

Annual Report and financial statements



National Deaf Children's Society
For the year ended 31 March 2016



Contents

- 3 Report of the directors
- 5 Strategic report
- 23 Independent auditors' report to the members and trustees of the National Deaf Children's Society
- 25 Consolidated statement of financial activities
- 26 Balance sheets
- 27 Consolidated cash flow statement
- 28 Notes forming part of the financial statements

National Deaf Children's Society

(A company limited by guarantee)

Board of Directors

Matthew Hilton (Chair) (retired 6 November 2015)

Lisa Capper (Vice Chair to 5 November 2015, Chair from 6 November 2015)

Sally Procopis (Treasurer), Sheila McKenzie (Deputy Treasurer)

Tim Polack (Vice Chair from 6 November 2015), Suzi Beese (appointed 21 July 2016)

Brendan Cleere (resigned 19 March 2016), Gerard Featherstone

Jane Hill, Claire McClafferty, Jan Rutherford (appointed 19 March 2016)

Chris Saunders, Helen Selwood

Chief Executive

Susan Daniels OBE

Auditors

Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD

Solicitors

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

Bankers

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

Registered office

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

Charity number (England and Wales) 1016532

Charity number (Scotland) SC040779

Company number 2752456

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 2016.

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 20.



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

Measurements, activities and performances for 2015/2016 and targets for 2016/2017

Our achievements for the year in meeting our objectives are set out below. Further information can be found in our Impact Report on our website, www.ndcs.org.uk.

Aim A



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

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

We produced 48 new online and print resources for families, young people and professionals. These included information on staying safe online, education transitions and employment. There were 560,187 unique page views of the family support sections of our website. We created 17 new videos for our YouTube account including content on mild hearing loss, employment and meningitis. The channel had 375,798 views. 90% of people we surveyed said that our information had made them feel more confident about making decisions related to their child's deafness. 97% said our information had

increased their knowledge of childhood deafness.

We launched a new Roadshow bus (replacing the old Listening Bus) to better meet the needs of deaf children and young people. The bus made 82 visits to schools, local services and National Deaf Children's Society events, welcoming 5,405 visitors and providing information and confidence-building workshops.

Five of our resources have been accredited with the Information Standard. This means they have been formally recognised as being well-researched, containing high quality information and meeting audience needs.

Our Buzz website, which gives information and support to deaf young people, had 39,857 unique visitors, and young people posted 35 questions to our helpline through the Buzz.

Our Technology Test Drive enabled 499 families to borrow products to help them find out which technology works best for their child.

We ran 39 information and weekend events for families, reaching 338 people. This included 12 education information sessions aimed at parents wanting to know more about education rights and legislation. 90% of families we surveyed said that attending our education days increased their confidence in understanding the Equality Act 2010 and how this can support their child's access to education. 87% of parents said they felt confident about supporting their child's development after attending one

of our weekend events for families whose children had been recently diagnosed as deaf.

In South Asia, East Africa and Latin America, we supported 110 parents groups and more than 105 young people's groups through training in communication, lobbying and advocacy skills. These support groups provide a space for deaf young people and families to better understand their rights, and develop the confidence and knowledge to make informed choices about their lives.

Did we succeed in this objective?

Yes. Through our events, information and support, we have made sure families have the information they need to make informed choices about their future.

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

Our Family Sign Language courses were attended by 74 parents, and we ran seven sessions to teach professionals how to deliver this training to families. 46 people also attended our parenting courses, which cover language and communication. In a survey of parents who attended our courses, 95% said they now felt more confident about communicating with their deaf child. 83% said their child understood them more and 67% said their child was beginning to use sign to communicate with their family.

Our online resource with information on apps, including those that support

communication and learning, had 2,047 unique page views.

In England, we worked on 25 local cases connected to speech and language therapy, including a review of local services. We completed work on 11 of these cases, achieving our objectives in six cases, and partly achieving them in three. We also worked with the Royal College of Speech and Language Therapists to produce guidance encouraging commissioners to give children with severe or profound deafness, or those not making anticipated progress, access to specialist speech and language therapy. These commissioning guidelines are being piloted so the impact is not yet known.

Our family weekends and information days introduced a new session to help parents understand how to make the most of their child's hearing and support their child's communication.

We created a new resource to help parents to support deaf children aged 0–2 to develop language and communication. Evaluation will take place in the next financial year.

We had a leading role in the campaign to support the British Sign Language (Scotland) Act (2015), which passed unanimously at Scottish Parliament in October 2015. We made sure that the issues facing deaf children and their families, such as learning British Sign Language (BSL) in the early years and having the right support in BSL at school, had a high profile. We are now working with the Scottish Government

to produce a national plan to implement the proposals.

In South Asia, East Africa and Latin America, we trained 3,734 families in language and communication skills. This has helped families to improve communication and develop relationships.

Did we succeed in this objective?

Yes. We have continued to support families and professionals to build deaf children's language and communication skills. Government attainment figures for deaf children in England suggest that more children are reaching the expected standard for communication and language within the early years foundation stage, compared with the previous year.



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 sent Freedom of Information requests to local authorities in England around budgets and staffing for specialist education services. This was to build up a picture and to help identify and challenge where cuts might be planned.

The information initially showed planned cuts to 66 education services – by the end of the year this was reduced to 11 local authorities that were under review and should be watched.

We successfully campaigned for Ofsted to inspect special educational needs and disability (SEND) provision. Following consultation, these inspections will begin in May 2016.

Deaf children need high quality audiology support following diagnosis. Currently the Improving Quality in Physiological Services (IQIPs) accreditation scheme is the only way that parents are able to determine whether their child's service is fit for purpose. After considerable pressure from the National Deaf Children's Society it is now recommended in the Newborn Hearing Screening Service Specification, that all paediatric audiology services should be accredited. However, only 18 out of 134 services have achieved the accreditation since it was introduced in 2012. At this rate of progress it will take 20 years for all services to be accredited – clearly there is more to be done to ensure this happens in practice.

As part of our PIP'd Off campaign, we urged the Government to improve the application process for Personal Independence Payment (PIP) benefits for deaf young people. 840 people emailed the Minister for Disabled People about our campaign. As a result, the Department for Work and Pensions has agreed to update their guidance so that deaf young people are able to qualify for the benefit.



The Government was forced to carry out a public consultation on changes to Disabled Students' Allowances (DSAs), following

legal action taken by a deaf young person with our support. This has resulted in concessions and safeguards, for example, deaf students will continue to receive specialist notetakers through DSAs.

Our regional directors worked on 454 local issues affecting services including education, audiology and social care. This was a 16% increase on the previous year. Work was completed on 212 of these cases, with the objectives being fully achieved in 53% of cases and partly achieved in 37%.

We delivered 16 training workshops, reaching about 450 education professionals. Before attending our workshops on Education, Health and Care (EHC) plans, only 31% of professionals surveyed said they felt confident about what an effective EHC plan should look like. This increased to 92% after the workshop.

We also produced guidance for audiologists on writing reports for non-specialist audiences. This will help to improve the quality of reports and make sure that agencies have a thorough understanding of a deaf child's needs, particularly when assessing applications for EHC plans, Disability Living

Allowance and Personal Independence Payment.

In Scotland we supported the Education and Cultural Committee's review of education for deaf children. The committee has produced a report with recommendations for improving education for deaf children, and we will work with the new government in Scotland (elected in May 2016) to make sure recommendations are implemented.

We also continued to press for a specialised mental health service, and proposals are now being evaluated. We received government funding to scope the benefits of a Managed Care Network for childhood deafness, which we believe will drive key improvements in service delivery.

In Wales we worked with the Government on its proposed reforms to special educational needs. We contributed to the review of paediatric audiology services and more robust procedures are now being produced. We also worked with the health service to make sure that local child and adolescent mental health services have a lead practitioner for deafness.

In South Asia, East Africa and Latin America we trained 3,734 professionals including teachers and government workers, in deaf awareness and communication skills so they are better equipped to support the needs of deaf children and young people.

Did we succeed in this objective?

Yes. The attainment gap between deaf and other children is lower than it has been since records began in 2007. The percentage of deaf children in England achieving five GCSEs (including English and Maths at grades A* to C) has increased from 36% to 41%.

The Consortium for Research into Deaf Education (CRIDE) shows a 2% increase in the number of Teachers of the Deaf, halting a decline over the previous four years.

There is still more to be done to increase the pace of accreditation for audiology services and to ensure that Ofsted special educational needs and disability (SEND) inspections hold services to account on how they support deaf children, both of which will be key objectives going forward.

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

We trained 216 sports, leisure and arts professionals on how to include deaf children. Afterwards, 90% of the professionals we surveyed said they would change their behaviour, and 85% said their understanding of deafness had increased. 67 new organisations signed up to our Me2 deaf-friendly activities pledge, providing more opportunities for deaf children to join mainstream clubs that can support their needs.

In England and Scotland, we continued to deliver our deaf-friendly swimming projects, funded by Sport England and the Big Lottery Fund respectively.

Nearly 100 deaf children took part in learn-to-swim classes, and we trained almost 250 swimming coaches in deaf awareness. We awarded 12 sports coaching bursaries to deaf young people in basketball, canoeing, football, badminton and windsurfing.

Our sports, creative and outdoor pursuits youth programme was attended by 409 deaf young people in England and Wales. 33 young people achieved a recognised award or qualification in leadership skills. Of the young people we surveyed, 80% said they had learnt or achieved something new at our events. 82% said they had made new friends and 74% said they felt more independent.

We achieved Ofsted registration for our youth programme aimed at young people aged 8–18 in England, meaning we have been assessed as providing safe and effective activities. The first ever inspection of our children's event programme achieved a 'good' rating.

As part of our Helping Hands project, funded by the National Lottery through the Big Lottery Fund, 92 deaf young people received accredited training to act as mentors to their deaf peers. We produced two toolkits to help schools create their own peer support schemes. 78% of the young people who received mentor training through the Helping Hands project said they now felt more confident.

We researched why deaf young people face barriers to employment through a project funded by the Department for Education, gathering data from young people, parents and education

professionals. As a result of our findings, we have created resources to address gaps in knowledge or to provide suggestions for further support.

Did we succeed in this objective?

Yes. We continued to provide opportunities for deaf children and young people to take part in society, and worked hard to improve the ability of mainstream providers to include them.



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

We ran four focus groups, where 38 deaf young people reviewed and shared feedback on their Local Offers. The findings will be shared with local authorities and young people in 2016/17 and we will create resources to support local authorities to engage deaf young people in developing Local Offers.

In December 2015 we recruited 18 deaf young people to our Young People's Advisory Board (YAB). They will raise awareness about the issues that are important to deaf young people, help to shape the future of the charity, and share their experiences and views. The group

has decided to run a campaign on sign language, and work will begin on this in the next financial year.

16 former YAB members took part in a short film that was played at party conferences, sharing their views on the one thing that MPs should change for deaf young people. Two of the young people attended political party conferences, meeting eight MPs between them. Two other YAB members sent letters to political party leaders ahead of the Welsh Assembly election.

In Scotland, our Young Campaigners group continues to represent deaf young people at meetings with government ministers and MSPs. They attended events including the first annual Scottish Disability Summit and a conference to plan the Scottish Government's Year of Young People in 2018.

Through our membership of the Deaf Sector Partnership we supported the development of Scotland's first Youth National Advisory Group on British Sign Language (BSL), which will help the Scottish Government to develop a national plan on the promotion of BSL. The Youth National Advisory Group will continue work on this in 2016/17.

In South Asia, East Africa and Latin America, we worked with 5,575 deaf children and young people to increase their visibility and support their inclusion in family, school and community life. Support for deaf children and young people internationally will ensure they have more of a say in decisions that affect them.

Did we achieve our objectives?

Yes. We provided opportunities for deaf children and young people to share their views and shape the future through influential campaigns and involvement in key working groups.

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

1,305 families, young people, professionals and our staff took part in surveys and focus groups to help influence the development of our new strategy for 2017–2022. The new strategy will be finalised in the next financial year, ahead of launch in April 2017. Involvement from deaf children and their families should help to ensure that our future direction meets their changing needs.

A survey for parent members was launched in February 2016 to find out more about experiences of newborn hearing screening and attitudes and beliefs around deafness. Results of the membership survey will be used to inform a new campaign around early years support, launching in May 2016. Information about attitudes and beliefs will be used to help create new key messages that will better support families and challenge misconceptions about deafness.

More than 50 people signed up to NDCS Listens, our family involvement scheme. Members have pledged to get involved in many different ways, including sharing their story, reviewing our resources,

taking part in focus groups in their area, and testing technology and apps. The NDCS Listens project means that families will have a greater say in the services and information we provide, and by sharing their stories they can offer support and reassurance to other parents.



We introduced a new database which holds robust information on our members, supporters and campaigners. This has meant we can better tailor our communications to audiences and work in a more streamlined and efficient way.

After a robust selection process we appointed a digital agency to deliver a new website. Work began with the agency in January 2016 and the site will launch in early 2017. The new website will make it easier for families to find information about childhood deafness and for people to become members and receive our free support.

Work also continued on a brand refresh, which will launch at the same time as the new website. A refreshed brand will help us to reach more families who need our help, and ensure that our communications are consistent and meet audience needs.

Did we achieve our objectives?

Partly. There are several large projects still in progress, but these will come to fruition in 2016/17.

Targets for 2016/17

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

We will:

- > improve the support received by deaf children and young people to develop language and communication skills
- > increase the ability of deaf children and young people and their families to make informed choices.

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

We will:

- > increase the availability of high quality support for deaf children and young people from public services
- > increase opportunities for deaf children and young people to take part in society.

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

We will:

- > ensure that deaf children and young people are represented in decision-making that affects them.

We will:

- > ensure that the National Deaf Children's Society develops to meet the changing needs of deaf children and young people.

Key performance indicators

Trustees monitor KPIs linked to the three strategic aims above but particular attention is given to:

- > charitable expenditure
- > percentage of families who are more confident in parenting a deaf child or young person
- > number of families directly benefiting from our work
- > number of family/young adult/professional members
- > feedback from deaf children and young people
- > outcomes for deaf children and young people.

We will review the list of KPIs on an ongoing basis as part of our commitment to continuous learning and development.

Activities in Scotland

The Office of the Scottish Charity Regulator (OSCR) requires that we report our work in Scotland separately to comply with our registration.

Campaigning and policy work

We continued to lobby Scottish Parliament as part of our Close the Gap campaign, which aims to address the attainment gap for deaf learners. Our campaigning contributed to the Education and Culture Committee's decision to launch an Inquiry into the attainment of pupils with a sensory impairment. There have already been positive developments following the Inquiry, and we will continue to support the implementation of recommendations in the new term of Scottish Parliament.

We had a lead role in shaping the debate around the British Sign Language (Scotland) Act (2015), which passed unanimously at Scottish Parliament in October 2015. We have also joined the Deaf Sector Partnership, set up by the Scottish Government to support the implementation of the Act. Our role will include supporting the delivery of the Family Sign Language and Youth National Advisory Group, which will help the Scottish Government to develop their first national plan for British Sign Language.

Our Young Campaigners group continues to represent deaf young people at meetings with government ministers and MSPs. They have also attended events such as the first annual Scottish Disability Summit and a conference to plan the Scottish Government's Year of Young People in 2018.

We have influenced guidance accompanying the Children and Young

People (Scotland) Act (2014), making sure it reflects the needs of deaf children and their families. Work is also underway to scope the need for a Managed Care Network in the area of childhood deafness.

Support for families

Through the Your Child, Your Choices project, we continued to provide tailored support to families and professionals, aimed at improving outcomes for deaf children aged 0–8 years. Last year the project supported more than 50 families and more than 40 professionals through one-to-one and group Family Sign Language classes, parenting courses and outreach activities.

Our Child and Family Support Services provided information and advice to families in every local authority in Scotland. Our team helped families receive more than £330,000 in vital social security payments such as Disability Living Allowance and Personal Independence Payment.

Business development

Working with local authorities, we developed effective partnerships to help deliver support to families. For example, we accessed funding from local authorities to deliver family events in Inveraray and Ayrshire, which reached more than 50 families.

Twenty eight families attended our 'Have Your Say' consultation events in Stirling in July 2015. The findings have informed future events planning, our registration with the Care Inspectorate, and provided evidence for funding bids.

Risk and internal control

The trustees have developed a Risk Management policy which involves a regular review of key risks faced by the charity, and setting up systems and procedures to address those potential risks and to minimise any impact on the charity if the risks materialise. The trustees consider the following to be the key risks facing the organisation.

- > We are almost completely reliant on fundraised income and therefore need to take into account changing economic, policy and social conditions that may affect individual supporters, corporate and major donors, and statutory and trust funders. Trustees monitor results monthly 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 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 we have toughened our approach to those who have not yet achieved these standards. 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.
- > 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, and an engagement exercise is taking place as we develop our future strategy.
- > 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

We are pleased to report that income increased by £0.7 million in the year to 31 March 2016 to reach a total income figure of £23.5 million. Charitable expenditure of £15.3 million was £1 million less than in 2014/15 but was still the second highest level in our history. The surplus of £0.5 million was an improvement on the planned deficit for the year and has strengthened our reserves position at a time of considerable economic uncertainty.

Fundraising contribution

Total income from fundraising was £23 million, an increase of £0.7 million (3%). Our main source of income continues to be the tens of thousands of supporters who generously make regular monthly gifts. Our investment in recruiting new supporters in 2014/15 has driven the £1.1 million increase in income from regular donations and subscriptions from individuals which reached £19.8 million.

As 98% of this income is unrestricted it gives the National Deaf Children's Society the flexibility to fund activities aligned with our strategic priorities even if restricted funding or contract income is not available. We spent £6.9 million on recruiting supporters in 2015/16 and will receive income streams, in most cases enhanced by Gift Aid, in future years as a result. The net income from this form of fundraising was better than the financial plan for the year. We will continue to closely monitor the performance of individual giving fundraising against targets and will seek to further diversify our income streams when suitable opportunities arise.

Our second largest income stream is from legacies (£0.9m). Although this was £0.5 million less than in 2014/15 it was within the expected range of year on year volatility and £0.3 million better than the legacy income in our financial plan for 2015/16.

Charitable expenditure

We spent £15.3 million on our charitable activities in 2015/16, this was £1 million lower than in 2014/15 when, as planned, a proportion of the expenditure was funded from reserves. You can read about how this expenditure helped us to achieve the targets we set ourselves earlier in the report.

Capital expenditure

During the course of the year the £0.7 million intangible fixed assets and £0.2 million tangible fixed assets in the course of construction were brought into use. These related to the new Roadshow vehicle, funded from restricted

donations, and IT projects, principally a new fundraising and contacts database. In addition there was a further £0.1 million additions to intangible fixed assets and £0.1 million to tangible fixed assets as part of planned investment in the IT infrastructure to facilitate effective communication and working between teams across the UK.

Financial position at year end

Net assets are now £12.4 million, an increase of £0.5 million compared to £11.9 million.

Performance of subsidiaries

NDCS Limited had a successful year and will pass a profit of £179,000 to the charity, further detail is shown in Note 3 of the financial statements.

Reserves

We have a risk based reserves policy which is underpinned by the organisational risk register and is linked with the charity's strategy and corporate plan. This has determined that the target range of general reserves (excluding those reserves represented by restricted funds, fixed assets and the revaluation reserve) required by the charity as being between £7.3 million and £9.2 million.

The total reserves for the charity as at 31 March 2016 were £12.4 million (2015: £11.9 million). Unrestricted reserves formed £11.9 million (2015: £11.3 million) and restricted reserves £0.5 million (2015: £0.6 million).

Of the unrestricted reserves balance of £11.9 million, £1.2 million related to intangible and tangible fixed assets and

£0.3 million related to the revaluation reserve.

General reserves (excluding reserves represented by restricted funds, fixed assets and the revaluation reserve) stood at £10.4 million. This exceeds the upper target reserves level. However, a deficit budget has been planned for 2016/17 which will result in general reserves being brought down to within 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's guidance (CC14) and remain of the opinion that there are no listed investments adverse to the purpose of the charity. The Investment policy is reviewed annually and there are no specific investment restrictions. Trustees have adopted a cautious and diversified investment strategy to balance potential return with appropriate risk and mitigate the consequences of volatility in the markets.

As detailed in Note 11c 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 1 month LIBOR (cash) + 4%.

The market value of investments stood at £3.1 million at 31 March 2016, a marginal 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.

Grant policy

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

terminated. In 2015/16 we spent £0.9 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 the National Deaf Children's Society. This money enabled local DCSs to run events and services that benefited deaf children and their families. In 2015/16 we awarded £35,000 in grants to local DCSs.

Further detail is shown in Note 8 to the financial statements.

Corporate structure, governance and accountability

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

The Trustee Board governs the charity and has a maximum of 12 trustees. 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. In 2015/16 trustees completed a skills audit and self appraisal exercise.

The results have been considered by the Governance Committee and informed trustee recruitment campaigns and trustee development plans. 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. Trustees and the Executive team have reviewed the results of stakeholder engagement activities and carried out workshop sessions to develop a new strategic plan starting in April 2017.

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 and senior management 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 of 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

We aim 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 National Deaf Children's Society have also been involved in the development of our new strategy which will launch in April 2017.

We support equal opportunities and hold the 'Two Ticks' 'positive about disability' symbol. 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.

Remuneration

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

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

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

Executive pay

The total remuneration of the Executive team (as defined below) was £426,641 (£409,069 in 2014/15). This included pension contributions of £21,926 (£16,749 in 2014/15). There were no benefits in kind. The Executive team received the same annual pay increase as all other staff.

The Executive team consists of:

Susan Daniels (CEO),
Jane Foreman (Deputy CEO and
Director 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 2015–2016

Matthew Hilton (Chair)
(retired 6 November 2015)
Lisa Capper (Vice Chair until November
2015, Chair from 6 November 2015)
Sally Procopis (Treasurer)
Sheila McKenzie (Deputy Treasurer)
Tim Polack (Vice Chair from
6 November 2015)
Suzi Beese (appointed 21 July 2016)
Brendan Cleere (resigned 19 March 2016)
Gerard Featherstone
Jane Hill
Claire McClafferty
Jan Rutherford (appointed 19 March 2016)
Chris Saunders
Helen Selwood

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 2015/2016 these were: Sir 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. This applies to the following class of members:

- > Full members – parents or carers of deaf children aged between 0 and 25 years, and deaf people 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 which falls into one of the following categories:

- > Professional members – professionals working in fields related to the education and relief of deaf children.
- > Supporter members – an individual aged 18 or over making the minimum

financial contribution to the National Deaf Children's Society required in exchange for exclusive benefits as set out in our supporter scheme.

- > Affiliate members – any group or organisation based in the United Kingdom which adheres to our 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 also known as co-opted trustees) and are not full members of the National Deaf Children's Society.
- > International members – any individual living outside the United Kingdom.
- > 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 up to 25 years.
- > Adult deaf members – anyone who is a deaf person aged 16–18 years.
- > Other members – any individual aged 16 or above living in the United Kingdom that does not fall into any other member category.

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.

The trustees would like to take this opportunity to thank all 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

Kingston Smith LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

By order of the Board

Lisa Capper

Director and Trustee

Date: 2 September 2016

Independent auditor's report to the trustees and members 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 2016 which comprise the Group Statement of Financial Activities incorporating the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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(1)(c) 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 and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, 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 Trustees' Responsibilities Statement (set out on pages 21 and 22) the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you 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 (APB'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 directors; and the overall presentation of the financial statements. In addition we

read all the financial and non-financial information in the 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 are:

- > a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- > have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

- > the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- > the parent charitable company's 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.

Nicholas Brooks, Senior Statutory Auditor

for and on behalf of Kingston Smith LLP,
Statutory Auditor.

Date: 14 September 2016

Devonshire House
60 Goswell Road
London EC1M 7AD

Kingston Smith LLP is eligible to act as 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 2016

Income and expenditure	Note	Unrestricted funds £000s	Restricted funds £000s	Total 2016 £000s	Total 2015 £000s
Income and endowments from:					
Donations and legacies					
Regular donations and subscriptions from individuals		19,466	349	19,815	18,732
Legacy income	6(a)	817	120	937	1,257
Other donations and gifts		831	483	1,314	1,142
		21,114	952	22,066	21,131
Charitable activities	6(b)	21	923	944	1,070
Other trading activities	6(c)	332	-	332	433
Investments	6(d)	174	-	174	155
Total		21,641	1,875	23,516	22,789
Expenditure on:					
Raising funds	8(a)	7,782	-	7,782	9,941
Charitable activities:					
Information provision		2,912	119	3,031	3,275
Family support		3,929	505	4,434	5,349
Children's and young people's services		2,237	297	2,534	2,489
Policy and campaigns		3,317	184	3,501	3,558
International		1,077	696	1,773	1,601
Total charitable activities	8(a)	13,472	1,801	15,273	16,272
Net share of loss in joint venture	4	5	-	5	13
Total	8(a)	21,259	1,801	23,060	26,226
Net gain on investments	10(c)	34	-	34	266
Net income / (expenditure) and Net movement in funds before transfers	8(e)	416	74	490	(3,171)
Transfer of funds	16	222	(222)	-	-
Net income / (expenditure) and Net movement in funds after transfers		638	(148)	490	(3,171)
Fund balances brought forward		11,263	603	11,866	15,037
Fund balances carried forward		11,901	455	12,356	11,866

All amounts relate to continuing activities.

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

The notes on pages 28 to 53 form part of these financial statements.

Consolidated balance sheet and balance sheet at 31 March 2016

	Note	Group 2016 £000s	Group 2015 £000s	Charity 2016 £000s	Charity 2015 £000s
Fixed assets					
Intangible assets	9	563	754	563	754
Tangible assets	10	590	881	590	881
Investment in joint venture					
- share of net assets	4	61	66	0	0
Other investments	11	3,154	3,120	3,154	3,120
		4,368	4,821	4,307	4,755
Current assets					
Debtors	12	2,127	2,013	2,276	2,165
Cash at bank and in hand		7,638	7,574	7,472	7,412
		9,765	9,587	9,748	9,577
Creditors: amounts falling due within one year					
	13	1,777	2,542	1,760	2,531
Net current assets		7,988	7,045	7,988	7,046
Net assets		12,356	11,866	12,295	11,801
Unrestricted funds					
Revaluation reserve		312	278	312	278
Fixed asset reserve		1,153	1,635	1,153	1,635
General funds		10,436	9,350	10,375	9,285
		11,901	11,263	11,840	11,198
Restricted funds	14	455	603	455	603
	17	12,356	11,866	12,295	11,801

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

L Capper
Director

The notes on pages 28 to 53 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 March 2016

	2016 £000s	2015 £000s
Cash flow from operating activities:		
Net income / (expenditure) for the year	490	(3,171)
<i>Adjustments for:</i>		
Depreciation	688	346
(Gains)/losses on investments	(34)	(266)
Dividends and interest from investments	(174)	(156)
Net share of loss in joint venture	4	13
(Increase)/decrease in debtors	(113)	974
(Decrease)/increase in creditors	(765)	550
Net cash provided by/(used in) operating activities	96	(1,710)
Cash flows from investing activities:		
Dividends and interest from investments	42	90
Income from joint venture	132	66
Purchase of fixed asset investments	-	(1,259)
Proceeds on sale of fixed asset investments	-	1,251
Purchase of intangible fixed assets	(111)	(215)
Purchase of tangible fixed assets	(95)	(251)
Net cash provided by/(used in) investing activities	(32)	(318)
Increase/(decrease) in cash and cash equivalents in the year	64	(2,028)
Cash and cash equivalents at 1 April 2015	7,574	9,602
Cash and cash equivalents at 31 March 2016	7,638	7,574
Analysis of net cash and cash equivalents	2016	2015
	£000s	£000s
Cash in hand and bank balances	7,638	3,574
Notice deposits (less than 3 months)	-	4,000
	7,638	7,574

The notes on pages 28 to 53 form part of these financial statements.

The notes on pages 28 to 53 form part of these financial statements.

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) published in July 2015, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations

2006, The Charities Act 2011 and the Companies Act 2006.

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

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

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

b) Critical accounting estimates and areas of judgement

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements, nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

With respect to the next accounting period the most significant area of uncertainty that affects the carrying value of assets held by the charitable company is the performance of the investment market.

c) Currencies

The financial statements are presented in sterling (£).

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

d) Group financial statements

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

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

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 – are recognised when it is probable that the legacy will be received and when it can be measured with sufficient reliability. 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 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.

Fundraising income – is accounted for gross except for small fundraising events where the cash is received net of expenditure.

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 2015, assets in course of construction related to a new database (software and consultancy fees), other IT software and the Roadshow vehicle, all of which were transferred to the relevant asset category during the year ended 31 March 2016.

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 2016 contributions amounting to £46,462 (2015 – £41,811) 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 cash and bank balances 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 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 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:

	2016 £000s	2015 £000s
Turnover	287	271
Cost of sales	(105)	(81)
Gross profit	182	190
Administrative expenses	(3)	(3)
Net income	179	187
Amount Gift Aided to the National Deaf Children's Society	(179)	(187)
	-	-
The assets and liabilities of the subsidiary were:		
Current assets	278	220
Creditors: amounts falling due within one year	(278)	(220)
Total net assets	-	-
Equity shareholders' funds	-	-

At the end of the year, NDCS Limited paid £179,040 (2015 – £186,806) to the charity by Gift Aid.

In these consolidated accounts, turnover consolidated in activities for generating funds is £286,933 (2015 – £270,844) and investment income is £78 (2015 – £81) 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). Although the charitable company had been dormant for several years prior to the year ended 31 March 2015, a donation of £1,180 was received in that year and Friends for Young Deaf People awarded the National Deaf Children's Society a donation for the same amount to be expended on services for deaf young people. There has been no further activity and Friends for Young Deaf People was dormant throughout 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 (2015 – £1,180) 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 2016.

4. Share in joint venture

Childlife

We have a 25% share in Childlife, a company limited by guarantee. 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:

	2016 £000s	2015 £000s
Income from:		
Voluntary income	233	268
Other trading activities	1	1
	234	269
Expenditure on:		
Raising funds	124	157
Charitable activities	110	121
Support costs (governance)	5	4
	239	282
Net income / (expenditure)	(5)	(13)
Fund balances brought forward	66	79
Fund balances carried forward	61	66

Income receivable from Childlife for the year of £132,500 (2015 – £65,626) is included in investment income (see Note 6d).

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

	2016 £000s	2015 £000s
Fixed assets	4	1
Current assets	61	127
Gross assets	65	128
Gross liabilities	(4)	(62)
Total assets less total liabilities – share of net assets	61	66
Unrestricted funds		
Other charitable funds	61	66

5. Statement of financial activities – comparatives balances

	2015 Unrestricted funds £000s	2015 Restricted funds £000s	2015 Total funds £000s
Income and expenditure			
Income and endowments from:			
Donations and legacies			
Regular donations and subscriptions from individuals	18,229	503	18,732
Legacy income	1,192	65	1,257
Other donations and gifts	767	375	1,142
	20,188	943	21,131
Charitable activities	67	1,003	1,070
Other trading activities	433	-	433
Investment income	155	-	155
Total	20,843	1,946	22,789
Expenditure on:			
Raising funds	9,941	-	9,941
Charitable activities:			
Information provision	3,260	15	3,275
Family support	4,593	756	5,349
Children's and young people's services	2,355	134	2,489
Policy and campaigns	3,534	24	3,558
International	555	1,046	1,601
Charitable activities	14,297	1,975	16,272
Net share of loss in joint venture	13	-	13
Total	24,251	1,975	26,226
Net gain on investments	266	-	266
Net (expenditure) / income and net movement in funds	(3,142)	(29)	(3,171)
Fund balances brought forward	14,405	632	15,037
Fund balances carried forward	11,263	603	11,866

6. Income

a) Legacy income

At 31 March 2016 the charity had been notified of legacies amounting to an estimated £470,000, which have not been included within the accounts as the recognition criteria had not been met at the year end date.

b) Income from charitable activities

	Grants £000s	Fees from non-statutory sources £000s	Total £000s
Information provision	-	21	21
Family support	301	-	301
Policy and campaigns	73	-	73
Children's and young people's services	279	-	279
International	270	-	270
Total 2016	923	21	944
Total 2015	1,003	67	1,070

Further information on grants is provided in Note 14.

c) Other trading activities

	2016 £000s	2015 £000s
Gross income from trading	328	415
Income from training and services	4	18
	332	433

d) Investment income

	2016 £000s	2015 £000s
Interest on cash deposits	42	76
Income from listed investments	-	13
Income receivable from joint venture	132	66
	174	155

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

	2016 £000s	2015 £000s
a) Staff costs comprise:	7,658	7,815
Wages and salaries	773	792
Social security costs	418	392
Pension costs	8,849	8,999

The average number of employees during the year was as follows:	2016 No.	2016 (FTE)	2015 No.	2015 (FTE)
Charitable activities	213	177	225	180
Fundraising	27	27	30	31
Administration and support services	29	27	26	25
	269	231	281	236

The above staff numbers include an average of 21 (2015: 26) casual workers who primarily worked on the National Deaf Children's Society's events programme.

- b) During the year, redundancy payments totalling £24,359 (2015: £35,265) were payable. These related to redundancy payable at the end of fixed term contracts for specific projects and re-structures within departments.

c) Employee benefits, excluding employer pension costs, of higher paid staff within the following scales were:	2016 No.	2015 No.
£60,000 - £69,999	2	1
£70,000 - £79,999	-	-
£80,000 - £89,999	2	2
£90,000 - £99,999	1	1

The higher paid employees are accruing retirement benefits under the defined contribution schemes and the total cost of contributions in the year for these was £21,926 (2015 - £16,749).

- d) The charity trustees were not paid nor received any other benefits from employment with the charity or its subsidiary in the year (2015: £nil). Reasonable expenses for travel, subsistence and incidentals reimbursed to 7 trustees (2015: 7 trustees) during the year totalled £3,026 (2015: £2,039) are included in Note 8(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, for the year ended 31 March 2016 was £426,641 (2015: £409,069).

8. Analysis of expenditure

a) Expenditure on:	Direct costs £000s	Grants payable £000s	Support costs £000s	Total 2016 £000s	Total 2015 £000s
<i>Raising funds</i>					
Regular donations and subscriptions from individuals	6,610	-	250	6,860	9,073
Legacies	189	-	23	212	172
Other fundraising costs *	534	21	155	710	696
	7,333	21	428	7,782	9,941
Investment management fees **	-	-	-	-	-
	7,333	21	428	7,782	9,941
<i>Charitable activities</i>					
Information provision	2,680	-	351	3,031	3,275
Family support	3,582	28	824	4,434	5,349
Children's and young people's services	2,089	10	435	2,534	2,489
Policy and campaigns	3,011	-	490	3,501	3,558
International	759	891	123	1,773	1,601
	12,121	929	2,223	15,273	16,272
Net share of loss in joint venture	5	-	-	5	13
Total expenditure 2016	19,459	950	2,651	23,060	26,226
Total expenditure 2015	22,845	903	2,478	26,226	

* 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

	Direct costs £000s	Grants payable £000s	Support costs £000s	Total 2016 £000s
UK grants				
Grants to affiliated local registered deaf children's societies				35
Grants to individuals				
Communication support workers (NatSIP)				21
Other				3
				59
International grants				
ANPPCAN – Uganda				37
APD				101
Centre for Disability in Development				59
Childreach Tanzania				31
Christina Manos				29
Cini Asha				47
DEK				21
Fe y Alegria – Bolivia				39
Fe y Alegria – Ecuador				29
Fundacion Machaqa				28
Graham Bell				51
KWO				33
Paz y Esperanza				32
Sadhana				20
Samuha				40
Samaj Unnayan Kendra (SUK)				22
VSO				98
Other international grants				174
				891
Total grants				950

All grants were to institutions except 39 grants to individuals as above.

c) Allocation of support costs

	Governance £000s	Finance and legal £000s	Human resources £000s	IT £000s	Facilities management and shared premises management and shared premises £000s	Total £000s
Raising funds	-	99	44	79	206	428
Charitable activities						
Information provision	42	74	33	59	143	351
Family support	56	253	112	201	202	824
Children's and young people's services	32	152	67	121	63	435
Policy and campaigns	47	150	67	119	107	490
International	26	23	10	19	45	123
Total support costs 2016	203	751	333	598	766	2,651
Total support costs 2015	166	695	321	534	762	2,478

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

	2016 £000s	2015 £000s
Audit fees	22	21
Trustees costs	11	13
Other costs supporting governance activities	170	132
	203	166

e) Net income/expenditure for the year

	2016 £000s	2015 £000s
Net income/expenditure for the year is stated after charging:		
Auditor's remuneration		
Statutory audit	20	19
Other	2	2
Amortisation	302	26
Depreciation	386	320
Operating lease rentals	555	571

9. Intangible fixed assets

Charity and group	Computer software £000s	Assets in the course of construction £000s	Total £000s
Cost			
At 1 April 2015	149	734	883
Additions	111		111
Transfer from assets in course of construction	734	(734)	-
Disposals	(9)	-	(9)
At 31 March 2016	985	-	985
Amortisation			
At 1 April 2015	129	-	129
Charge for the year	302	-	302
Adjustment for disposal	(9)	-	(9)
At 31 March 2016	422	-	422
Net book value			
At 31 March 2016	563	-	563
At 31 March 2015	20	734	754

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 £480,757 and a remaining amortisation period of two years.

10. Tangible fixed assets

Charity and group	Plant and machinery £000s	Fixtures, fittings and equipment £000s	Assets in the course of construction £000s	Total £000s
Cost				
At 1 April 2015	120	1,456	175	1,751
Additions	84	11	-	95
Transfer from assets in course of construction	138	37	(175)	-
Disposals	(120)	-	-	(120)
At 31 March 2016	222	1,504	-	1,726
Depreciation				
At 1 April 2015	120	750	-	870
Charge for the year	44	342	-	386
Adjustment for disposal	(120)	-	-	(120)
At 31 March 2016	44	1,092	-	1,136
Net book value				
At 31 March 2016	178	412	-	590
At 31 March 2015	-	706	175	881

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

11. 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 share of Childlife's results for the year.

b) Other investments

	Group		Charity	
	2016 £000s	2015 £000s	2016 £000s	2015 £000s
Investment in subsidiary (see Note 3)	-	-	-	-
Listed investments at market value (see Note 11c)	3,154	3,120	3,154	3,120
	3,154	2,846	3,154	2,846

c) Listed investments

	2016 £000s	2015 £000s
Market value at 1 April 2015	3,120	2,846
Acquisitions at cost, less fees	-	1,259
Disposal proceeds	-	(1,251)
Realised gain on investments	-	421
Unrealised gain/(loss) on investments	34	(155)
Market value at 31 March 2016	3,154	3,120
Listed investments at historic cost:	2,842	2,842
Asset distribution:	2016 £000s	2015 £000s
UK Equity Funds	3,154	3,120
Investments exceeding 5% of investments market value:	2016 £000s	2015 £000s
Newton Global Growth & Income Fund for Charities	1,457 46%	1,436 46%
BNY MFM Ltd Newton Real Return (Inc) Fund	1,697 54%	1,684 54%

12. Debtors

	Group 2016 £000s	Group 2015 £000s	Charity 2016 £000s	Charity 2015 £000s
Due within one year:				
Trade debtors	111	58	11	13
Due from subsidiary undertaking	-	-	261	209
Other debtors	870	1,325	870	1,325
Prepayments and accrued income	1,146	630	1,134	618
	2,127	2,013	2,276	2,165

13. Creditors: amounts falling due within one year

	Group 2016 £000s	Group 2015 £000s	Charity 2016 £000s	Charity 2015 £000s
Trade creditors	588	952	588	951
Social security and other taxes	211	213	211	213
Other creditors	573	543	560	533
Accruals	317	729	313	729
Deferred income	88	105	88	105
	1,777	2,542	1,760	2,531

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.

14. 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 April 2015 £000s	Transfer/ income £000s	Expenditure £000s	Balance at 31 March 2016 £000s
Big Lottery Fund (England) – <i>Community for families with deaf children in South West 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>FSL 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)	-

14. Restricted funds (continued)

	Balance at 01 March £000s	Transfer/ income £000s	Expenditure £000s	Balance at 31 March 2016 £000s
Sport England – Deaf-Friendly Swimming England	(8)	80	(44)	28
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

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:

Bernard Sunley Charitable Trust – funding contributes to the new Roadshow.

The National Lottery through Big Lottery Fund (England) – community for families with deaf children in South West 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 a 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 a 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 (Northern Ireland) –

Communication is Fun project funding provides for costs of the Roadshow visits to Northern Ireland in 2015, Family Sign Language training and items of communication equipment for visitors to the bus to trial.

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 (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 leadership 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.

Buffini Chao Foundation – funding contributes towards costs of youth advisory board activities.

Building Change Trust – funding from the Big Lottery Fund through the Building Change Trust provides salary and activity costs to build capacity of our local groups in Northern Ireland to use different tools to develop a more structured approach to planning and implementing their current programme of activities and lay the groundwork for future development.

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

Department for Communities Northern Ireland – project funding provides for costs associated with delivery of Family Sign Language and Communication is Fun courses for families of deaf children in Northern Ireland.

Department for Education SEND – Post 16 transitions to workplace project funding provides for costs related to producing information resources and other materials to support deaf young people into work experience and the workplace.

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

Garfield Weston Foundation – funding contributes to the new Roadshow.

Ovingdean Hall Foundation – funding contributes to the new Roadshow.

President Club Charity Trust – funding contributes to the new Roadshow.

Scottish Government Better Breaks Fund – short breaks funding provides part costs for delivering an Early Years Family Weekend for families with deaf children age 0 – 2 years and part costs for delivering a My Futures Weekend for deaf young people age 16 – 20 years.

Scottish Government – Managed Clinical Networks – grant provides funding to explore the viability of a Children’s Hearing Managed Clinical Network via multi-agency partners; to develop and build a Transitions microsite to support deaf young adults and to build capacity within local groups and children’s hearing

services working groups (CHSWGs) to support ongoing local sensory impairment work.

Scottish Government Third Sector Early Intervention Fund – Your Child Your Choices project funding provides for salary costs of an early years development officer post as well as costs for facilitator training and provision of Family Sign Language and parenting courses.

SFIA Educational Trust – funding contributes towards the new Roadshow.

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.

The Masonic Charitable Foundation – funding contributes to costs of delivering workshops through the Roadshow.

The P F Charitable Trust – funding contributes towards the build of a new Roadshow.

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 the costs of the Children and Family Support Service supporting deaf children and young people and their families living in England.

Visibility Scotland with funding from the Scottish Government - See Hear project funding provides for salary costs of a family support and participation officer and activity costs to support sensory impaired children and their families living in Dumfries and Galloway.

Wolfson Foundation Trust – funding contributes to the new Roadshow.

15. Movement on unrestricted funds

	Revaluation reserve £000s	Fixed Asset reserve £000s	General funds £000s	Total unrestricted funds £000s
Balance at 1 April 2015	278	1,635	9,350	11,263
Income	-	-	21,641	21,641
Expenditure	-	(482)	(20,777)	(21,259)
Gains/losses on investments	34	-	-	34
Transfer of funds (Note 16)	-	-	222	222
Balance at 31 March 2016	312	1,153	10,436	11,901

16. Transfers between funds

During the year the purchase of the new Roadshow bus was completed. As a capital item the expenditure is not shown on the SOFA, and restricted income raised to meet the capital cost has therefore been transferred from restricted to unrestricted funds.

17. Analysis of group net assets between funds at 31 March 2016

	Unrestricted funds £000s	Revaluation/ fixed asset funds £000s	Restricted funds £000s	Total funds £000s
Tangible fixed assets	-	1,153	-	1,153
Investments	2,903	312	-	3,215
Current assets	9,310	-	455	9,765
Current liabilities	(1,777)	-	-	(1,777)
	10,436	1,465	455	12,356

18. Parent undertaking's income and expenditure

As permitted by Section 408 of the Companies Act 2006, the income and expenditure account of the parent undertaking is not presented as part of these accounts. The consolidated Income and Expenditure Account includes a surplus of £494,087 (2015: deficit of £3,157,973) which is dealt with in the accounts of the parent undertaking.

19. 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.

20. Financial commitments

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

	2016 £000s	2015 £000s
Within one year	571	453
Between two and five years	2,349	2,317
After five years	2,196	2,917
	5,116	5,687

21. Capital and other commitments

At 31 March 2016, capital commitments amounted to £125,583 (2015: in respect of new database £181,148).

22. Related party transactions

Expenses paid to trustees in their capacity as directors of the charity are disclosed in Note 7 to the accounts. There were no other related party transactions requiring disclosure.

23. Transition to FRS 102

These are the charity's first financial statements that comply with FRS 102. The date for transition to FRS 102 was 1 April 2014. In preparing these financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and SORP (FRS102), a restatement of the comparatives was needed and have determined that other than presentational amendments no restatements are required.

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.

In the consolidated accounts, the joint venture was previously consolidated under the gross equity method but has been restated using the equity method under FRS 102. This reduced amounts on a line by line basis under income but has not affected total income or net movement on funds.

In the consolidated and charity accounts, capitalised computer software costs are categorised as intangible fixed assets, as required under FRS102. Software costs

capitalised in earlier periods, and the corresponding amortisation, has been re-categorised.

In addition, governance costs are no longer presented as a separate category of expenditure on the Statement of Financial Activities as they are now regarded as part of support costs which are allocated to the cost of activities undertaken by the charity.

In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided:

	£000s
Net income / (expenditure) as previously stated	(3,424)
Adjustment for gains on investments now treated as a component of net income/ (expenditure)	266
Adjustment for net share of loss in joint venture	(13)
<hr/> 2015 net income /expenditure as restated	<hr/> (3,171)

The above adjustments reflect changes to the position of income/expenditure within the SOFA and there was no change in the net movement of funds or in funds carried forward.

**The National Deaf Children's Society
is the leading charity dedicated to
creating a world without barriers for
deaf children and young people.**

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NDCS is a registered charity in England
and Wales no. 1016532 and in Scotland
no. SC040779. © NDCS September
2016

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JR0935