

# REGISTRAR OF COMPANIES

## The Commonwealth Society for the Deaf

### Annual Report and Financial Statements

31 May 2016

Company Limited by Guarantee  
Registration Number 2739343 (England and Wales)

Charity Registration Number  
1013870

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## Reference and administrative details of the charity, its directors and advisors

<b>Patron</b>	HRH The Duke of York KG KCVO ADC
<b>Vice Patrons</b>	Dame Mary Perkins The Rt. Hon. Malcolm Bruce MP
<b>Directors</b>	Philip Shaw MA, MBA (Chair) Soren Presser-Velder Lic.rer.pol. (Honorary Treasurer) Malcolm Garner PhD Denise Goldman MSc, PhD (Vice Chair from March 2016) David Greenberg PhD
<b>Chief Executive</b>	Lucy Carter MA (until August 2015) Emma Judge (from August 2015)
<b>Registered office</b>	c/o UCL Ear Institute 332-336 Gray's Inn Road London WC1X 8EE
<b>Company registration number</b>	2739343 (England and Wales)
<b>Charity registration number</b>	1013870
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	The Co-operative Bank Delf House Southway Skelmersdale WN8 6WT  Lloyds TSB plc Butler Place Branch Caxton Street London SW1H 0PR
<b>Investment Managers</b>	Smith and Williamson Investment Management 25 Moorgate London EC2R 6AY

## Directors' report Year to 31 May 2016

The directors, who are also the trustees for the purposes of the Charities Act, present their statutory report together with the financial statements of The Commonwealth Society for the Deaf for the year ended 31 May 2016. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and it is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 25 and 29 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

The Commonwealth Society for the Deaf is also known as Sound Seekers.

### GOVERNANCE, STRUCTURE AND MANAGEMENT

#### Governance

The following directors were in office at the date of approval of the financial statements and served throughout the year ended 31 May 2016, except where shown.

Director	Appointed /Resigned
Philip Shaw MA, MBA (Chair)	
Hamid Daya BSc FRCS (ORL) (Vice-Chair)	Resigned December 2015
Denise Goldman, MSc, PhD (Vice-Chair)	
Soren Presser-Velder Lic.rer.pol. (Honorary Treasurer)	
David Greenberg BSc, PhD	
Malcolm Garner, PhD	
Graham P Frost BSc(Hons) MSc RHAD MIOA MIET	Resigned September 2015
Reena Pastakia	Resigned September 2015
Elwina Timehin MBChB MRCP MSc	Resigned December 2015

In accordance with Article 41 and Article 46, appropriate Directors will retire by rotation at the Annual General Meeting and if eligible, may also offer themselves for re-election.

Upon joining the Board of Directors, directors are provided with a pack including information provided by the Charity Commission explaining their legal responsibilities, together with relevant information about the charity, including a copy of the charity's governing documents.

No directors received any remuneration from the charity during the year in connection with their services as directors (2015 - £nil). £1,236 (2015 - £401) was reimbursed to directors during the year and relates to costs incurred in the UK and visiting the charity's overseas projects.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)**

### **Statement of directors' responsibilities**

The directors (who are also trustees of Commonwealth Society for the Deaf for the purposes of charity law) are responsible for preparing the directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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 income and expenditure of the charitable company for that period.

In preparing these financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors 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.

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)**

### **Statement of directors' responsibilities (continued)**

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

### **Structure and management reporting**

The Board of Directors delegates responsibility for the day to day management of the Charity to the Chief Executive, who reports to the Board at each of their meetings, which take place at least four times per year, plus the AGM. The Board have also set up the following Committees:

The Projects Committee, to which the Chief Executive reports on developments. This Committee also has delegated responsibilities, as well as providing advice and submitting recommendations to the Board of Directors.

The Fundraising Committee, which reports to the Board of Directors. The Committee is independent of any external advice procured by Sound Seekers.

The Finance and Audit Committee, which reports to the Board of Directors. This Committee also has delegated responsibilities, as well as providing advice and submitting recommendations to the Board of Directors.

### **Key management personnel**

The directors consider that they, together with the Chief Executive, comprise the key management personnel of the charitable company. None of the directors receive any remuneration from the charitable company in connection with their role as directors. The annual pay of the Chief Executive is reviewed annually by the board.

Other transactions with the directors are disclosed in note 9.

### **Risk management**

The directors have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity and its finances. The directors believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

During the last financial year, new policies, including the Procurement and Purchasing Policy and the Expenses Policy, have been developed and the Financial Procedures Manual has been updated to help mitigate any potential risks in financial management and ensure consistent practices are adhered to across the organisation and with our partners.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)**

### **Risk management (continued)**

To minimise the risk of transactional financial fraud, a bi-monthly review of invoices against bank statements and credit card statements is carried out by a member of Sound Seekers' Board of Directors. The executive team also provides a financial analysis every three months to the directors, covering spend and income against budget and divided between project and general expenditure. All these strategies help safeguard the organisation against fraudulent practices.

The Value for Money Framework has been developed to ensure this set of principles is incorporated into Sound Seekers' charitable objectives and operations, and reduces the risk of undertaking programmes or projects that are not sustainable or effective. It aims to ensure *Value for Money* by providing the best possible service to people disadvantaged by deafness in developing countries, by leveraging the optimum use of our resources. Together with a strong focus on results, our values are consistent with our approach to Value for Money, as we believe they are the building blocks to sustainability and effectiveness. Sound Seekers understands *Value for Money* in terms of the UK National Audit Office definition: "the optimal use of resources to achieve the intended outcomes" and we recognise economy, efficiency, effectiveness and equity as the core ways of achieving this.

The directors are considering ways of increasing the number and diversity of potential donors to reduce our dependency on a few key regular donors. To ensure we can fulfil our commitments to our partners, we need to increase our financial support from other funding streams. We have developed a fundraising strategy to support and reflect Sound Seekers recently reviewed Vision, Mission and Values. Its purpose is to increase restricted and unrestricted income for the continuation and development of priority programme areas over the next three years.

## **ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES**

### **Activities and specific objectives**

The charity's main purpose is to improve the lives of people with hearing loss in the developing world. Currently, we are focusing on sub-Saharan Africa.

Deafness can be both a cause and effect of poverty. To combat this, we work to secure the future of deaf people in some of the poorest communities of the developing world by:

#### ***Forging Partnerships***

We work in partnership with hospitals, schools and communities to ensure a positive and long-term impact on the lives of people who are deaf or hard of hearing.

#### ***Sharing Skills***

We train local health practitioners in ear and hearing healthcare to help ensure the sustainability of our work and reduce the dependency on outside assistance.

## **ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES** (continued)

### **Activities and specific objectives** (continued)

#### ***Working Holistically***

We address all issues relating to deafness including prevention, identification and treatment by raising awareness of the causes of deafness, including the legacy of malaria and meningitis, and promoting basic ear care to help reduce the likelihood of hearing loss.

#### ***Supporting Education***

We help improve the school environment, access to education and communication for deaf and hearing-impaired children, by delivering teacher training, materials and equipment, and providing sign language courses.

#### ***Advocacy***

We believe deafness should not be an obstacle to education, employment and social inclusion and we work with deaf people to promote equal rights and opportunities.

### **Public benefit statement**

The directors (who also act as trustees for the charitable activities of The Commonwealth Society for the Deaf) confirm that they have complied with their duty under section 17 of the Charities Act 2011. They have considered the public benefit guidance published by the Charity Commission and believe that they have followed its guidance in this area. The annual report gives a detailed description of the activities undertaken by the charitable company during the period in furtherance of its charitable purposes, and the directors are satisfied that all such activities provide a public benefit.

### **Summary of the year's activities**

This has been an exciting and challenging year for the organisation. Our priorities have focused on strategic development and enhancing our holistic approach to delivering practical solutions to help deaf people secure their future in sub-Saharan Africa. While hearing loss occurs in every country in the world, the World Health Organisation (WHO) estimates that of the 360 million children and adults in the world living with a bilateral moderate to profound hearing loss, two-thirds live in developing countries where access to healthcare and audiology services is usually limited or non-existent.

It is well documented that HIV/AIDS, malaria, meningitis and tuberculosis can be fatal but complications from, or medications used to treat, these illnesses can cause hearing loss as well – something that is too often overlooked. Even if people are fortunate enough to survive these illnesses, there are life-changing consequences with no real access to health care or education for those with hearing loss. Undiagnosed or untreated hearing loss can cause a multitude of problems such as social isolation, depression and reduced vocational or educational opportunities.

We work to address these issues in a sustainable and holistic way and have increased access to ear and hearing care by training nine local health practitioners in 2015/2016 to qualify as Hearing Instrument Specialists and deliver quality audiology services in Cameroon, the Gambia, Malawi and Zambia. Three have already returned to their hospitals of origin and the remaining six will return in December 2016.



## **ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)**

### **Summary of the year's activities (continued)**

We also opened the first comprehensive audiology service in the southern region of Malawi and to help ensure sustainability of the service we have fully sponsored two Malawians (and part sponsored two others) to obtain a MSc in Audiology at the University of Manchester. They will become the first ever Malawian audiologists upon their return to Malawi.

Our partnership with the Department for International Development (DFID) through the UK Aid Match Fund Scheme demonstrates our commitment to working holistically as it supports the audiology service and has enabled us to develop a training component for teachers to increase access to education for children who may otherwise be excluded from school due to their hearing loss (for implementation in 2017). We have also increased access to education for children with hearing loss in the Gambia by facilitating the training of 2,000 teachers using a Step-Down approach to ensure sustainability and we have raised awareness and promoted primary ear and hearing care for more than 65,000 people in Zambia and Cameroon.

Sadly, the Ebola crisis crippled the health care systems in Sierra Leone and the communities are still recovering from the effects of the outbreak; but in May 2016 we were finally able to start implementing our projects in improving access to education and promoting targeted paediatric screening and these will be rolled out this year.

Our corporate partnership with Specsavers continues to develop and this year they campaigned to fund raise on our behalf at stores across the country throughout September 2015. The remarkable success of our Radio 4 Appeal not only provided funds for our projects but increased awareness of our work and of the challenges for people with hearing loss in Africa among a new constituency of supporters.

We were very grateful to our Patron, The Duke of York, for hosting a reception at Buckingham Palace on our behalf which gave us an opportunity to thank all those who support us and also those who volunteer for us and without whom we wouldn't be able to achieve our objectives. As a staff team of only four, this support and technical expertise, alongside the pro bono services provided by Weil, Gotshal and Manges, and Bespoke, are crucial to the scope of our activities and the success of our operations, and enables us to improve access to ear and hearing care and education for more people with hearing loss in Africa. We would also like to thank Bankside Gallery for hosting our successful fundraising event in May.

## **ACHIEVEMENTS AND PERFORMANCE**

Our activities cover the following aspects: Audiology Support, Hearing Assessment and Research, Ototoxicity Research, Comprehensive Audiology Services, Tele-audiology, Primary Ear and Hearing Care, Increasing Access to Education, Targeted Paediatric Screening, as well as Training and Capacity Building.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Audiology Support

#### Cameroon

In 2015, Sound Seekers sponsored Evelyn Tenkeh to qualify as a Hearing Instrument Specialist and she is now co-leading the audiology service at Mbingo Baptist Hospital. Over the year, we have provided refresher training to the audiology team and provided equipment for the clinic and outreach service. The audiology team have been on 110 outreach visits and have treated over 2,000 people with an ear and hearing problem as well as fitting more than 150 people with hearing aids. Thanks to Hear the World Foundation, an ear mould lab and sound treated testing room will be established at the hospital this year which will help improve the audiology services we provide to patients.

Godheart Kengeh is a Theatre Nurse at Mbingo Baptist Hospital in Cameroon. Cameroonian Hearing Aid Technicians, Evelyn Tenkeh Mayohni and Rephah Chia, and visiting UK Audiologist on a voluntary assignment with Sound Seekers, Amina Abonde Adigun, fitted him with a hearing aid in January 2016. Godheart explained:

*"I lost the hearing in my left ear following barotrauma and was treated by a traditional herbalist due to ear pain at the age of 12. I work in the theatre at Mbingo Baptist Hospital but often mishear my colleagues when they ask for surgical instruments. This has been extremely challenging for me, especially as I work with various groups of visiting doctors every month.*

*The first day I was in theatre with my hearing aid, I didn't have to be asked for anything twice. Everyone had noticed and wondered what had changed. I happily shared that I'd been fitted with a hearing aid and can now not do without it! I have new hope now that I can hear well."*



#### The Gambia

Having secured funding from Jersey Overseas Aid (JOA) in December 2015, we are in the process of developing a much needed audiology unit at The Gambia's main government hospital, Edward Francis Small Teaching Hospital (EFSTH). The project will provide EFSTH with the right infrastructure (revamped clinic and new equipment, including the ability to fit digital hearing aids) to deliver audiological assessments, rehabilitation and management to adults and children over the age of five, as well as provision of custom made ear moulds. Yaka Faal returned to The Gambia in December 2015 after qualifying as a Hearing Instrument Specialist in Zambia and continues to provide quality audiology services.

## **ACHIEVEMENTS AND PERFORMANCE (continued)**

### **Audiology Support (continued)**

#### ***Zambia***

We have worked with Ndola Central Hospital (NCH) in Zambia since 2012, establishing an audiology unit with accompanying outreach service. We have equipped the audiology unit and have provided consumable materials so that the team can service hundreds of patients each month with between five and 10 patients being fitted with hearing aids at the audiology unit and many more receiving diagnostic assessments and tympanometry etc.

In 2015, Sound Seekers sponsored Olipa Banda to qualify as a Hearing Instrument Specialist and she is now co-leading the service at NCH, therefore providing more comprehensive audiology support throughout the region. Olipa Banda and Nsenga Kalwa were also both sponsored by us to do a Diploma in Clinical Audiology and Public Health Otology in 2013, and lead and manage the outreach services on the Hearing Assessment and Research Clinic Vehicle as well as in the hospital. We are also sponsoring Anita Lungu to become a Hearing Instrument Specialist and she is expected to graduate in December 2016 which will help improve the capacity of audiology services being provided at NCH and on outreach.

We are delighted to have confirmed funding from Hear the World Foundation to establish an ear mould laboratory at NCH which will enable the audiology team to make acrylic custom moulds and provide consumables. Once established, this will be one of the final steps in establishing the hospital's basic audiology service.

#### **Hearing Assessment and Research Clinic (HARK)**

Our HARK vehicles help us to improve access to ear and hearing health in rural communities and ensure our audiology services reach a far greater population than a stand-alone static audiology clinic or unit can provide. Outreach audiology service may include checking for infections, ear wax removal, diagnostic hearing tests, hearing aid fittings and hearing aid moulding/impressions, medical referrals, basic ear and hearing training and follow up care.

#### ***The Gambia***

The HARK outreach team assists approximately 450 patients with ear and hearing problems every month who would not otherwise have access to ear and hearing care.

#### ***Malawi***

Thanks to recent funding from JOA, we have been able to provide an advanced version of the Sound Seekers HARK mobile clinic, the 'HARK Plus'. The HARK Plus consists of a Toyota Land Cruiser capable of towing an audio-trailer, which in turn is fully equipped and fitted with two sound booths, enabling an outreach audiology and ear care service to be provided to rural areas in Southern and Central Malawi. This financial year, more than 500 people were seen with ear and hearing issues on outreach visits and have been successfully treated. These patients would not have had access to ear and hearing care without the invaluable outreach services provided by Sound Seekers.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Hearing Assessment and Research Clinic (HARK) (continued)

#### **Zambia**

The audiology team at Ndola Central Hospital, who have benefited from many different audiology training visits and courses abroad, carry out regular outreach visits using the HARK vehicle and are able to fit hearing aids in straightforward adult cases. This financial year, almost 6,000 patients were attended to with ear and hearing issues on outreach visits and successfully treated.

### Hearing Aid Refurbishment Project (HARP)

#### **Zambia**

In 2015, Specsavers very kindly funded the hearing aid refurbishment project (HARP) in Lusaka, Zambia. The project is up and running and the first year has been extremely successful. Hearing aids collected by UK hospitals and generous Specsavers customers are dispatched to Beit Cure Hospital, via our London office, where they are cleaned and recalibrated before being distributed amongst our African projects. We are delighted that the HARP project has provided employment to a deaf man, Gideon Daka, who is responsible for cleaning the hearing aids before they are reset and calibrated by the other members of the team.



Gideon Daka is 25 years old works for Sound Seekers' HARP project in Lusaka. He explains:

*"I am different in the sense that I am deaf. I felt okay growing up deaf but it was hard when I couldn't sign because only my dad could talk for me. I went to a deaf school and that's where I learnt sign language. I finished school when I was 20 years old and I started doing manual labour, carrying water for people and cleaning people's gardens but now thanks to Sound Seekers I work on the HARP project and my work helps other people with hearing loss too. I clean the hearing aids and I count them too. I even report things when something is broken on the computer. Sometimes I have to use my own ideas to clean the hearing aids as they need cleaning inside them too. I am the one who helps the family now because I have an income."*

Over the past year, the HARP team has separated and sorted thousands of hearing aids (models include Siemens, Phonak, Widex and Oticon). Of these, 1,100 have been refurbished and sent to Malawi, Cameroon, Zambia, Sierra Leone and The Gambia and are being used to help people with hearing loss across Sound Seekers' projects. Adrian Sailer from Sonova volunteered on this project for a month. During that time he was able to support the HARP team to professionalise the service and assist them to dispatch orders of hearing aids to each Sound Seekers' project.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Hearing Aid Refurbishment Project (HARP) (continued)

#### *Zambia (continued)*

Hope Namkumba is 16 years old and lives in Blantyre, Malawi. She suffered from ear infections from a very young age and after contracting meningitis when she was nine years old her hearing deteriorated. In January 2016, she was fitted with Siemens hearing aids, donated by a Specsavers customer and refurbished by the HARP team in Zambia. Hope said:

*"When I didn't have hearing aids, I was struggling at school because I could only hear a little without them. I am happy that I got my hearing aids because now I can hear my teachers and other people speaking to me and I can understand what they are saying."*



#### Ototoxicity Research

##### *Zambia*

Thanks to a grant from Action on Hearing Loss, Sound Seekers was able to support a small research project at Ndola Central Hospital on the ototoxic effects of Kanamycin on multi drug-resistant Tuberculosis (MDR TB) patients. This is the first study of its kind to be done in Zambia. Thirty eight patients were recruited (27 male and 11 female), with an average age of 39 years old; 76% of the patients were HIV positive. Patients had their hearing tested at least twice during the course of the study, either before or within two weeks of the treatment start date, and after several months of treatment. 86% were found to have hearing loss that affected their communication ability with the majority of these having severe or profound losses. A second part of this project is planned whereby an audiological monitoring protocol will be established and implemented, and ideally patients whose hearing is damaged are switched from Kanamycin to an alternative therapy.

#### Comprehensive Audiology Service

##### *Malawi*

With the generous support of our donors, including DFID's UKAID Match Fund Scheme, JOA and Hear the World, the first audiology clinic in Southern Malawi was established at Queen Elizabeth Central Hospital (QECH) and officially opened by the Minister of Health, Dr Kumpalume on 5 May 2016. Since January, 645 people have been treated at the audiology clinic. Dr Courtney Caron (our volunteer audiologist delivering this project and based in Malawi) has been on the ground for two years and has significantly improved standards of care and critical thinking in her team. Dr Caron will continue to lead the service until two Malawian graduates, being supported by Sound Seekers and currently undertaking an MSc in Audiology at the University of Manchester, return to Malawi in September 2016.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Comprehensive Audiology Service (continued)

#### Malawi (continued)

Upon their return, the students will be the first ever Malawian audiologists, making Malawi a leader in audiology in sub-Saharan Africa. They will be able to support each other and create a critical mass for determining and delivering high standards of hearing care helping to deliver a comprehensive audiology service being developed over the next three years with funding from the Department for International Development's UK Aid Match Scheme. Dr Caron will remain working at the clinic for a further 18 months to support and supervise both Malawian audiologists.

We are also delighted to work with Hear the World Foundation to support two more Malawian audiology technicians (from our partners, the African Bible College Hearing Clinic in Lilongwe) who are studying for an MSc in Audiology at Manchester University. They will return to Malawi having gained a wealth of experience and better able to support the audiology services in Lilongwe, and Malawi more generally.



Remi Chumbanga is nine years old and lives in Blantyre, Malawi. He has severe to profound sensorineural hearing loss. When he was seven years old he was fitted with hearing aids and was really excited that he could finally hear. However, last year, he complained about pain in his ears and was referred to the audiology clinic at QECH. Last month, Dr Courtney Caron fitted him with new hearing aids, donated by Hear the World Foundation, and now he is very happy. His mother, Maggie Chumbanga said: *"When Remi couldn't hear, it was difficult to communicate with him. We just had to use hand gestures but now he can use some words. He really likes his new hearing aids."*

Macdonald Pias is 14 years old and lives in Nolirande village in Blantyre, Malawi. In June 2015, Macdonald suffered from malaria which resulted in him losing his hearing in both ears and having to drop out of school. He was fitted with hearing aids in January 2016 by Sound Seekers volunteer audiologist, Dr Courtney Caron at QECH. Since receiving his hearing aids, Macdonald has returned to school and can finally hear again. He said: *"Since I returned to school, I enjoy playing football during break time and I want to be a mechanic when I grow up."*



## ACHIEVEMENTS AND PERFORMANCE (continued)

### Comprehensive Audiology Service (continued)

#### Malawi (continued)



Stanley Jostar is four years old and is from Mangochi which is about five to six hours away from QECH. He came to the clinic accompanied by his grandmother, Lois Ngunga, who cares for him during the day. At the Audiology Clinic, he was diagnosed with a moderate sensorineural hearing loss in the right ear and a severe sensorineural hearing loss in the left ear. Stanley was fitted with two Phonak hearing aids from Hear the World Foundation with instant silicone ear moulds on the same day which would be replaced by acrylic ear moulds after making. He was given a critter-clip to attach the hearing aids to his shirt so that he would be less likely to lose them.

His grandmother, Lois Ngunga, explained: *"Stanley has had hearing loss since birth. He is a very healthy child and has developed normally other than his speech development which was most likely hindered by his hearing loss. He has difficulty in one-on-one conversations, with background noise and at church and he only speaks three single words. I was very concerned about him starting school in the next couple of years because he could not hear and I knew that he would not do well so I brought him to the clinic."*

*"Now I am excited because, little by little, Stanley will be able to hear. I'll be able to ask him to do things and he'll understand more. I know that learning to hear is a process that will take time and although Stanley doesn't understand the language spoken yet, after he was fitted with hearing aids, he kept staring at Prisca [the audiology officer] and me as we spoke."*

### Tele-audiology

#### Zambia

There are so few audiologists in sub-Saharan Africa that it is almost impossible for a hear-care nurse/audiological officer to get help or a second opinion on a difficult case. This means that people's skills stagnate and that more complicated patients go without help. We have pioneered an exciting Tele-audiology project in Ndola, Zambia and delivered, what we believe to be, the first ever internet-enabled remote hearing-aid fittings in sub-Saharan Africa. Tele-audiology sessions link the audiology team in Ndola to our consultant audiologist, Shannon Kruyt, in Cape Town, who provides training sessions and helps the team resolve the issues with complicated or paediatric patients at least once per week. It is now possible for hearing aid fittings to be done remotely, including with verification.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Tele-audiology** (continued)

#### **Zambia** (continued)

Recently the local team at NCH was unable to test a nine year old using conventional methods who had suffered from hearing loss after contracting malaria and meningitis two years ago. Her parents and teachers were very concerned and through tele-audiology, using the power of the internet and Skype, the consultant audiologist in Cape Town watched the child in the sound booth during the testing and interacted with the team training them in the use of various paediatric audiology methods. As a result, the team was able to confirm the presence of a mild to severe bilateral sensorineural hearing loss which could then be treated locally.

#### **Promoting Primary Ear and Hearing Care (PEHC)**

Through our PECH project in Cameroon and Zambia, we are gradually increasing knowledge and raising awareness of healthy ears and hearing care in more communities to help prevent some of the causes of hearing loss, and also enable identification of hearing loss and how it can be treated. Raising awareness of these issues helps reduce the likelihood of hearing loss.

#### **Cameroon**

Two UK audiologists volunteered at Mbingo Baptist Hospital in January 2016 to provide training to the audiology team in order to implement the Primary Ear and Hearing Care training with funding from JOA. Those trained by the UK audiologists have embarked upon community level programmes to raise awareness about ear and hearing care. Since January 2016, more than 26,000 people have been reached with Primary Ear and Hearing Care messages at churches, mosques, women's groups and schools.

#### **Zambia**

Based on World Health Organisation (WHO) training materials, with funding from JOA, this project enables delivery of primary ear and hearing care to many schools and communities. Nurses and doctors have been trained to deliver cascaded PEHC training to teachers and community health workers in Ndola who then pass the messages on to families so that parents and children learn about protecting hearing, recognising the signs of problems, rejecting damaging traditional healing options such as putting a rotting fish head in a child's infected ear and pouring water over it, and cleaning techniques that cause damage including cleaning ears with sharp objects. During the course of the year, the PEHC team led activities in six different communities in Ndola and, as a result, over 40,000 people have been reached.



## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Promoting Primary Ear and Hearing Care (PEHC)** (continued)

#### ***Zambia*** (continued)

Peter Sinkala is 32 years old and is from Ndola in Zambia:

"I've had hearing loss in my right ear since childhood but I didn't think anything could be done to help until the PEHC Team in Ndola identified me as someone who needed a hearing test. Last month, I was fitted with hearing aids [by Olipa Banda, one of the recently graduated Hearing Instrument Specialists at Ndola Central Hospital]. After 32 years, I can finally hear out of my right ear and things are getting better for me now."



### **Increasing Access to Education**

#### ***The Gambia***

With funding from JOA, this project aimed to increase the help available to a wider cohort of children with hearing loss in The Gambia, by improving teaching skills in mainstream schools so that teachers could include children with hearing loss in their classes. Twenty nine itinerant teachers were identified to deliver cascaded training and raise awareness of hearing loss for teachers in mainstream schools to help them identify and support children with hearing impairment. The Step-Down training in The Gambia commenced in December 2015 and so far, 298 training sessions have been conducted in six different regions. Almost 2,000 teachers have been trained to date which will help ensure more children with hearing loss can be identified and better supported at school.

#### ***Sierra Leone***

Due to the Ebola Crisis, our work in education in Sierra Leone has been severely delayed. All educational institutions closed from June 2014 until April 2015 and the country was only declared Ebola Free in March 2016. In May, we were finally able to begin implementing our project to support children with hearing loss access improved education services. We sponsored teachers from St Joseph's School for the Hearing Impaired in Makeni to help deaf and hearing impaired students who have been integrated into nearby mainstream schools, supporting both them and their parents.

This funding is also making a huge contribution in terms of providing additional teaching hours to senior school students at St Joseph's and deaf students who have been 'mainstreamed' in nearby schools. This support is vital at the moment as the Ebola crisis had the effect of condensing the last two academic years into one which has been particularly challenging for deaf students. Over the coming year, we will be facilitating training for mainstream teachers on how to identify and support a deaf child in the classroom.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Increasing Access to Education** (continued)

#### ***Cameroon***

Thanks to a grant from the British Foreign School Society, we have facilitated the building of six new latrines, washing troughs for girls' and boys' dormitories and signaling systems for deaf students at Mbingo School for the Deaf which will help improve the educational facilities.

### **Targeted Paediatric Screening (TPS)**

#### ***Sierra Leone***

We are still working to get this project back on track after the set back of Ebola as health staff and rooms were re-assigned to other medical priorities and all close contact had to be avoided. The country was in a state of emergency and there was more vital work to do than screen for hearing loss. Hygiene rules and restrictions on movement were not lifted until the country was finally declared Ebola free in March 2016.

Sister Philomena who runs Loreto Health Centre, where this project is based, has now taken the first steps towards re-opening the Ear Care Clinic and has appointed a new nurse to run the service which will be rolled out over the coming year. A volunteer 'Early Years' teacher is currently being recruited to set up a nursery class at St Joseph's for deaf children who have already been identified through this project.

#### ***Zambia***

JOA generously supported this project at Zambia's largest government hospital, the University Teaching Hospital (UTH), in Lusaka. Sound Seekers has experienced some challenges in implementing this project, including bureaucratic delays from partners and the ever-increasing demands on Zambia's only audiologist (serving a population of 16 million people). Training is now due to take place in August 2016 after which hearing screening will become a routine part of service delivery for eligible children in three paediatric departments at UTH. Eligible children will include children with HIV, those treated in the neo-natal intensive care unit and those with speech delay. The objective of this project is to ensure that children with hearing loss are identified as early as possible and then referred appropriately for audiological and educational intervention.

### **Training and Capacity Building**

In the countries where Sound Seekers works, there is an acute lack of trained ENT doctors and audiologists who can treat and manage ear and hearing health conditions. In the UK, for example, there is approximately one ENT doctor and four audiologists per 100,000 people. In Zambia, there are two ENT doctors and one audiologist to support a population of over 16 million people. In Malawi, there are two ENT doctors, and currently, apart from foreign volunteers, there is no audiologist at all for a country of over 17 million people.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Training and Capacity Building** (continued)

During the last financial year, Sound Seekers has sponsored nine individuals from Cameroon, The Gambia, Malawi and Zambia to qualify as Hearing Instrument Specialists in Lusaka, Zambia. Health practitioners working in government hospitals were identified by our partners to do the training and their jobs secured upon their return through partnerships with the relevant government departments. Three have already returned to their hospitals of origin as indicated above and are providing quality audiology services and support to their local communities. The other six will complete their course in December 2016 before returning home to their work in audiology.

Training and capacity building is an integral part of our holistic approach and is vital to ensure the sustainability of all our projects.



Robert Lapken is an audiological officer at Queen Elizabeth Central Hospital in Blantyre, Malawi. He has been working under the supervision of American volunteer audiologist Dr Courtney Caron. Sound Seekers is currently sponsoring him to undertake the diploma course in audiology so he can graduate as a Hearing Instrument Specialist in Lusaka, Zambia. Robert explains:

"I have been here since 2013 working as a nurse. I then showed interest in audiology and met Dr Courtney and have been working as an audiology officer since January. I like the audiology field, the work itself is interesting and the clinic has made a difference. It assists the community greatly.

We have a lot of patients with hearing problems and after they have been fitted with hearing aids they can benefit more in their communities. This is the only place in the whole of Southern Malawi where people can come and get their hearing checked.

I am very interested in the diploma course programme, not only will it increase my knowledge, but I will come back and be able to assist my community. After I finish the course, I will be able to do all the services here, including being able to do hearing tests on my own."

## **FINANCIAL REVIEW**

### **Investment policy and performance**

The investment strategy is set by the directors and takes into account income requirements, present and future financial expenditure requirements, risk profile and the investment manager's advice and view of the market prospects in the long term.

The policy is to maximise total return through a diversified portfolio whilst providing a level of income advised by the directors from time to time. There is also an Ethical Policy precluding investment directly in any company which has the majority of its business in arms, defence, tobacco or gambling.

The performance of the portfolio and the charity's investment strategy are reviewed regularly by the directors with the investment managers.

The charity's investments comprise one portfolio of listed investments. Investments with a market value of £323,818 at 31 May 2016 are managed by Smith and Williamson Investment Management.

There are no restrictions on the charity's power to invest.

During the year, the investment portfolio was able to generate healthy returns.

### **Results for the year**

Income for the year totalled £416,981 down £353,585 against 2015.

The main area of expenditure was the direct cost of overseas projects, which totalled £607,053 (2015 - £358,421).

The expenditure on raising funds has decreased to £51,748 (2015- £81,216).

The deficit for the year was £394,128 (2015 - surplus of £246,742). A significant proportion of the deficit (£348,308) represents project costs relating to funding received but not spent in previous periods, in line with project schedules.

### **Reserves policy and financial position**

#### ***Reserves policy***

Our reserves are an essential element of our strategic, operational and budgetary planning and ensure that we can operate and avoid financial difficulties and that we can cover expenditure in the event of reduced income or changes in circumstances.

We develop long-term, holistic partnerships in all our countries of operation. This commitment begins once an initial consultation and assessment has been completed and a partner has been identified. It continues as the partnership develops and further needs and/or adaptations are required to ensure we can meet our charitable objectives through our partnerships.

**FINANCIAL REVIEW** (continued)

**Reserves policy and financial position** (continued)

***Reserves policy*** (continued)

The directors wish to ensure that we are able to provide the services that have been promised and fulfil our commitment to our partners. As such, our reserves are held on an agreed policy with a clear understanding of what the money is to be used for and ensures we can:

- ◆ Fund working capital;
- ◆ Fund unexpected operational costs and expenditure, for example, when projects overrun or exchange fluctuations impact on original budgets;
- ◆ Fund shortfalls in income, when income does not reach expected levels. Funds might be needed to give the trustees time to take action if income falls below expectations;
- ◆ Fund an unforeseen emergency or other unexpected need for funds, e.g. an unexpected large repair bill or finding 'seed-funding' for essential equipment and/or programme work that cannot be covered by restricted funding;
- ◆ Fund short-term deficits in a cash budget, for example, money sometimes needs to be spent before a funding grant is received;
- ◆ Funds for a significant project that requires the charity to provide 'matched funding';
- ◆ Funds for net investment in fixed assets (other than those financed by restricted funds); and
- ◆ Funds for cessation costs;

The directors have considered the level of reserves that the charity needs to hold. Given the uncertainty over future income, the directors have agreed that the minimum acceptable level of free reserves for the charity is £60,000, equating to approximately three months operating expenditure. At 31 May 2016, the charity's free reserves were £401,861. Of these reserves, £254,092 were designated to support programme management costs which cannot be fully absorbed from restricted funding, giving general funds of £147,769.

The directors acknowledge that the level of reserves at 31 May 2016 was higher than the minimum required by the reserves policy. The excess reserves provide contingency which may be required to meet an unforeseen emergency or any other unexpected need as outlined above and are essential to ensure the charity's activities do not lapse without due warning to complete them. Given the charity's activities and the uncertainty over future income, the directors believe that the level of reserves held to be adequate but not excessive.

**FINANCIAL REVIEW** (continued)

***Financial position***

The balance sheet shows total funds of £767,055.

These funds include an amount of £365,194 which is restricted. These monies have either been raised for, and their use restricted to, specific purposes, or they comprise donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 15 to the financial statements together with an analysis of movements in the year.

The EJG Fund is designated to generate income in support of a Project Development Manager post. Further details of the designated funds are set out in note 16 to the financial statements.

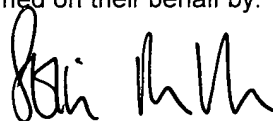
**The charity's assets**

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the directors and signed on their behalf by:

Soren Presser-Velder  
Director



Approved by the directors on:

3 Nov. 2016

## **Statement of financial activities Year to 31 May 2016**

### **Independent auditor's report to the members of The Commonwealth Society for the Deaf**

We have audited the financial statements of The Commonwealth Society for the Deaf for the year ended 31 May 2016 which comprise the statement of financial activities, balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

The directors are also the trustees of the charitable company for the purposes of charity law. As explained more fully in the statement of directors' responsibilities set out in the Directors' Report, the directors 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material inconsistencies we consider the implications for our report.

## Statement of financial activities Year to 31 May 2016

### 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 May 2016 and of 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the directors' 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:

- ◆ adequate 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 directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the directors 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 Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Catherine Biscoe, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

16 November 2016



# Statement of financial activities Year to 31 May 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>Income from:</b>					
Donations	1	96,514	—	96,514	171,449
Charitable activities	2	—	258,745	258,745	585,100
Other trading activities	3	4,267	—	4,267	3,567
Investments	4	13,755	—	13,755	10,450
<b>Total income</b>		<b>114,536</b>	<b>258,745</b>	<b>373,281</b>	<b>770,566</b>
<b>Expenditure on:</b>					
Raising funds	5	51,748	—	51,748	81,294
Charitable activities	6	104,804	607,053	711,857	477,161
<b>Total expenditure</b>		<b>156,552</b>	<b>607,053</b>	<b>763,605</b>	<b>558,455</b>
<b>Net (expenditure) income before (losses)/gains on investments</b>		<b>(42,016)</b>	<b>(348,308)</b>	<b>(390,324)</b>	<b>212,111</b>
Net (losses)/gains on investments	12	(3,804)	—	(3,804)	34,631
<b>Net (expenditure)/income and net movement in funds</b>		<b>(45,820)</b>	<b>(348,308)</b>	<b>(394,128)</b>	<b>246,742</b>
<b>Reconciliation of funds:</b>					
Fund balances brought forward at 1 June 2015		447,681	713,502	1,161,183	914,441
<b>Fund balances carried forward at 31 May 2016</b>		<b>401,861</b>	<b>365,194</b>	<b>767,055</b>	<b>1,161,183</b>

All of the charity's activities derived from continuing operations during the above two financial periods.

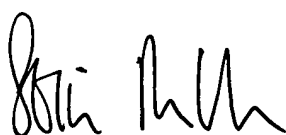
The charity has no recognised gains and losses other than those shown above.

# **Balance sheet as at 31 May 2016**

	Notes	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Tangible assets	11		32,487		23,215
Investments	12		323,818		329,547
<b>Current assets</b>					
Debtors	13	40,724		164,181	
Short term deposits		204,018		618,529	
Cash at bank and in hand		225,254		110,600	
		<u>469,996</u>		<u>893,310</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(59,246)</u>		<u>(84,889)</u>	
<b>Net current assets</b>			<u>410,750</u>		<u>808,421</u>
<b>Total net assets</b>			<u>767,055</u>		<u>1,161,183</u>
<b>The funds of the charity:</b>					
<b>Funds and reserves</b>					
Restricted funds	15		365,194		713,502
Unrestricted funds					
. Designated funds	16		254,092		297,583
. General fund			147,769		150,098
			<u>767,055</u>		<u>1,161,183</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the directors  
and signed on their behalf by:



Soren Presser-Velder  
Director

Approved on: 3 Nov. 2016

Company Registration Number 2739343 (England and Wales).

## Principal accounting policies Year to 31 May 2016

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### Basis of preparation

These financial statements have been prepared for the year to 31 May 2016.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014 and Update Bulletin 1 issued on 2 February 2016, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. This is the first set of financial statements of the charitable company prepared in accordance with the Charities SORP FRS 102.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

### Reconciliation with previous Generally Accepted Accounting Practice

In accordance with the requirements of FRS 102 a reconciliation of the opening balances and net income for the year is provided with the net income under previous GAAP adjusted for the presentation of investment gains as a component of reported income:

	2015 £
Reconciliation of reported income:	
Net income as previously stated	212,111
Adjustment for gains on investments now treated as a component of net income	34,631
2015 net income as restated	246,742

### Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the directors and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the liability for multi-year grant commitments; and
- ◆ estimating the useful economic life of tangible fixed assets.

## **Principal accounting policies Year to 31 May 2016**

### **Assessment of going concern**

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The directors of the charitable company have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The directors are of the opinion that the charitable company will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 May 2017, the most significant areas that affect the carrying value of the assets held by the charitable company are the level of investment return and the performance of the investment markets (see the investment policy of the directors' report for more information).

### **Income recognition**

Income is recognised in the period in which the charitable company has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, grants, investment income and income from trading activities.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Grants are recognised to the extent that it is probable that the economic benefits will flow to the charitable company and the income can be reliably measured. It is measured at fair value of the consideration received or receivable, excluding any relevant value added tax. Grant income is credited to the statement of financial activities when the charity is entitled to the income, unless it relates to funding for specific future periods either via explicit or implicit time conditions within the grant agreement. Grants from trusts and foundations have been included as income from charitable activities i.e. to improve the lives of people with hearing loss in the developing world where they are restricted to a specific activity but as donations where the money is given in response to an appeal or grant application or with greater freedom of use, e.g. for core purposes.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

## Principal accounting policies Year to 31 May 2016

### **Income recognition (continued)**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

Income generated by trading activities comprises of income from events. It is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

In accordance with FRS 102, the value of volunteers is not included in the financial statements.

### **Expenditure recognition and the basis of apportioning costs**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charitable company. This includes the salaries, direct costs and overheads associated with raising donated income and running events.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charitable company through the provision of its charitable activities as described in the directors' report.

Governance costs comprising the costs involving the public accountability of the charitable company (including audit costs) and costs in respect to its compliance with regulation and good practice are allocated to the cost of charitable activities.

All expenditure is stated inclusive of irrecoverable VAT.

### **Tangible fixed assets**

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- |                    |                               |
|--------------------|-------------------------------|
| ◆ HARK vehicles    | 33.3% per annum based on cost |
| ◆ Office equipment | 10% per annum based on cost   |

## **Principal accounting policies Year to 31 May 2016**

### **Listed investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

As noted above the main form of financial risk faced by the charitable company is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charitable company anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Fund accounting**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

## **Principal accounting policies Year to 31 May 2016**

### **Cash flow**

The disclosure exemptions permitted by Update Bulletin 1 of the Charities SORP FRS 102 have been taken advantage of in these financial statements and a statement of cash flows has not been prepared.

### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

### **Leased asset**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight line basis over the lease term.

## Notes to the financial statements Year to 31 May 2016

### 1 Donations

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Donations				
. Individuals	50,820	—	50,820	114,911
. Trusts and foundations	37,400	—	37,400	15,880
. Corporates	5,512	—	5,512	21,928
. Gift Aid donations	2,782	—	2,782	18,730
<b>2016 Total funds</b>	<b>96,514</b>	<b>—</b>	<b>96,514</b>	<b>171,449</b>
<b>2015 Total funds</b>	<b>171,449</b>	<b>—</b>	<b>171,449</b>	

### 2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Audiology support	—	94,719	94,719	78,789
Provision of comprehensive audiology service	—	163,612	163,612	384,162
Capacity building	—	(6)	(6)	16,999
Targeted paediatric screening	—	—	—	99,800
Increasing access to education	—	420	420	5,350
<b>2016 Total funds</b>	<b>—</b>	<b>258,745</b>	<b>258,745</b>	<b>585,100</b>
<b>2015 Total funds</b>	<b>—</b>	<b>585,100</b>	<b>585,100</b>	

### 3 Income from other trading activities

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>2016 Total funds: Events</b>	<b>4,267</b>	<b>—</b>	<b>4,267</b>	<b>3,567</b>
<b>2015 Total funds</b>	<b>61</b>	<b>3,506</b>	<b>3,567</b>	



## Notes to the financial statements Year to 31 May 2016

### 4 Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<i>Smith and Williamson Investment Management:</i>				
. UK Equities – Investment Trusts	8,614	—	8,614	6,276
. International Equities – Investment Trusts	1,600	—	1,600	1,431
. UK Property – Investment Trusts	1,040	—	1,040	880
Cash Fund	35	—	35	23
Interest receivable	2,466	—	2,466	1,840
<b>2016 Total funds</b>	<b>13,755</b>	<b>—</b>	<b>13,755</b>	<b>10,450</b>
<b>2015 Total funds</b>	<b>10,450</b>	<b>—</b>	<b>10,450</b>	

### 5 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<i>Fundraising costs</i>				
. Staff costs	16,275	—	16,275	19,743
. Fundraising consultancy	20,367	—	20,367	44,363
. Event costs	2,597	—	2,597	3,189
. Advertising, marketing and other costs	10,584	—	10,584	12,158
Investment management fees	1,925	—	1,925	1,841
<b>2016 Total funds</b>	<b>51,748</b>	<b>—</b>	<b>51,748</b>	<b>81,294</b>
<b>2015 Total funds</b>	<b>81,294</b>	<b>—</b>	<b>81,294</b>	

## Notes to the financial statements Year to 31 May 2016

### 6 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>Direct project costs</b>				
Audiology support	—	105,327	105,327	112,774
Comprehensive audiology service	—	376,925	376,925	145,972
Training and capacity building	—	16,394	16,394	33,570
Promoting primary ear and hearing care	—	31,254	31,254	20,364
Targeted paediatric screening	—	21,032	21,032	19,573
Tele-audiology	—	21,642	21,642	6,647
Increasing access to education	—	34,479	34,479	19,521
<b>Support costs</b>				
Staff costs	48,003	—	48,003	71,297
Training costs	3,697	—	3,697	1,625
Office costs	25,068	—	25,068	26,514
Other expenditure	2,406	—	2,406	—
Legal and professional fees	11,466	—	11,466	7,976
Governance costs				
Auditor's remuneration	8,000	—	8,000	4,800
Board meetings and other statutory arrangements	6,164	—	6,164	6,528
<b>2016 Total funds</b>	<b>104,804</b>	<b>607,053</b>	<b>711,857</b>	<b>477,161</b>
<b>2015 Total funds</b>	<b>118,740</b>	<b>358,421</b>	<b>477,161</b>	

### 7 Net (expenditure) income for the year

This is stated after charging:

	2016 Total funds £	2015 Total funds £
Staff costs	151,631	130,077
Auditor's remuneration	8,000	4,800
Depreciation	17,394	17,411
Operating lease rentals	14,063	9,219
Gains/(loss) on foreign exchange	65	—

### 8 Employees and staff costs

Staff costs during the year were as follows:

	2016 £	2015 £
Wages and salaries	140,243	119,178
Social security costs	11,388	10,899
	<b>151,631</b>	<b>130,077</b>

**8 Employees and staff costs** (continued)

The average number of UK employees during the year, calculated on an average headcount basis, analysed by function, was as follows:

	2016 Number	2015 Number
Generation of funds	1	1
Charitable activities	3	3
	<b>4</b>	<b>4</b>

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year (2015 - none).

The directors consider that they, together with the Chief Executive, comprise the key management personnel of the charitable company. The total remuneration of the key management personnel for the year was £58,592 (2015 - £58,000).

**9 Directors' remuneration and related party transactions**

No directors received any remuneration in respect of their services during the year (2015 - £nil).

£1,236 (2015 - £401) was reimbursed to one director during the year (2015 - two) and relates to the costs of visiting the charity's overseas projects and UK expenses.

In 2015 travelling expenses amounting to £1,218 were reimbursed to the spouse of one trustee to enable him to visit the Malawi project and carry out pro bono photographic work for the charity.

**10 Taxation**

The Commonwealth Society for the Deaf is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## Notes to the financial statements Year to 31 May 2016

### 11 Tangible fixed assets

	HARK Vehicles £	Total £
<b>Cost</b>		
At 1 June 2015	52,233	52,233
Additions	29,998	29,998
At 31 May 2016	82,231	82,231
<b>Depreciation</b>		
At 1 June 2015	29,018	29,018
Charge for year	20,726	20,726
At 31 May 2016	49,744	49,744
<b>Net book values</b>		
At 31 May 2016	32,487	32,487
At 31 May 2015	23,215	23,215

### 12 Investments

	2016 £	2015 £
Market value at 1 June 2015	330,367	295,737
Additions at cost	—	6,000
Disposals at opening market value (proceeds: £3,002; realised loss: £1)	(3,003)	(6,001)
Unrealised investment (losses)/gains	(3,804)	34,631
Market value at 31 May 2016	323,560	330,367
Cash held by investment managers	258	(820)
	323,818	329,547
<b>Historical cost of investments at 31 May 2016</b>	<b>229,351</b>	<b>232,354</b>

Investments held at 31 May 2016 comprised the following:

	2016 £	2015 £
Smith and Williamson Investment Management:		
UK Equities - Investment Trusts	231,235	232,385
International Equities - Investment Trusts	58,913	59,870
UK Property – Investment Trusts	20,400	22,096
Cash Fund	13,012	16,016
	323,560	330,367

## Notes to the financial statements Year to 31 May 2016

### 12 Investments (continued)

At 31 May 2016 investments included the following individual material holdings when compared to the total portfolio valuation as at that date:

Holding	2016 %	2016 £	2015 %	2015 £
Smith and Williamson Investment Management:				
S&W Cash Fund	4.0	13,012	4.9	16,016
Edinburgh Investment Trust	21.0	67,860	20.6	68,055
Scot American Investment Co.	15.5	50,135	15.2	50,320
Mercantile Investment Trust	21.2	68,600	20.6	68,200
Henderson Intl Inc Shs	13.8	44,640	13.9	45,810
F&C Commercial Property Trust	6.3	20,400	6.7	22,096
JP Morgan Asset Mgmt UK Ltd US Equity Income	11.8	38,216	11.2	37,077
Artemis Fund Managers Global Income	6.4	20,697	6.9	22,793
	<b>100</b>	<b>323,560</b>	<b>100</b>	<b>330,367</b>

### 13 Debtors

	2016 £	2015 £
Prepayments and accrued income	9,845	133,306
Taxation recoverable	22,014	19,232
Other debtors	8,865	11,643
	<b>40,724</b>	<b>164,181</b>

### 14 Creditors: amounts falling due within one year

	2016 £	2015 £
Accruals and deferred income	53,369	82,427
Other creditors	5,877	2,462
	<b>59,246</b>	<b>84,889</b>

Deferred income relates to project grants received in advance. Movements on deferred income are shown below:

	2016 £
Deferred income at 1 June 2016	—
Resources deferred in the year	43,700
Deferred income at 31 May 2016	<b>43,700</b>

## 15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	At 1 June 2015 £	Income £	Expenditure, gains and losses £	Transfers £	At 31 May 2016 £
<b>Audiology support</b>					
HARK Zambia	157	—	373	—	530
HARK Cameroon	11,163	—	(11,163)	—	—
Consultant Audiologist	34,258	—	(19,689)	—	14,569
Recycling & Reusing	11,746	—	(5,255)	—	6,491
Hearing Aid Refurbishment Zambia	34,590	—	(20,331)	—	14,259
Zambia Research	3,388	—	(1,171)	—	2,217
Basic audiology support Gambia	—	94,719	(27,365)	—	67,354
HARK Vehicles	23,215	—	(20,726)	29,998	32,487
<b>Comprehensive audiology service</b>					
Malawi Extension	296,284	—	(292,753)	—	3,531
Malawi Outreach	—	93,497	(16,810)	(29,998)	46,689
DfID Malawi	—	70,115	(67,362)	—	2,753
<b>Training and capacity building</b>					
Diploma Zambia	2,178	(6)	(16,394)	14,222	—
<b>Promoting primary ear and hearing care</b>					
PEHC	75,138	—	(31,254)	(14,376)	29,508
<b>Targeted paediatric screening</b>					
TPS Sierra Leone	17,102	—	(3,766)	—	13,336
TPS Zambia	87,314	—	(17,266)	—	70,048
<b>Tele-audiology</b>					
Tele-audiology – Malawi & Zambia	54,940	—	(21,642)	—	33,298
<b>Increasing access to education</b>					
Access to Education Gambia	26,520	—	(26,488)	—	32
Access to Education Sierra Leone	35,179	—	(7,087)	—	28,092
School Improvement Cameroon	330	420	(904)	154	—
	<b>713,502</b>	<b>258,745</b>	<b>(607,053)</b>	<b>—</b>	<b>365,194</b>

The specific purposes for which the funds are to be applied are the provision of audiology services, the provision of equipment, and the provision of training and support for training institutions.

# **15 Restricted funds (continued)**

Where projects have ended and been replaced with new projects which meet also meet the restrictions in place, transfers have been made to show the balance under the new project.

# **16 Designated funds**

The unrestricted funds of the charity include the following designated funds which have been set aside by the directors for specific purposes:

	At 1 June 2015 £	New designations £	Utilised/ released £	At 31 May 2016 £
EJG Fund	297,583	7,484	(50,975)	254,092

The EJG Fund is designated to generate income in support of programme management, the running costs of which cannot be fully allocated to projects supported by restricted funding. The funds donated to this were significant and we expect to draw from this fund to support programme management over the next three to five years (which is in line with our new strategy being developed and due to be implemented from 2017 to 2021). We expect to utilise the funds by 2021.

# **17 Analysis of net assets between funds**

	General fund £	Designated fund £	Restricted funds £	Total 2016 £
<b>Fund balances at 31 May 2016 are represented by:</b>				
Fixed assets	—	—	32,487	32,487
Investments	69,726	254,092	—	323,818
Current assets	136,215	—	333,781	469,996
Creditors: amounts falling due within one year	(58,172)	—	(1,074)	(59,246)
<b>Total net assets</b>	<b>147,769</b>	<b>254,092</b>	<b>365,194</b>	<b>767,055</b>

# **18 Leasing commitments**

## **Operating leases**

At 31 May 2016 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2016 £	2015 £
Operating leases which expire:		
Within one year	6,313	11,458