

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 2020

The National Deaf Children's Society
Annual Report and Financial Statements
for the year ended 31 March 2020

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The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2020

Board of Directors

Lisa Capper	(Chair, resigned 10 December 2019)
Tim Polack	(Vice Chair to 10 December 2020, Chair from 10 December 2020)
Dominic Holton	(Vice Chair from 10 December 2020)
Helen Selwood	(Treasurer)
Sheila McKenzie	(Deputy Treasurer)
Suzanne Beese	
Jennie Rayson	
Jan Rutherford	
Lorraine Wapling	
Gerard Featherstone	(resigned 10 December 2020)
Lynn Gadd	(appointed 19 July 2019)
Damian Proctor	(appointed 19 July 2019)
Altaf Kassam	(appointed 21 March 2020)
Katherine Binns	(appointed 21 March 2020)

Chief Executive

Susan Daniels OBE

Auditor

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

Solicitors

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

Bankers

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

Principal and registered office

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

Charity number (England and Wales)

1016532

Charity number (Scotland)

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Company number

02752456

The National Deaf Children's Society

Report of the Directors

for the year ended 31 March 2020

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 2020.

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 (FRS 102).

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 24.

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.

We recognise that, from February 2020 onwards, all our activities were increasingly affected by the COVID-19 pandemic. Under each heading below we explain how our work changed in the final weeks of 2019/20 and how we have continued to deliver our charitable aims by adopting new ways of working in response to the changing needs of our different audiences.

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

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Strategic report

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

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

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

Due to COVID-19 having a strong negative impact on all organisations from February 2020, the strategic report focuses mainly on our achievements and progress in each of our strategic areas during the first 10 months of the financial year. We have provided additional information in each section about how we reacted to COVID-19 as it started to affect our work.

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

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

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

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

Education

We have continued to challenge reductions in funding for services for deaf children, draw attention to the declining numbers of Teachers of the Deaf and their increasing workload, and campaign for greater support for deaf children. We have seen some positive outcomes from our work, including successful challenges to proposed service re-organisations in Barnet, Wolverhampton and Dorset.

In Wales we continued to raise issues with the development and implementation of the Additional Learning Needs and Educational Tribunal (ALNET) Act through meetings with Welsh Government. We have had confirmation that the latest tranche of 21st Century School Funding will continue to include our clause on acoustic standards and we helped to make sure that an independent review of the largest sensory service in Wales was extended to consider the views of deaf young people and their families.

We have continued to strengthen accountability through inspectorates such as Ofsted by encouraging feedback from parents of deaf children. We also monitor the extent to which the quality of services for deaf children are included in local area inspections of special educational needs and disability (SEND) provision in England. Overall in 2019/20, 25 inspections were undertaken with 44% of these mentioning services for deaf children; of these, 91% mentioned services for deaf children as a strength. It is worth noting that inspections were paused as part of the policy response to COVID-19, but overall we saw greater mentions of the quality of services for deaf children than in 2018/19 inspection reports.

We submitted evidence to the Westminster Education Committee Inquiry into Special Educational Needs and Disability. Our oral evidence as part of an expert roundtable and our written evidence were reflected in the report on the recommendations of the Committee to Government. The Committee also

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hosted and referenced recommendations from a specific oral evidence session by two members of our Young People's Advisory Board. This was the first time that deaf young people had been directly heard by the Education Committee.

In August 2019, the Prime Minister announced an additional £780m of funding for children with SEND and the Secretary of State for Education announced a major review of SEND provision. We were among the most vocal in calling for additional investment and for the need to review the effectiveness of the SEND policy and legal framework. This work included our role on the SEND System Leadership Board Reference Group, our meetings with Ministers and our petition to the Department for Education of over 30,000 signatures, which was delivered by a delegation of deaf children and young people and their parents. We also worked on a legal case taken by families of disabled children to judicially review the adequacy of Government spending on SEND which, whilst ultimately unsuccessful, did keep the issue of SEND funding high on the agenda.

Children's hearing services

In England, our Children's Hearing Services Working Group (CHSWG) Guidance was published in November 2019. We received positive feedback, with a number of CHSWGs already using it to improve their ways of working. We have since been reinvigorating our CHSWG work, mapping the coverage and effectiveness of CHSWGs, alongside our guidance and our work with them as performance improvement partners.

We have continued to encourage and promote the Improving Quality in Physiological Services (IQIPS) accreditation to Hospital Trusts across the country, and have used *Listen Up!* our comprehensive survey report of audiology services to better understand how to support improvement. In addition, we have continued campaigning for access to radio aids in the early years. Responses from local authority Freedom of Information requests showed that 88% now say they fund radio aids for pre-school deaf children to use at home. This is above our target of increasing the percentage from 63% to 80%.

We hosted a seminar on genetics testing and genomics services with external experts attending and discussing current research and practice in genetics, including ethical and practical considerations. The aim was to better understand the issues, opportunities and risks, and the information we might need to support parents to access. We received very positive feedback, including the external experts expressing desire to continue to work closely with us. We have also been engaging and influencing more widely in audiology, for example responding to an NHS safety alert which threatened the use of radio aids by deaf children, and providing advice and expertise to Great Ormond Street Hospital as part of their development of a brand new Sight and Sound Centre.

In Northern Ireland, after a restored Executive in January 2020 we supported parents to shape the new paediatric audiology standards, which we had campaigned for and secured last year. There has also been progress towards the introduction of CHSWGs and the Public Health Agency is undertaking a major piece of research into paediatric audiology.

Social care

Whilst our work in this area remains small in comparison to education and children's hearing services, we have worked on four key projects this year aimed at influencing practice. We have a final draft of an audit tool for safeguarding partners, of which we were one of the primary authors. This has been agreed by the National Social Workers Group and is now going through the publication process. We have worked on gathering more comprehensive information on service provision by Deaf Child and Adolescent Mental Health Services (CAMHS), with responses currently being analysed. In partnership with the Welsh Government and Action on Hearing Loss Cymru we have developed social care guidance

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for practitioners working with deaf people. We are also involved in the Learning Disability and Autism Children and Young People Sensory Stakeholder Group set up by NHS England.

Supporting families to access and influence services

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

The National Trial, which began in England in April 2018, involves education cases where a young person has a social care or health need and an Education, Health and Care plan. We have continued supporting families with National Trial cases, which will set strong guidance to other Tribunals and creates the potential for better outcomes for the young person. The National Trial cases we have worked on have included recognition of deaf young people's challenges with mental health, deaf identity, social isolation and independence. Examples of improved outcomes in these areas include specific provision for Deaf CAMHS support, provision to support involvement in the community and spending time with peers, and provision to develop independence including using transport.

Did we succeed in this objective?

Yes. Due to the austerity agenda, we have been finding it difficult to prevent cuts to education completely, however we have continued to influence in this area and in the past year our campaigning has resulted in many partial wins. Without our presence, the situation around cuts and education would almost certainly be worse for deaf children.

Our work on children's hearing services has resulted in some very positive progress and we are leading the way in information on genomics and genetics. We are still concerned about the continued decline in the number of qualified Teachers of the Deaf, despite our campaigning work. In addition, Government data still shows deaf children are achieving significantly lower grades at all levels of school, and are less likely to attend the more prestigious Russell Group universities than their hearing peers, despite deafness not being a learning disability.

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

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

From our membership survey results, it is clear that deaf children are generally accessing sports and activities less than the benchmark of the general population of children in Great Britain, staying fairly stable compared to 2018 results. We have worked to address this through our Deaf-friendly Standard, which was ready for launch by the end of the year.

One of the other ways we support access to non-statutory services is through our local parent groups. We have 93 formal local groups across the UK and 10 informal groups, which connect around 4,230 families. In addition, membership to local Facebook groups is increasing, with 129 groups reaching 24,101 people, almost double the reach at the end of last year.

In reaction to our membership survey data and further polling with deaf children and their families, we developed and launched our cinema campaign 'Lights, Camera, Captions!' Overall, 617 campaigners

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supported the campaign and we had significant media coverage including ITV News (regional), You and Yours (Radio 4) and BBC Radio Humberside. We also held meetings with key figures in the industry.

Did we succeed in this objective?

In part. We have improved local and regional support for deaf children and young people and their families through local groups – whether in person or online. We have evidence that families really value the opportunity to connect with other parents of deaf children, and we have been doing more work to increase these opportunities. Additionally our cinema campaign brought accessibility for deaf children to more people's attention. We were ready to launch our Deaf-friendly Standard at year end, but we have not improved access to local sports and activities as much as we had anticipated. Only 23% of parents think there is no barrier at all to their child accessing local activities as a result of their deafness. This is in line with previous years.

How did we react to COVID-19 with our national and local services work?

From February 2020 we were able to pivot many of our existing campaigns. For education, we turned our focus towards making sure deaf children and young people were able to access online learning and for audiology, we tried to make sure radio aids could be taken home from school. We also started to build up a picture of best practice in national and local services which could be shared with other services. Some of our work, such as the cinema campaign and the Deaf-friendly Standard, had to be paused while we thought through our next steps, with plans to do a soft launch of the Deaf-friendly Standard in 2020/21.

Area of focus B: Overcoming barriers in language and communication

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

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

We have delivered projects across the UK with a focus on building peer support and connecting families, as well as providing information and support to enhance the development of language and communication skills.

We successfully completed a number of multi-year funded projects, including Positive Families Plus (England) and Everyone Together (Scotland). Both projects achieved their intended outcomes for families, and we successfully implemented exit strategies.

Following attendance at our events, 75% of families had increased understanding of how to support their child's developing communication. With our Family Sign Language courses, we reached 326 people. Feedback from parents was extremely positive, with 100% saying their confidence in their skills increased by attending the courses.

We also finished piloting our new early years programmes, Active and Ready to Learn (sensory play sessions) and See Me Read (sensory storytelling sessions). We delivered 15 Active and Ready to Learn sessions reaching 40 deaf children aged 0–5, 63 parents and 34 professionals. We delivered eight See

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Me Read sessions, through which we reached 15 deaf children and their parents, 15 librarians, 220 practitioners and 38 student practitioners. We received positive feedback from both pilots.

To encourage parents to read with their child, we have launched a series of children's books over the past two years. We held a competition for our fourth children's book, which received 159 entries (including five video entries in British Sign Language). Author Julia Donaldson was on our judging panel. We arranged for the winner to work with author Sarah Driver to develop their story further and we've been working with a young deaf illustrator. Launch plans for the book were in place as of year end.

Technology can have a large impact on a deaf child or young person's communication. Over the past year we have been producing videos of technology in action which have been receiving high engagement levels (over 22,000 views in total). During the year we fulfilled 459 loans, most of which were through our Technology Test Drive. Of these loans, 108 were radio aids through our Borrow to Buy scheme. Overall, 50 families secured long term access to radio aids, and of these, 55% of orders were purchased by local authorities or via trust/grant funding.

Did we succeed in this objective?

Yes. Our sign language courses and some of our events have supported the language and communication skills of deaf children. Our technology loan service has allowed more parents to trial technology options and check it will support their child's communication before purchasing. We also made good progress in developing our early years work. In our membership survey, parents rated happiness with how they and their child communicate in everyday situations from 0 (not at all happy) to 10 (very happy). The average was 7.35 out of 10, fairly in line with the 2018 average of 7.11 and recovering from a 6.84 average in 2019.

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

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

In Wales, our influencing led to a Welsh Government group being established to write guidance on British Sign Language (BSL) for the new curriculum. We also contributed to a Welsh Government independent review of opportunities for families of deaf children to learn BSL, and received strong media coverage on the ensuing report. A meeting with Welsh Government officials at the start of the year showed that early plans were being considered on how to invest in opportunities to learn BSL.

In January 2020, the New Decade, New Approach agreement to form a Northern Ireland Executive included a firm commitment to introduce a BSL/Irish Sign Language (ISL) legislation. We have been campaigning for the introduction of an Act that delivers improved early intervention for deaf children, which has included political advocacy and media work. In Northern Ireland, we have also been working with the Department for Communities to shape future provision through the Sign Language Partnership Group.

In England, we have been working to redevelop the Early Support Monitoring Protocol which should help to increase standards in early years services. We have consulted extensively with parents and professionals to ensure we get the resource right, and have also carried out a survey with early years

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practitioners which we will use to plan future work. We developed our certified training for early years practitioners, and achieved our application for accreditation.

Did we succeed in this objective?

In part. Our policy and influencing work has been particularly strong in the nations. Around practice, we have achieved some good developments over the year, but in some cases are in the earlier stages of pieces of work and have yet to see the impact.

How did we react to COVID-19 with our language and communication work?

During the latter part of the year we had been developing online sessions and Family Sign Language videos for parents. In reaction to COVID-19, we accelerated these initiatives and sought to provide a broader array of information and resources to meet the needs of our beneficiaries during lockdown. We paused our plans to further roll out our new early years programmes, due to these being currently delivered face-to-face, and we also paused our technology loan service. Much of our policy and practice work has shifted to focus on language and communication in the home learning environment.

Area of focus C: Overcoming barriers to independence

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

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

This year our youth activities programme reached 240 deaf young people through 13 events, with 100% having achieved outcomes they had identified as important at the start of the event, including improved communication, making friends and learning new skills.

We increased focus on activism, and our new ‘Make a Change’ workshop and fund led to 10 projects developed by deaf young people. These projects have influenced local, regional and national organisations to better understand the need to adapt their services for deaf children and young people. Some of these young people have been nominated for their work via the Jack Petchey Foundation and National Diversity Awards.

187 new deaf young members signed up this year, an increase on the 114 who signed up last year. Based on consultation with over 100 deaf young people, we developed two new social media channels for deaf young people in line with our Deaf Works Everywhere campaign. We’re also designing a new youth membership brand which we will use to promote youth membership across the next year.

We received 80 Technology Test Drive applications from deaf young people aged 16 or over, despite the end of the post-16 test drive as a concentrated project. We have also been scoping and testing a multi-channel helpline for deaf young people to link into the membership offer and provide support.

As well as face-to-face opportunities, we have also been developing our online information and support for deaf young people. We have redeveloped our web pages for young people on our main website,

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with new content covering the main topics identified through our case work – work and careers, money, welfare benefits, rights and education. In addition, over 200 deaf young people have been involved in consultations for the redevelopment of our Buzz website for 8–18 year olds, to ensure it is focused on the needs of deaf children and young people.

Did we succeed in this objective?

Yes. We created many opportunities for deaf young people to increase their independence, make friends and develop life skills. We will continue to develop our online opportunities in the future.

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

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

We developed and successfully launched our cross-organisational careers campaign, Deaf Works Everywhere, supported by our Young People's Advisory Board. This included the creation of an aspirational video, targeted specifically at deaf young people aged 13–17, which we launched on our two new social media channels. It received good engagement – with over 23,400 YouTube views as of year end.

We worked on a project funded by the Careers & Enterprise Company, focused on delivering careers advice and increasing careers aspirations. Our funded My Future workshops reached 143 deaf young people and had very positive outcomes, including a big increase in aspirations and knowledge, especially around their rights and access to support. After the workshops, 92% said they were more likely to apply for support after they leave school.

Our policy work focused on Access to Work and we also progressed some partnerships linked to potential volunteering and work experience opportunities. Internally, we developed our work experience processes (we were ready to offer work experience placements to three deaf young people in March 2020) and we also developed some accessibility in the workplace training with a number of potential partners signed up.

There has been strong recognition of our Deaf Works Everywhere campaign in the nations. We have ensured that Welsh Government work on employment equality has included deaf-specific information and we have been invited to be on a new advisory board for disability and employment at the Welsh Government. In Northern Ireland, we launched the campaign with an event at Parliament Buildings which was hosted by the Education Minister and Chair of the Education Committee.

We have also undertaken work to influence improvements in further education. This included discussions with the Student Loans Company and the Department for Education regarding Disabled Students' Allowances, working with the Special Education Consortium to challenge issues with T-levels, and working with the National Sensory Impairment Partnership on post-16 Teacher of the Deaf support. We also delivered workshops on post-16 options at Birmingham Sensory Support Service's staff training day, reaching over 100 professionals.

Did we succeed in this objective?

Yes. We developed and delivered the start of a successful campaign. The results of our membership survey show we can be quite confident that there has been a small positive shift in aspirations. In 2019,

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only 10% said that their child's future job opportunities were 'not at all limited', this had increased to 17% in 2020. There is still much work to do, and we still face the challenge of large gaps in data in this area, for example around destinations and employment outcomes. However, our research study with the University of Manchester and the University of Edinburgh, called Recording Emerging Adulthood in Deaf Youth (READY), should provide more evidence to help us improve our work.

How did we react to COVID-19 with our independence work?

In light of COVID-19, we paused all planned face-to-face work with deaf young people, including youth activities, some internal work experience placements we had planned for March 2020 and some volunteering opportunities and Accessibility in the Workplace training we had planned with other organisations from April 2020. We focused on development of the existing Buzz website as well as writing content for the new Buzz website. We also looked at developing some new virtual projects to pilot, including a pen pals project and the possibility of delivering some of our existing work online.

Scotland

Overcoming barriers in local and national services

We supported the roll out of a Hearing Impairment Network for Children and Young People (previously known as a Managed Clinical Network) that will drive up the quality of audiology standards and support better joined up working with other services. We also supported the roll out of a Local Record of Deaf Children that will support services in planning for the future. Whilst secured in the previous financial year, there has been significant work supporting the launch of these initiatives in 2019/20 and work will continue in the future, particularly with supporting communications and service user engagement.

We continue to work with audiology services and sit on the Paediatric Audiology Standards Advisory Group. We have been pushing for a joined up approach between Education and Health following the introduction of new NHS audiology technology contracts in Scotland at the end of 2019. We have also progressed work on Scottish Children's Hearing Services Working Group (CHSWG) standards and undertaken scoping of access to radio aids in the early years.

In education, we have worked with partners to challenge cuts to services, build support for a specialist teacher bursary scheme and develop a Scotland-wide Teacher of the Deaf workforce plan. We also influenced and responded to consultations on the review of Additional Support Needs and attracted significant coverage and parliamentary scrutiny around calls for the reopening of a parliamentary inquiry into sensory attainment.

In local/non-statutory services, our Deaf-Friendly Swimming Project (funded by the National Lottery Community Fund in Scotland: Young Start) finished this year. By the end of the two-year project, 718 swimming teachers had completed our online training module, our swimming resource had been downloaded 1,240 times, 111 families had participated in our swimming events and 31 media stories had highlighted the impact of our project across Scotland. Our work should have a longer term impact on deaf children being able to access deaf-friendly swimming in the future.

Overcoming barriers in language and communication

We successfully delivered almost all outcomes within our BSL Act project. This included delivering parent campaigning courses, Civic Participation Stage 2 courses, Deaf Learners Conferences and our Young Campaigners programme, as well as providing public bodies with advice on implementing BSL

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plans. We also secured a further contract with Aberdeen School for the Deaf to continue delivery of Family Sign Language for pupils and introduction to BSL for staff.

Everyone Together, a three-year Lottery funded project for families with a deaf child aged 0–8 years in Scotland, finished this year. The project was a huge success, with over 1,800 people receiving support through the programme including 186 families and 341 health visitors in 31 local authority areas. Through the appointment of a family courses officer, we have continued much of the work initiated by the project. This has helped ensure deaf children and their families receive critical language support at an early stage.

Overcoming barriers to independence

We worked with the government to develop their disabled transitions work plan and their new online family resources. In addition to this we worked with Skills Development Scotland on new apprenticeships content for deaf young people and a Scottish transition forum on a Principles of Good Transitions deafness supplement.

Our group of 16 Scottish Young Campaigners have had a significant impact over the past year. They have worked with Scottish government teams such as Getting it Right For Every Child and Transport Scotland, as well as developing new partnerships with organisations such as Skills Development Scotland as part of our Deaf Works Everywhere careers campaign.

How did we react to COVID-19 with our work in Scotland?

We reacted to COVID-19 in Scotland in much the same way as we reacted throughout our UK-wide work. We reprioritised campaigning to protect the immediate rights and possible vulnerabilities of deaf children and young people and paused all face-to-face work. We used existing funding to test out remote Family Sign Language and began to explore which other work it would be possible to deliver online.

International

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

Deaf Child Worldwide has continued to work in East Africa and South Asia, supporting 14 partner organisations in South Asia and four in East Africa. Most projects were able to reach their target number of beneficiaries, and completed activities as planned. We reached over 2,600 deaf children and young people and their families, and supported 24 parents groups and 16 deaf youth groups. We trained around 1,400 teachers as well as almost 3,000 other professionals.

We have progressed our transformation work, including developing and delivering training in East Africa and South Asia, registering an office in Kenya and building relationships with key international partners and agencies. We've also strengthened monitoring and evaluation of projects, including working with partners to develop Theories of Change to improve alignment of our work across the regions. The regional parents group in Latin America is now working autonomously and we ceased to offer any direct

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support in the region from April 2020. Learnings from the process have been documented. Some examples of our work in the strategic areas of focus can be seen below.

Overcoming barriers in local and national services

The main focus of our work in this area is on education, with 14 of our partners having delivered projects linked to education. One example of improved outcomes over the year is our partner Children in Need Institute (CINI) in India, which completed a project on strengthening inclusive education for deaf children. Through conversations with deaf children and observations, CINI found that the 129 deaf primary school children had an increased interest in and took pride in their academic performance. Additionally 85% of parents now helped their children to understand lessons using deaf-specific teaching and learning materials. This is significant because before the project these parents were completely unaware of deaf children's rights and did not know anything about the need to adapt lessons to help deaf children learn. As of January 2020, CINI is one of three partners in West Bengal involved in a follow up project supporting deaf children, most of them from the initial project, who have now transitioned to secondary school. Historically very few deaf children have reached secondary school in the countries where we work. We will be supporting all three partners to take this work forward and will explore how we can overcome some of the significant barriers to secondary school education for deaf children.

There have also been signs that government departments are making progress towards making education more accessible to deaf students. In West Bengal, two of our partners successfully lobbied to ensure that, for the first time, the Board of Secondary Education employed an Indian Sign Language Interpreter for 17 students taking their final secondary exams. Similarly, following regular advocacy by parents support groups in Karnataka, the state commissioner of education issued a notice to appoint sign language experts to help deaf young people in interpretation and clarification during the Secondary School Leaving Certificate exam.

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. This year, 15 of our projects have focused on developing improved language and communication among deaf children and young people, their families, teachers and communities. In South Asia, almost 1,500 deaf children and young people have been supported through our projects, and all have received support with developing their language and communication skills.

Some positive outcomes of our projects include deaf children and young people being trained in Indian Sign Language (ISL), making progress between basic, intermediate and advanced levels. With our partner SAMUHA in India, 52 siblings have learnt ISL and are using this to communicate with their deaf siblings. With our partner NAPADEC in Uganda, 229 parents have been receiving sign language training through parent support groups, and are progressing well.

Overcoming barriers to independence

Seven of our projects this year have addressed independence and employment. Examples of our work and outcomes in this area include our partnership with Deaf Education Kenya (DEK). Here we have reached 93 deaf young people. Throughout the year, we've held training sessions on life skills, employability skills and sexual and reproductive health. We've also linked up deaf young people with businesses, and supported them to enrol into colleges, mentorship or internship programmes or employment.

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In South Asia we have worked with various partners to support around 500 deaf young people to improve their functional language and communication skills, while also supporting them in their transition to adulthood. We have facilitated life skills training, linked them with service providers and vocational training, supported them in their search for meaningful employment, and advocated for important changes to improve their quality of life. One example is that over a three year period with our partner LIPICA in Odisha State, India, 100% of the 50 deaf young people on the project were engaged in some form of employment or income generating activity.

Did we succeed in this objective?

Yes. We have continued to work with partners in East Africa and South Asia, and have seen positive outcomes across our strategic areas of focus. We have also further developed our training and our profile, and have been strengthening our monitoring and evaluation work to become a leading source of information for organisations working with deaf children and young people in developing countries.

How did we react to COVID-19 with our work internationally?

When the COVID-19 pandemic hit, all partners continued to operate but at varying levels depending on their ability to travel and conduct face to face meetings. They reviewed their plans and continue to do so on a quarterly basis. The priority was to maintain contact with as many beneficiaries as possible and this was done through phone, WhatsApp and socially distanced visits. In particular, we supported partners to ensure that deaf children, young people and their families had access to important health messages. We have kept in regular contact with all our partners and have continued to conduct planned reviews at a distance. New projects were paused but some extensions to existing projects have been granted and are being reviewed quarterly. We continue to monitor the different updates to the pandemic and the relevant government decisions in the countries where partners work.

Underpinning activities and smarter working

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

We have continued to provide information, support and advice to our members. We have provided tailored support through our support and advice services, with 4,035 initial calls to our helpline, and further case support provided to over 1,600 families. There were very high levels of satisfaction with support as well as positive outcomes for deaf children and their families. The total amount of Disability Living Allowance (DLA) and Personal Independence Payment (PIP) income generated for families for current and future years was £8,103,035, and there has been an increase in strategic casework which has the ability to impact policy and practice more widely.

We have been exploring new ways to support families to access information, including weekly family blogs on our website (over 7,000 views over the last six months with a high dwell time) and a Chatbot on our website (available on every technology page with 337 total engagements and a 72% automatic success rate). We also launched initial trials of online information sessions for families which received positive feedback.

We delivered successful new services which focused directly on mental health and wellbeing. We held our first 'Happy Futures' event for 60 families in February 2020 with extremely positive feedback, and

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have developed a 'Feeling Good' parents' session. Our Deaf Mental Health Conference raised our profile with professionals, with 191 taking part, 97% rating the event as good or excellent, and 84% saying they would review or change their practice as a result.

This year we also supported the fictional mainstream portrayal of deaf young people. This has included our Young People's Advisory Board consulting on Frances Hardinge's new book *Deeplight*, which at the time of writing is in the top 10 young adult fiction books in the UK; and working with the long-running soap *EastEnders* to ensure accurate and positive portrayal of a deaf character. *EastEnders* has around five million viewers per episode.

We achieved 257 million 'opportunities to see' through our media work, which is the best media coverage in at least the last 10 years. This large increase has helped us to win local campaigns and has supported our policy and influencing work. We have also been able to do more to support our fundraisers and promote and market the local events and services we run.

We increased our resource for internal communications and developed a central marketing team, which resulted in increased take-up of some of our services and campaigns. We also increased capacity and focus on evidence and evaluation work, and had positive feedback from our external health and safety service delivery audit, including reassurance that our processes and systems are robust. And after extensive planning we successfully implemented HMRC's Making VAT Digital filing requirements in January 2020.

We reviewed the performance of our new website which launched at the end of January 2019. Generally it has been performing well in comparison to the old website – more people are using it and staying on it longer. However there are several areas for improvement, including content needing to be optimised for search engines and a lack of clearly defined user journeys. The review also highlighted that staff could benefit from increased digital skills and reporting. We developed an action plan to address these issues and while the timescale for implementation has been extended to September 2020, good progress has been made so far.

We improved our learning and development offer for staff, including the launch of a leadership and development programme, and we have received consistently positive feedback on our new courses. We have delivered deaf awareness training to 66 new starters this year – after the training, 94% were confident in understanding how to communicate with deaf people, compared to 30% before the training. Strong progress has also been made in our safeguarding work, particularly on launching our Code of Conduct, adult safeguarding and safeguarding training, and an updated Whistleblowing policy.

Did we succeed in this objective?

Yes. We have provided tailored support and advice to thousands of families of deaf children, and continue to find new and innovative ways to make our information and support easy to access. It has been a particularly strong year for our influencing and media work, and we have also increased organisational efficiency and effectiveness through a number of initiatives that have received very positive feedback.

How did we react to COVID-19 with our underpinning and smarter working work?

We reacted and adapted in a flexible and creative way, with excellent support from our IT, People, Finance and Communications departments as we moved all staff to home working. We adapted internal processes and ensured that all messaging to our members was accurate, sensitive and timely.

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Targets for 2020/21

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

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

In light of the COVID-19 global pandemic, which started to impact the UK from February 2020, we worked quickly to revise our plans and targets for 2020/21. We have adopted a more flexible approach using a clear set of regularly reviewed planning assumptions, in order to help us adapt to the situation as it evolves, including the risk of a second spike and local lockdowns. We took into account our potential use of the furlough scheme when considering our capacity to deliver on our revised targets. We have started to consider how learning from the current context can be used to shape our work beyond 2020/21.

Our three strategic areas are still appropriate in this situation, but we have repositioned much of our campaigning to react to possible COVID-19 developments which may have a particularly negative impact on deaf children and young people. We have also accelerated plans to deliver more of our services online, building on pilots in 2019/20. Our revised targets and measures are below.

Local and national services

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

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

Language and communication

> We will help families to support the language and communication skills of their deaf child, particularly focusing on the home environment and home learning, and we will focus on understanding the impact of late diagnosis and support.

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

Independence

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

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

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International

We will continue to work with partners in East Africa and South Asia, supporting deaf children internationally in our three strategic areas of focus. We will prioritise ensuring that those we support through our partners have access to appropriate health messaging, and will continue to increase our profile and develop our international role as an expert trainer.

Underpinning activities

We will continue to develop the support we give to our members, providing them with information, support and advice, and will continue to protect the rights of deaf children and young people in line with our strategy. In particular, we will accelerate our digital offer, expand our user generated content, increase opportunities for peer to peer support, and continue to grow our activism work. We are aware that a digital offer is not appropriate for all of our beneficiaries and we will seek to reintroduce some limited face-to-face support later in the year, but only when it can be done safely.

Smarter working

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

Fundraising

Fundraising is essential to allow us to carry out our vital work to support deaf children, young people and their families, and trustees are grateful to the many individuals, companies, trusts and institutions who have supported our work over the year. Our fundraising is supervised in detail by the Finance Audit and Risk trustee sub-committee, with regular reporting to our full Trustee Board who receive copies of all fundraising mailings. We are active members of the 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 to engage new supporters for our work. We encourage 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 everyone they deal with courteously and professionally. We are particularly conscious of the need to take care when interacting with individuals who are or may be vulnerable, and we require all staff and agencies we work with to follow our Ethical Fundraising and Fundraising and Vulnerable People policies. We also ensure that all fundraising agencies have their own Fundraising and Vulnerable People policy which is consistent with the requirements of our own and that their staff are trained to identify and protect people in vulnerable circumstances. We monitor our agencies regularly, using a range of methods, to ensure that everyone who works on our behalf adheres to our high standards. Monitoring methods include call listening, shadowing, survey data and mystery shopping.

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.

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Over the course of the year we investigated 79 allegations of fraud, 29 of which were upheld and reported to the police via Action Fraud. Our website outlines our Complaints policy and clearly explains how an individual can complain. We responded to all complaints in line with the policy. We received 928 complaints about our fundraising activity, 900 of which related to our face-to-face supporter recruitment campaigns. To put this in context, our recruiters made contact with an estimated 16.52 million contacts with individuals over the course of the year, giving a complaint rate of one complaint per 18,364 contacts made – this is a 3% improvement on our complaint rate compared to 2018/19. Two complaints were investigated by the Fundraising Regulator. In the first case the original actions we took in response to the complaint were deemed satisfactory and the investigation was closed. In the second case we were found to have breached the code due to internal process failures. We agreed an action plan with the Fundraising Regulator to make valuable improvements to our systems to address these and the investigation was then closed. We also received 12 requests to amend communication preferences via the Fundraising Preference Service, all of which were actioned promptly on our database. Detailed complaint and fraud reports covering all of the above are regularly reviewed by our trustees.

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

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

Principal risks and uncertainties

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

- **That we are not relevant to our members.** Our target audiences (deaf children and young people, their parents, professionals and decision-makers) have different needs and many competing demands for their time and attention. If we're to achieve our ambitions, we must stand out in an increasingly crowded marketplace with a clear offer that is relevant to them at this time. We are investing in audience insights and marketing as well as regularly engaging with, and responding to, our audiences through consultation and co-production on new offers. In response to COVID-19 we have moved swiftly to adapt more of our offer to digital platforms and are working on developing a new/ refreshed offer relevant to each audience.
- **That income drops significantly.** From February 2020, the need to control COVID-19 impacted significantly on our ability to recruit new supporters and raise income. Supporter recruitment resumed, with precautions and in accordance with government guidelines, in July 2020. The anticipated risk of a second spike of infections and/or local lockdowns that could further impact on fundraising efforts was recognised in our contingency planning before it started to materialise and there was a further suspension of supporter recruitment activity in November. In addition, if existing supporters lose their jobs in an economic downturn we may see more of them cancelling their monthly contributions. To mitigate this, we are monitoring the fundraising environment and

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working very closely with our suppliers to ensure all supporter recruitment is carried out safely. We are regularly reviewing data on our supporters, updating our financial forecasts, producing financial scenarios and making sure we are ready to manage the impact of any drop in income. This is discussed regularly with trustees, with mechanisms in place for additional reporting if there is cause for concern. Trustees also oversee compliance with fundraising regulations and make sure that fundraising is carried out to high ethical standards. Investment continues in income diversification projects to mitigate the risk of reliance on fundraised income where possible.

- **That there is a safeguarding failure.** We recognise the importance of safeguarding children and young people in all areas of our work, and in activities organised by affiliated local groups and our international partners. Although COVID-19 means that we are not currently delivering face-to-face activities, opportunities to identify/investigate abuse by others have reduced, and the risk of online abuse has increased. The charity has a Safeguarding policy which applies to everyone who works with or for the charity. The policy is implemented through robust procedures and supported by training programmes for staff and volunteers. We provide online training and require affiliated local groups to meet safeguarding standards. Similarly, we set clear standards and procedures and provide training for our international partners. There is an experienced Trustee lead on safeguarding and safeguarding work across the organisation is regularly reported to the Board. All policies and procedures are regularly reviewed internally and with an external advisor. Although we believe the operational procedures have strong safeguards embedded in them, it remains a key risk on our risk register.
- **That our staff suffer as a result of COVID-19.** The ongoing pandemic could expose staff to the virus while travelling to/from work or while on business for the charity. Many people have also experienced stress and anxiety due to the lockdown and as a result of changed work and workloads, and the use of the furlough scheme. To address this risk we closed all our offices on 18 March and will not ask staff to return to the office or undertake work outside their place of residence until they are confident to do so safely. We have increased communications to staff during this time, and our online wellbeing offer and online training. We have adopted new technologies, and implemented new social platforms for staff on furlough and at work to keep in touch. We continue to monitor the situation through polls, managers' meetings, and online 1:1 supervisions, and by bringing together managers virtually to discuss the key issues affecting them and their staff.

Financial review

Overview

We are pleased to report that in 2019/20 income grew by almost £1.3 million to reach a total income figure of £24.3 million driven by an increase in our supporter income. Charitable expenditure of £16.0 million also rose by £1.3 million. We used our reserves to invest in recruiting new supporters whose regular contributions will benefit us in future years, leading to a planned deficit of £4.0 million in the year. The additional contribution these new supporters have made has been particularly valuable as we have had to change the way we provide support to deaf children and their families as the pandemic took hold.

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Fundraising contribution

Our supporters increased their contributions by £2.4 million to £21.5 million. As 99% of this income is unrestricted we have the flexibility to fund activities aligned with our strategic priorities even if restricted funding or contract income is not available. We invested £11.1 million on recruiting supporters in 2019/20 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 and after a particularly high level of receipts last year in 2019/20 we saw a fall in legacy income of £0.9m to £1.2 million.

Charitable expenditure

We spent £16.0 million on our charitable activities in 2019/20, an increase of £1.3 million 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 £0.01 million was spent on intangible fixed assets as part of our planned investment in IT infrastructure.

Financial position at year end

Net assets are now £7.6 million, a decrease of £4.0 million due to the planned investment in recruiting new supporters to secure future income streams.

Performance of subsidiaries

NDCS Limited had a successful year and will pass a profit of £25,000 to the charity. This is less than in previous years as Christmas card sales have continued to decline year on year. Further details are shown in Note 3 of the financial statements.

Reserves

We have a risk based reserves policy which is underpinned by the organisational risk register and is linked with the charity's strategy and corporate plan. This has determined that the target range of general reserves (excluding those reserves represented by restricted funds and fixed assets reserve) required by the charity as being between £7.2 million and £9.4 million. The target range has increased to reflect the risks and uncertainty faced by the charity with £1.15 million to be used to fund strategic investment in digital transformation of our services and income generation.

The total reserves for the charity as at 31 March 2020 were £7.6 million (2019: £11.6 million). Unrestricted reserves formed £7.3 million (2019: £11.0 million) and restricted reserves £0.3 million (2019: £0.6 million).

Of the unrestricted reserves balance of £7.3 million, £0.1 million was related to intangible and tangible fixed assets.

General reserves (excluding reserves represented by restricted funds, fixed assets and the revaluation reserve) stood at £7.2 million. This is at the lower of the target reserves range of £7.2 million to £9.4

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million. However a surplus budget is planned for 2020/21 and despite the challenges presented by coronavirus, we expect to end the year within the target reserves range.

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 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 £3.6 million at 31 March 2020, a fall of £0.2m in the year after reinvestment of income due to the effect of the stock market falls in the last quarter. Investments have recovered strongly in the first two quarters of 2020/21 and exceed the valuation at 31 March 2020.

Going Concern

The trustees have reviewed our activities, financial position and risks, including the impact of uncertainty arising from the Covid-19 pandemic on our voluntary income. We have adjusted our plans for 2020/21 to incorporate social distancing in our fundraising and programme of work and increased our use of digital delivery methods to support, and campaign for, deaf children and their families. In the light of this, and the regular review of financial scenarios by trustees modelling incorporating a range of fundraising outcomes, the going concern basis of accounting continues to be adopted in preparing the financial statements.

The trustees have assessed the charity's ability to continue as a going concern. The trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements, including a review of updated forecasts to 31 March 2023, a consideration of key risks – including the impact of Covid-19 – that could impact the charity and the latest available management information. Covid-19 has had a significant impact on the charity.

As set out in our section on risk, from February 2020 to July 2020 Covid-19 impacted significantly on our ability to recruit new supporters with the temporary suspension of recruitment activity. Supporter recruitment activity is critical to the ongoing maintenance, and growth, of income levels. Supporter recruitment activity resumed, with precautions and in accordance with government guidelines, in July 2020 although has ceased again for the duration of the second national lockdown.

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Contingency planning has taken place which takes into account considerations of the impact of local and national lockdowns, including the further suspension of recruitment activity in lockdown scenarios. Scenarios presented also consider lapsing levels and the impact of falling investment values. Analysis shows that suspending supporter recruitment results in an improved short term financial position due to the associated significant reduction in costs, however over time there is a significant impact on income due to higher rates of lapsing.

Our plans for delivery of charitable activities have been adjusted to increase our use of digital delivery methods to support, and campaign for, deaf children and their families and this is reflected in the scenarios considered.

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

Grant policy

As part of delivering our international charitable activities we award grants to partner organisations in line with our strategic objectives. We undertake a formal appraisal of the project and partner organisation before making a grant which is subject to a specific grant agreement. The due diligence process includes review of the governance, senior management, financial capacity and an assessment of the organisation's capacity to deliver the project objectives. Progress against targets is monitored before making further grant payments and if we are not satisfied that the grant is being managed in accordance with the partnership agreement the grant will be delayed or terminated. In 2019/20 we spent £0.4 million in grants to partner organisations in relation to our international work.

Corporate structure, governance and accountability

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

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

The 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.

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

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

The Trustee Board meets four times a year. It is supported by four committees, each of which has specific terms of reference. The Finance, Audit and Risk Committee, which meets four times a year, oversees all financial and administrative matters of the charity. The Services and Campaigns Committee, which meets three times each year, provides strategic support and direction to the development of services for beneficiaries and for advocacy. The International committee, which meets three times each year, provides strategic support and direction to the development of our international work; and the Governance Committee, which meets four times each year, and is responsible for ensuring the Trustee Board has an effective governance framework and an appropriate skills mix. The committees are chaired by trustees with a minimum of three trustee members. Committee meetings are also attended by relevant staff. Each committee has its decisions ratified by the Trustee Board where appropriate.

The day-to-day running of the National Deaf Children's Society and the exercise of executive responsibility are delegated to the chief executive for operational matters including finance, employment and service delivery.

Each year the Governance Committee reviews our governance practices in detail against the Governance Code using an 'apply or explain' approach. The review has led to the development of the Board diversity action plan to address the weakest area. Progress and outcomes of the action plan are reported to the Governance Committee.

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

Employees

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

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The charity is committed to an ethos of continuous improvement encouraging feedback and suggestions. Employees across the charity were involved in the development of our five year strategy and are kept updated on progress and objectives as well as day to day news and events through team meetings, seminars, our intranet, Facebook workplace and a weekly digital newsletter *In the Loop*. We have also run a series of pulse surveys in 2020/21 to enable staff to feedback on their experience of working in lockdown and this has helped us to provide support and monitor staff wellbeing.

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

Remuneration

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

We operate a defined contribution group personal pension scheme, to which all eligible employees are auto-enrolled. We make a contribution of 5.5% of salary with staff contributing 1.5% though they can opt to contribute more.

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

Executive pay:

The total remuneration of the Executive team (as defined below) was £498,371 (£491,415 in 2018/19). This included pension contributions of £18,342 (£17,352 in 2018/19). There were no benefits in kind. The Executive team received the same annual pay increase as all other staff.

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

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Members of the Trustee Board 2019–2020

Lisa Capper	(Chair, resigned 10 December 2019)
Tim Polack	(Vice Chair to 10 December 2020, Chair from 10 December 2020)
Dominic Holton	(Vice Chair from 10 December 2020)
Helen Selwood	(Treasurer)
Sheila McKenzie	(Deputy Treasurer)
Suzanne Beese	
Jennie Rayson	
Jan Rutherford	
Lorraine Wapling	
Gerard Featherstone	(resigned 10 December 2020)
Lynn Gadd	(appointed 19 July 2019)
Damian Proctor	(appointed 19 July 2019)
Altaf Kassam	(appointed 21 March 2020)
Katherine Binns	(appointed 21 March 2020)

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

Members

There are the following categories of membership:

Full members

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

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

Supporter members

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

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

Associate members

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

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

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- 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 450 volunteers who help us support deaf children and young people, with 169 of them having done a volunteer assignment in the course of the year. We have a range of volunteering opportunities, including family programme volunteers, youth support volunteers and community support volunteers.

In addition, 32 legal volunteers have provided pro bono support to our casework this year. We have received over 1900 pro bono hours of legal support during the financial year 2019/20. The value of these volunteers is estimated at £31,000.

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 and events would not be as extensive and successful as they are, nor our offices as well run.

Statement of trustees' responsibilities

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

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP

The National Deaf Children's Society
Report of the Directors
for the year ended 31 March 2020

- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the trustees are aware:

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

Auditors

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

By order of the Board

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



Tim Polack
Director and Trustee

Date: 12 November 2020

The National Deaf Children's Society
Report of the independent auditors
for the year ended 31 March 2020

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 2020 which comprise Consolidated Statement of Financial Activities (including the Consolidated Income and Expenditure Account), the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2020 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.

The National Deaf Children's Society
Report of the independent auditors
for the year ended 31 March 2020

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 25, 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,

The National Deaf Children's Society
Report of the independent auditors
for the year ended 31 March 2020

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

Date: 13 November 2020

The National Deaf Children's Society
Consolidated statement of financial activities
(including consolidated income and expenditure account)
for the year ended 31 March 2020

Income and expenditure	Note	Unrestricted funds £000s	Restricted funds £000s	Total 2020 £000s	Total 2019 £000s
Income and endowments from:					
Donations and legacies					
Regular donations and subscriptions from individuals		21,189	276	21,465	19,047
Legacy income	5(a)	1,179	42	1,221	2,071
Other donations and gifts		817	97	914	1,038
		<u>23,185</u>	<u>415</u>	<u>23,600</u>	<u>22,156</u>
Charitable activities	5(b)	61	285	346	556
Other trading activities	5(c)	139	-	139	139
Investments	5(d)	201	-	201	189
		<u>23,586</u>	<u>700</u>	<u>24,286</u>	<u>23,040</u>
Share of net gain in joint venture	4	41	-	41	8
Total		<u>23,627</u>	<u>700</u>	<u>24,327</u>	<u>23,048</u>
Expenditure on:					
Raising funds	7(a)	12,084	-	12,084	8,104
Charitable activities:					
Overcoming barriers in local and national services		7,998	234	8,232	6,890
Overcoming barriers in language and communication		2,668	384	3,052	3,009
Overcoming barriers to independence		2,596	326	2,922	3,038
Other charitable activities		1,715	74	1,789	1,796
Total charitable activities	7(a)	<u>14,977</u>	<u>1,018</u>	<u>15,995</u>	<u>14,733</u>
Share of net loss in joint venture	4	-	-	-	-
Total	7(a)	<u>27,061</u>	<u>1,018</u>	<u>28,079</u>	<u>22,837</u>
Net (loss) / gain on investments	10(c)	(283)	-	(283)	261
Net (expenditure) / income and Net movement in funds before transfers	7(e)	<u>(3,717)</u>	<u>(318)</u>	<u>(4,035)</u>	<u>472</u>
Net (expenditure) / income and Net movement in funds after transfers		<u>(3,717)</u>	<u>(318)</u>	<u>(4,035)</u>	<u>472</u>
Fund balances brought forward		10,985	635	11,620	11,148
Fund balances carried forward		<u>7,268</u>	<u>317</u>	<u>7,585</u>	<u>11,620</u>

All amounts relate to continuing activities.

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

The National Deaf Children's Society
Consolidated balance sheet and balance sheet
for the year ended 31 March 2020

	Note	Group 2020 £000s	Group 2019 £000s	Charity 2020 £000s	Charity 2019 £000s
Fixed assets					
Intangible assets	8	53	110	53	110
Tangible assets	9	-	65	-	65
Investment in joint venture - share of net assets	4	105	64	-	-
Other investments	10	3,630	3,823	3,630	3,823
		<u>3,788</u>	<u>4,062</u>	<u>3,683</u>	<u>3,998</u>
Current assets					
Debtors	11	2,158	2,383	2,175	2,450
Cash at bank and in hand		3,769	7,190	3,734	7,116
		<u>5,927</u>	<u>9,573</u>	<u>5,909</u>	<u>9,566</u>
Creditors: amounts falling due within one year	12	<u>2,130</u>	<u>2,015</u>	<u>2,112</u>	<u>2,008</u>
Net current assets		<u>3,797</u>	<u>7,558</u>	<u>3,797</u>	<u>7,558</u>
Net assets		<u>7,585</u>	<u>11,620</u>	<u>7,480</u>	<u>11,556</u>
The funds of the charity					
Unrestricted funds					
Fixed asset reserve		53	175	53	175
General funds		7,215	10,810	7,110	10,746
		<u>7,268</u>	<u>10,985</u>	<u>7,163</u>	<u>10,921</u>
Restricted funds	13	<u>317</u>	<u>635</u>	<u>317</u>	<u>635</u>
	15	<u>7,585</u>	<u>11,620</u>	<u>7,480</u>	<u>11,556</u>

The deficit for the financial year dealt with in the financial statements of the parent company was £4,075,588 (2019: surplus of £464,274).

The financial statements were approved by the Board and authorised for issue on 10 November 2020 and signed on its behalf by:



.....
Tim Polack
Director

Date: 12 November 2020

The notes on pages 33 to 55 form part of the financial statements.

The National Deaf Children's Society
Consolidated Statement of cash flows
for the year ended 31 March 2020

	2020 £000s	2019 £000s
Cash flow from operating activities:		
Net income for the year	(4,035)	472
<i>Adjustments for:</i>		
Depreciation/amortisation	135	161
Loss/(gain) on investments	283	(261)
Income from investments	(201)	(189)
Investment management fees	26	24
Share of net (gain) in joint venture	(41)	(8)
Decrease / (increase) in debtors	226	(88)
Increase/(decrease) in creditors	115	631
Net cash provided by/(used in) operating activities	(3,492)	742
Cash flows from investing activities:		
Interest on cash deposits	20	17
Income from joint venture	64	72
Purchase of intangible fixed assets	(13)	(26)
Purchase of tangible fixed assets	-	-
Net cash provided by/(used in) investing activities	71	63
Decrease /(increase) in cash and cash equivalents in the year	(3,421)	805
Cash and cash equivalents at 1 April 2019	7,190	6,385
Cash and cash equivalents at 31 March 2020	3,769	7,190

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2020

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.

As detailed in the going concern commentary in the Directors Report the trustees have reviewed the charity's activities, financial position and risks, including the impact of uncertainty arising from the Covid-19 pandemic on our voluntary income. We have adjusted our plans for 2020/21 to incorporate social distancing in our fundraising and programme of work and increased our use of digital delivery methods to support, and campaign for, deaf children and their families. In the light of this, and the regular review of financial scenarios by trustees modelling incorporating a range of fundraising outcomes, the going concern basis of accounting continues to be adopted in preparing the financial statements.

The trustees have assessed the charity's ability to continue as a going concern. The trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements, including a review of updated forecasts to 31 March 2023, a consideration of key risks – including the impact of Covid-19 – that could impact the charity and the latest available management information. These forecasts took account of the temporary suspension of recruitment activity from March 2020 to July 2020 and of possible further suspension of recruitment activity such as the cessation of recruitment activity in November 2020 for the duration of the second national lockdown. They also reflected the increased use of digital delivery methods to support, and campaign for deaf children and their families.

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

b) Critical accounting estimates and areas of judgement

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

c) Currencies

The financial statements are presented in sterling (£).

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

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2020

2 Accounting policies (continued)

d) Group financial statements

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

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

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

e) Fund accounting

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

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

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

f) Income recognition

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

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

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

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

Investment income - is accounted for on a receivable basis.

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

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2020

2 Accounting policies (continued)

g) Expenditure recognition

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT where applicable. It is classified under headings in the accounts that aggregate all costs related to the category. All expenditure is accounted for on an accruals basis and includes irrecoverable VAT where applicable.

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

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

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

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

h) Operating leases

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

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

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

i) Intangible fixed assets

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

j) Tangible fixed assets

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

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

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

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

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2020

2 Accounting policies (continued)

k) Assets in the course of construction

Payments on account of intangible and tangible fixed assets which are not operational at the balance sheet date are recorded in separate fixed asset categories "Assets in the course of construction". No depreciation is charged on assets in the course of construction until they are brought into operational use at which point the asset is transferred into the relevant fixed asset category and depreciated/amortised over their useful economic life. At 31 March 2020, there were no assets in course of construction.

l) Investments

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

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

m) Stock

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

n) Taxation

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

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

o) Pensions

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

At 31 March 2020 contributions amounting to £51,412 (2019 - £50,145) were payable.

p) Financial instruments

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

Basic financial assets which are receivable within one year, which include trade and other receivables and accrued income were £968,000 (2019 £1,248,000) and cash and bank balances of £3,769,000 (2019 £7,190,000) are initially measured at transaction price and subsequently carried at settlement amount.

Basic financial liabilities which are payable within one year, which include trade and other payables and accruals were £1,861,000 (2019 £1,731,000) are initially measured at transaction price and subsequently carried at settlement amount.

q) Cash and cash equivalents

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

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2020

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:

	2020	2019
	£000s	£000s
Turnover	134	153
Cost of sales	<u>(101)</u>	<u>(67)</u>
Gross profit	33	86
Administrative expenses	<u>(8)</u>	<u>(5)</u>
Net income	25	81
Amount Gift Aided to the National Deaf Children's Society	<u>(25)</u>	<u>(81)</u>
	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Current assets	62	107
Creditors: amounts falling due within one year	<u>(62)</u>	<u>(107)</u>
Total net assets	<u>-</u>	<u>-</u>
Equity shareholders' funds	<u>-</u>	<u>-</u>

At the end of the year, N.D.C.S. Limited paid £25,279 (2019 - £81,323) to the charity by Gift Aid.

In these consolidated accounts, turnover consolidated in activities for generating funds is £133,912 (2019 - £153,461) and investment income is £127 (2019 - £117) with the associated costs included under fundraising expenditure.

b) Friends for Young Deaf People

The charity has a wholly owned charity, Friends for Young Deaf People, a charitable company registered in England and Wales (company number 3029501, registered charity number 1045011). The registered address of Friends for Young Deaf People is 37-45 Paul Street, Ground Floor South, Castle House, London, EC2A 4LS. Friends for Young Deaf People was dormant throughout the year ended 31 March 2020, as well as the year ended 31 March 2019.

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

c) Fundacion Ninos Sordos del Mundo

Throughout the year, the National Deaf Children's Society had one other wholly owned subsidiary, Fundacion Ninos Sordos del Mundo, a charity registered in Spain, which was dormant for the year ended 31 March 2020. The registered address of Fundacion Ninos Sordos del Mundo is Torre Europa, Paseo de la Castellana 95 -18º, 28046, Madrid, Spain.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2020

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.

	2020	2019
	£000s	£000s
The 25% share of Childlife's results for the year is shown below:		
Income from:		
Voluntary income	238	227
Other trading activities	-	-
	238	227
Expenditure on:		
Raising funds	129	164
Charitable activities	68	55
	197	219
Net income / (expenditure)	41	8
Funds balances brought forward	64	56
Fund balances carried forward	105	64

Income receivable from Childlife for the year of £64,000 (2019: £71,500) is included in investment income (see note 5d). This includes an honorarium of £nil (2019: £1,500) received from Childlife for fulfilling the role of Honorary Treasurer.

	2019	2019
	£000s	£000s
The 25% share of assets and liabilities of Childlife were:		
Fixed assets	-	-
Current assets	124	69
	124	69
Gross assets	124	69
Gross liabilities	(19)	(5)
	105	64
Total assets less total liabilities – share of net assets	105	64
Unrestricted funds		
Other charitable funds	105	64

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2020

5 Income

a) **Legacy income**

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

b) **Income from charitable activities**

	Grants £000s	Fees from non-statutory Sources £000s	Total £000s
Overcoming barriers in local and national services	35	17	52
Overcoming barriers in language and communications	124	31	155
Overcoming barriers to independence	90	12	102
Other charitable activities	25	12	37
Total 2020	<u>274</u>	<u>72</u>	<u>346</u>
Total 2019	<u>484</u>	<u>72</u>	<u>556</u>

Further information of grant income is provided in note 13.

c) **Other trading activities**

	2020 £000s	2019 £000s
Gross income from trading	139	139
Income from training and services	<u>-</u>	<u>-</u>
	<u>139</u>	<u>139</u>

d) **Investment income**

	2020 £000s	2019 £000s
Interest on cash deposits	20	17
Income from listed investments	117	100
Income receivable from joint venture	<u>64</u>	<u>72</u>
	<u>201</u>	<u>189</u>

The National Deaf Children's Society
Notes forming part of the financial statements
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6 Staff costs, trustee remuneration and expenses and costs of key management personnel

a) Staff costs comprise:

	2020 £000s	2019 £000s
Wages and salaries	7,800	7,887
Social security costs	779	798
Pension costs	429	429
	<u>9,008</u>	<u>9,114</u>

The average number of employees during the year was as follows:	2020 No.	2020 (FTE)	2019 No.	2019 (FTE)
Charitable activities	188	155	201	166
Fundraising	29	28	28	28
Administration and support services	39	37	32	30
	<u>256</u>	<u>220</u>	<u>261</u>	<u>224</u>

The above staff numbers include an average of 20 (2019: 21) casual workers who primarily worked on our events programme.

b) During the year, redundancy and termination payments totalling £77,966 (2019: £58,417) were payable. All payments were settled at the year end. These related to redundancy payable at the end of the fixed term contracts for specific projects and restructures within departments.

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

	2020	2019
£60,000 - £69,999	3	2
£70,000 - £79,999	1	-
£80,000 - £89,999	-	-
£90,000 - £99,999	2	2
£100,000 - £109,999	1	1
	<u>1</u>	<u>1</u>

d) The charity trustees were not paid nor received any other benefits from employment with the charity or its subsidiary in the year (2019: £nil). Reasonable expenses for travel, subsistence and incidentals reimbursed to 8 trustees (2019: 9 trustees) during the year totalled £1,256 (2019: £1,792) 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 2020 was £498,371 (2019: £491,415).

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2020

7 Analysis of expenditure

a) Expenditure on:	Direct costs £000s	Grants payable £000s	Support costs £000s	Total 2020 £000s	Total 2019 £000s
<i>Raising funds</i>					
Regular donations and subscriptions from individuals	10,706	-	355	11,061	7,159
Legacies	251	-	40	291	221
Other fundraising costs *	510	-	195	705	703
	<u>11,467</u>	<u>-</u>	<u>590</u>	<u>12,057</u>	<u>8,083</u>
Investment management fees	27	-	-	27	21
	<u>11,494</u>	<u>-</u>	<u>590</u>	<u>12,084</u>	<u>8,104</u>
<i>Charitable activities</i>					
Overcoming barriers in local & national services	7,045	220	967	8,232	6,890
Overcoming barriers in language & communications	2,090	178	784	3,052	3,009
Overcoming barriers to independence	2,210	54	658	2,922	3,038
Other charitable activities	1,304	-	485	1,789	1,796
	<u>12,649</u>	<u>452</u>	<u>2,894</u>	<u>15,995</u>	<u>14,733</u>
	<u>24,143</u>	<u>452</u>	<u>3,484</u>	<u>28,079</u>	<u>22,837</u>
Total expenditure 2020	<u>24,143</u>	<u>452</u>	<u>3,484</u>	<u>28,079</u>	<u>22,837</u>
Total expenditure 2019	<u>19,347</u>	<u>430</u>	<u>3,060</u>		<u>22,837</u>

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

b) Analysis of grants payable

	2020 £000s
UK grants	
Grants to affiliated local registered Deaf Children's Societies *	25
Grants to NHS National Services Scotland	10
Other UK grants	5
	<u>40</u>

* Each grant was for a maximum of £500, with the maximum received by any one local Deaf Children's Society (£900).

The National Deaf Children's Society
Notes forming part of the financial statements
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b) **Analysis of grants payable** (cont'd)

	2020 £000s
International grants	
APD - Karnataka	57
Cini Asha Deaf Way	37
Khagenhat Welfare Organisation	16
Samuha – Deaf children and families	16
Centre for Disability in Development	88
Sadhana	23
Citizens Association for Rural Development	17
SNDAYP	26
Lipica	22
Graham Bell Centre for the Deaf	27
University of Dar es-Salaam	19
Deaf Empowerment Kenya	27
VSO Kenya	(4)
National Association of Parents of Deaf Children	20
Uganda National Association for the Deaf	21
	412
Total grants	452

There are no grant commitments.

The National Deaf Children's Society
Notes forming part of the financial statements
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c) **Allocation of support costs**

	Governance £000s	Finance and legal £000s	Human resources £000s	IT £000s	Facilities management and shared premises £000s	Total 2020 £000s
<i>Raising funds</i>	-	87	63	157	283	590
<i>Charitable activities</i>						
Overcoming barriers in local & national services	109	170	124	307	257	967
Overcoming barriers in language & communications	34	147	107	265	231	784
Overcoming barriers to independence	34	125	91	226	182	658
Other charitable activities	19	92	67	167	140	485
Total support costs 2020	<u>196</u>	<u>621</u>	<u>452</u>	<u>1,122</u>	<u>1,093</u>	<u>3,484</u>
Total support costs 2019	<u>195</u>	<u>633</u>	<u>426</u>	<u>887</u>	<u>919</u>	<u>3,060</u>

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

d) **Governance costs**

	2020 £000s	2019 £000s
Audit fees	17	17
Trustee costs	15	8
Other costs supporting governance activities	164	170
	<u>196</u>	<u>195</u>

The National Deaf Children's Society
Notes forming part of the financial statements
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e) **Net income / expenditure for the year**

	2020	2019
	£000s	£000s
Net income/expenditure for the year is stated after charging:		
Auditor's remuneration		
Statutory audit	17	17
Other	4	3
Amortisation	70	97
Depreciation	65	64
Operating lease rentals	818	639
	818	639

8 Intangible fixed assets

	Computer software	Total
	£000s	£000s
Charity and group		
Cost		
As at April 2019	1,275	1,275
Transfers from assets under construction		-
Additions	13	13
Disposals	(35)	(35)
As at 31 March 2020	1,253	1,253
Amortisation		
As at April 2019	1,165	1,165
Charge for the year	70	70
Adjustment for disposals	(35)	(35)
As at 31 March 2020	1,200	1,200
Net book value		
As at 31 March 2020	53	53
As at 31 March 2019	110	110

Computer software includes the finance system which has a carrying value of £36,000 and a remaining amortisation period of 1 year.

The National Deaf Children's Society
Notes forming part of the financial statements
for the year ended 31 March 2020

9 Tangible fixed assets

Charity and group	Plant and machinery £000s	Fixtures, fittings and equipment £000s	Total £000s
Cost			
As at April 2019	222	1,548	1,770
Additions	-	-	-
Disposals	-	(96)	(96)
As at 31 March 2020	222	1,452	1,674
Depreciation			
As at April 2019	178	1,527	1,705
Charge for the year	44	21	65
Adjustment for disposal	-	(96)	(96)
As at 31 March 2020	222	1,452	1,674
Net book value			
As at 31 March 2020	-	-	-
As at 31 March 2019	44	21	65

10 Fixed asset investments

a) **Childlife**

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

b) **Other investments**

	Group		Charity	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
Listed investments at market value (see note 10c)	3,630	3,823	3,630	3,823
Investments in subsidiary (NDCS Limited) £100 – see note 3				

c) **Listed investments**

	2020 £000s	2019 £000s
Market value at 1 April 2019	3,823	3,486
Reinvested income	116	100
Management fees	(26)	(24)
Realised (loss) gain on investments	(283)	261
Market value as at 31 March 2020	3,630	3,823
Listed investments at historic cost	3,805	3,579

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

d) **Listed investments by type**

	2020 £000s	2019 £000s
Equities	2,463	2,620
Alternative investments	544	532
Fixed interest	598	521
Cash	25	150
Market value as at 31 March 2020	<u>3,630</u>	<u>3,823</u>

11 Debtors

	Group 2020 £000s	Group 2019 £000s	Charity 2020 £000s	Charity 2019 £000s
Due within one year:				
Trade debtors	55	26	44	8
Due from subsidiary undertaking	-	-	45	100
Other debtors	987	1,202	987	1,202
Prepayments and accrued income	1,116	1,155	1,099	1,140
	<u>2,158</u>	<u>2,383</u>	<u>2,175</u>	<u>2,450</u>

12 Creditors: amounts falling due within one year

	Group 2020 £000s	Group 2019 £000s	Charity 2020 £000s	Charity 2019 £000s
Trade creditors	503	725	503	724
Social security and other taxes	215	221	212	221
Other creditors	79	71	79	65
Accruals	1,279	935	1,264	935
Deferred income	54	63	54	63
	<u>2,130</u>	<u>2,015</u>	<u>2,112</u>	<u>2,008</u>

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

Deferred income reconciliation	2020 £000s	2019 £000s
At 1 April 2019	63	120
Recognised in the year	(63)	(120)
Deferred in the year	54	63
At 31 March 2020	<u>54</u>	<u>63</u>

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

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

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

The National Deaf Children's Society
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13 Restricted funds (continued)

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

The restricted funds are held for the following purposes:

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

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

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

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

Department for Communities Northern Ireland - Sign Language Partnership Group - comprises three grants, the most recent of which, awarded in the financial year provides funding to contribute to the redressing of the educational academic under-achievement for deaf people, through early communication intervention with hearing families of deaf children and to raise the profile of sign language as a linguistic and cultural minority language, and a language of need for deaf people.

Scottish Government - Managed Clinical Networks - grant funding contributes towards salary costs of a managed clinical network (MCN) manager and local groups coordinator to explore the viability of a Children's Hearing Managed Clinical network via multi-agency partners; and to build capacity within local groups and Children's Hearing Services Working Groups (CHSWG) to support on-going local sensory impairment work. NDCS is holding this funding to pass to the Hearing Impairment Network for Children and Young People which began operation in autumn 2019.

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

Scottish Government Equalities Funding – Equality Funding, Sign of the Future – grant funding contributes towards the costs of delivering our Sign of the Future project to support families in developing effective communication and language skills with their deaf child. The Scottish Government has agreed that NDCS can use the remaining funding to deliver Family Sign Language Level 2 and create signed vocabulary videos.

Scottish Government Promoting Equality and Cohesion Fund (PECF) 2017-2020 - grant funding contributes towards costs of our BSL Act Partnership project to youth and parent participation and inform delivery of the BSL Act in Scotland.

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

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

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13 Restricted funds (continued)

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

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.

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

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

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

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

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

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

Specific Donors Disclosure

In March 2019, the charity was awarded £80,961 over the period January 2019 to September 2020 by the Careers & Enterprise Company for the My Future – Careers Guidance for Deaf Young People Project. The key financial tools for the project are as follows:

	Note	2019 £000s	2020 £000s	Total £000s
Cash received during the year		-	38	38
Expenditure incurred & income recognised in the accounts	13	(6)	(55)	(61)
Balance within accrued income	11	(6)	(17)	(23)

14 Movement on unrestricted funds

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

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15 Analysis of group net assets between funds at 31 March 2020

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

16 Parent undertaking's income and expenditure

As permitted by Section 408 of the Companies Act 2006, the income and expenditure account of the parent undertaking is not presented as part of these accounts. The consolidated Income and Expenditure Account includes a deficit of £4,075,588 (2019: surplus of £464,274) 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:

	2020 £000s	2019 £000s
Within one year	792	801
Between two and five years	2,281	3,029
After five years	782	818
	<u>3,855</u>	<u>4,648</u>

19 Capital and other commitments

At 31 March 2020 there were no capital commitments (2019: none).

20 Related party transactions

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

21. Non-adjusting post balance sheet event

The government restrictions imposed to control the coronavirus pandemic in March 2020 have impacted the work of the charity and our fundraising income. We suspended our face to face delivery of support to deaf children and their families and fundraising activities in March. We restarted supporter recruitment in July, fully complying with all necessary precautions and in accordance with government guidelines. This was kept under close review and, when necessary, we subsequently suspended recruitment activity in compliance with the local and national regulations, including a complete cessation of all supporter recruitment in early November. The impact of lockdown on our recruitment activity and wider

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operations has been considered as part of our scenario planning and assessment as set out in our consideration of going concern (see accounting policies).

The impact of the pandemic on global stock markets also resulted in fall in the market value of our investments in the final quarter of 2019/20 resulting a loss on investments of £283k in the year. This has been recovered post year end.

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The following pages represent comparative figures for the year ended 31 March 2019, in accordance with paragraph 2.29 of the SORP.

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21 **Comparative SOFA**

Income and expenditure	Unrestricted funds £000s	Restricted funds £000s	Total 2019 £000s
<u>Income and endowments from:</u>			
Donations and legacies			
Regular donations and subscriptions from individuals	18,778	269	19,047
Legacy income	1,849	222	2,071
Other donations and gifts	833	205	1,038
	21,460	696	22,156
Charitable activities	63	493	556
Other trading activities	139	-	139
Investments	189	-	189
Total	21,851	1,189	23,040
Share of net gain in joint venture	8	-	8
Total	21,859	1,189	23,048
<u>Expenditure on:</u>			
Raising funds	8,104	-	8,104
Charitable activities:			
Overcoming barriers in local and national services	6,664	226	6,890
Overcoming barriers in language and communications	2,540	469	3,009
Overcoming barriers to independence	2,879	159	3,038
Other charitable activities	1,720	76	1,796
Total charitable activities	13,803	930	14,733
Net share of loss in joint venture	-	-	-
Total	21,907	930	22,837
Net gain on investments	261	-	261
Net income / (expenditure)	213	259	472
Transfer of funds			
Net income / (expenditure)	213	259	472
Fund balances brought forward	10,772	376	11,148
Fund balances carried forward	10,985	635	11,620

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22 Comparative restricted funds

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

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

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Notes forming part of the financial statements
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23 Comparative movement on unrestricted funds

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

24 Comparative analysis of group net assets between funds at 31 March 2019

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