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

THE NATIONAL DEAF CHILDREN'S SOCIETY

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 March 2018

The National Deaf Children's Society
Annual Report and Financial Statements
for the year ended 31 March 2018

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The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2018

Board of Directors

Lisa Capper	(Chair)
Tim Polack	(Vice Chair)
Sally Procopis	(Treasurer, resigned 17 May 2018)
Sheila McKenzie	(Deputy Treasurer)
Suzanne Beese	
Gerard Featherstone	
Jane Hill	(resigned 26 July 2018)
Claire McClafferty	(resigned 20 May 2017)
Jan Rutherford	
Helen Selwood	(Treasurer from 19 May 2018)
Dominic Holton	(appointed 20 July 2017)
Jennie Rayson	(appointed 20 July 2017)

Chief Executive

Susan Daniels OBE

Auditor

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

Solicitors

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

Bankers

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

Principal and registered office

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

Charity number (England and Wales)

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Company number

02752456

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2018

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 2018.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

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

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

Our aims and objectives

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

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

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

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

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

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

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

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2018

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

This year marked the beginning of our new 2017–2022 strategy, with a focus on three key areas:
> local and national services
> language and communication
> independence.

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

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

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

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

Education
Of the 32 total education cuts challenged in England, there were five successes which have had the positive impact of staffing or budget being maintained, or special units for deaf children remaining open. Two cases were unsuccessful. The remaining 25 cases are still ongoing, active and at different stages. Locally, we have worked on 147 education cases, with 59 completed in the year. By nationally coordinating a series of local cuts campaigns and supporting parents to challenge, our campaigning against the cuts in England led to significant gains in media coverage and actions taken, such as families writing to their MP.

In England we have continued to encourage and support families to take part in Ofsted local area inspections and to provide individual briefings on each local area to Ofsted inspectors. We have also delivered training to Ofsted inspectors and are now a key member of an Ofsted feedback panel, with positive changes being made by them based on our recommendations. This is important to ensure the effectiveness of local areas in identifying and meeting the needs of deaf children and young people.

In Wales, we contributed to securing significant improvements to the Additional Learning Needs and Education Tribunal (Wales) Act. NDCS Cymru received several mentions during debate in the Senedd; we received thanks for our input from the Children, Young People and Education Committee and the party spokesperson on education for both Plaid Cymru and the Conservatives.

Children's Hearing Services
There have been two local cases in England where Clinical Commissioning Groups proposed to only provide microsuction (earwax removal) at primary level, which we successfully challenged and overturned. In England, our regional directors have worked on a total of 32 audiology cases, with 18 of these being successfully completed, and the rest ongoing.

Our national activity to improve the quality of audiology services has included a parliamentary debate, meeting former and opposition health ministers, letter exchanges with Ministers and meetings with NHS England, Care Quality Commission and Health Education England. We have continued to encourage and

promote the Improving Quality in Physiological Services (IQIPS) accreditation to Trusts, with six new accredited services this year, making 26 in total (19% of services).

Social care
In May 2017, we launched a pilot social care advisory service, the only national specialist helpline for social care professionals giving advice on working with vulnerable deaf children and young people. In Wales, as a member of the Welsh Government's Hearing Well Project Board we secured a commitment from the Welsh Government for the development of social care guidance for deaf children and young people. We are also the only organisation that is campaigning on the further development of Deaf Child and Adolescent Mental Health Services (CAMHS) in the Northern Ireland Deaf CAMHS working group.

Supporting families to influence services
We have continued to support families' involvement with and influence on service decisions and design, for example through our Parents as Partners workshops and our Expert Parent Programme. Our Expert Parent Programme reached 56 parents; 100% agreed that their knowledge of services that support their child was clearer, and 100% of parents agreed that their confidence in raising issues about their child's care had improved.

Did we succeed in this objective?
Yes. We are key to ensuring that cuts to education and audiology services for deaf children cannot be made with impunity. Since the Ofsted inspections started in 2016, 59 reports have been issued, of which 32 (54%) have referenced deafness. This reflects that deaf children's needs are being taken into account when assessing the quality of education.

Despite this, declining numbers of Teachers of the Deaf are still of concern to us, and although the attainment gap at the end of secondary school is reducing in Scotland, it has widened again in England. Progress against the IQIPS accreditation has been slower than anticipated, mainly due to the lack of any lead at NHS England.

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

In our membership survey, parents reported that their deaf children are accessing activities less than the benchmark of the general population of children in Great Britain.

Measure: 300 sport and leisure organisations reach our new Deaf-Friendly Standard accreditation.

We have created 15 Deaf-Friendly Standards but the launch of the standards has been postponed until 2018/19. Information on all of the Me2 organisations (Me2 being the predecessor to the Deaf-Friendly Standards) has been checked and updated. This year we have also been working on two modules of e-learning called Making Activities Deaf-Friendly. Where we have restricted funding grants, we continue to work on deaf-friendly projects, such as the Deaf-Friendly Swimming Project in Scotland.

Over the past year we have also continued to support affiliated Deaf Children's Society groups with a range of issues. We have tested more informal approaches with the setting up of Facebook pages for groups, for example the North Tyneside region. More work has also been directed to support existing groups to ensure they are meeting standards of affiliation and ensure stability. We are seeing a lot of anecdotal evidence from parents saying how much they value the support they get from their local groups, linking to a reduction in isolation, access to information and the reassurance this offers, coupled with the friendships, increased confidence and social skills their children get.

Did we succeed in this objective?
Partly. We have increased and improved opportunities for deaf children and young people but not to the extent that we had anticipated due to the delay in the launch of the Deaf-Friendly Standards.

Area of focus B: Overcoming barriers in language and communication

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

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

Throughout the year, we delivered a range of courses and events to support parents' ability to communicate with their child. The events include core family programme events for families with children aged 0–4; courses include Family Sign Language and Raising a Deaf Child, some of which have specifically targeted vulnerable and isolated families through the provision of both 1:1 and group courses. Overall, in England we delivered 20 courses to 211 attendees, and 35 events to 345 attendees, meeting targets. Overall in the Family Sign Language and Raising a Deaf Child courses, 82% of parents felt more confident supporting their child's communication after a course. Families have told us what a huge impact attending the events has had and that often the biggest impact has come from meeting other families and feeling inspired by deaf role models.

Following the release of our first children's book (*Daisy and Ted's Awesome Adventures*) we have developed a second children's book (*Jake and Jasmine to the Rescue*). The books promote good language and communication development, and provide deaf role models for young children. We have had very positive feedback from those who have purchased them; of parents who answered our survey about the books, two-thirds said the book had at least one positive impact on their child, for example feeling more confident about being deaf or feeling less alone.

We have also been supporting families with language and communication through technology. In July 2017 we released a report on the benefits of radio aids in the early years. We have been encouraging MPs to support local authorities to fund radio aids. Our Technology Test Drive fulfilled 363 radio aid loans and 585 assistive technology loans during the year.

Speech and language therapy provision is under review in many areas and staffing issues are impacting provision. We have been working with the Royal College of Speech and Language Therapists in order for them to begin a UK-wide approach to improving the quality of and access to specialist speech and language services.

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

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

Measure: Reach of our new Right from the Start outreach programme.

A new Right from the Start programme has been developed, focused on helping children in the early years with early language and communication development. Wales has been chosen as our pilot

location, where we can test and evaluate what works best, whilst we seek additional funding for a full scale evaluated pilot. We have also been developing another aspect of this programme called Active and Ready to Learn to support professionals to improve communication and language via sensorimotor activities/play within early years settings.

In November 2017 we published a booklet for parents called *My Baby Has a Hearing Loss: Support for parents of children aged 0–2*. The booklet explains who we are and how we can help families with a deaf child. It also gives introductory information on topics such as communication and hearing technology and signposts to further information and support. Over 3,600 copies of this booklet were distributed to audiology clinics across the UK, and it has also been viewed over 4,700 times on our website.

Did we succeed in this objective?
Not yet. Our measure was supposed to be the reach of our new programme but in order to focus on developing a quality and evidence-based service, this is only at the piloting stage. We have 899 members in the UK who are families with deaf children aged 0–2 years old, compared to 991 in 2016/17.

We have increased our support to families with children aged 0–2 in other ways, for example through professionals. Apart from the booklet we produced, we also held a one-day conference for professionals working with deaf children in the early years in June 2017. Ninety-five people attended, and 82% of respondents identified actions that they will take as a result of the conference.

Area of focus C: Overcoming barriers to independence

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

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

Fifty-eight young people (aged 8–25) registered to be volunteers with the National Deaf Children's Society in the year, meaning we now have 137 young people registered to volunteer with us in total. We have also increased the percentage of our volunteering assignments filled by deaf young people, for example in 2016/17, 3% of our youth support volunteer assignments were filled by deaf young people, whereas in 2017/18, this increased to 16%. In total, we had 232 internal volunteering opportunities which had the potential to be filled by young deaf people, with 114 of these being taken up by them.

We changed one of our grants to become an 'Innovation Grant', with a focus on funding any organisation who could provide volunteering opportunities for deaf young people. We had over 20 applications and funded 10, which enabled 46 deaf young people to volunteer. There were also 11 young people who participated in volunteering through other external opportunities which we helped to create. To try and increase interest in volunteer events, we created young volunteering videos ready for dissemination.

Did we succeed in this objective?
Partly. We did not quite meet the target of 200 deaf young people participating in volunteering, but this area of work has grown significantly, with many opportunities being created for deaf young people to experience volunteering both internally and externally.

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

Measure: Ten partnerships developed over the year, four of which will be with national organisations such as Rathbone and National Citizen Service (NCS) Trust.

A mapping of all potential partners has been completed, and nine partnerships were developed in the year, including with the NCS Trust, The Challenge, Rathbone, the Duke of Edinburgh Award and V-Inspired. Our partnership with Rathbone has created an opportunity to share resources with networks of employers. We did this through their website and at our employer conference, which promoted the inclusion of deaf apprentices to employers, and to which 17 external organisations attended. Rathbone have also asked to feature us as a national partner in their promotional film featuring our deaf apprentices, which will be disseminated to their network of around 6,000 employers.

In addition, we have also strengthened relationships with the Careers & Enterprise Company and the Institute for Apprenticeships. The Institute for Apprenticeships' guidance on developing apprenticeship assessment plans now refers to ensuring reasonable adjustments for disabled apprentices, and further flexibilities were introduced for the Maths and English requirements for young people who have or used to have an Education, Health and Care plan.

Did we succeed in this objective?
Yes. A large amount of work on partnerships has been done in the year and we have developed nine out of the targeted ten partnerships, with four of these being national organisations.

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

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

There were 26 new young members recruited during the year. Deaf young people have been consulted using different channels to inform our broadening offer to them, including information content for 16–25 year olds, technology, membership and youth activities. The launch of the new website and our expanded technology work is expected to improve the number of new young members recruited in 2018/19.

We also encouraged deaf young people to access our services in other ways, including our youth activities (rated Good by Ofsted and Very Good by the Care Inspectorate), in which 98% of deaf young people reported achieving outcomes they had identified as important at the start of the event; this included improving communication, making friends and feeling more confident. Other events included our Design Your Own Tech competition (37 entries), a Raising the Bar performing arts event in April 2017, attended by 29 young people, and the National Deaf Football Tournament in March 2018, with a total of 120 young people participating. Over the course of the year, our Roadshow has also reached nearly 12,000 people.

Did we succeed in this objective?
Partly. Despite not reaching our target of 300 new young members, we continue to provide other opportunities encouraging deaf young people to access our services.

Scotland

Overcoming barriers in local and national services

This year we have continued to challenge any proposed cuts to education services. We also, for the first time, conducted a Scotland specific Consortium for Research into Deaf Education (CRIDE) survey and received responses from all 32 local authorities. The findings of this survey will be published in August 2018.

We undertook a scoping exercise to assess the merit of a Managed Clinical Network (MCN) for paediatric audiology services. Our research showed the advantages of an MCN would include improved quality and equity of services, sharing of good practice and greater learning opportunities for professionals. We submitted a report outlining the benefits of an MCN to the NHS National Services Division in September 2017; at year end they were still considering the report. (After year end, as of August 2018, the report was approved.)

In July 2017 we launched our British Sign Language (BSL) Act project to support young people and their parents to share their views on the BSL National Plan for Scotland and to feed into local public body plans. Through this project deaf young people and their families will be able to shape the future of BSL in Scotland and improve the quality of information provided to families about language and communication options.

We have also been working to support the creation of a Department of Child and Adolescent Mental Health Services (DCAMHS). In February 2018 we attended the Scottish Council on Deafness conference to deliver a presentation and workshop advocating for the creation of a DCAMHS in Scotland.

Overcoming barriers in language and communication

Our Everyone Together project has delivered three Family Sign Language (FSL) courses to families in Ayrshire, Forth Valley and Edinburgh, reaching 61 family members from 16 families. The team also delivered three FSL for Early Years Professionals courses, supporting 38 nursery school staff. In addition the project has delivered three outreach events to 76 family members, Supporting Families of Deaf Children training to 250 health visitors and piloted the delivery of deaf awareness workshops in schools to 78 children. From our family coffee afternoons, 100% of respondents found talking to other parents helpful or very helpful, with 57% of parents reporting three or more benefits from attending an event. 100% of health visitors rated training as good or excellent, with a consistent rise in confidence in supporting the family of a deaf child as a result of training.

Overcoming barriers to independence

We have held two deaf learners' conferences in schools around the country, giving us the chance to create a space for deaf young people to meet new friends and learn from each other. Our workshops are relevant to both signers and non-signers and gave them the opportunity to learn about the BSL Act and encourage them to share their views on school and community life.

We recruited a group of 16 deaf Young Campaigners from 12 local authorities for a programme to develop their knowledge and skills to influence change where they live and across Scotland. We facilitated three sessions for representatives of different Scottish Government departments to meet with our Young Campaigners. Our Young Campaigners also met with and provided support to Skills Development Scotland, Scottish Children's Commissioner, Disabled Children and Young People's Youth Forum and See Me. One of our Young Campaigners has also gone on to join the Youth Commission on Mental Health. All of these organisations were keen to seek the views of deaf children and young people to inform their work.

Our youth activity programme/service successfully completed registration to the Care Inspectorate. Following an inspection our programme/service was awarded a Very Good rating.

International

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

Throughout the year we continued to work in the regions of South Asia and East Africa with partners. We trained 6,392 professionals (42% above target) and 1,800 families (33% below target). We also supported 33 parents groups and 25 youth groups. Our direct work with six partners in Latin America came to an end and we continued to support work in that region through a regional parents group representing parents from six countries.

Overcoming barriers in national and local services
Our main focus for our international work in this area is on education. In Karnataka, India, the local education authority agreed to pilot five 'Model Schools' – mainstream primary schools which have 10 deaf children attending (as opposed to one deaf child per school as was previously the case). The piloting will include extra educational support outside the classroom and deaf role models providing 1:1 sessions and group support to help the deaf children develop their language and literacy skills. This piloting will help us to understand how we can develop best practice for deaf children in mainstream schools.

In West Bengal, India, we worked with our partners and with the state education authorities to develop and pilot some science text books which have been adapted to be more accessible to deaf students through greater use of pictures. These text books were piloted in 60 schools, where it soon became evident that they were helpful to hearing as well as deaf children.

ANPAFASE, the Ecuadorian national parents' group, has played a significant role in influencing the Government's education policy advocating for a bilingual (sign language/Spanish) model of education. This has recently been adopted as policy. In Peru, the project has worked closely with local education authorities who have donated land where they plan to develop a regional sign language centre, which would be the only one of its kind in the Amazonia region.

Overcoming barriers in language and communication
The development of language and communication skills is at the core of our international work. In South Asia and East Africa, the vast majority of deaf children have little or no language skills when they enter primary school. All the projects in South Asia employ community based rehabilitation workers who work closely with families, help teach basic sign language and literacy skills to children at home, support them and their parents with advice and provide an interface between family and school.

A successful initiative in Bangladesh has been the setting up of early childhood development centres for deaf children in each of the three districts where we work. Each centre has supported approximately 20 deaf children (60 in total) to learn sign language and communication skills as well as some basic literacy skills and life skills. So far 36 of the children who attended the centres have gone on to be enrolled in mainstream government primary schools and we understand that they are currently achieving results in line with their hearing peers.

Overcoming barriers to independence

Youth groups are coming together to advocate for their rights along with parents groups; a total of 901 deaf young people from our projects are now regularly meeting together. They have formed their own clubs where they meet to discuss advocacy issues and also share their learning and experiences. A total of 1,190 deaf young people have benefited from training in life skills and vocational skills in East Africa and South Asia.

We completed action research with 67 deaf young people from projects in West Bengal and Karnataka. Our overall purpose was to work more closely with deaf young people from the projects to help gain a greater understanding of what they considered to be the most important issues to be addressed and to consider how these might be addressed through future initiatives. Key results were significantly increased self-confidence on the part of the deaf young people and a reported loss of fear of interacting with (especially hearing) others. There was also significant attitudinal change among the hearing young people, partners and the wider community.

Underpinning activities and smarter working

We have continued to provide our members with information, support and advice. This year our information resources were downloaded over 100,000 times, and our helpline answered 3,619 calls, 233 web chats and 4,293 emails. Of those who completed our survey about the helpline, 84% were confident to act on the information they were given.

We worked extensively with Atos and Capita, which are commissioned by the Department for Work and Pensions to carry out Personal Independence Payment (PIP) assessments, to support them to improve the quality of the assessment process for deaf young people. We also supported new developments in case law which should mean more PIP applications from deaf young people are approved. Overall, we helped families access over £1.6 million in DLA and PIP, based on 247 cases.

We have continued to consult with families and young people in all our work, for example through our Young People's Advisory Board. Our 2015–2017 Board helped us launch a Right to Sign campaign (for a GCSE in BSL) and were also nominated for the Signature 2017 Community Spirit Award for this campaign. (Since the end of the year, a breakthrough has been achieved with the Secretary of State confirming that the Government welcomes proposals on the development of the GCSE within this parliament.) Nineteen young people were successfully selected for the 2018–2020 Young People's Advisory Board and have already consulted on many of our areas of work.

We have increased our offer to professionals, with six new professional training courses having been developed and piloted. Ninety-six percent have rated our training as good or excellent and 81% of respondents stated that they will take action/work differently as a result of the training. Online training was also piloted in the year.

We launched our 2017–2022 strategy, our new brand, and generated a large amount of media coverage (242.12 million opportunities to see). We experienced positive outcomes from the media coverage including responses and meetings with key decision-makers and new relationships with MPs.

Changes to the Memorandum and Articles of Association were agreed by our members at the AGM in November 2017 and approved by the Charity Commission and OSCR.

Safeguarding training and safer recruitment training has been delivered internally and our data protection policies have been amended to prepare for the General Data Protection Regulation (GDPR).

We have continued to embed a culture of continuous improvement in the organisation and to promote best practice in all our work.

Targets for 2018/19

Our mission is to overcome the social and educational barriers that hold deaf children back. Our ambition is that by 2030 no deaf child will be left behind. This year marked the beginning of our new 2017–2022 strategy, with a focus on three key areas:
> local and national services
> language and communication
> independence.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fundraising

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

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

As part of their scrutiny of our fundraising, trustees review annually the completed Charity Commission checklist *Charity Fundraising: A guide to trustee duties (CC20)*. We follow rigorous processes to ensure all complaints and allegations of fraud are recorded and investigated within strict timeframes by a designated staff member, and that any learning is documented and acted upon. Any proven cases of fraud are reported to the police and detailed complaint and fraud reports are regularly reviewed by trustees. Over the course of the year we received 307 complaints about our fundraising activity, a reduction of 31% on the 442 received in the previous year.

As part of our commitment to maintaining high standards we have set targets for the number of face to face interactions and outbound telephone calls which are monitored, and receive regular reports on this. A designated compliance officer has been appointed to support this work and is in the process of developing a policy formalising the approach and level of monitoring which is carried out. This policy will be approved by trustees.

We are grateful to the many individuals who take part in marathons, cycle rides and other fundraising activities to raise vital funds to support our work. We also benefitted from almost £1.3 million of restricted income from trusts and funders who have supported us this year (see Note 13). We look forward to working in partnership with our existing funders and reaching out to potential new funders to show how they can help us make a real difference to the lives of deaf children and their families.

Principle risks and uncertainties

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

- Our target audiences (deaf young people, their parents, professionals and decision-makers) have many competing demands for their time and attention. If we're to achieve our ambitions we must stand out in an increasingly cluttered marketplace. The brand refresh in 2017 has been designed to help our audiences more easily recognise and engage with us. We will continue to strengthen our position as experts on childhood deafness, develop partnerships with organisations who share our views and offer complementary activities, and build our marketing capability to promote our services.

- Our strategy sets out an ambition for the transformation of our international work. This will require changes in the governance of our international work to make sure our legal and moral obligations continue to be met. All our policies and procedures are being reviewed and updated, with additional policies and procedures being developed and implemented where appropriate. We are investing more in training and in the monitoring of our international work, and we are in the process of appointing a trustee with significant experience of international development. We continue to refer to our International Advisory Reference Group of experts and to take external professional advice where necessary.

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

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

to high ethical standards. Investment continues in income diversification projects to mitigate the risk where possible.

- 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 using surveys, focus groups, parent panels, our Young People's Advisory Board and other communication and engagement opportunities. We closely monitor and respond to feedback and complaints from our members and we are increasing our capability to make best use of research, monitoring and evaluation data.

- 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 have a Data Protection policy which ensures only authorised access to personal details. We have implemented updates to reflect GDPR requirements and the latest guidelines, and we continue to enhance data security in line with best practice. Three members of staff have been trained as GDPR practitioners, and all staff are required to complete data protection training. A senior, cross-organisation working group oversees this activity and reviews any issues brought to its attention.

- 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, fundraising staff and participants. Staff in our international team make regular visits overseas. In addition to appropriate policies, guidance and training, we have an annual health and safety improvement plan. The remit of our Safe and Effective Practice Group includes health and safety. This group is led by an executive director and reports to the Executive team, with annual and exception reports to the Trustee Board.

Financial Review

Overview

We are pleased to report that in 2017/18 income grew by almost £2.0 million to reach a total income figure of £24.5 million driven by an increase in both of our principal income streams. Charitable expenditure of £15.5 million was slightly up on last year. The surplus of £0.25 million was an improvement on the planned deficit for the year and has strengthened our reserves position at a time of considerable economic uncertainty, enabling us to plan ahead with confidence.

Fundraising contribution

In a difficult climate for fundraising our tens of thousands of supporters continued to make generous monthly contributions to support the vital work we do, increasing their overall contributions by £1.7 million to £20.6 million. Our continued investment in recruiting supporters in previous years has driven this growth to the highest level in our history. As 98% of this income is unrestricted it gives the charity the flexibility to fund activities aligned with our strategic priorities even if restricted funding or contract income is not available. We spent £7.8 million on recruiting supporters in 2017/18 and will receive income streams, in most cases enhanced by Gift Aid, in future years as a result. The net income generated from this form of fundraising was ahead of target for the year. We will continue to closely monitor the performance of individual giving fundraising against targets and will seek to further diversify its income streams when suitable opportunities arise.

Our second largest source of income is from legacies. This is a volatile income stream but in 2017/18 we had the highest level of legacy income in our history at almost £2.0 million, £0.8 million more than in our financial plans for the year and including accrued legacy income of £0.7 million.

Charitable expenditure
We spent £15.6 million on our charitable activities in 2017/18, a small increase on last year. You can read about how this expenditure helped us to achieve the targets we set ourselves earlier in the report.

Capital expenditure
During the course of the year £0.2 million was spent on tangible and intangible fixed assets as part of our planned investment in IT infrastructure to use digital tools to promote smart and effective working.

Financial position at year end
Net assets are now £11.1 million, in line with last year.

Performance of subsidiaries
N.D.C.S. Limited had a successful year and will pass a profit of £88,000 to the charity, further details are shown in Note 3 of the financial statements.

Reserves
We have a risk based reserves policy which is underpinned by the organisational risk register and is linked with the charity's strategy and corporate plan. This has determined that the target range of general reserves (excluding those reserves represented by restricted funds, fixed assets and the revaluation reserve) required by the charity as being between £5.8 million and £7.6 million.

The total reserves for the charity as at 31 March 2018 were £11.2 million (2017: £10.9 million). Unrestricted reserves formed £10.8 million (2017: £10.5 million) and restricted reserves £0.4 million (2017: £0.4 million).

Of the unrestricted reserves balance of £10.8 million, £0.3 million was related to intangible and tangible fixed assets.

General reserves (excluding reserves represented by restricted funds, fixed assets and the revaluation reserve) stood at £10.5 million. This exceeds the upper target reserves level. However, a deficit budget has been planned for 2018/19 which will result in general reserves being brought down to within the target range whilst continuing to provide quality-driven and impactful services and support to deaf children and their families.

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

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

Quilter Cheviot were appointed as investment advisers and during the year the holdings 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, were sold and the funds transferred to Quilter Cheviot.

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

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

The market value of investments stood at £3.5 million at 31 March 2018, a marginal increase 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 2017/18 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 (DCSs). 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 2017/18 we awarded £35,000 in grants to local DCSs. Further detail is shown in Note 7 to the financial statements.

Corporate structure, governance and accountability

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

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

parent of a deaf child. In addition to the honorary chair there are three honorary officer roles – honorary vice chair, honorary treasurer and honorary deputy treasurer.

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

Potential trustees are invited to submit a written application which is considered by the chair, vice chair and chief executive. Suitable applicants are interviewed before being proposed as a trustee. All new trustees undertake an induction programme which involves an introduction to their responsibilities and to the operation of the charity. They are offered the opportunity to have an existing trustee as a mentor in their first year. Trustees are updated on an aspect of our work or a current issue affecting the charity in a workshop before the formal Trustee Board meeting. There is an opportunity at the end of each Trustee Board meeting for trustees to provide immediate feedback as well as providing written feedback. The Governance Committee also considers and makes recommendations on the outcome of a formal biennial trustee skills audit and board review.

The Governance Committee carried out a self assessment against the Charity Code of Governance during the year and will carry out the same exercise annually. The outcome of the review was approved by the Trustee Board and a target of agreeing diversity objectives for the Trustee Board in 2018/19 was identified.

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

The Trustee Board meets four times a year. It is supported by three committees, each of which has specific terms of reference. The Finance, Audit and Risk Committee, which meets four times a year, oversees all financial and administrative matters of the charity; the Services and Campaigns Committee, which meets three times each year, provides strategic support and direction to the development of services for beneficiaries and for advocacy; and the Governance Committee, which meets four times each year, and is responsible for ensuring the Trustee Board has an effective governance framework and an appropriate skills mix. The committees are chaired by trustees and attended by staff. Each committee has its decisions ratified by the Trustee Board where appropriate. The day to day running of the National Deaf Children's Society and the exercise of executive responsibility are delegated to the chief executive for operational matters including finance, employment and service delivery.

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

Employees

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

The charity is committed to an ethos of continuous improvement encouraging feedback and suggestions. Employees across the charity were involved in the development of our new five year strategy which started in April 2017 and are kept updated on progress and objectives as well as day to day news and events through team meetings, seminars, our intranet and a weekly digital update *In the Loop*.

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

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

Remuneration

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

We operate a defined contribution group personal pension scheme, to which all eligible employees are auto-enrolled. We make a contribution of 5.5% of salary and 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 £491,488 (£483,236 in 2016/17). This included pension contributions of £17,421 (£17,093 in 2016/17). There were no benefits in kind. The Executive team received the same annual pay increase as all other staff.

The Executive team consists of: Susan Daniels (CEO), Jane Foreman (Deputy CEO and Director People, Finance and Business Solutions), Helen Cable (Director Children, Young People and Families), Brian Gale (Director Policy and Campaigns – until 30 March 2018), Steve Haines (Director Policy and Campaigns – from 19 March 2018) and Mike Wade (Director Fundraising and Communications).

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2018

Members of the Trustee Board 2017–2018

Lisa Capper	(Chair)
Tim Polack	(Vice Chair)
Sally Procopis	(Treasurer, resigned 17 May 2018)
Sheila McKenzie	(Deputy Treasurer)
Suzanne Beese	
Gerard Featherstone	
Jane Hill	(resigned 26 July 2018)
Claire McClafferty	(resigned 20 May 2017)
Jan Rutherford	
Helen Selwood	(Treasurer, from 19 May 2018)
Dominic Holton	(appointed 20 July 2017)
Jennie Rayson	(appointed 20 July 2017)

As well as trustees, we are supported by our President Sir Christopher Benson JP, DL, FRICS, FRSA and 10 vice presidents, eminent in their fields, who support the charity's vision. In the year 2017/2018 these were: Lord Malcolm Bruce PC; Jim Carter; Dame Evelyn Glennie DBE; Ian Harley; Penelope Keith CBE, DL; Baroness Glenys Kinnock; Prof Barry McCormick OBE; Dame Esther Rantzen DBE; Angela Rippon OBE and Sir Martin Sorrell.

Members

There are the following categories of membership:

Full members

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

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

Supporter members

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

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

Associate members

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

- professional members – professionals working in fields related to the education and relief of deaf children

- affiliate members – any group or organisation based in the United Kingdom which adheres to the charity's vision and values statement
- board members – co-opted members of the trustees who have been appointed by the existing members of the Trustee Board (and are known as the co-opted trustees)
- international individual members – any individual living outside the United Kingdom. (Adopted by a resolution of the trustees made on 12 September 2009)
- international affiliate members – any group or organisation based outside the United Kingdom which adheres to the charity's vision and values statement
- family members – anyone who is a family member of a deaf person
- parent/carer members – anyone who is a parent or carer of a deaf person aged over 25 years
- adult deaf members – anyone who is a deaf person aged over 25 years
- young deaf members – anyone who is a deaf person aged 16–18 years
- other members – any individual aged 16 or above living in the United Kingdom.

Volunteers

We have over 720 volunteers who supported deaf children and young people over the course of the year. We have a range of volunteering opportunities, including family programme volunteers, youth support volunteers and community support volunteers.

We have also received 4,200 pro bono hours of legal support since 2014, 900 hours of which were received during the financial year 2017/18. The value of these volunteers is estimated at £19,000.

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

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2018

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

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP.

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor. Crowe U.K. LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

By order of the Board

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

L Capper
Director and Trustee
Date: 26 October 2018

The National Deaf Children's Society
Report of the Independent Auditor's
for the year ended 31 March 2018

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

Opinion

We have audited the financial statements of National Deaf Children's Society for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities (including the consolidated income and expenditure account), the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest

extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

26 October 2018

The National Deaf Children's Society
Consolidated statement of financial activities
(including consolidated income and expenditure account)
for the year ended 31 March 2018

Income and expenditure	Note	Unrestricted funds £000s	Restricted funds £000s	Total 2018 £000s	Total 2017 £000s
Income and endowments from:					
Donations and legacies					
Regular donations and subscriptions from individuals		20,261	342	20,603	18,868
Legacy income	5(a)	1,976	10	1,986	1,343
Other donations and gifts		682	123	805	1,032
		22,919	475	23,394	21,243
Charitable activities	5(b)	42	797	839	928
Other trading activities	5(c)	182	-	182	220
Investments	5(d)	85	-	85	134
		23,228	1,272	24,500	22,525
Share of net gain in joint venture	4	11	-	11	-
Total		**23,239**	**1,272**	**24,511**	**22,525**
Expenditure on :					
Raising funds	7(a)	8,716	-	8,716	8,828
Charitable activities:					
Overcoming barriers in local & national services		7,435	397	7,832	7,720
Overcoming barriers in language & communication		2,906	608	3,514	3,561
Overcoming barriers to independence		3,071	260	3,331	3,256
Other charitable activities		854	58	912	870
Total charitable activities	7(a)	14,266	1,323	15,589	15,407
Share of net loss in joint venture	4	-	-	-	16
Total	7(a)	**22,982**	**1,323**	**24,305**	**24,251**
Net gain on investments	10(c)	39	-	39	273
Net (expenditure) / income and Net movement in funds before transfers	7(e)	**296**	**(51)**	**245**	**(1,453)**
Net (expenditure) / income and Net movement in funds after transfers		**296**	**(51)**	**245**	**(1,453)**
Fund balances brought forward		10,476	427	10,903	12,356
Fund balances carried forward		**10,772**	**376**	**11,148**	**10,903**

All amounts relate to continuing activities.
There were no recognised gains or losses other than those dealt with in the above Statement of Financial Activities.

The National Deaf Children's Society
Consolidated balance sheet and balance sheet
at 31 March 2018

	Note	Group 2018 £000s	Group 2017 £000s	Charity 2018 £000s	Charity 2017 £000s
Fixed assets					
Intangible assets	8	181	366	181	366
Tangible assets	9	129	321	129	321
Investment in joint venture - share of net assets	4	56	45	-	-
Other investments	10	3,486	3,427	3,486	3,427
		3,852	4,159	3,796	4,114
Current assets					
Debtors	11	2,295	2,592	2,342	2,729
Cash at bank and in hand		6,385	6,564	6,295	6,413
		8,680	9,156	8,637	9,142
Creditors: amounts falling due within one year	12	1,384	2,412	1,341	2,399
Net current assets		**7,296**	**6,744**	**7,296**	**6,743**
Net assets		**11,148**	**10,903**	**11,092**	**10,857**
The funds of the charity					
Unrestricted funds					
Fixed asset reserve		310	687	310	687
General funds		10,462	9,789	10,406	9,743
		10,772	10,476	10,716	10,430
Restricted funds	13	376	427	376	427
	15	**11,148**	**10,903**	**11,092**	**10,857**

The surplus for the financial year dealt with in the financial statements of the parent company was £234,228 (2017: deficit of £1,437,238).

The financial statements were approved by the Board and authorised for issue on 26 October 2018 and signed on its behalf by:

L Capper
Director

The National Deaf Children's Society
Consolidated Statement of cash flows
for the year ended 31 March 2018

	2018 £000s	2017 £000s
Cash flow from operating activities:		
Net (expenditure) / income for the year	245	(1,453)
Adjustments for:		
Depreciation/amortisation	586	582
(Gains) on investments	(39)	(273)
Dividends and interest from investments	(85)	(134)
Share of net (gain)/loss in joint venture	(11)	16
(Increase) in debtors	297	(465)
Increase / (decrease) in creditors	(1,025)	635
Net cash provided (used in) / by operating activities	(32)	(1,092)
Cash flows from investing activities:		
Dividends and interest from investments	4	31
Income from joint venture	58	103
Purchase of intangible fixed assets	(148)	(116)
Purchase of tangible fixed assets	(61)	-
Net cash provided by/(used in) investing activities	(147)	18
(Decrease) / increase in cash and cash equivalents in the year	**(179)**	**(1,074)**
Cash and cash equivalents at 1 April 2017	6,564	7,638
Cash and cash equivalents at 31 March 2018	**6,385**	**6,564**

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2018

1 Company information

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

2 Accounting policies

a) Basis of preparation and assessment of going concern

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

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

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

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

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

b) Critical accounting estimates and areas of judgement

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

c) Currencies

The financial statements are presented in sterling (£).
Transactions denominated in foreign currencies are translated at the rate of exchange prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the end of the reporting period are translated at the rate of exchange prevailing at that date.

d) Group financial statements

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

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

2 **Accounting policies** (continued)

d) Group financial statements (continued)

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

e) Fund accounting

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

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

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

f) Income recognition

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

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

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

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

Investment income - is accounted for on a receivable basis.

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

g) Expenditure recognition

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

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

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

2 **Accounting policies** (continued)

g) Expenditure recognition (continued)

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

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

h) Operating leases

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

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

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

i) Intangible fixed assets

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

j) Tangible fixed assets

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

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

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

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

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 2018, assets in course of construction related to the accounting software, which will be transferred to the relevant asset category during the year ended 31 March 2019.

l) Investments

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

2 **Accounting policies** (continued)

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

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

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

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

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

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

At 31 March 2017 contributions amounting to £45,797 (2017 - £44,152) were payable.

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

Basic financial assets which are receivable within one year, which include trade and other receivables and accrued income (£1,132,000) and cash and bank balances (£6,385,000) are initially measured at transaction price and subsequently carried at settlement amount.

Basic financial liabilities which are payable within one year, which include trade and other payables and accruals (£1,041,000) are initially measured at transaction price and subsequently carried at settlement amount.

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

3 **Results of subsidiaries**

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

3 **Results of subsidiaries** (continued)

a) **N.D.C.S. Limited** (continued)

	2018 £000s	2017 £000s
Turnover	171	206
Cost of sales	(78)	(73)
Gross profit	93	133
Administrative expenses	(5)	(2)
Net income	88	131
Amount Gift Aided to the National Deaf Children's Society	(88)	(131)
	-	-
The assets and liabilities of the subsidiary were:		
Current assets	136	216
Creditors: amounts falling due within one year	(136)	(216)
Total net assets	-	-
Equity shareholders' funds	-	-

At the end of the year, N.D.C.S. Limited paid £87,656 (2017 - £131,042) to the charity by Gift Aid.

In these consolidated accounts, turnover consolidated in activities for generating funds is £171,234 (2017 - £196,381) and investment income is £30 (2017 - £233) with the associated costs included under fundraising expenditure.

b) **Friends for Young Deaf People**

The charity has a wholly owned charity, Friends for Young Deaf People, a charitable company registered in England and Wales (company number 3029501, registered charity number 1045011). The registered address of N.D.C.S. Limited is 37-45 Paul Street, Ground Floor South, Castle House, London, EC2A 4LS. Friends for Young Deaf People was dormant throughout the year ended 31 March 2018, as well as the year ended 31 March 2017.

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 (2017 - £nil) with the associated costs included under charitable expenditure.

c) **Fundacion Ninos Sordos del Mundo**

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

4 **Share in joint venture**

Childlife

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

The 25% share of Childlife's results for the year is shown below:	2018 £000s	2017 £000s
Income from:		
Voluntary income	225	222
Other trading activities	-	1
	225	223

4 **Share in joint venture** (continued)

	2018 £000s	2017 £000s
Expenditure on:		
Raising funds	158	132
Charitable activities	56	107
	214	239
Net income / (expenditure)	11	(16)
Fund balances brought forward	45	61
Fund balances carried forward	56	45

Income receivable from Childlife for the year of £58,031 (2017 - £102,719) is included in investment income (see note 5d). An honorarium of £1,500 was received from Childlife for fulfilling the role of Honorary Treasurer.

The 25% share of assets and liabilities of Childlife were:	2018 £000s	2017 £000s
Fixed assets	-	2
Current assets	81	73
Gross assets	81	75
Gross liabilities	(25)	(30)
Total assets less total liabilities - share of net assets	56	45
Unrestricted funds		
Other charitable funds	56	45

5 **Income**

a) **Legacy income**

At 31 March 2018 the charity had been notified of legacies amounting to an estimated £436,000, which have not been included within the accounts as the recognition criteria had not been met at the year end date.

b) **Income from charitable activities**

	Grants £000s	Fees from non-statutory sources £000s	Total £000s
Overcoming barriers in local & national services	183	13	196
Overcoming barriers in language & communications	410	21	431
Overcoming barriers to independence	127	4	131
Other charitable activities	77	4	81
Total 2018	797	42	839
Total 2017	889	39	928

Further information of grant income is provided in note 13

c) **Other trading activities**

	2018 £000s	2017 £000s
Gross income from trading	172	218
Income from training and services	10	2
	182	220

5 **Income** (continued)

d) Investment income

	2018 £000s	2017 £000s
Interest on cash deposits	4	31
Income from listed investments	23	-
Income receivable from joint venture	58	103
	85	134

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

a) Staff costs comprise:

	2018 £000s	2017 £000s
Wages and salaries	7,886	7,776
Social security costs	793	786
Pension costs	421	419
	9,100	8,981

The average number of employees during the year was as follows:	2018 No.	2018 (FTE)	2017 No.	2017 (FTE)
Charitable activities	209	170	212	176
Fundraising	25	25	27	27
Administration and support services	30	28	28	26
	264	223	267	229

The above staff numbers include an average of 23 (2017: 21) casual workers who primarily worked on our events programme.

b) During the year, redundancy and termination payments totalling £98,963 (2017: £15,577) were payable. All payments were settled at the year end. These related to redundancy payable at the end of fixed term contracts for specific projects and re-structures within departments.

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

	2018 No.	2017 No.
£60,000 - £69,999	1	2
£70,000 - £79,999	1	-
£80,000 - £89,999	2	2
£90,000 - £99,999	-	-
£100,000 - £109,999	1	1

d) The charity trustees were not paid nor received any other benefits from employment with the charity or its subsidiary in the year (2017: £nil). Reasonable expenses for travel, subsistence and incidentals reimbursed to 7 trustees (2017: 7 trustees) during the year totalled £1,240 (2017: £2,133) are included in note 7(d) below.

e) The key management personnel of the group, other than the trustees, comprise the Chief Executive, the Deputy CEO and Director People, Finance and Business Solutions, the Director Children, Young People and Families, the Director Policy & Campaigns and the Director Fundraising & Communications. Their total employee benefits, including employer pension costs and employer's NI, for the year ended 31 March 2018 was £491,488 (2017: £483,236).

7 Analysis of expenditure

a) Expenditure on:

	Direct costs £000s	Grants payable £000s	Support costs £000s	Total 2018 £000s	Total 2017 £000s
Raising funds					
Regular donations and subscriptions from individuals	7,532	-	297	7,829	7,966
Legacies	231	-	17	248	220
Other fundraising costs *	500	-	129	629	642
	8,263	-	443	8,706	8,828
Investment management fees **	10	-	-	10	-
	8,273	-	443	8,716	8,828
Charitable activities					
Overcoming barriers in local & national services	6,419	405	1,008	7,832	7,720
Overcoming barriers in language & communications	2,560	401	553	3,514	3,561
Overcoming barriers to independence	2,651	87	593	3,331	3,256
Other charitable activities	736	-	176	912	870
	12,366	893	2,330	15,589	15,407
Net share of loss in joint venture	-	-	-	-	16
Total expenditure 2018	20,639	893	2,773	24,305	24,251
Total expenditure 2017	20,581	998	2,672	24,251	

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

** Throughout the year ended 31 March 2017 and to November 2017, the investment portfolio was held in investment funds in which the investment management fees were not separately identifiable and no cost of investment management fees is therefore shown for these periods.

b) Analysis of grants payable

	2018 £000s
UK grants	
Grants to affiliated local registered Deaf Children's Societies *	35
	35

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

	2018 £000s
International grants	
APD - Karnataka	83
Cini Asha Deaf Way	59
KWO	30
Samuha - Deaf children and families	58
Centre for Disability in Development	63
GBDC	54
carried forward	347

7 b) Analysis of grants payable (continued)

	2018 £000s
International grants	
Brought forward	347
Sadhana	26
CARD	20
SNDAYP	21
Lipica	22
SUK	28
Childreach Tanzania	18
Chavita	31
Signhealth Uganda DYEP	20
DEK	24
ANPPCAN Uganda	18
UNAD	18
VSO	68
World Vision	20
Fe Y Allegria - Bolivia	37
Paz y Esperanza	36
ICAL	20
Christiano Manos	22
Fundacion Machaqa	23
Other international grants	39
	858
Total grants	
All grants were to institutions	893

There are no grant commitments.

c) Allocation of support costs

	Governance £000s	Finance and legal £000s	Human resources £000s	IT £000s	Facilities management and shared premises £000s	Total £000s
Raising funds	-	94	57	90	202	443
Charitable activities						
Overcoming barriers in local & national services	111	260	156	246	235	1,008
Overcoming barriers in language & communications	48	149	89	141	126	553
Overcoming barriers to independence	45	164	99	156	129	593
Other charitable activities	12	42	24	39	59	176
Total support costs 2018	216	709	425	672	751	2,773
Total support costs 2017	259	669	344	647	753	2,672

7 Analysis of expenditure (continued)

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

	2018 £000s	2017 £000s
Audit fees	18	20
Trustees costs	12	12
Other costs supporting governance activities	186	227
	216	259

e) Net income/expenditure for the year

	2018 £000s	2017 £000s
Net income/expenditure for the year is stated after charging:		
Auditor's remuneration		
Statutory audit	18	19
Other	3	1
Amortisation	333	313
Depreciation	253	269
Operating lease rentals	574	566

8 Intangible fixed assets

Charity and group	Computer software £000s	Assets in the course of construction £000s	Total £000s
Cost			
At 1 April 2017	1,079	22	1,101
Transfers from assets under construction	22	(22)	-
Additions	40	108	148
At 31 March 2018	1,141	108	1,249
Amortisation			
At 1 April 2017	735	-	735
Charge for the year	333	-	333
At 31 March 2018	1,068	-	1,068
Net book value			
At 31 March 2018	73	108	181
At 31 March 2017	344	22	366

During the year, assets which were under construction at the previous year end, including the HR Information System, were completed and the assets brought into use.
Computer software includes the organisation database system which has a carrying value of £22,265 and a remaining amortisation period of 1 year.

9 Tangible fixed assets

Charity and group	Plant and machinery £000s	Fixtures, fittings and equipment £000s	Total £000s
Cost			
At 1 April 2017	222	1,504	1,726
Additions	-	61	61
Disposals	-	(17)	(17)
At 31 March 2018	222	1,548	1,770
Depreciation			
At 1 April 2017	88	1,317	1,405
Charge for the year	45	208	253
Adjusment for disposal	-	(17)	(17)
At 31 March 2018	133	1,508	1,641
Net book value			
At 31 March 2018	89	40	129
At 31 March 2017	134	187	321

10 Fixed assets investments

a) Childlife

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

b) Other investments

	Group		Charity	
	2018 £000s	2017 £000s	2018 £000s	2017 £000s
Listed investments at market value (see note 10c)	3,486	3,427	3,486	3,427

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

10 Fixed assets investments (continued)

c) Listed investments

	2018 £000s	2017 £000s
Market value at 1 April 2017	3,427	3,154
Acquisitions at cost, less fees	3,550	-
Disposal proceeds	(3,558)	-
Realised gain on investments	39	273
	3,458	3,427
Cash included in porfolio	28	-
Market value at 31 March 2018	3,486	3,427
Listed investments at historic cost:	3,550	2,842

11 Debtors

	Group 2018 £000s	Group 2017 £000s	Charity 2018 £000s	Charity 2017 £000s
Due within one year:				
Trade debtors	32	73	4	17
Due from subsidiary undertaking	-	-	93	203
Other debtors	824	1,626	824	1,614
Prepayments & accrued income	1,439	893	1,421	895
	2,295	2,592	2,342	2,729

12 Creditors: amounts falling due within one year

	Group 2018 £000s	Group 2017 £000s	Charity 2018 £000s	Charity 2017 £000s
Trade creditors	372	725	370	725
Social security and other taxes	223	211	223	211
Other creditors	267	503	226	488
Accruals	402	916	402	918
Deferred income	120	57	120	57
	1,384	2,412	1,341	2,399

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

Deferred income reconciliation	2018 £000s	2017 £000s
At 1 April 2017	57	88
Recognised in the year	(57)	(88)
Deferred in the year	120	57
At 31 March 2018	120	57

13 Restricted funds

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

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

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

The restricted funds are held for the following purposes:

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

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

13 Restricted funds (continued)

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

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

The National Lottery through Big Lottery Fund (International) - *Deaf Children & 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 (DCW) on managing partnerships and accountability and finances.

Department for Communities Northern Ireland - *Sign Language Partnership Group* Three grants provide funding for costs associated with delivery of courses to improve communication for families of deaf children in Northern Ireland, including British Sign Language, Communication is Fun and Family Sign Language as well as training professionals supporting deaf children and their families.

Department for Communities Northern Ireland - *Together Building United Communities Programme* - grant funding provides for cost associated with delivery of a 'Communication is Fun' course for families with deaf children living in Northern Ireland.

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

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

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

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

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

13 Restricted funds (continued)

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

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.

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

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

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

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

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

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

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

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

14 Movement on unrestricted funds

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

15 Analysis of group net assets between funds at 31 March 2018

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

16 Parent undertaking's income and expenditure

As permitted by Section 408 of the Companies Act 2006, the income and expenditure account of the parent undertaking is not presented as part of these accounts. The consolidated Income and Expenditure Account includes a surplus of £234,228 (2017: deficit of £1,437,285) which is dealt with in the accounts of the parent undertaking.

17 Share capital

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

18 Financial commitments

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

	2018 £000s	2017 £000s
Within one year	680	672
Between two and five years	3,060	2,234
After five years	676	1,650
	4,416	4,556

19 Capital and other commitments

At 31 March 2018, capital commitments amounted to £12,115 in respect finance software, £107,693 in respect of the website (2017: £117,373 in respect of HR and finance software, £123,783 in respect of the website and £60,356 in respect of server costs).

20 Related party transactions

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

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2018

The following pages represent comparative figures for the year ended 31 March 2017, in accordance with paragraph 2.29 of the SORP.

21 Comparative SOFA

Income and expenditure	Unrestricted funds £000s	Restricted funds £000s	Total 2017 £000s
Income and endowments from:			
Donations and legacies			
Regular donations and subscriptions from individuals	18,520	348	18,868
Legacy income	1,326	17	1,343
Other donations and gifts	766	266	1,032
	20,612	631	21,243
Charitable activities	39	889	928
Other trading activities	220	-	220
Investments	134	-	134
Total	**21,005**	**1,520**	**22,525**
Expenditure on :			
Raising funds	8,828	-	8,828
Charitable activities:			
Overcoming barriers in local & national services	7,208	512	7,720
Overcoming barriers in language & communications	2,947	614	3,561
Overcoming barriers to independence	2,938	318	3,256
Other charitable activities	766	104	870
Total charitable activities	13,859	1,548	15,407
Net share of loss in joint venture	16	-	16
Total	**22,703**	**1,548**	**24,251**
Net gain on investments	273	-	273
Net income / (expenditure)	**(1,425)**	**(28)**	**(1,453)**
Transfer of funds	222	(222)	-
Net income / (expenditure)	**(1,203)**	**(250)**	**(1,453)**
Fund balances brought forward	11,901	455	12,356
Fund balances carried forward	**10,698**	**205**	**10,903**

The costs under charitable activities have been re-analysed to show costs under the activity headings used for the year ended 31 March 2018 financial statements. There is no change in total costs under charitable activities. All other items on the comparative SOFA are as shown in the 2017 financial statements.

22 Comparative restricted funds

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

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

23 Comparative movement on unrestricted funds

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

24 Comparative analysis of group net assets between funds at 31 March 2017

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