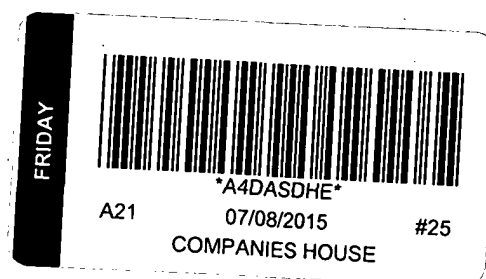


**THE ELIZABETH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

Company registered number 01960980
Registered Charity Number 293835

Report and Accounts

31 March 2015



The Elizabeth Foundation (company limited by guarantee) –31 March 2015

Company registered number 01960980
Registered Charity Number 293835

REFERENCE AND ADMINISTRATION

Directors (members of the council of management, and board of trustees of the charity)

Mr G Pritchard - Chair
Ms H J Ormsby
Mr D K Metherell MBE – to 22 April 2015
Dr P Ardern
Mr R I M Wootton
Mrs H Seaman
Mr M Tufnell
Mrs E Bryant
Mr P Dymock
Ms E Peers
Mrs H Wienszczak – from 29 April 2014
Mrs S Hutchinson – from 29 April 2014

Secretary

Mr R I M Wootton

Chief Executive

Dr Sue Campbell
Mrs Karen Flynn (maternity cover from 27 November 2013 – 1 December 2014)

Auditors

Baker Tilly UK Audit LLP, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TY

Bankers

HSBC Bank plc, 19 Midsummer Place, Central Milton Keynes, Bedfordshire, MK9 3GB

Solicitors

Large & Gibson, Kent House, 49 Kent Road, Southsea, Hampshire, PO5 3EJ

Registered Office and operational address

Southwick Hill Road, Cosham, Portsmouth, Hampshire, PO6 3LL

DIRECTORS' REPORT

The Directors (Members of the Council of Management and Board of Trustees of the charity) present their Report and Accounts for the year ended 31 March 2015. These have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities 2005, applicable accounting standards, the Companies Act 2006 and the Charities Act 2011, the requirements of the Foundation's own constitutional document and applicable regulations of the Charities (Accounts and Reports) Regulations 2005.

AIMS AND OBJECTIVES

The Elizabeth Foundation's mission is to facilitate early diagnosis for babies and pre-school children with all degrees of deafness, and provide comprehensive educational and support services for them and their families. By doing so we enable these children to develop their listening and spoken language skills, build their self-esteem, and give parents the confidence and knowledge to make informed decisions on behalf of their child.

Our current strategy for 2014-17 is outlined in the following six strategic goals:

Goal 1: To continue to provide excellent services to parents and children at our Hampshire Centre

Goal 2: To continue to develop our capacity to reach parents and children who are unable to attend our Hampshire family centre

Goal 3: To continue to develop and expand our working relationship with audiology service providers

Goal 4: To build and publicise the evidence base for our work

Goal 5: To continue to build upon the national and international profile and reputation of our work

Goal 6: To ensure we are a strong and sustainable organisation

Achievements and Performance

At The Elizabeth Foundation, our core services comprise of 2 baby groups, 3 toddler groups and 7 pre-school groups – with 60 families being supported by our services on a weekly basis during 2014-15. We provide a high quality education programme for children and families. This includes parent/family support, monitoring and assessment for speech, language, listening and communication, an Early Years Foundation Stage Curriculum in the nursery setting, and reporting for Education Health and Care Plans/school transition. Parents and families remain an integral part of our service provision, with family involvement at all times throughout the programme.

Goal 1: To continue to provide excellent services to parents and children at our Hampshire Centre

Our 2014/15 plans:	Our 2014/15 achievements:
We will review the success of our new Hearing Support Group and look for ways to be able to continue this service sustainably	We supported 16 families through the Hearing Support Group for the academic year. Feedback was collected from participating parents, which informed developments/changes to the programme. We are currently investigating funding for the service to make it sustainable for future families.

DIRECTORS' REPORT

We will continue to design and run new activities for parent education, responding to what parents tell us would help them. In particular we will plan how to develop these activities alongside our Home Learning Programme and extended summer school sessions.	More structured parent education was added to the baby and toddler sessions, incorporating handouts and resources that were adapted from the Home Learning Programme. A parent education programme is being developed for the summer residential programme to take place in summer 2015. Demonstration home lessons for 1:1 family support have been developed and piloted, for a launch of the programme in September 2015.
We will conclude Phase One of the project to modernise and extend our Hearing Test Centre, and will move in to the new upper floor area and introduce new activities	The planned building work was completed on time and we have begun to use the new facilities.
After reviewing our existing methods of measuring the outcomes we achieve for children and families, we will develop and introduce a new system that helps us to monitor the success of our services as well as giving us information about how we can make improvements or changes to what we do. We will use what we have learned from our peer reviews, and consider the approaches we will need to assist with academic research projects.	We have established a partnership with the Southampton Auditory Implant Centre a key aim of which is to develop an external research project into our services and impact. Alongside this we continue to develop our methodology for measuring our own impact, and for continual improvement of our services based on feedback. Data we have collected during the year will enable us to publish our first Impact Report during 2015-16

Goal 2: To continue to develop our capacity to reach parents and children who are unable to attend our Hampshire family centre

Our 2014/15 plans:	Our 2014/15 achievements:
Following the success of our past summer activities for families, we will go on to develop a more comprehensive and intensive choice of programmes of support for families to attend together during holiday periods or weekends (including families who live too far away to attend our term-time daily sessions)	We ran 5 summer activity sessions in 2014, which benefitted 48 children and 22 siblings. We have also planned and developed our first ever Summer Residential Programme, due to be delivered in August 2015. This will be a comprehensive educational and support programme for deaf children and their families, and will include assessments and reports by a range of professionals including a Speech and Language Therapist, Teacher of the Deaf, Audiologist and Educational Psychologist.
We will bring our video/audio footage into use as part of our programmes of support, in an appropriate, accessible and viable way	We have filmed and edited a huge range of activities, which will demonstrate to parents how they can use these activities to support their children's development at home. This footage will be embedded within the new online version of our Home Learning Programme and is a key element of it.

DIRECTORS' REPORT

The market research and needs assessment phases of the project to develop our Home Learning programme will be completed this year	This has been completed
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Goal 3: To continue to develop and expand our working relationship with audiology service providers

Our 2014/15 plans:	Our 2014/15 achievements:
While continuing to ensure day to day quality in our audiology partnering work, we will also ensure that we understand how audiology services in the UK are changing and may continue to change in future	We have continued to build on our close working relationship with the Portsmouth NHS Trust children's audiology team, and have attended relevant meetings and events to keep abreast of developments in this field.
We will look for ways to develop and maintain full capacity use of our hearing test facilities and related support services	We have continued to provide high standards of support to the Portsmouth NHS Trust children's audiology team within our Test Centre to ensure timely, efficient and professional facilitation and administration of testing services.

Goal 4: To build and publicise the evidence base for our work

Our 2014/15 plans:	Our 2014/15 achievements:
We will carry out planning and scoping for our academic research partnership	We have established a partnership with the Southampton Auditory Implant Centre, a key aim of which is to develop an external research project into our services and impact.
In addition to our outcomes project (see Goal 1 above), we plan to commence a specific programme to follow up the stories and experiences of children who have attended The Elizabeth Foundation, and the outcomes they achieve in their futures	This work has been delayed, due to prioritisation of other areas, but will be undertaken in 2015-16.
We will publish the first of our annual impact reports	As above, this work has been delayed, due to prioritisation of other areas, but will be undertaken in 2015-16.

Goal 5: To continue to build upon the national and international profile and reputation of our work

Our 2014/15 plans:	Our 2014/15 achievements:
We will develop and broaden our professional conference attendance/speaking, involving a range of professional staff as appropriate	We have attended a range of external events, networking and learning opportunities.

DIRECTORS' REPORT

We will start to deliver new materials (including digital format) to publicise our work; to achieve a wider pool of donors, to promote our professional credibility, and to ensure that families with deaf children can find us	We have begun this work with the development of a new general leaflet to promote our services to newly-diagnosed families who may wish to access our services. We will continue to develop our marketing plans and materials in the coming year.
We will start to plan our own programme of training and conference content, looking for opportunities to run pilot sessions using our existing facilities and with a strong focus on how we can expand our work when we have larger facilities available	We have developed plans for a training programme, which we will begin to pilot and roll out in 2015-16.

Goal 6: To ensure we are a strong and sustainable organisation

Our 2014/15 plans:	Our 2014/15 achievements:
As the design and purpose of our new services become more clearly identified, we will adapt or add to our fundraising and income-earning strategies	We have continued to develop our approach to fundraising and income-earning strategies and this will remain a key focus for the organisation over the coming year.
Using information about our planned new services, we will sharpen the focus of our fundraising for the next phase of development of our Hearing Test Centre	We have developed a project plan for the next phase of development of the Home Learning Programme and are now actively seeking funding for it.
In particular, we will keep under constant review the information technology resources that our new and extended services will need in order to run most effectively	We have reviewed and improved our IT services in a number of ways during the year.
As our services depend on our people, we will review the policies and practices we have for developing and looking after our staff, volunteers and Board members	We are continuing to develop our approach to people management in a number of ways, and this will continue.

The Trustees are pleased with the progress that has been made, which they have monitored during the year using our operational and strategic plans. Information about Goals for 2015/16 is set out later in this report.

The Elizabeth Foundation is always tremendously grateful for the important contribution that volunteers make to our work, with approximately 2000 hours donated during the year to support a range of activities including Trusteeship, Regular Volunteering, Events and Volunteer Projects. In addition, private sponsored fundraising contributed additional hours estimated at approximately 700.

DIRECTORS' REPORT

PUBLIC BENEFIT

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives, and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives set.

FINANCIAL REVIEW.

The surplus for the year amounted to £71,283 (2014: surplus £132,528). This has been added to reserves in the form of fixed assets as we have continued the building development work on our Hearing Test Centre. Note 14 sets out how accumulated reserves are represented in terms of net assets of The Elizabeth Foundation, and demonstrates the investment that has been made in fixed assets which are necessary for the delivery of charitable services. At 31 March 2015, 89% of reserves were held in the form of tangible fixed assets, up from 79% in 2014.

Investments

The Foundation's investment powers are set out in its governing document and Memorandum & Articles of Association. Day to day cash flow management is delegated to the CEO and senior staff, who act in accordance with policies agreed by the Trustees. The Trustees have maintained a cautious approach to investment taking account of the funds' protection offered by the Financial Services Compensation Scheme. These policies will be kept under review.

Reserves

The Elizabeth Foundation's reserves comprise those that are unrestricted, those that are unrestricted but which have been set aside by the Trustees for a particular purpose, and those that are the subject of restrictions in law or by donors (and which therefore cannot be used for anything else). The Elizabeth Foundation currently has no endowed or permanent funds. Note 12 to the Accounts gives more information about reserves, including policies and restrictions applying to individual funds.

At 31 March 2015, The Elizabeth Foundation had unrestricted (but not "free") reserves of £1,154,984 in its Income & Expenditure Account. These reserves are not "free" as defined by the Statement of Recommended Practice (SORP), because they could only be realised (turned into cash) by disposing of fixed assets held for charity use (selling the buildings in which we carry out our activities). Note 14 to the Accounts shows the level of accumulated surpluses that have already been invested in prior years in Fixed Assets in furtherance of The Foundation's charitable objectives, and designated reserves represent The Foundation's investment in the Portsmouth-based founding Family Centre and Early Detection Centre. Accordingly, these reserves are not available as cash to meet the day to day running costs (sometimes called "revenue costs" or "core costs") of providing services.

The reserves policy of The Elizabeth Foundation is to maintain a level of free reserves that will allow service continuity and sufficient time to adjust in a planned and robust manner to any significant change in resources. Having reviewed the practical application of similar policies for other organisations within the charitable and voluntary sector, which range from indicative free reserve levels of 3 months' operating expenditure to 3 years' total costs requirement, the Trustees have confirmed the need to build free reserves to a level that will make further reductions to operating risk. At 31 March 2015 net current assets held by The Elizabeth Foundation amounted to £310,557, (2014: £573,976) of which £171,937 represents free reserves in the Income & Expenditure Account (2014: £406,020). Note 14 shows that these assets represented a portion of the Income & Expenditure Account, the Core Service Reserve, the Grants and Fees Reserve and the Ovingdean Reserve and amount to 44% of total budgeted revenue costs and depreciation for the coming year. For future years, the Trustees aim that between 50% and 100% of total budgeted costs for the ensuing year are held in accessible free reserves, and note that additional fundraising effort will be required to achieve and maintain reserves at the target levels. Along with many other voluntary sector organisations, The Elizabeth Foundation has experienced cuts in public sector grants and service-level agreements, and has been told to expect this to continue.

DIRECTORS' REPORT

On the basis of the annual and ongoing review of reserve levels and anticipated future cash flow, it is the opinion of the Trustees that the balance on each fund shown in the balance sheet as at 31 March 2015 (together with its anticipated income and expenditure) is adequate to fulfil that fund's obligations and the overall obligations of The Elizabeth Foundation for the next financial year, and for a period of at least 12 months from the date of this report.

OUR PLANS FOR FUTURE PERIODS

Goal 1: To continue to provide excellent services to parents and children at our Hampshire Centre

- We will continue to increase the number of children attending our Family Centre on a weekly basis
- We will develop our approach to supporting families and children as they graduate from our services to mainstream school, by providing services to children in reception year
- We will continue to develop our approach to user involvement in decision making and the design of our services
- We will launch a new programme of parent education so that families attending our Family Centre can better support the development of their children's listening and speech at home

Goal 2: To continue to develop our capacity to reach parents and children who are unable to attend our Hampshire family centre

- We will launch our new online Home Learning Programme
- We will launch our first Summer Residential Programme to reach families who can't regularly attend our Family Centre throughout the year
- We will launch a new training programme for organisations and individuals who work with deaf children to enable them to better support the development of their listening and speech

Goal 3: To continue to develop and expand our working relationship with audiology service providers

- We will proactively build relationships with all audiology service providers within our geographical reach
- We will continue to build upon our working partnership with the Portsmouth Hospital Trust's children's audiology unit

Goal 4: To build and publicise the evidence base for our work

- We will publish our first impact report
- We will continue to expand and develop our approach to impact measurement
- We will continue to build on our research partnership with the University of Southampton and the Southampton Auditory Implant Centre

Goal 5: To continue to build upon the national and international profile and reputation of our work

- We will develop our approach to marketing, communications and publicity
- We will proactively seek to develop collaborative partnerships with other organisations and networks within our field

Goal 6: To ensure we are a strong and sustainable organisation

- We will continue to develop our approach to long-term financial planning

DIRECTORS' REPORT

- We will write a three year fundraising strategy which aims to maintain current income levels, develop new income sources and identify opportunities for further income growth.
- We will continue to improve the efficiency of our back office functions including IT and finance
- We will continue to develop our approach to people management and ongoing organisational development

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Elizabeth Foundation was established under the terms of a Trust Deed (May 1982), and then subsequently in November 1985 incorporated as a charitable company limited by guarantee. Its governing documents are accordingly the Trust Deed and the Memorandum and Articles of Association (revised 1997, 1998, 2007, 2011 and 2014), which provide for a governing Board of Trustees/Directors originally known as the Council of Management. The Foundation is registered with the Charity Commission under the Charities Act 1960.

The Board of Trustees, and Organisational Structure

The Council of Management consists of up to 14 elected members. Based on seniority of service, one third of the Council retires each year and is eligible for re-election based on one vote per member. In addition, casual vacancies during the year may be filled by co-option approved by the Board.

The Council of Management (referred to as the Board of Trustees) delegates the day to day running of The Elizabeth Foundation to the CEO and senior staff. Between Board meetings, the CEO may make written reports to members of the Board, providing updates on key projects and issues, and generally to keep Trustees informed. From time to time, the Trustees review the composition of the Board in order to ensure that an appropriate mix of skills and competencies is represented, and to identify any specific induction or training needs that Trustees might have. The Elizabeth Foundation makes use of publications available from the Charity Commission to assist Trustees to understand their duties. Occasionally, members of the Board meet informally to discuss topics in greater detail in order to further their understanding of their role and how it contributes to the development and stewardship of The Elizabeth Foundation.

The Elizabeth Foundation also has Patrons, who from time to time allow their names to be used by it and who support its charitable aims and objectives in various ways according to their special expertise or position in society. In 2003, The Elizabeth Foundation's Trustees were delighted to invite Ann Rachlin to become President of The Elizabeth Foundation. This is an honorary role and celebrates the 2003 transfer to The Elizabeth Foundation of the name and net assets of The Beethoven Fund for Deaf Children. Patrons lend their support to special appeals by The Elizabeth Foundation and the Trustees are extremely grateful to them for this.

The full Board usually meets at least four times each year. The Chief Executive and other senior members of staff may attend meetings of the Board but are not entitled to vote.

Management of risk

The Trustees review and monitor risk as part of their overall responsibility for the strategic management of The Elizabeth Foundation, and arrange that internal controls and procedures (including the development, implementation and review of operational policies and procedures) are established which are designed to help manage and minimise risk. The CEO and senior staff carry out the ongoing activities of identifying, responding to and managing risk, and make reports as necessary to the Board of Trustees. The Board of Trustees gives consideration to the major risks to which The Elizabeth Foundation is exposed, and also to the systems designed to mitigate those risks. The effectiveness of both risk management activities and the Board's ability to review these, is kept under assessment as part of The Elizabeth Foundation's work to maintain quality.

DIRECTORS' REPORT

STATEMENT OF MANAGEMENT (TRUSTEES') RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The trustees (who are also directors of The Elizabeth Foundation 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 the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Baker Tilly UK Audit LLP will offer their resignation as auditors at the forthcoming Annual General Meeting and Messrs. UHY Hacker Young will be appointed in their place.

DIRECTORS' REPORT

DIRECTORS

The Directors (Council members/Trustees) during the year were as follows:

Mr M Tufnell
Ms H J Ormsby
Mr D K Metherell MBE
Dr P Arden
Mr R I M Wootton
Mrs H Seaman
Mr G Pritchard
Mrs E Bryant
Mr P Dymock
Ms E Peers
Mrs H Wienszczak
Mrs S Hutchinson

By order of the Board



G PRITCHARD

Approved by the directors on 29 July 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ELIZABETH FOUNDATION

We have audited the financial statements of The Elizabeth Foundation for the year ended 31 March 2015 on pages 13 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 9, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' report

Baker Tilly UK Audit LLP

Kevin Barwick (Senior Statutory Auditor)
For and on behalf of

Baker Tilly UK Audit LLP
Statutory Auditor
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date.....

3 August 2015

The Elizabeth Foundation (company limited by guarantee) – 31 March 2015

STATEMENT OF FINANCIAL ACTIVITIES

And Income & Expenditure Account for the year ended 31 March 2015

	<i>Unrestricted Funds</i>				
	<i>Income and Expenditure Account</i>	<i>Designated Funds</i>	<i>Restricted Funds</i>	<i>Total 2015</i>	<i>Total 2014</i>
	£	£	£	£	£
INCOMING RESOURCES					
<i>Voluntary Income</i>					
Donations and gifts	105,618	-	-	105,618	99,833
Legacies	5,000	-	-	5,000	83,911
Grants	1,900	-	332,023	333,923	378,943
<i>Activities for Generating Funds</i>					
Fundraising events	126,574	-	-	126,574	120,902
<i>Investment income and bank interest</i>	5,662	-	-	5,662	7,935
<i>Incoming Resources from Charitable Activities</i>					
Contracts, fees and other agreements	163,332	-	21,664	184,996	166,414
<i>Other incoming resources</i>					
Profit on disposal of fixed assets	15,796	-	-	15,796	-
Total incoming resources	423,882	-	353,687	777,569	857,938
RESOURCES EXPENDED					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	112,956	-	-	112,956	112,418
<i>Charitable Activities</i>	421,941	-	97,725	519,666	540,054
<i>Governance Costs</i>	73,664	-	-	73,664	72,938
Total resources expended	608,561	-	97,725	706,286	725,410

The Elizabeth Foundation (company limited by guarantee) – 31 March 2015

STATEMENT OF FINANCIAL ACTIVITIES

And Income & Expenditure Account for the year ended 31 March 2015

	<i>Unrestricted Funds</i>					
	<i>Income and Expenditure Account</i>	<i>Designated Funds</i>	<i>Restricted Funds</i>	<i>Total 2015</i>	<i>Note</i>	<i>Total 2014</i>
	£	£	£	£		£
NET INCOMING RESOURCES BEFORE TRANSFERS	(184,679)	-	255,962	71,283		132,528
Transfers between reserves	68,009	37,623	(105,632)	-	12	-
NET MOVEMENT IN FUNDS FOR THE YEAR	(116,670)	37,623	150,330	71,283		132,528
Balance at start of year	1,271,654	927,409	495,031	2,694,094		2,561,566
Balance at 31 March 2015	1,154,984	965,032	645,361	2,765,377	12	2,694,094

There are no other recognised gains and losses other than those shown above, which all arise from continuing operations. The ACEVO (Association of Chief Executives of Voluntary Organisations) model for cost analysis, adapted to ensure compliance with the Statement of Recommended Practice: Accounting and Reporting by Charities 2005 (SORP) has been applied.

The Elizabeth Foundation (company limited by guarantee) – 31 March 2015

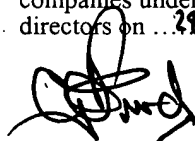
BALANCE SHEET

at 31 March 2015

Co Reg 01960980

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	5	2,454,820	2,120,118
CURRENT ASSETS			
Stocks	6	2,395	3,156
Debtors	7	16,028	36,104
Cash at bank and in hand	8	333,830	578,798
		352,253	618,058
CREDITORS:			
amounts falling due within one year	9	(41,696)	(44,082)
NET CURRENT ASSETS		310,557	573,976
TOTAL ASSETS LESS CURRENT LIABILITIES		2,765,377	2,694,094
RESERVES			
Restricted funds:			
National Lottery Charities Board reserve	12	145,299	149,910
Grants and fees reserve	12	57,940	54,647
Ovingdean Reserve - Inc & Expenditure	12	-	35,000
Ovingdean Reserve - Fixed Assets	12	442,121	255,474
Unrestricted Funds:			
Designated fund: Portsmouth			
Resource Centres	12	884,354	849,100
Designated fund: Core Services Reserve	12	80,679	78,309
Income and expenditure account	12	1,154,984	1,271,654
		2,765,377	2,694,094

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006. The financial statements were approved by the directors on 28 JULY 2015 and are signed on its behalf by:



G PRITCHARD

MS E PEERS



NOTES TO THE ACCOUNTS
at 31 March 2015

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of investments, and in accordance with applicable accounting standards and the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities 2005. The charitable company has taken advantage of Paragraph 3 (3) Sch 4 of the Companies Act 2006 and adapted Companies Act formats of accounts to reflect the charitable nature of the company's activities.

Cash flow statement

The company qualifies for the exemptions provided under FRS 1 as a small company and need not present a cash flow statement.

Fixed Assets and Depreciation

Assets are capitalised where their individual value exceeds £500. Fixed Assets are stated at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life on a straight line basis. The rates most used in each category are as follows:

Freehold property	-	50 years	Office equipment	-	4 to 5 years
Long leasehold buildings	-	5 to 50 years	Computer equipment	-	4 to 5 years
School equipment	-	5 years	Medical equipment	-	3 to 5 years
Motor vehicles	-	5 years			

Where depreciation is charged against assets representing restricted and designated funds, this depreciation is charged against that fund as it arises. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost (being purchase price) and net realisable value.

Pensions

The company makes payments to individual employees' private pension schemes up to a maximum of 5% of pensionable salary.

Operating Leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Fund Accounting

Unrestricted funds are defined as grants, sponsorship and other income received or generated for the objectives of the charity without further specified purpose and which are available as general funds, but which may be required for committed projects or designated by the Trustees for specific purposes. Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria, will be identified to the fund.

Reserves

The Elizabeth Foundation recognises that accounting reserves are not always represented by available liquid assets. Note 14 sets out how The Elizabeth Foundation reserves ("funds") are represented at the balance sheet date. Note 12 provides information about reserves policies, including that for the Income and Expenditure Account, and additional details is also given in the Directors' (Trustees') Report.

NOTES TO THE ACCOUNTS
at 31 March 2015

2. INCOMING RESOURCES, AND RESOURCES EXPENDED

INCOME GENERATED FROM VOLUNTARY SOURCES AND FUNDRAISING

Incoming resources include voluntary sources of income such as charitable donations, grants, gifts (with related tax recovery where appropriate), legacies and payroll-giving programmes, as well as organised fundraising events (some of which are run directly by The Elizabeth Foundation – classed as Fundraising Events; and some which are run by volunteers and supporters with help as necessary by The Elizabeth Foundation – classed as Donations and Gifts), appeals and collections. The cost of running these programmes during the year was £112,956 (2014: £112,418) and this is included within the heading “costs of generating voluntary income” shown under Resources Expended, and in Note 3. The following specific policies are applied to particular categories of voluntary income and fundraising:

- Unrestricted voluntary donations and gifts are accounted for when they are received, as this is the point at which the necessary detail becomes available to allow them to be entered into the accounting records; it is also the point at which they become sufficiently certain to be recognised. Legacies are similarly accounted for when received unless there is sufficient reliable information for them to be accounted for earlier.
- Restricted income is accounted for within Restricted Funds when it is receivable (if this has been notified to The Elizabeth Foundation). Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Expenditure related to Restricted Funds is matched to Income in accordance with the terms of the award or grant.
- Donated services, facilities, and other gifts and donations in kind are accounted for in the Statement of Financial Activities when they are received and at an appropriate value to the charity where this can be quantified and where material. Corresponding additions to Fixed Assets, Stock or operating costs are made according to the nature of the item. The value of services provided by volunteers has not been included in these accounts.

INCOME GENERATED FROM CHARITABLE ACTIVITIES

Activities which further the charitable objectives of The Elizabeth Foundation include:

- *Nursery Programmes*: baby, toddler and pre-school education programmes for children who are deaf and their parents (who have chosen to develop their child’s listening and spoken language skills in a natural, fun and child-centred way);
- *Family Support*: practical and emotional support and counselling for such parents and families delivered either at one of The Elizabeth Foundation Family Centres or by our correspondence course Home Learning Programme;
- *Outreach and other services*: regular liaison with related health professionals and mainstream schools; making The Elizabeth Foundation’s day to day operations open to visiting professionals and researchers to further their professional development and project work, and to disseminate our expertise as early intervention practitioners; providing leading-edge hearing testing and diagnosis facilities and equipment; and providing the counselling and support to families required to complement testing and diagnosis activities.

In some cases, and in some parts of the UK, these activities give rise to sources of operating income from contracts, service level agreements and discretionary grants from public bodies. Most such sources are subject to annual renegotiation, local spending priorities, and availability of funds from central government, and are not directly related to the full cost to The Elizabeth Foundation of carrying out the activity. Similarly, some discretionary grants (often with restrictions as to the use of the funds) are awarded to The Elizabeth Foundation by charitable or philanthropic trusts and foundations; each grant maker will have its own stringent application and monitoring procedures, and awards are usually subject to annual renegotiation or finite periods. The costs of sourcing, negotiating, managing and reporting upon such funding arrangements are accounted for as a cost of

NOTES TO THE ACCOUNTS
at 31 March 2015

providing the related services. Fees are charged to beneficiaries for some services, and these are often set at nominal amounts only to ensure that there is no financial constraint to prevent people who need our services from being able to access them. The following specific policies are applied to particular categories of income from our charitable activities:

- Incoming resources from contracts and other forms of agreement (including some described as “grants”), where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance
- Fees are accounted for when receivable

RESOURCES EXPENDED

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT, and annual partial exemption recoveries of VAT are accounted for as income when the repayment is due to be made some time after the financial and VAT-accounting year ends. Expenditure is allocated to the following cost centres using methods generally accepted in the sector (the ACEVO model for cost analysis, adapted to ensure compliance with SORP: Accounting and Reporting by Charities 2005):

- Costs of Generating Voluntary Income; including both direct and indirect allocations of payroll cost and administrative overhead, and direct costs associated with attracting voluntary income and carrying out fundraising activities
- Governance Costs; include direct and indirect costs of complying with all necessary constitutional and statutory requirements of the charitable company and its strategic management and risk assessment/management procedures
- Charitable Activities costs; comprising those costs incurred by the charity in the delivery of its activities and services. It includes both directly attributed costs, and allocations of indirect costs and overheads that are necessary to support them and without which it would not be possible to continue them

All costs are allocated between these cost centres (expenditure categories) on a fair and consistent basis intended to reflect the use of the resource. Many types of cost include items that can be directly attributed, as well as a pool of costs that are dealt with by apportionment using an appropriate basis such as staff time allocation, estimated floor area usage, or another reasonable judgement of consumption. The information set out in Note 3 summarises the outcome of detailed cost allocations based on the ACEVO model as explained above (this model is used to assist the charity’s understanding of its cost of delivering services, and to provide a basis for full cost recovery discussions with potential funders when appropriate).

The Elizabeth Foundation (company limited by guarantee) – 31 March 2015

NOTES TO THE ACCOUNTS
at 31 March 2015

3. ANALYSIS OF RESOURCES EXPENDED

	<i>Nursery Programmes</i>	<i>Family Support</i>	<i>Outreach and other Services</i>	<i>Total Charitable Activities</i>	<i>Costs of Generating Voluntary Income</i>	<i>Governance</i>	<i>2015 Total</i>	<i>2014 Total</i>
	£	£	£	£	£	£	£	£
Recruitment, ID checks, travel and subsistence	3,926	507	3,052	7,485	1,406	1,372	10,263	12,752
Depreciation	68,969	6,203	19,254	94,426	5,511	4,852	104,789	103,166
Premises and utilities	29,959	7,105	18,562	55,626	2,330	2,007	59,963	49,791
Service consumables	10,113	719	4,326	15,158	1,994	1,944	19,096	15,664
Other costs	893	115	695	1,703	320	404	2,427	2,123
Communications and IT	5,573	720	4,555	10,848	1,997	1,947	14,792	19,710
Printing and promotion	2,499	323	2,713	5,535	4,245	873	10,653	14,959
Insurances	4,962	641	3,857	9,460	1,777	1,733	12,970	10,202
Legal and professional fees	1,651	213	1,284	3,148	591	577	4,316	3,650
Audit, annual report, compliance	4,018	519	3,124	7,661	1,440	1,404	10,505	8,730
Hire charges and event costs	-	-	-	-	33,358	-	33,358	33,637
Bank charges	1,159	150	901	2,210	416	405	3,031	2,071
Staff costs	160,704	20,763	124,939	306,406	57,571	56,416	420,123	448,955
	<u>294,426</u>	<u>37,978</u>	<u>187,262</u>	<u>519,666</u>	<u>112,956</u>	<u>73,664</u>	<u>706,286</u>	<u>725,410</u>

NOTES TO THE ACCOUNTS
at 31 March 2015

3. ANALYSIS OF RESOURCES EXPENDED (CONTINUED)

	2015	2014
	£	£
Staff costs:		
Wages and salaries	384,766	409,325
Social security costs	32,545	34,418
Pension contributions	2,812	5,212
	<u>420,123</u>	<u>448,955</u>

The average weekly number of full-time equivalent employees during the year was 13 (2014: 12)

No employee earned £60,000 per annum or more. The average number of employees analysed by function was:

	2015	2014
	No.	No.
Generating funds	2	2
Charitable activities	10	9
Governance	1	1
	<u>13</u>	<u>12</u>

RELATED PARTIES

Included within staff costs is salary totalling £nil (2014: £4,608) paid to Mrs S Metherell, wife of a Director, in her role as Chief Executive Officer until her retirement in April 2013. Included within legal & professional fees and cost of fixed assets is £1,055 (2014: £2,607) paid to Large & Gibson (Solicitors), a firm in which Mr R I M Wootton and Mr P Dymock are partners.

PENSIONS

During the year, £2,812 (2014: £5,212) was paid into defined contribution pension schemes. At the end of the year there were no contributions outstanding for payment (2014: £nil).

4. NET MOVEMENT IN FUNDS

This is stated after charging:

	2015	2014
	£	£
Auditors' remuneration – fees payable to the company's auditor for the auditing of the company's annual accounts	8,950	7,625
Auditors' remuneration – tax advisory services	1,625	-
Directors'/Trustees' remuneration	-	-
Depreciation of owned fixed assets	104,789	103,166
Profit on disposal of tangible fixed assets	15,796	-
	<u></u>	<u></u>

No Directors/Trustees received payment of expenses (2014: £nil).

NOTES TO THE ACCOUNTS
at 31 March 2015

5. TANGIBLE FIXED ASSETS

	Freehold Property	Leasehold Property Portsmouth Resource Centres	Motor vehicle	School Medical equip	Fixtures, and fittings, & office equip	Total
	£	£	£	£	£	£
Cost:						
At 1 April 2014	53,858	2,534,944	19,248	204,985	201,799	3,014,834
Additions	-	467,209	-	2,118	7,332	476,659
Disposals	(53,858)	(6,903)	-	(17,585)	(37,040)	(115,386)
At 31 March 2015	-	2,995,250	19,248	189,518	172,091	3,376,107
Depreciation:						
At 1 April 2014	16,690	551,182	6,256	170,732	149,856	894,716
Provided during year	-	82,253	3,850	11,860	6,826	104,789
Relating to disposals	(16,690)	(6,904)	-	(17,585)	(37,039)	(78,218)
At 31 March 2015	-	626,531	10,106	165,007	119,643	921,287
Net book value:						
At 31 March 2015	-	2,368,719	9,142	24,511	52,448	2,454,820
At 1 April 2014	37,168	1,983,760	12,992	34,254	51,943	2,120,118

The value of fully constructed long leasehold buildings (Portsmouth Resource Centres) at 31 March 2015 has been estimated for insurance purposes by the Directors at £3,000,000 (2014: £2,215,000). This figure, in the opinion of the Directors, closely reflects the commercial value.

The Elizabeth Foundation (company limited by guarantee) – 31 March 2015

NOTES TO THE ACCOUNTS
at 31 March 2015

6. STOCKS

	2015 £	2014 £
Goods for resale	1,762	655
Stationery and office consumables	633	2,500
	<u>2,395</u>	<u>3,155</u>

7. DEBTORS

	2015 £	2014 £
Other debtors	9,839	-
Prepayments and accrued income	6,189	36,104
	<u>16,028</u>	<u>36,104</u>

8. CASH AT BANK

	2015 £	2014 £
Interest bearing accounts	328,313	566,591
Cash in hand and in transit	200	200
Current accounts	5,317	12,007
	<u>333,830</u>	<u>578,798</u>

9. CREDITORS: amounts falling due within one year

	2015 £	2014 £
Trade creditors	144	-
Other creditors	360	-
Accruals and deferred income	32,838	35,562
Taxation and social security	8,354	8,520
	<u>41,696</u>	<u>44,082</u>

Included in accruals and deferred income is deferred income of £2,100 (2014: £24,593).

NOTES TO THE ACCOUNTS
at 31 March 2015

10. COMMITMENTS AND INTENTIONS TO SPEND

The Elizabeth Foundation intends to spend the following amounts, which were not included in the balance sheet as liabilities at 31 March 2015:

Operating Lease Commitment – Property

The Elizabeth Foundation entered into a lease dated 1 March 1987 for a period of 99 years, in respect of land at Cosham which comprises the site of the Family Centre and Test Centre buildings that form the headquarters of The Elizabeth Foundation. The current annual rent payable under this lease is £1,220.

Operating Lease Commitments – Office equipment

At 31 March 2015 The Elizabeth Foundation had annual commitments under non-cancellable operating leases for office equipment as follows:

	2015	2014
	£	£
In one year or less	252	-
In two to five years	2,388	3,034
	<u> </u>	<u> </u>

Capital Commitments – construction contract

At 31 March 2015 there were commitments contracted of £nil (2014: £477,584).

11. LIMITATION OF LIABILITY BY GUARANTEE OF CHARITABLE COMPANY

The Elizabeth Foundation 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. There were 12 members of The Elizabeth Foundation as at 31 March 2015 (2014 – 10 members).

The Elizabeth Foundation (company limited by guarantee) – 31 March 2015

NOTES TO THE ACCOUNTS
at 31 March 2015

12. RECONCILIATION OF MOVEMENT ON RESERVES

	Restricted Funds				Unrestricted Funds			Total £
	National Lottery Charities Board Reserve £	Grants/fees reserve £	Ovingdean Inc & Exp reserve £	Ovingdean Fixed Assets reserve £	Portsmouth Resource Centres reserve £	Core Services Reserve £	Income and expenditure account £	
At 1 April 2013	154,521	19,588	55,000	151,890	874,146	78,309	1,228,112	2,561,566
Movement in Resources:								
Incoming	-	119,031	255,000	-	-	-	513,907	857,938
Outgoing	-	(83,392)	(125,000)	-	-	-	(517,018)	(725,410)
Transfers between funds	(4,611)	(580)	(120,000)	103,584	(25,046)	-	46,653	
At 1 April 2014	149,910	54,647	35,000	255,474	849,100	78,309	1,271,654	2,694,094
Movement in Resources:								
Incoming	-	173,977	179,710	-	-	-	423,883	777,570
Outgoing	-	(97,725)	-	-	-	-	(608,562)	(706,287)
Transfers between funds	(4,611)	(72,959)	(214,710)	186,647	35,254	2,370	68,009	
At 1 April 2015	145,299	57,940	-	442,121	884,354	80,679	1,154,984	2,765,377

NOTES TO THE ACCOUNTS

at 31 March 2015

12. RECONCILIATION OF MOVEMENT ON RESERVES (CONTINUED)

NATIONAL LOTTERY CHARITIES BOARD RESERVE

Some years ago, the charitable company applied for and was awarded a project grant from the National Lottery Charities Board. The grant received is subject to restrictions, and accordingly is treated as a Restricted Fund. The related assets are subject to ongoing restrictions for a period of 80 years, and the Foundation may not dispose of these assets without the prior written permission of the National Lottery Charities Board (grantor). £230,300 of the grant was spent on depreciable fixed asset additions in the year ended 31 March 1998; depreciation charged on these assets is set against the fund each year. The remaining part of the grant was for revenue purposes to fund an additional teacher, together with project management costs and by 31 March 2001 this had been fully expended. (Note – The current operating name of the Lottery Charities Board is The Big Lottery).

GRANTS AND FEES RESERVE

The Elizabeth Foundation receives restricted grants and fees for specific charitable purposes from different grant making bodies and other agencies. These funds are spent on both depreciable fixed assets and revenue expenditure. In the year to 31 March 2015 the reserve was mainly utilised on speech and language therapy projects, nursery team employment costs, purchase and depreciation of tangible fixed assets (including the commencement of a wheelchair access project), technology to directly assist children's learning, classroom refurbishment, costs of running a support group for children with a temporary or milder hearing loss, and other costs associated with early intervention and family support activities.

OVINGDEAN HALL FOUNDATION RESERVES

Ovingdean Hall Foundation: Income and Expenditure Reserve

This reserve held the unexpended restricted funds donated by the Ovingdean Hall Foundation for a range of special-purpose projects. The fund balance represented grants given but not expended towards the Test Centre refurbishment and extension. These funds had been fully utilised and transferred to the Ovingdean Hall Foundation Fixed Asset Reserve at 31 March 2015.

Ovingdean Hall Foundation (OHF): Fixed Asset Reserve

This reserve shows the amount of restricted grant from OHF that has been used for agreed purposes to purchase fixed assets for charity use. At 31 March 2015, the fund balance represented grant-funded expenditure on solar panel installations, the construction of the Sunshine Memory Garden, purchase of a new minibus and carport and children's outdoor play equipment. It also represented the funded costs of the first phase of the Test Centre extension project, which was completed in October 2014. Depreciation charged on these assets is set against the fund each year once the related asset has been brought into use.

PORTSMOUTH RESOURCE CENTRES RESERVE

This reserve shows the receipts of past appeals and donations to raise money for the construction of The Elizabeth Foundation's educational facilities. This includes the "Raise the Roof" appeal (including its final phase, the Baby Unit and the new storage basement beneath), and grants for playground equipment. The money has now been fully spent, and the building, its first-floor extension, Baby Unit annexe, and the playground area are included within fixed assets. Depreciation charged on these assets is set against the fund each year once the related asset has been brought into use.

This reserve also includes the receipts less administration costs of appeals to finance the construction and extension of the Early Detection Centre. The money has now been fully spent and the building is included in fixed assets. Depreciation charged on these assets is set against the fund each year.

NOTES TO THE ACCOUNTS
at 31 March 2015

13. RECONCILIATION OF MOVEMENT ON RESERVES (CONTINUED)

CORE SERVICES RESERVE

The core charitable activities of The Elizabeth Foundation are those associated with provision of Nursery Sessions (using a multi-sensory oral method), Family Support and the Home Learning Programme. The costs of running each of these each year (to the extent that they are not funded by committed restricted sources of income) are charged to this reserve. Furthermore, an amount estimated as the unfunded costs of the three months following the balance sheet date is also set aside to recognise the level of operating risk that The Elizabeth Foundation has taken by subsidising these activities from its Income and Expenditure Account. From time to time, the Trustees review whether three months is an adequate period on which to base this estimate.

INCOME AND EXPENDITURE ACCOUNT

The Income and Expenditure Account represents the total of accumulated unrestricted and undesignated surpluses that The Elizabeth Foundation has generated during its history. As shown in Note 14, at 31 March 2015 most of these funds have been used over the years to build or buy the fixed assets (premises and equipment) that The Elizabeth Foundation uses to deliver its charitable services. At 31 March 2015, the Income and Expenditure Account was represented largely by fixed assets (buildings) in charitable use, and by £171,937 net current assets (including cash at bank). Further information about the Trustees' aims in respect of free reserves is set out in the Directors' Report. In particular the Trustees consider that the charity needs to build up its liquid assets (cash at bank).

13. TAXATION

The Foundation (charitable company) is a registered charity and, as such, is not liable to taxation in respect of its charitable activities.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Tangible</i>	<i>Other Net</i>	<i>2015</i>	<i>2014</i>
	<i>fixed assets</i>	<i>assets</i>	<i>Total</i>	<i>Total</i>
	£	£	£	£
<i>Restricted:</i>				
National Lottery Charities				
Board reserve	145,299	-	145,299	149,910
Grants and fees reserve	-	57,940	57,940	54,647
Ovingdean reserves	442,121	-	442,121	290,474
<i>Unrestricted:</i>				
Portsmouth Resource Centres	884,354	-	884,354	849,100
Core Services Reserve	-	80,679	80,679	78,309
Income and Expenditure account	983,047	171,937	1,154,984	1,271,654
	2,454,821	310,556	2,765,377	2,694,094