for paediatric audiology in Scotland. This report will be submitted in May 2017.

## Targets for 2017/18

This year marks the beginning of our new strategy, 2017-22. Our ambition is to overcome the social and educational barriers that hold deaf children back. To achieve this we are focussing on three key areas:

- > **Local and national services**
- > **Language and communication**
- > **Independence**

### Local and national services

- > We will challenge local and national cuts and advocate for improvements in the quality of services.

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

- > We will increase the opportunities for deaf children and young people to take part in society by providing resources, support and training for activity leaders.

**Measure:** 300 sport and leisure organisations reach our new deaf friendly standard accreditation.

### Language and communication

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

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

- > We will increase our reach among families with children aged 0–2, as this age is critical for language development.

**Measure:** Reach of our new Right Start outreach programme.

## Transitions and destinations

- > We will work with partner organisations to increase the opportunities for deaf young people to experience volunteering that supports their transition to adulthood.

**Measure:** The number of deaf young people participating in new volunteering opportunities with us and our partner organisations – 200 young deaf people participate in volunteering.

- > We will develop more partnerships with membership and delivery organisations that support the social development of deaf young people.

**Measure:** 10 partnerships developed over the year, four of which will be national organisations such as Rathbone and NCS Trust.

- > We will expand our youth member offer, encouraging deaf young people to access our services directly to learn about their rights and options.

**Measure:** Number and engagement of young deaf members – 300 new young members.

## International

We will continue to work in East Africa and South Asia, supporting deaf children internationally. We will train 4,500 professionals and 2,700 families. We will support 57 parents groups and 36 youth groups.

## Fundraising

Our fundraising activities aim to maximise current and future net income which can be used to fund our programme priorities, to bring about a world without barriers for deaf children.

The recruitment and retention of supporters who donate on a regular basis is the bedrock of our fundraising. This activity is closely monitored through the quarterly Finance, Audit and Risk Committee. The Committee ensures compliance with legislation, Fundraising Regulator and Institute of Fundraising codes and Charity Commission guidance. We take our responsibilities to protect vulnerable people seriously and ensure that any external agencies fundraising for us follow our vulnerable people's policy. The Trustee Board is briefed on fundraising performance at each meeting and reviewed our compliance with the Charity Commission Fundraising checklist in January 2017. The checklist will be reviewed annually. We are also members of the Fundraising Regulator and Institute of Fundraising.

We value our supporters and keep them up to date with how their support is funding our work through Connect magazine. We actively listen to our supporters. They tell us how they want to receive communications and we never sell or share their personal data to another charity or organisation. We also continue to encourage feedback and the use of our complaints procedure so we can learn and improve. In 2016/17 we had a total of 442 fundraising complaints, a 19% decrease compared to the previous year. For our key door to door supporter recruitment programme this was 14.6 complaints per 100,000 door to door contacts, a 26% reduction against the previous year.

In 2016/17 we invested a total of £8.0m to recruit more individuals to give on a regular basis. This included £1.5m from reserves to recruit additional supporters and regular lottery players. Although some income from this activity was received in the year the upfront costs reduced planned net fundraising income by £0.8m but the benefit will be seen in 2017/18 and beyond when the additional income from these individuals is received.

Legacy income remains a volatile but important income stream for us. The gifts left to the charity in 2016/17 totalled £1.3m, the second highest level in the past decade. We will continue to invest in legacy marketing to encourage individuals to remember the charity in their wills.

We are grateful to the many corporates, trusts and funders who have supported us in 2016/17 (see Note 13) as we

recognise the volume of requests to these funders continues to increase year on year. We aim to continue working in partnership with our existing funders and also reach out to new funders to show how they can support our future plans to make a measurable difference to deaf children and their families. We are also immensely grateful to the thousands of individuals who take part in marathons, cycle rides and other fundraising activities to raise the funds needed to support our work.

## Principal risks and uncertainties

A Risk Management policy has been agreed and implemented by the trustees. Key risks are reviewed on a periodic basis. 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.

- > We raise almost all of our income from fundraising and therefore need to take into account changing economic, policy and social conditions that may affect individual supporters, corporate and major donors, and statutory and trust funders. Trustees monitor results closely and consider the longer term impact of emerging trends. They also oversee compliance with fundraising regulation and ensure that fundraising is carried out to high ethical standards. Investment continues in income diversification projects to mitigate the risk where possible.

- > We deliver our services in a competitive environment; our audiences have limited resources. We expect the brand refresh, including our new website which will go live in 2017/18, to address both of these challenges. We are launching a distilled articulation of our values through the brand refresh to help us stand out in an increasingly cluttered marketplace. The website, meanwhile, will improve the way we interface with all our stakeholders. Initiatives are also launched to address other known areas for improvement. For example, we are launching pilots in post-16 transitions. We are also investing resources into strategic partnerships to leverage their expertise and seek both financial and non-financial resources.
- > We recognise the importance of safeguarding children and young people in all areas of our work, and in activities organised by affiliated local groups. The charity has a Safeguarding policy which applies to all staff and volunteers who have regular contact with deaf children and young people. This policy is supported by safer recruitment practice and training programmes for staff and volunteers. We require local groups to meet safeguarding standards if they are organising events with deaf children and young people, and for those groups who have not met the standards we have issued deadlines. We have also increased our resource to support local groups to meet the standards. Our new suite of online training courses will be offered to local group committee members. This is a new and more accessible piece of training – with updates on aspects of child protection and risk – which will help equip those running local groups with valuable knowledge about keeping children safe. Although we believe the operational procedures have strong safeguards embedded in them, it remains a key risk on our risk register.
- > We recognise the risks associated with information security and the importance of protecting our IT systems from malicious attack and unauthorised access and misuse. Security measures are in place to protect from unauthorised access to IT systems and to test vulnerabilities in the network. We hold a limited amount of personal information about our members and supporters in order to understand their needs and offer an improved service. We have a Data Protection policy in place which ensures only authorised access to personal details and continues to enhance the security of the data in line with best practice, and this is expected to undergo a number of iterations ahead of the introduction of the General Data Protection Regulation (GDPR) in May 2018. Data Protection compliance is monitored by a working group drawn from senior staff across the charity which meets monthly. All of our staff are required to complete data protection training with periodic refresher training.



- > We have grown over the last 10 years and our activities have become more diverse. Mechanisms have been put in place to ensure that we remain focused and relevant to the needs of our members. We regularly seek the views of members and of deaf children and young people when we plan our work.
- > We deliver services where they are needed. In all situations the health and safety of our staff, service users and others working with us is a prime concern. A significant proportion of staff are lone workers, working from home or mobile, making visits to a range of locations. Our events include a range of activities with service users, and fundraising staff and participants, as well as staff in our international team making regular visits overseas. In addition to appropriate policies, guidance and training, a Safe and Effective Practice Group has been set up with a remit including health and safety. This group is led by an executive director and reports to the Executive team.

## Financial review

### Overview

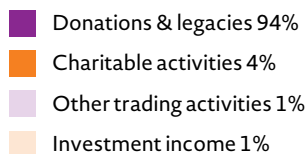
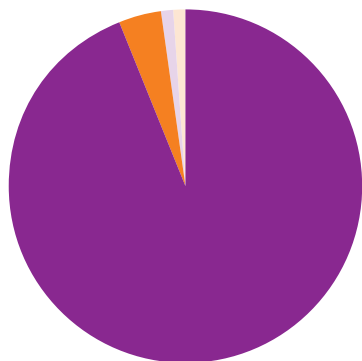
Income decreased by £1 million in the year to 31 March 2017, giving rise to a total income figure of £22.5 million. Charitable expenditure of £15.4 million was £0.1 million more than in 2015/16, our second highest level in our history. The deficit of £1.5 million was planned and budgeted, with funds invested in fundraising in order to secure income in future years, and bringing the reserve

position very close to the approved range.

### Fundraising contribution

Total income from fundraising was £21.2 million, a decrease of £0.8m (4%). Our main source of income continues to be the tens of thousands of supporters who generously make regular monthly gifts to us. Our investment in recruiting new supporters in 2014/15 and 2015/16 has allowed us to maintain income from regular donations and subscriptions from individuals at £18.9 million. As 97% of this income is unrestricted it gives us the flexibility to fund activities aligned with our strategic priorities even if restricted funding or contract income is not available. We spent £8.0 million on recruiting individuals to support us in 2016/17 and will receive income streams, in most cases enhanced by gift aid, in future years as a result. We will continue to closely monitor the performance of individual giving fundraising against targets and will seek to further diversify its income streams when suitable opportunities arise.

Our second largest income stream is from legacies (£1.3m), a £0.4 million increase on 2015/16, and £0.4 million better than the legacy income in our financial plan for 2016/17.



### Charitable expenditure

We spent £15.4 million on our charitable activities in 2016/17; this was £0.1 million higher than in 2015/16. You can read about how this expenditure helped us to achieve the targets we set ourselves earlier in the report.

### Capital expenditure

During 2016/17 we added £0.1 million to intangible fixed assets relating to planned investment in the IT infrastructure to facilitate effective communication and working between our teams across the UK. This is part of our plans to use digital technology to increase the efficiency of our business processes.

### Financial position at year end

Net assets are now £10.9 million, a budgeted and planned decrease of £1.5 million.

### Performance of subsidiaries

NDCS Limited had another successful year and will gift aid a profit of £131,000 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 our strategy and corporate plan. This has determined that the target range of general reserves (excluding those reserves represented by restricted funds and fixed assets) required by the charity as being between £5.9 million and £7.4 million.

The total reserves for the charity as at 31 March 2017 were £10.9 million (2016 – £12.4 million). Unrestricted reserves formed £10.5 million (2016 – £11.9 million) and restricted reserves £0.4 million (2016 – £0.5 million).

Of the unrestricted reserves balance of £10.5 million, £0.7 million related to intangible and tangible fixed assets.

General reserves (excluding reserves represented by restricted funds and fixed assets) stood at £9.8 million. This is within the upper target reserves

level. However, a deficit budget has again been planned for 2017/18 (see plans for the future section) which will result in general reserves being brought down further into the target range whilst continuing to provide a service of quality and value to deaf children and their families.

The trustees conduct an annual review of the appropriate level of general reserves and changes to the charity's risk profile, strategy and plan will be 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 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.

As detailed in Note 10c our investments are principally held in the BNY MFM Ltd Newton Real Return (Inc) Fund and the Newton Growth and Income Fund for Charities, a common investment fund authorised by the Charity Commission. All investment holdings are held directly by the charity.

Performance on the Newton Growth and Income Fund is measured against a composite benchmark of: 50% FTSE All-Share, 25% FTSE Worldwide excluding UK, 20% FTSE Government All-Stocks, 5% LIBID 7 Day (cash). Performance on the Newton Real Return Fund is measured against an absolute return of one month LIBOR (cash) + 4%.

The market value of investments stood at £3.4 million at 31 March 2017, a 9% increase over the year. The Newton Real Return Fund underperformed against the benchmark by 2.7% over the year, with returns ahead of the benchmark in the second half of the year. The Newton Growth and Income Fund for Charities outperformed the benchmark by 3.7% over the year.

During the latter part of 2016/17 we issued a tender to appoint investment advisers and Quilter Cheviot were appointed in March 2017. The investments were transferred to their management in 2017/18 and trustees reviewed their risk appetite, asset allocation and benchmarking as part of that exercise.

### Grant policy

In pursuit of our objective to improve the support received by deaf children and young people to develop language and communication skills, we award grants to international partner organisations. We undertake a formal appraisal of the project and partner organisation before making a grant which is subject to a specific partnership agreement. The due diligence process is two stage. Stage one requires the partner to complete

a Partner Information Form, which includes a review of the governance, senior management, financial capacity and an assessment of the strategic fit of the organisation. Stage two comprises an Organisation Assessment Checklist, which is a detailed review of the internal controls of the partner. Progress against targets is monitored, usually quarterly, 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 2016/17 we spent £1 million in grants to partner organisations in relation to our international work.

We operated a small grants programme making grants to local deaf children's societies (DCS). These are independent charities affiliated to us. This money enabled local DCSs to run events and services that benefited deaf children and their families. In 2016/17 we awarded £37k in grants to local DCSs. Further detail is shown in Note 7 to the Accounts.

## Corporate structure, governance and accountability

We have three subsidiary undertakings and a 25% share in a joint venture consolidated in the group. The three subsidiary undertakings are NDCS Limited, Friends For Young Deaf People, both registered in England and Wales, and Fundacion Ninos Sordos Del Mundo, registered in Spain. NDCS Limited is the only subsidiary undertaking that is actively trading and donates its trading

profit to us. 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. Up to eight 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). In addition, there can be up to four trustees who do not have to be a full member of the National Deaf Children's Society, who are co-opted by the Trustee Board because they can enhance the skills mix on the Board. The elected trustees must always be in the majority. 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 the chair, vice chair and chief executive. Suitable applicants are interviewed before being proposed as a trustee. All new trustees undertake an induction programme which involves an introduction to their responsibilities and to the operation of the charity. They are offered the opportunity to have an existing trustee as a mentor in their first year. Trustees are updated on an aspect of our work or a current issue affecting the charity in a workshop before the formal Trustee Board meeting.

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

The Trustee Board meets four times a year. It is supported by three committees, each of which has specific terms of reference. The Finance, Audit and Risk Committee, which meets four times a year, oversees all financial and administrative matters of the charity; the Services and Campaigns Committee, which meets three times each year, provides strategic support and direction to the development of services for beneficiaries and for advocacy; and

the Governance Committee, which meets four times each year, and is responsible for ensuring the Trustee Board has an effective governance framework and an appropriate skills mix. The committees are chaired by trustees and attended by staff. Each committee has its decisions ratified by the Trustee Board where appropriate. The day to day running of the National Deaf Children's Society and the exercise of executive responsibility are delegated to the chief executive for operational matters including finance, employment and service delivery.

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

### **Employees**

Our aim is to ensure that all employees feel supported, developed and included. An ethos of continuous improvement encourages feedback and suggestions. Employees are kept fully informed about our strategy and objectives as well as day to day news and events through team meetings, seminars, our intranet and a weekly digital update 'In the Loop'. Employees across the organisation have also been involved in the development of our new strategy which was launched in April 2017.

We support equal opportunities and

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

During 2016, a Behaviours Framework was established which details expected behaviours to be exhibited in job descriptions, recruitment, appraisal and the one-to-one framework used for line management across the organisation. The behaviours are broken down as (1) Supports the National Deaf Children's Society; (2) Accountability; (3) Continuous Improvement and (4) Personal Effectiveness.

### Remuneration

During the 2016/17 financial year, there were on average 229 full-time equivalent staff (231: 2016). We subscribe to a comprehensive source for compliance, good practice and benchmarking information, to ensure that the reward package offered to staff is both sustainable and competitive with other organisations. Our HR strategy is to recruit, retain and develop staff with the necessary skills to ensure the successful delivery of our strategy. In setting pay levels for our staff we take account of pay practice in similar sized charities, the public sector and, where necessary the private sector for specialist and technical roles. We operate a transparent pay structure, with a number of scales at each grade which allow for recognition where structures and budgets may inhibit promotion. Cost of living is considered annually, taking into account

economic trends. If an increase is deemed sensible and affordable, the CEO makes a recommendation to the Finance, Audit and Risk Committee for a universal annual pay increase as part of the annual budget approval process, which in turn make a recommendation for approval by the Trustee Board.

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

### Executive pay:

The total remuneration of the executive team (as defined below) was £483,236 (£476,894 in 2015/16). This included pension contributions of £17,093 (£21,926 in 2015/16). There were no benefits in kind. The Executive team received the same annual pay increase as all other staff. For further disclosure see Note 6.

### The Executive team consists of:

Susan Daniels (Chief Executive), Jane Foreman (Deputy Chief Executive and Director of Finance and Administration) Helen Cable (Director Children, Young People and Families) Brian Gale (Director Policy and Campaigns) and Mike Wade (Director Fundraising and Communications).

## Members of the Trustee Board 2016–2017

Lisa Capper (Chair)  
Tim Polack (Vice Chair)  
Sally Procopis (Treasurer)  
Sheila McKenzie (Deputy Treasurer)  
Suzanne Beese (appointed 21 July 2016)  
Gerard Featherstone  
Dominic Holton (appointed 20 July 2017)  
Jane Hill  
Jennifer Rayson (appointed 20 July 2017)  
Claire McClafferty (resigned 20 May 2017)  
Jan Rutherford  
Helen Selwood  
Chris Saunders (resigned 28 January 2017)

As well as trustees, we are supported by our President Sir Christopher Benson JP, DL, FRICS, FRSA and 10 Vice Presidents, eminent in their fields, who support the charity's vision. In the year 2016/2017 these were: Lord Malcolm Bruce PC; Jim Carter; Dame Evelyn Glennie DBE; Ian Harley; Penelope Keith CBE, DL; Baroness Glenys Kinnock; Prof Barry McCormick OBE; Dame Esther Rantzen DBE; Angela Rippon OBE and Sir Martin Sorrell.

## Members

There are the following categories of membership:

### Voting members

Voting members have the right to attend, speak and vote at general meetings. There shall be the following class of Voting Members:

- > Full Members – 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

### 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 an organisation that falls into one of the following categories:

- > Professional Members – professionals working in fields related to the education and relief of deaf children;
- > Affiliate Members – any group or organisation based in the United Kingdom which adheres to The Society's *Vision and Values Statement*;
- > Board Members – up to four co-opted members of the Trustee Board who have been appointed by the existing members of the Trustee Board (and are known as the co-opted trustees);
- > International Individual Members – any individual living outside the United Kingdom. (Adopted by a resolution of the Trustee Board made on 12 September 2009);
- > International Affiliate Members – any group or organisation based outside the United Kingdom which adheres to The Society'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 between 16–18 years;
- > Other Members – any individual aged 16 or above living in the United Kingdom
- > Supporter Members – any individual aged 18 or over making the minimum financial contribution to The Society required in exchange for exclusive benefits as set out in The Society’s supporter scheme.

## Volunteers

We have over 700 volunteers who supported deaf children and young people by completing more than 2,500 voluntary assignments over the year, mainly through our events programme for children, young people and families. Many volunteers make their contribution in other ways, for example by helping our Fundraising and Campaigns teams.

We have also received 3,300 pro bono hours of legal support since 2014, 2,000 hours of which were received during the financial year 2016/17. The value of these volunteers is estimated at £46,000.

The trustees would like to take this opportunity to thank all of our volunteers for their continued support. Without

their time and skills, our activities programme would not be as extensive and successful as it is, nor our offices as well run.

## Statement of trustees’ responsibilities

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

- > select suitable accounting policies and apply them consistently;
- > observe the methods and principles in the Charities SORP;
- > make judgements and estimates that are reasonable and prudent;
- > state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;



- > prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the trustees are aware:

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

## Auditors

Crowe Clark Whitehill 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.

Sally Procopis

Director and Trustee

Date: 31 August 2017

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

We have audited the financial statements of the National Deaf Children's Society for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Charity Balance Sheets, the Group Statement of Cash Flows and the related notes numbered 1 to 24.

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)

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 section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and

International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

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 2017

and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;

- > have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

#### **Opinion on other matter 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 Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- > the Trustees' Annual Report and Strategic 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 parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- > the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- > the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- > certain disclosures of trustees' remuneration specified by law are not made; or
- > we have not received all the information and explanations we require for our audit.

Nicola May  
Senior Statutory Auditor  
For and on behalf of  
Crowe Clark Whitehill LLP  
Statutory Auditor  
London

5 September 2017

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

## Consolidated statement of financial activities (including consolidated income and expenditure account) for the year ended 31 March 2017

Income and expenditure	Note	Unrestricted funds £000s	Restricted funds £000s	Total 2017 £000s	Total 2016 £000s
<b>Income and endowments from:</b>					
Donations and legacies					
Regular donations and subscriptions from individuals		18,520	348	18,868	19,815
Legacy income	5(a)	1,326	17	1,343	937
Other donations and gifts		766	266	1,032	1,314
		20,612	631	21,243	22,066
Charitable activities	5(b)	39	889	928	944
Other trading activities	5(c)	220	-	220	332
Investments	5(d)	134	-	134	174
<b>Total</b>		<b>21,005</b>	<b>1,520</b>	<b>22,525</b>	<b>23,516</b>
<b>Expenditure on :</b>					
Raising funds	7(a)	8,828	-	8,828	7,782
Charitable activities:					
Information provision		3,271	89	3,360	3,031
Family support		3,798	414	4,212	4,434
Children's and young people's services		2,065	268	2,333	2,534
Policy and campaigns		3,483	162	3,645	3,501
International		1,242	615	1,857	1,773
Total charitable activities	7(a)	13,859	1,548	15,407	15,273
Net share of loss in joint venture	4	16	-	16	5
<b>Total</b>	7(a)	<b>22,703</b>	<b>1,548</b>	<b>24,251</b>	<b>23,060</b>
Net gain on investments	10(c)	273	-	273	34
<b>Net (expenditure) / income and Net movement in funds before transfers</b>	7(e)	<b>(1,425)</b>	<b>(28)</b>	<b>(1,453)</b>	<b>490</b>
<b>Net (expenditure) / income and Net movement in funds after transfers</b>		<b>(1,425)</b>	<b>(28)</b>	<b>(1,453)</b>	<b>490</b>
Fund balances brought forward		11,901	455	12,356	11,866
<b>Fund balances carried forward</b>		<b>10,476</b>	<b>427</b>	<b>10,903</b>	<b>12,356</b>

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.

## Consolidated balance sheet and balance sheet at 31 March 2017

	Note	Group 2017 £000s	Group 2016 £000s	Charity 2017 £000s	Charity 2016 £000s
<b>Fixed assets</b>					
Intangible assets	8	366	563	366	563
Tangible assets	9	321	590	321	590
Investment in joint venture - share of net assets	4	45	61	-	-
Other investments	10	3,427	3,154	3,427	3,154
		4,159	4,368	4,114	4,307
<b>Current assets</b>					
Debtors	11	2,592	2,127	2,729	2,276
Cash at bank and in hand		6,564	7,638	6,413	7,472
		9,156	9,765	9,142	9,748
<b>Creditors: amounts falling due within one year</b>					
	12	2,412	1,777	2,399	1,760
<b>Net current assets</b>		<b>6,744</b>	<b>7,988</b>	<b>6,743</b>	<b>7,988</b>
<b>Net assets</b>		<b>10,903</b>	<b>12,356</b>	<b>10,857</b>	<b>12,295</b>
<b>The funds of the charity</b>					
<b>Unrestricted funds</b>					
Fixed asset reserve		687	1,153	687	1,153
General funds		9,789	10,748	9,743	10,687
		10,476	11,901	10,430	11,840
<b>Restricted funds</b>	13	427	455	427	455
	15	<b>10,903</b>	<b>12,356</b>	<b>10,857</b>	<b>12,295</b>

The (deficit)/surplus for the financial year dealt with in the financial statements of the parent company was £(1,437,283) (2016 – £494,087).

The financial statements were approved by the Board and authorised for issue on 31 August 2017

and signed on its behalf by:

S. Procopis  
Director

The notes on pages 31 to 55 form part of the financial statements.

## Consolidated statement of cash flows for the year ended 31 March 2017

	<b>2017</b> <b>£000s</b>	<b>2016</b> <b>£000s</b>
<b>Cash flow from operating activities:</b>		
Net (expenditure)/income for the year	(1,453)	490
Adjustments for:		
Depreciation/amortisation	582	688
(Gains) on investments	(273)	(34)
Dividends and interest from investments	(134)	(174)
Net share of loss in joint venture	16	4
(Increase) in debtors	(465)	(113)
Increase/(decrease) in creditors	635	(765)
<b>Net cash provided (used in)/by operating activities</b>	<b>(1,092)</b>	<b>96</b>
<b>Cash flows from investing activities:</b>		
Dividends and interest from investments	31	42
Income from joint venture	103	132
Purchase of intangible fixed assets	(116)	(111)
Purchase of tangible fixed assets	-	(95)
<b>Net cash provided by/(used in) investing activities</b>	<b>18</b>	<b>(32)</b>
<b>(Decrease)/increase in cash and cash equivalents in the year</b>	<b>(1,074)</b>	<b>64</b>
Cash and cash equivalents at 1 April 2016	7,638	7,574
<b>Cash and cash equivalents at 31 March 2017</b>	<b>6,564</b>	<b>7,638</b>

## The notes on pages 31 - 55 form part of the financial statements for the year ended 31 March 2017.

### 1. Company information

The National Deaf Children's Society is a private company, limited by guarantee, registered in England and Wales, registration number 2752456. 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 and Wales, registration number 1016532, and in Scotland, registration number SC040779.

### 2. Accounting policies

#### a) Basis of preparation and assessment of going concern

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, the Charities Act 2011 and the Companies Act 2006.

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

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

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

#### b) Critical accounting estimates and areas of judgement

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

held by the charitable company is the performance of the investment market.

### c) Currencies

The financial statements are presented in sterling (£).

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

### d) Group financial statements

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

No separate SOFA or Income and Expenditure Account have been presented for the Charity alone as permitted by section 408 of the Companies Act 2006.

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 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, it has been established that there are sufficient assets in the estate and any conditions pertaining to the legacy over which the charity has control have been met. Pecuniary legacies are recognised when probate has been granted. Legacies received after the year end are reviewed and, where material, are accrued where the recognition criteria 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 Trustee's Report includes further detail of the contribution from volunteers.

Investment income – is accounted for on a receivable basis.

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

## g) Expenditure recognition

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

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

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

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

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 three 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 – five years

Computers and ancillary equipment – three years

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

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

#### **k) Assets in the course of construction**

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

economic life. At 31 March 2017, assets in course of construction related to the HR software, which will be transferred to the relevant asset category during the year ended 31 March 2018.

### **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).

Realised gains and losses are calculated as the difference between sales proceeds and their opening carrying value or subsequent cost on purchase. Unrealised gains and losses represent the movement in fair values during the year. Realised and unrealised gains and losses are combined in the appropriate section of the SOFA.

### **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**

No corporation tax has been provided for in these accounts as the charity is within the exemption granted by section 505 of the Income and Corporation Taxes Act 1988.

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

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

### **o) Pensions**

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

At 31 March 2017 contributions amounting to £44,152 (2016 – £46,462) were payable.

### **p) Financial instruments**

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

Basic financial assets which are receivable within one year, which include trade and other receivables and accrued income (£1,917,000) and cash and bank balances (£6,564,000) 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 (£2,144,000) 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.

### 3. Results of subsidiaries

#### a) NDCS Limited

The charity has a wholly owned trading subsidiary, NDCS Limited, a company registered in England and Wales, company number 00893232. The registered address of NDCS 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:

	2017 £000s	2016 £000s
Turnover	206	287
Cost of sales	(73)	(105)
Gross profit	133	182
Administrative expenses	(2)	(3)
Net income	131	179
Amount Gift Aided to the National Deaf Children's Society	(131)	(179)
	-	-
The assets and liabilities of the subsidiary were:		
Current assets	216	278
Creditors: amounts falling due within one year	(216)	(278)
<b>Total net assets</b>	-	-
<b>Equity shareholders' funds</b>	-	-

At the end of the year, NDCS Limited paid £131,042 (2016 – £179,040) to the charity by gift aid.

In these consolidated accounts, turnover consolidated in activities for generating funds is £196,381 (2016 – £286,933) and investment income is £233 (2016 – £78) 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 2017, as well as the year ended 31 March 2016.

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

In these consolidated accounts, income consolidated in voluntary income is £nil (2016 – £nil) with the associated costs included under charitable expenditure.

### c) Fundacion Ninos Sordos del Mundo

Throughout the year, the National Deaf Children's Society had one other wholly owned subsidiary, Fundacion Ninos Sordos del Mundo, a charity registered in Spain, which was dormant for the year ended 31 March 2017. The registered address of Fundacion Ninos Sordos del Mundo is Torre Europa, Paseo de la Castellana 95–18°, 28046, Madrid, Spain.

## 4. Share in joint venture

### Childlife

NDCS 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 the National Deaf Children's Society as a joint venture.

The 25% share of Childlife's results for the year is shown below:

	2017 £000s	2016 £000s
<b>Income from:</b>		
Voluntary income	222	233
Other trading activities	1	1
	223	234
<b>Expenditure on:</b>		
Raising funds	132	124
Charitable activities	103	110
Support costs (Governance)	4	5
	239	239
<b>Net income/(expenditure)</b>	(16)	(5)
Fund balances brought forward	61	66
<b>Fund balances carried forward</b>	45	61

Income receivable from Childlife for the year of £102,719 (2016 – £132,500) is included in investment income (see Note 5d).

The 25% share of assets and liabilities of Childlife were:

	2017 £000s	2016 £000s
Fixed assets	2	4
Current assets	73	61
Gross assets	75	65
Gross liabilities	(30)	(4)
<b>Total assets less total liabilities – share of net assets</b>	45	61
<b>Unrestricted funds</b>		
Other charitable funds	45	61

## 5. Income

### a) Legacy income

At 31 March 2017 the Charity had been notified of legacies amounting to an estimated £441,300, which have not been included within the accounts as the recognition criteria had not been met at the year end date.

### b) Income from charitable activities

	Grants £000s	Fees from non-statutory sources £000s	Total £000s
Information provision	-	39	39
Family support	372	-	372
Policy and campaigns	302	-	302
Children's and young people's services	97	-	97
International	118	-	118
<b>Total 2017</b>	<b>889</b>	<b>39</b>	<b>928</b>
Total 2016	923	21	944

Further information on grants is provided in Note 13.

### c) Other trading activities

	2017 £000s	2016 £000s
Gross income from trading	218	328
Income from training and services	2	4
	<b>220</b>	<b>332</b>

### d) Investment income

	2017 £000s	2016 £000s
Interest on cash deposits	31	42
Income receivable from joint venture	103	132
	<b>134</b>	<b>174</b>

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

a) Staff costs comprise:	2017 £000s	2016 £000s
Wages and salaries	7,776	7,658
Social security costs	786	773
Pension costs	419	418
	<b>8,981</b>	<b>8,849</b>

The average number of employees during the year was as follows:	2017 No.	2017 FTE	2016 No.	2016 FTE
Charitable activities	212	176	213	177
Fundraising	27	27	27	27
Administration and support services	28	26	29	27
	<b>267</b>	<b>229</b>	<b>269</b>	<b>231</b>

The above staff numbers include an average of 21 (2016 – 21) casual workers who primarily worked on the NDCS events programme.

b) During the year, redundancy payments totalling £15,577 (2016 – £24,359) were payable. All payments were settled at the year end. These related to redundancy payable at the end of fixed term contracts for specific projects and re-structures.

c) Employee benefits, excluding employer pension costs and employer's NI, of higher paid staff within the following scales were:	2017 No.	2016 No.
£60,000 – £69,999	2	2
£70,000 – £79,999	-	-
£80,000 – £89,999	2	2
£90,000 – £99,999	-	1
£100,000 – £109,999	1	-

d) The charity trustees were not paid nor received any other benefits from employment with the charity or its subsidiary in the year (2016 – £nil). Reasonable expenses for travel, subsistence and incidentals reimbursed to 7 trustees (2016 – 7 trustees) during the year totalled £2,133 (2016 – £3,026) 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 Chief Executive and Director Finance and Administration, the Director Children, Young People and Families, the Director Policy and Campaigns and the Director Fundraising and Communications. Their total employee benefits, including employer pension costs and employer's NI, for the year ended 31 March 2017 was £483,236 (2016 – £476,864).

## 7. Analysis of expenditure

### a) Expenditure on:

	Direct costs £000s	Grants payable £000s	Support costs £000s	Total 2017 £000s	Total 2016 £000s
<i>Raising funds</i>					
Regular donations and subscriptions from individuals	7,720	-	246	7,966	6,860
Legacies	198	-	22	220	212
Other fundraising costs *	509	-	133	642	710
	8,427	-	401	8,828	7,782
Investment management fees **	-	-	-	-	-
	8,427	-	401	8,828	7,782
<i>Charitable activities</i>					
Information provision	2,958	-	402	3,360	3,031
Family support	3,344	-	868	4,212	4,434
Children's and young people's services	1,928	37	368	2,333	2,534
Policy and campaigns	3,140	-	505	3,645	3,501
International	768	961	128	1,857	1,773
	12,138	998	2,271	15,407	15,273
Net share of loss in joint venture	16	-	-	16	5
<b>Total expenditure 2017</b>	<b>20,581</b>	<b>998</b>	<b>2,672</b>	<b>24,251</b>	<b>23,060</b>
<b>Total expenditure 2016</b>	<b>19,459</b>	<b>950</b>	<b>2,651</b>	<b>23,060</b>	

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

\*\* The investment portfolio is held in investment funds in which the investment management fees for the National Deaf Children's Society are not separately identifiable and no cost of investment management fees is therefore shown.



## b) Analysis of grants payable

	Total 2017 £000s
<b>UK Grants</b>	
Grants to affiliated local registered Deaf Children's Societies *	37
	37
<b>International Grants</b>	
APD – Karnataka	82
Cini Asha Deaf Way	26
Samuha – Deaf children and families	31
Centre for Disability in Development	78
Samuha – Deaf Young People	31
GBDC	25
Sadhana	26
CARD	15
SNDAYP	29
Lipica	16
Subhi AWWD	12
GBDC	36
Samuha	36
Cini Asha	42
SUK	26
Childreach Tanzania	42
Chavita	38
Signhealth Uganda DYEP	21
DEK	24
ANNPCAN Uganda	9
UDSM	10
UNAD	34
VSO	70
Fe Y Alegria - Bolivia	41
DHEX	17
Paz y Esperanza	34
ICAL	21
Assoc Christiana	19
Fundacion Machaqa	33
Other international grants	37
	961
<b>Total grants</b>	<b>998</b>

All grants were to institutions

There are no grant commitments.

\* Each grant was for a maximum of £1,500, with the maximum received by any one local Deaf Children's Society £2,000.

### c) Allocation of support costs

	Governance £000s	Finance and legal £000s	Human resources £000s	IT £000s	Facilities management and shared premise £000s	Total £000s
Raising funds	-	86	44	83	188	401
Charitable Activities						
Information provision	58	81	41	78	144	402
Family support	66	227	117	220	238	868
Children's and young people's services	39	115	59	111	45	369
Policy and campaigns	62	139	72	135	97	505
International	34	21	11	20	41	127
<b>Total support costs 2017</b>	<b>259</b>	<b>669</b>	<b>344</b>	<b>647</b>	<b>753</b>	<b>2,672</b>
Total support costs 2016	203	751	333	598	766	2,651

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

### d) Governance costs

	2017 £000s	2016 £000s
Audit fees	20	22
Trustees costs	12	11
Other costs supporting governance activities	227	170
	<b>259</b>	<b>203</b>

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

	2017 £000s	2016 £000s
Net income/expenditure for the year is stated after charging:		
Auditor's remuneration		
Statutory audit	19	20
Other	1	2
Amortisation	313	302
Depreciation	269	386
Operating lease rentals	566	555

## 8. Intangible fixed assets

Charity and group	Computer Software £000s	Assets in the course of construction £000s	Total £000s
<b>Cost</b>			
At 1 April 2016	985	-	985
Additions	94	22	116
At 31 March 2017	1,079	22	1,101
<b>Amortisation</b>			
At 1 April 2016	422	-	422
Charge for the year	313	-	313
At 31 March 2017	735	-	735
<b>Net book value</b>			
At 31 March 2017	344	22	366
At 31 March 2016	563	-	563

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

Computer software includes the database system which has a carrying value of £240,377 and a remaining amortisation period of one year.

## 9. Tangible fixed assets

Charity and group	Plant and machinery £000s	Fixtures, fittings and equipment £000s	Total £000s
<b>Cost</b>			
At 1 April 2016	222	1,504	1,726
Additions	-	-	-
At 31 March 2017	222	1,504	1,726
<b>Depreciation</b>			
At 1 April 2016	44	1,092	1,136
Charge for the year	44	225	269
At 31 March 2017	88	1,317	1,405
<b>Net book value</b>			
At 31 March 2017	134	187	321
At 31 March 2016	178	412	590

## 10. Fixed assets investments

### a) Childlife

The National Deaf Children's Society has a 25% share 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's share of Childlife's results for the year.

### b) Other investments

	Group		Charity	
	2017 £000s	2016 £000s	2017 £000s	2016 £000s
Listed investments at market value (see note 10c)	3,427	3,154	3,427	3,154

Investment in subsidiary (NDCS Limited) £100 - see note 3

### c) Listed investments

	2017 £000s	2016 £000s
Market value at 1 April 2016	3,154	3,120
Acquisitions at cost, less fees	-	-
Disposal proceeds	-	-
Realised gain on investments	-	-
Unrealised gain on investments	273	34
Market value at 31 March 2017	3,427	3,154
<b>Listed investments at historic cost:</b>	<b>2,842</b>	<b>2,842</b>
	<b>2017</b>	<b>2016</b>
<b>Asset distribution:</b>	<b>£000s</b>	<b>£000s</b>
UK Equity Funds	3,427	3,154

## 11. Debtors

	Group 2017 £000s	Group 2016 £000s	Charity 2017 £000s	Charity 2016 £000s
Due within one year:				
Trade debtors	73	111	17	11
Due from subsidiary undertaking	-	-	203	261
Other debtors	1,626	870	1,614	870
Prepayments & accrued income	893	1,146	895	1,134
	2,592	2,127	2,729	2,276

## 12. Creditors: amounts falling due within one year

	Group 2017 £000s	Group 2016 £000s	Charity 2017 £000s	Charity 2016 £000s
Trade creditors	725	588	725	588
Social security and other taxes	211	211	211	211
Other creditors	503	573	488	560
Accruals	916	317	918	313
Deferred income	57	88	57	88
	2,412	1,777	2,399	1,760

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	2017 £000s	2016 £000s
At 1 April 2016	88	105
Recognised in the year	(88)	(105)
Deferred in the year	57	88
At 31 March 2017	57	88

## 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 2016 £000s	Income £000s	Expenditure £000s	Balance at 31 March 2017 £000s
Big Lottery Fund (England) – <i>Community for families with deaf children in SW England</i>	18	89	(63)	44
Big Lottery Fund (England) – Helping Hands	2	14	(16)	-
Big Lottery Fund (England) – Positive Families Plus	28	130	(136)	22
Big Lottery Fund (Northern Ireland) – Bridging the Gap	2	-	(2)	-
Big Lottery Fund (Scotland) – Deaf Friendly Swimming Scotland	1	19	(20)	-
Big Lottery Fund (Scotland) – Investing in Communities, Everyone Together	-	146	(64)	82
Big Lottery Fund (Wales) – Gearing Up	22	74	(71)	25
Big Lottery Fund International – Deaf Children and Primary Education Karnataka	19	63	(82)	-
Big Lottery Fund International – Deaf Children and Primary Education West Bengal	74	55	(145)	(16)
Dept. for Communities Northern Ireland	17	54	(28)	43
National Lottery Award 2016	-	3	(3)	-
Scottish Government – Managed Clinical Networks	114	-	(80)	34
Scottish Government – Better Breaks	-	18	(18)	-
Scottish Government – CYPFEIF and ALEC	-	98	(98)	-
Scottish Government – Equality Funding, Sign of the Future	-	20	(14)	6
Scottish Government – PECF, Deaf Sector Partnership	-	40	(40)	-
Scottish Government – Community Jobs Scotland	-	9	(8)	1
Sport England – Deaf Friendly Swimming England	28	56	(65)	19
Visibility Scotland - See Hear	7	-	(7)	-
	332	888	(960)	260
Deaf Child Worldwide	-	365	(365)	-
Dr A Evans Trust Fund – FSL Wales	59	-	(1)	58
Garfield Weston Foundation – CFSO England	-	40	(10)	30
The P F Charitable Trust	-	10	(8)	2
The Bell Foundation	-	6	-	6
The Robertson Trust	-	18	(12)	6
The Steel Charitable Trust	-	15	(5)	10
Other restricted funds	64	178	(187)	55
	455	1,520	(1,548)	427

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

**The National Lottery through Big Lottery Fund (England)** – *Helping Hands* project funding provides for activity and resources costs and salary costs of one project officer to work with schools in Greater London, North East England, the Midlands, and Yorkshire and Humberside to develop and deliver peer buddy schemes for young deaf people.

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

**The National Lottery through Big Lottery Grant (Northern Ireland)** – *Bridging the Gap* project funding provides for salary costs of four link officers and project administrator as well as

the project running and activity costs which relate to working with families, schools and communities to enable key project partners to support the personal and educational development of deaf children in Northern Ireland.

**The National Lottery through Big Lottery Grant (Scotland)** – *Deaf Friendly Swimming Scotland* project funding provides for salary costs of a project officer as well as running costs, and training and activity costs to enable deaf young people in Scotland, aged 8–24, to take part in swimming activities, build confidence and increase opportunities for healthy physical activities and social interaction.

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

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

**The National Lottery through Big Lottery Fund (International)** – *Deaf Children and Primary Education in Karnataka,*



India project will be delivered through our in-country partnership with APD working in Davangere, Bijapur and Chikballapur districts. Funding provides for project delivery costs of in-country staff, activities and resources. It also provides organisational development support to Deaf Child Worldwide for monitoring and evaluation.

**The National Lottery through Big Lottery Fund (International)** – *Deaf Children and Primary Education in West Bengal, India* project will be delivered through our in-country partners CINI Urban Unit, GBCD and KWO working in Kolkata, Hooghly and Jalpaiguri districts. Funding provides for project delivery costs of in-country staff, activities and resources. It also provides organisational development support to Deaf Child Worldwide on managing partnerships and accountability and finances.

**Department for Communities Northern Ireland** – *Sign Language Partnership Group* Three grants provide funding for costs associated with delivery of courses to improve communication for families of deaf children in Northern Ireland, including British Sign Language, communication is fun and family sign language as well as training professional supporting deaf children and their families.

**Department for Communities Northern Ireland** – *Together Building United Communities Programme* - grant funding provides for cost associated with delivery of a 'communication is fun' course for families with deaf children

living in Northern Ireland.

**The National Lottery Awards - Best Project in Sports Category 2016 (Scotland)** – Deaf Friendly Swimming

**Scottish Government** – *Managed Clinical Networks* – grant funding contributes towards salary costs of 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 CHSWIGs to support on-going local sensory impairment work.

**Scottish Government Better Breaks Fund** – *Short Breaks* – funding contributes towards costs of delivering a Mission Discovery and Adventure Week for deaf children and young people, aged 8–18, taking place in Blairvadach, August 2016.

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

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

**Scottish Government Promoting Equality and Cohesion Fund (PECF) 2016–2017** – grant funding contributes towards costs of our Deaf Sector Partnership project to develop national advisory groups of deaf young people (YNAG) and parents (PNAG) empowered to inform delivery of BSL activities in Scotland.

**Scottish Government Community Jobs Scotland (CJS)** delivered by the Scottish Council for Voluntary Organisations (SCVO) funding provides salary costs to enable unemployed deaf young people to take up a job with the National Deaf Children's Society Scotland to gain work experience that will support them towards sustainable employment.

**Sport England – Deaf Friendly Swimming England** – project funding provides for salary costs of a project officer as well as running costs, and training and activity costs to enable deaf young people in England, aged 14–25, to take part in swimming activities, meet new friends and create a sporting habit for life.

**Visibility Scotland with funding from The Scottish Government** – See Hear project funding provides for costs associated with delivering a family day in Ayrshire and in South of Scotland.

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

**Dr A Evans Trust Fund** – funding provides for costs associated with the delivery of family sign language training in Wales.

**The Garfield Weston Foundation** funding contributes towards the costs of the Children and Family Support service supporting deaf children and young people and their families living in England.

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

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

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

**The Steel Charitable Trust** funding contributes towards costs of the family programme information events in England for families with a deaf child about to go to school.

## 14. Movement on unrestricted funds

	Fixed Asset reserve £000s	General Funds £000s	Total Unrestricted Funds £000s
Balance at 1 April 2016	1,153	10,748	11,901
Income	-	21,005	21,005
Expenditure	(466)	(22,237)	(22,703)
Gains/losses on investments	-	273	273
<b>Balance at 31 March 2017</b>	<b>687</b>	<b>9,789</b>	<b>10,476</b>

## 15. Analysis of group net assets between funds at 31 March 2017

	Unrestricted Funds £000s	Fixed asset Funds £000s	Restricted Funds £000s	Total Funds £000s
Intangible and tangible fixed assets	-	687	-	687
Investments	3,472	-	-	3,472
Current assets	8,729	-	427	9,156
Current liabilities	(2,412)	-	-	(2,412)
	<b>9,789</b>	<b>687</b>	<b>427</b>	<b>10,903</b>

## 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 deficit of £1,437,285 (2016 – surplus of £494,087) 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:

	2017 £000s	2016 £000s
Within one year	672	571
Between two and five years	2,234	2,349
After five years	1,650	2,196
	4,556	5,116

## 19. Capital and other commitments

At 31 March 2017, capital commitments amounted to £117,373 in respect of HR and finance software, £123,783 in respect of the website and £60,356 in respect of server costs (2016 – in respect of new database £125,583).

## 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 joint ventures (disclosed in Notes 3 and 4), there were no other related party transactions.

The following pages represent comparative figures for the year ended 31 March 2016, in accordance with paragraph 2.29 of the SORP.

## 21. Comparative SOFA

Income and expenditure	Unrestricted funds £000s	Restricted funds £000s	Total 2016 £000s
<b>Income and endowments from:</b>			
Donations and legacies			
Regular donations and subscriptions from individuals	19,466	349	19,815
Legacy income	817	120	937
Other donations and gifts	831	483	1,314
	21,114	952	22,066
Charitable activities	21	923	944
Other trading activities	332	-	332
Investments	174	-	174
<b>Total</b>	<b>21,641</b>	<b>1,875</b>	<b>23,516</b>
<b>Expenditure on:</b>			
Raising funds	7,782	-	7,782
Charitable activities:			
Information provision	2,912	119	3,031
Family support	3,929	505	4,434
Children's and young people's services	2,237	297	2,534
Policy and campaigns	3,317	184	3,501
International	1,077	696	1,773
Total charitable activities	13,472	1,801	15,273
Net share of loss in joint venture	5	-	5
<b>Total</b>	<b>21,259</b>	<b>1,801</b>	<b>23,060</b>
Net gain on investments	34	-	34
<b>Net income/(expenditure) and Net movement in funds before transfers</b>	<b>416</b>	<b>74</b>	<b>490</b>
Transfer of funds	222	(222)	-
<b>Net income/(expenditure) and Net movement in funds after transfers</b>	<b>638</b>	<b>(148)</b>	<b>490</b>
Fund balances brought forward	11,263	603	11,866
<b>Fund balances carried forward</b>	<b>11,901</b>	<b>455</b>	<b>12,356</b>

## 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 2015 £000s	Income £000s	Expenditure £000s	Balance at 31 March 2016 £000s
Big Lottery Fund (England) – <i>Community for families with deaf children in SW England</i>	-	60	(42)	18
Big Lottery Fund (England) – <i>Helping Hands</i>	23	48	(69)	2
Big Lottery Fund (England) – <i>Positive Families Plus</i>	-	108	(80)	28
Big Lottery Fund (Northern Ireland) – <i>Bridging the Gap</i>	14	100	(112)	2
Big Lottery Fund (Northern Ireland) – <i>Communication is Fun</i>	10	-	(10)	-
Big Lottery Fund (Scotland) – <i>Deaf Friendly Swimming Scotland</i>	2	25	(26)	1
Big Lottery Fund (Wales) – <i>Gearing Up</i>	12	74	(64)	22
Big Lottery Fund International – <i>Deaf Children and Primary Education Karnataka</i>	20	88	(89)	19
Big Lottery Fund International – <i>Deaf Children and Primary Education West Bengal</i>	-	182	(108)	74
Dept. for Communities Northern Ireland	-	24	(7)	17
Dept. for Education SEND – <i>Post-16 transitions to workplace</i>	-	105	(105)	-
Scottish Government Better Breaks Fund – <i>Short Breaks</i>	-	11	(11)	-
Scottish Government – <i>Managed Clinical Networks</i>	157	-	(43)	114
Scottish Government BIG – <i>Your Child Your Choices</i>	-	98	(98)	-
Visibility Scotland – <i>See Hear</i>	72	-	(65)	7
	310	923	(929)	304
Bernard Sunley Charitable Trust – <i>NDCS Roadshow</i>	10		(10)	-
Buffini Chao Foundation – <i>Youth Advisory Board</i>	-	18	(18)	-
Building Change Trust (Northern Ireland)	8	3	(11)	-
Deaf Child Worldwide	-	472	(472)	-
Dr A Evans Trust Fund – <i>Family Sign Language Wales</i>	60	-	(1)	59
Garfield Weston Foundation – <i>NDCS Roadshow</i>	20	-	(20)	-
Ovingdean Hall Foundation – <i>NDCS Roadshow</i>	10	-	(10)	-
President Club Charity Trust – <i>NDCS Roadshow</i>	10	-	(10)	-
SFIA Educational Trust – <i>NDCS Roadshow</i>	25	-	(25)	-
Sport England – <i>Deaf Friendly Swimming England</i>	(8)	80	(44)	28

	Balance at 1 April 2015 £000s	Income £000s	Expenditure £000s	Balance at 31 March 2016 £000s
The Masonic Charitable Foundation – NDCS Roadshow	-	8	(8)	-
The P F Charitable Trust – NDCS Roadshow	10	-	(10)	-
The Robertson Trust	-	18	(18)	-
The Steel Charitable Trust	-	25	(25)	-
Wolfson Foundation Trust – NDCS Roadshow	33	-	(33)	-
Other restricted funds	115	328	(379)	64
	603	1,875	(2,023)	455

### 23. Comparative restricted funds

	Fixed Asset Reserve £000s	General Funds £000s	Total Unrestricted Funds £000s
Balance at 1 April 2015	1,635	9,628	11,263
Income	-	21,641	21,641
Expenditure	(482)	(20,777)	(21,259)
Gains/losses on investments	-	34	34
Transfer of funds	-	222	222
<b>Balance at 31 March 2016</b>	<b>1,153</b>	<b>10,748</b>	<b>11,901</b>

### 24. Comparative analysis of group net assets between funds at 31 March 2016

	Fixed asset Funds £000s	Unrestricted Funds £000s	Restricted Funds £000s	Total Funds £000s
Tangible fixed assets	1,153	-	-	1,153
Investments	-	3,215	-	3,215
Current assets	-	9,310	455	9,765
Current liabilities	-	(1,777)	-	(1,777)
	1,153	10,748	455	12,356

**We are the leading charity for deaf children.**

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