

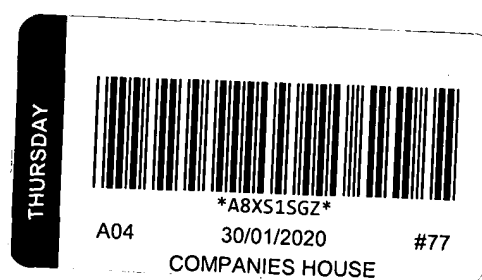
**The
Commonwealth
Society
for the
Deaf**

**Annual Report and Financial
Statements**

31 May 2019

Company Limited by Guarantee
Registration Number 02739343 (England and Wales)

Charity Registration Number
1013870



THE COMMONWEALTH SOCIETY FOR THE DEAF

(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Patron	HRH The Duke of York KG KCVO ADC
Vice Patrons	Dame Mary Perkins The Rt. Hon. the Lord Bruce of Bennachie
Directors	Philip Shaw MA, MBA (Chair) Denise Goldman MSc, PhD (Vice Chair) Steven Reekie FCCA Malcolm Garner PhD David Greenberg PhD Priyadarshni Carling AuD Thomas Falkus Kathleen Owston
Chief Executive	Kavita Prasad
Registered office	The Green House 244-254 Cambridge Heath Road London E2 9DA
Company registration number	02739343 (England and Wales)
Charity registration number	1013870
Auditor	Myrus Smith Norman House 8 Burnell Road Sutton Surrey EC2V 6DL
Bankers	The Co-operative Bank Delf House Southway Skelmersdale WN8 6WT Lloyds Bank plc Butler Place Branch Caxton Street London SW1H 0PR
Investment Managers	Smith and Williamson Investment Management 25 Moorgate London EC2R 6AY

THE COMMONWEALTH SOCIETY FOR THE DEAF
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019

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 2019. 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 24 through to 27 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.

Sound Seekers is the operating name of The Commonwealth Society for the Deaf.

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 2019, except where shown.

Director	Appointed /Resigned
Philip Shaw MA, MBA (Chair)	
Denise Goldman, MSc, PhD (Vice-Chair)	Resigned December 2018
Steven Reekie FCCA (Honorary Treasurer)	
David Greenberg BSc, PhD	
Malcolm Garner, PhD	Resigned December 2018
Priyadarshni Carling	
Thomas Falkus	Resigned April 2019
Kathleen Owston	Appointed April 2019

In accordance with Article 50 and Article 51, 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 Trustees Manual, which includes information provided by the Charity Commission, explaining their legal responsibilities, together with relevant information about the charity, and 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 (2018 - £nil). £573 (2018 - £299) was reimbursed to directors during the year and relates to costs incurred in the UK and visiting the charity's overseas projects.

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).

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of directors' responsibilities (continued)

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.

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.

The charity is registered with the Fundraising Regulator and is committed to following the Code of Fundraising Practice and the Fundraising Promise. No fundraising complaints were received in 2018/19 from members of the public or from the Regulator. Our Fundraising Complaints Procedure is available to the public on our website.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

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

The Programme Committee reports to the Board of Directors and has delegated responsibilities, as well as providing advice and submitting recommendations to the Board of Directors.

The Fundraising Committee acts as an advisory board to the Executive Team. The Committee is independent of any external advice procured by Sound Seekers.

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 10.

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 any risk that may have a significant impact on any area of Sound Seekers' operations. The organisational risk register is reviewed regularly by the directors to help evaluate any risk and plan for any steps that need to be taken to address or mitigate significant or major risks. This also helps ensure that there is complete transparency across our operations.

We have been continually reviewing and updating our Financial Procedures Policy to help mitigate any potential risks in financial management and ensure consistent practices are adhered to across the organisation and with our partners. 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 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.

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)**

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

This year, in keeping with our commitment to review all policies at least once every two years, we have reviewed our Financial Policies and Procedures to ensure records are kept and procedures properly followed so that Sound Seekers meets its legal and other obligations, enables the Board to have control of the organisation's finances and meet the needs of its users, contractual obligations and the requirements of funding bodies. This, coupled with our Value for Money Approach updated this year, which recognises economy, efficiency, effectiveness and equity as the core ways of achieving our intended outcomes, ensures the optimum use of our resources. By incorporating these principles into Sound Seekers' charitable objectives and operations, the risk of undertaking programmes or projects that are not sustainable or effective is greatly reduced. Along with this, our Anti-Fraud, Bribery and Corruption Policy was updated to ensure ensuring its assets and funds received from donors are safeguarded and properly used to meet the charitable objectives.

The Procurement Policy, which sets out key principles for purchasing goods, equipment and services which are appropriate for a small organisation, compliant with any relevant legislation and audit requirements, and which also meet any specific donor requirements, was updated.

We review and update our Safeguarding Children and Vulnerable Adults Policy on a yearly basis, and are committed to adopting a more comprehensive safeguarding practice and culture with our partners.

Sound Seekers has always been committed to ensuring best practice for data protection and we continue to monitor this to ensure our systems and processes meet, at the very least, the minimum standards required by the General Data Protection Regulations (GDPR).

We also updated and put in place a Code of Conduct that sets out the standards of conduct required of Sound Seekers' employees, consultants/contractors and trustees and additionally set out Sound Seekers' expectations of its volunteers.

The new strategic plan for 2018 to 2022, which informs the strategic direction of the organisation for four years is being implemented, to ensure our programmes are designed and implemented in accordance with our charitable objectives.

The directors are exploring 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.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Activities and specific objectives

The charity's main purpose is to support people with hearing loss to realise their rights by enabling access to healthcare and education. Currently, we are focusing on five countries in sub-Saharan Africa. Sound Seekers recognises that our mission can only be accomplished through a holistic approach of delivering audiology, community and educational services that fulfil the rights of people with hearing loss and the key commitments set out in the global health and disability agenda.

We develop long-term, holistic partnerships in all our countries of operation. This commitment begins once an initial consultation and assessment have 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.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Activities and specific objectives (continued)

Deafness can be both a cause and effect of poverty. To combat this, we work to secure the future of people with hearing loss in some of the poorest communities of the developing world through our core values:

Sustainability – integrating services into existing government systems and improving institutional capacity to ensure long-term impact on the lives of people with hearing loss.

Partnership – working with government agencies, hospitals and schools as well as local communities and donors.

Inclusion – supporting participation and inclusion of children and adults with hearing loss and their families in school and community life.

Empowerment – promoting and raising awareness of the rights of people with hearing loss.

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

2019 marks the remarkable milestone of our 60th anniversary. The Commonwealth Society for the Deaf was established in 1959 by Lady Templer, the wife of the Governor of Malaya (now Malaysia). Her time there inspired her to assemble a group of ENT surgeons and educators of the deaf to travel back with her to Malaya to offer their help to children with hearing loss and ear disease.

This is a great time to celebrate our incredible achievements and successes. This year alone, through our programmes, 15,913 people (6,321 adults and 9,592 children) were screened for hearing loss through our clinic and outreach services. Of those screened, 2,451 people were identified with hearing loss and provided with appropriate support and management for their hearing loss.

In Malawi, we successfully completed our three-year project, funded by UK Aid from the British people and Jersey Overseas Aid (JOA), establishing clinic and outreach services in Queen Elizabeth Central Hospital, Blantyre, which is now led and managed independently by local QECH staff. In particular, outreach services delivered through this project have been very successful in reaching poorer communities who otherwise would not have been able to make the journey to hospital-based services. Over 7,400 children and adults were screened for hearing loss through outreach alone in this year.

As part of this project, 90 Itinerant Special Needs (ISN) teachers were trained on awareness of hearing loss and on effective inclusion of a child with hearing loss in the classroom, and were provided with a unique training manual specially designed by Sound Seekers to help them to train mainstream teachers. The ISN teachers went on to train mainstream teachers across 171 schools (47% of primary schools across the 15 districts in Southern Malawi) on deaf awareness, which is an incredible achievement.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

SUMMARY OF THE YEAR'S ACTIVITIES (continued)

We continued to strengthen and expand our programmes in Zambia. We added outreach services to the Children's Hearing Clinic established in University Teaching Hospital in Lusaka, Zambia, with the first outreach officially launched on World Hearing Day, 3rd March. Building on our work in Lusaka, we established a paediatric audiology clinic at the Arthur Davison Children's Hospital in Ndola, the first-of-its-kind in the Copperbelt Province of Zambia. In addition, we sponsored a nurse from University Teaching Hospital and a clinical officer from the Arthur Davison Children's Hospital on a Diploma in Audiology and Public Health Otology at the University of Nairobi, as part of our objective to build the skills and capacities on audiology in Zambia. Support from our long standing partner, Specsavers, has enabled us to continue our Hearing Aid Refurbishment Project in Beit Cure Hospital in Lusaka, meeting the vital demand for hearing aids across all our programmes.

With funding from the British and Foreign School Society and in partnership with a local organisation, Zambia Deaf Youth and Women (ZDYW), we successfully completed sign language training for 30 teachers working in the only three primary schools with deaf units in Ndola, Zambia. We also established after school clubs in the three schools to improve interaction and communication between children with and without hearing loss in the schools, which has been a great success.

Our corporate partnership with Specsavers has continued to flourish, with a new three-year grant secured to expand outreach services in the Gambia. A small charity such as ours thrives on in-kind donations and pro bono contributions. We are grateful for the hearing aids and equipment donated by various Specsavers stores and NHS Trusts, which help us to meet our objectives in an efficient manner, and for the pro bono services from Weil, Gotshal and Manges, who remain a long-standing supporter and partner.

Despite the many successes, Sound Seekers has had a challenging year, in keeping with other small charities across the sector that have seen a 20% drop in income over the last decade. As a result, we at Sound Seekers are in the midst of assessing our way forward to determine where we can add the most value and how we can direct our 60 years of experience and expertise in fresh and innovative ways. In view of this, in the next year, Sound Seekers will explore new avenues for partnerships and collaboration in order to diversify our funding to help us achieve programmatic and financial sustainability, and to remain effective and efficient while continuing to change the lives of people with hearing loss in the developing world.

ACHIEVEMENTS AND PERFORMANCE

Our activities cover the following aspects: Increasing Access to Ear and Hearing Healthcare, including Training and Capacity Building; Increasing Access to Education; and Increasing Community Awareness.

Increasing Access to Ear and Hearing Healthcare, including Training and Capacity Building.

In the financial year 2018-19, we made significant progress in increasing the availability and provision of hearing health services in Africa. In all, 15,913 people (6321 adults and 9592 children) were screened for hearing loss through our clinic and outreach services. Of those screened, 2451 persons, including 1770 adults (908 men and 862 women) and 681 children (334 boys and 347 girls), were identified with hearing loss and provided with appropriate support and management for their hearing loss.

In **Malawi**, through funding from UK Aid from the British people and long-term support from Jersey Overseas Aid (JOA), increasing numbers of people were seen at the clinic and outreach services established by Sound Seekers in Queen Elizabeth Central Hospital, Blantyre, which is now led and managed completely by local QECH staff. This year we extended our audiology outreach services to remoter areas - for most people living in rural areas and/or those who cannot afford to make the journey to QECH, outreach or local community services are the only option to access hearing health services. Through outreach alone, over 7400 children and adults have been screened for hearing loss.

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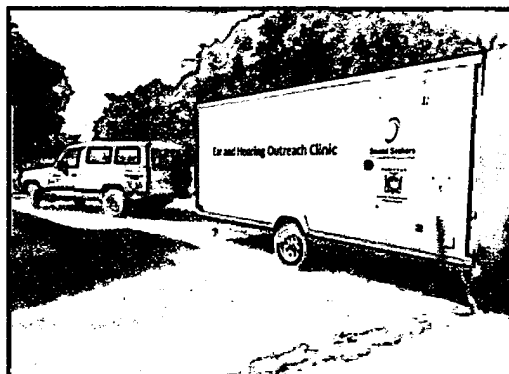
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

ACHIEVEMENTS AND PERFORMANCE

Increasing Access to Ear and Hearing Healthcare, including Training and Capacity Building
(continued)

In **Zambia**, Sound Seekers continued to implement its comprehensive audiology services project in Lusaka and Ndola, generously funded by JOA. As part of this project, we have strengthened the audiology services offered by the Children's Hearing Clinic at University Teaching Hospital (UTH) in Lusaka and also launched audiology outreach for the first time in Lusaka delivered by the UTH team, made possible by a vehicle and trailer equipped with sound proof booths procured as part of this project. In Ndola, Sound Seekers established a paediatric audiology clinic at Arthur Davison Children's Hospital, first-of-its-kind in the Copperbelt Province of Zambia. Two Volunteer Audiologists – one in Lusaka and the other in Ndola – have supported this project and enabled these services to be up and running. In addition, we sponsored a nurse from University Teaching Hospital and a clinical officer from Arthur Davison Children's Hospital on a Diploma in Audiology and Public Health Otology at the University of Nairobi, as we continue to build the skills and capacities on audiology in the country. Following their graduation, the graduates will return to their respective hospitals and manage and deliver audiology services for the benefit of the local population. Support from our long standing partner, Specsavers, has enabled us to continue our Hearing Aid Refurbishment Project in Beit Cure Hospital, where donated hearing aids from the UK are refurbished and made fit for use by beneficiaries in our countries of operation.

Photos of the launch of outreach services at University Teaching Hospital on World Hearing Day 2019:



In **The Gambia**, our local partners particularly Edward Francis Small Teaching Hospital continued the audiology clinic and outreach services independently which has seen over 5000 people screened for hearing loss, 1008 of whom were identified with hearing loss and supported.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

ACHIEVEMENTS AND PERFORMANCE

Increasing Access to Ear and Hearing Healthcare, including Training and Capacity Building
(continued)

In **Sierra Leone**, we continued our support to the audiology services at St Joseph's School at Makeni enabling assessment and management of hearing loss for the deaf students at the school, including regular after care.

Gracious, age 4, Zambia



Gracious, 4 years old, travelled an hour to the clinic at University Teaching Hospital (UTH) in Lusaka, Zambia, in January 2019 to get his hearing checked. Before his appointment, Gracious was unresponsive and became hyperactive because he was struggling to communicate. His mother became concerned as he was now at the age where he should be receptive and speaking. He had a speech delay and was unable to say clear words but his mother was completely unaware this could be because of his hearing. She would take him to the hospital to get examined but results would come back negative which led Gracious to be referred to the Children's Hearing Clinic at UTH set up by Sound Seekers.

Gracious had his hearing assessed by Sound Seekers Volunteer Audiologist, Naomi, and was diagnosed with moderate to mild sensorineural hearing loss and was fitted with hearing aids thanks to the Hearing Aid Refurbishment Project. Now Gracious responds well, his mother told us:

"The hearing aids have changed his life"

Gracious is now able to speak and pronounce 10 clear words and is adding more words to his vocabulary every day. His mother advises other parents that if their child has speech delay they should take them to get their hearing tested as she has now learnt there could be a correlation between speech and hearing loss.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Increasing Access to Ear and Hearing Healthcare including Training and Capacity Building
(continued)

Samson, age 72, Zambia



Samson is 72 years old and lives in Machinga, Malawi, which is 4 hours away from Queen Elizabeth Central Hospital (QECH). He started having hearing problems 4 years ago due to an illness. Samson had been able to get hearing aids some years ago but they had broken and he was unable to replace them. Samson is a 'Village Headman', which is a high status in his community. He was recently sent an invitation to meet with the traditional authority in his country but, due to his hearing loss, he declined the invitation, as he feared he wouldn't be able to hold a conversation. Instead, he had to send another person to represent him, which meant he was missing out on his duties as a village leader. This was just one occasion when his hearing loss prevented him from attending important meetings and fulfil his position in his village.

Samson heard about the audiology services at QECH from his daughter which he is happy about, as he feels a 'big difference' with his hearing. Samson had his hearing assessed by QECH's Malawian Audiologist, Mwanaisha, trained by Sound Seekers, who confirmed he has bilateral severe hearing loss. Thanks to the Hearing Aid Refurbishment Programme in Zambia, he was thrilled that he could be fitted with two hearing aids. He told us

"I am now hearing in the same way I used to hear when I was a young man".

He is happy he can now fulfil his duties for his village and plans to recommend our services to his friend (who also has hearing difficulties) to visit QECH's Audiology Clinic for a hearing assessment. He further expressed how grateful and thankful he was to those who built the clinic in Malawi and provided hearing health services.

Loveness, age 5, Malawi



Loveness Hanemba is 5 years old and lives in Lusaka, Zambia, only 15 minutes away from the University Teaching Hospital (UTH). She has struggled with her hearing since birth; her family noticed that something was wrong from early childhood after witnessing her feeling unsettled and her lack of speech. Her family tried to enrol her into school but she was not able to attend due to her lack of communication, which led her to really struggle to play and interact with the other children. Later, the family were advised to get her hearing checked which is how they heard of Sound Seekers audiology services at UTH. Loveness had her hearing tested by Sound Seekers Volunteer Audiologist, Naomi, in February 2019 and was diagnosed with severe to profound bilateral hearing loss and was fitted with two refurbished hearing aids from our Hearing Aid Refurbishment Project in Zambia

Her mother is very happy that her daughter will be able to attend school. Her mother quotes:

"I am very happy that there is help for Loveness"

and would also recommend our audiology services to other people who need hearing healthcare in Zambia.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Increasing Access to Education

In **Malawi**, with support from UK Aid from the British People and JOA and in partnership with the Malawi Ministry of Education, Sound Seekers trained 90 Itinerant Special Needs (ISN) teachers on awareness of hearing loss and on effective inclusion of a child with hearing loss in the classroom. The 90 ISN teachers were trained by our Volunteer Teacher of the Deaf (ToD) and provided with a unique training manual specially designed by Sound Seekers to help them to train mainstream teachers. The ISN teachers went on to train mainstream teachers across 171 schools (47% of primary schools across the 15 districts in Southern Malawi) on deaf awareness. This project also conducted monthly outreach visits for hearing screening to 55 mainstream primary schools in Southern Malawi, where 2,987 children were screened for hearing loss, 206 (7%) of whom were identified with hearing loss and duly supported.

Photos taken at the final workshop and training of the ISN teachers in Malawi:



In **Zambia**, with funding from British & Foreign School Society, we have begun a new project to improve sign language skills of special needs teachers in the only three deaf units attached to primary schools in Ndola and to establish after school clubs to improve inclusion and interaction between children with and without hearing loss in the schools. We successfully completed the sign language training for 30 teachers working in the 3 primary schools with deaf units in partnership with a local organisation, Zambia Deaf Youth and Women (ZDYW). Since the project started, there have been 305 direct beneficiaries including 195 deaf students who are now taught by the trained special needs teachers, as well as 80 students from the mainstream schools who have been attending the after school clubs. With 90% of direct beneficiaries being students, we are proud that this project will help to improve education, community and family life for so many children within Ndola.

Photos of the after school clubs in Ndola District, attended by both students from the mainstream and deaf units:



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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Increasing Access to Ear and Hearing Healthcare including Training and Capacity Building
(continued)

In **Sierra Leone**, we supported teachers from Freetown School for the Deaf to receive advanced training at St Joseph's School for the Hearing Impaired, Makeni, on teaching deaf children. We also supported deaf students studying in mainstream secondary schools to receive extra lessons at St Joseph's School for the Hearing Impaired, Makeni.

Fikani, age 12, Malawi

Fikani is 12 years old is from Kanjedza, which is 30 minutes away from Queen Elizabeth Central Hospital (QECH) in Blantyre and has had hearing loss from the age of 6. Fikani was in Class 5 at school but due to her hearing loss and as she was struggling at school, she was held back.

Fikani's mother heard about Sound Seekers from a friend. Fikani had her hearing tested by one of the first Malawian Audiologists, Mwanaisha, trained by Sound Seekers at QECH Audiology Clinic and discovered that she had moderate to severe hearing loss. Fikani was fitted with hearing aids from our Hearing Aid Refurbishment Project which has made a big difference to her life.

Fikani has improved in school; she has now advanced to Class 8 at level 2 after sitting her mock exam. She says:

"I am so happy that now I can hear well when the teacher is teaching in my classes".

Fikani's school teacher encourages her to speak in their classes to explain to the other pupils about how her hearing aids has helped her in school and has improved her education to raise awareness of hearing loss and encourage other students to visit the audiology clinic at QECH if they have any hearing problems.

Fikani's mother expresses her gratitude by thanking all those that have helped to bring the hearing health services and hearing aids to Malawi because the service has so helped her daughter.

Increasing Community Awareness

In **Zambia** and **Malawi**, we conducted outreach awareness sessions to sensitise the public on ear and hearing care and the dangers of traditional practices of ear cleaning, which damage the ear and may result in hearing loss. In Malawi, 103,890 people attended these awareness sessions conducted in 55 schools and 11 churches in the Southern Region.



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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

PLANS FOR 2019/20

In 2019 - 2020, we will continue work on enabling access to healthcare and education for people with hearing loss by delivering audiology services, improving quality of education for children with hearing loss and increasing awareness of hearing loss for families and communities. Training and skills transfer to local health practitioners, teachers and other service providers will continue to be a vital priority cutting across all streams of our work.

In **Zambia**, we will continue implementing our three-year project in **Zambia**, and will be establishing outreach services in the Copperbelt Province of Zambia delivered by Arthur Davison Children's Hospital in Ndola. This project will also additionally train a nurse from Arthur Davison Children's Hospital to gain a Diploma in Audiology and Public Health Otology at the University of Nairobi, Kenya. We will also continue our work with the deaf schools in Ndola facilitating children's clubs for children with and without hearing loss to enhance communication and social interaction.

In **Malawi**, we plan to conduct an after care programme through follow-up workshops for people fitted with hearing aids and to also establish a new basic audiology unit at Mangochi Hospital, subject to funding.

In the **Gambia**, thanks to funding from Specsavers, we will be launching a new three-year project to expand outreach services to remoter areas, and to train two nurses on audiology.

In **Sierra Leone**, we plan to establish audiology services in the capital, Freetown, and also continue developing and advancing the skills and capacities of teachers from St Joseph's School for the Hearing Impaired and Freetown School for the Deaf.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

SUPPORTERS

Sound Seekers would like to thank all our donors and supporters for their generous contributions over the years. While it is not possible to acknowledge each of our supporters, every donation, no matter how large or small, helps us deliver our mission to support people with hearing loss to realise their rights by enabling access to healthcare and education and for that we are extremely grateful.

Advocates for International Development
Audium
Aylesford Charitable Trust
Bansang Hospital Appeal
Beattie Communications
Bryan Guinness Charitable Trust
Card Aid
Clare King Charitable Trust
Fishborn Trust
Good Gifts Catalogue
Guernsey Overseas Aid & Development Commission
Hear the World Foundation
Jersey Overseas Aid
Meeting Needs
Michael Hall Consultants Ltd
Otometrics
Peacock Charitable Trust
People for People Worldwide and Smile a Minute
Phat Pastry
Prince Andrew Charitable Trust
Rayovac
Rhododendron Charitable Trust
Russell and Mary 1980 Charitable Trust
Sandhu Charitable Foundation
Sivantos
St Mary The Boltons
The Bespoke Agency
The British & Foreign School Society
The Brock Webb Trust
The Paget Trust
The Specsavers Partnership
UK Aid from the British People
W.L. Pratt Charitable Trust
Weil, Gotshal & Manges (London) LLP

THE COMMONWEALTH SOCIETY FOR THE DEAF
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

SUPPORTERS (continued)

Partners

Sound Seekers would like to thank all our partners for their work in helping us achieve our objectives.

Ministry of Health, Malawi

Queen Elizabeth Central Hospital, Blantyre, Malawi

Ministry of Education, Malawi

Ministry of Health, Zambia

University Teaching Hospital, Lusaka, Zambia

Beit Cure Hospital, Lusaka, Zambia

Arthur Davison Children's Hospital, Ndola, Zambia

Kansenshi Primary School, Ndola, Zambia

Chilengwa Primary School, Ndola, Zambia

Kamba Primary School, Ndola, Zambia

Zambia Deaf Youth and Women, Zambia

St. Joseph's School for the Hearing Impaired, Makeni, Sierra Leone

Connaught Hospital, Freetown, Sierra Leone

Mbingo Baptist Hospital, Cameroon

Edward Francis Small Teaching Hospital, Banjul, The Gambia

St. John's School for the Deaf, Serrakunda, The Gambia

Bansang Hospital, Bansang, The Gambia

University of Nairobi, Kenya

THE COMMONWEALTH SOCIETY FOR THE DEAF
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

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. 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 £198,271 at 31 May 2019 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 made a small profit.

Results for the year

Income for the year totalled £435,456, up £111,536 against 2018.

The main area of expenditure was the direct cost of overseas projects, which totalled £378,995 (2018 - £447,409).

The expenditure on raising funds has increased to £53,978 (2018 - £39,940).

The deficit for the year was £156,313. A significant proportion of the deficit represents project costs relating to funding received but not spent in previous periods.

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.

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 COMMONWEALTH SOCIETY FOR THE DEAF
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2019
(continued)

FINANCIAL REVIEW (continued)

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 2019, the charity's free reserves were £134,980.

The directors acknowledge that the level of reserves at 31 May 2019 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 position

The balance sheet shows total funds of £271,248.

These funds include an amount of £136,268 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 16 to the financial statements together with an analysis of movements in the year.

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:



Steven Reekie
Director

Approved by the directors on: 9 December 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

THE COMMONWEALTH SOCIETY FOR THE DEAF (A company limited by guarantee)

FOR THE YEAR ENDED 31 MAY 2019

Opinion

We have audited the financial statements of The Commonwealth Society for the Deaf (the 'charitable company') for the year ended 31 May 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2019, 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 requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

THE COMMONWEALTH SOCIETY FOR THE DEAF

(A company limited by guarantee)

FOR THE YEAR ENDED 31 MAY 2019

Opinions on other matters 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement on page 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

THE COMMONWEALTH SOCIETY FOR THE DEAF

(A company limited by guarantee)

FOR THE YEAR ENDED 31 MAY 2019

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Stephen Jones FCA (Senior Statutory Auditor)
For and on behalf of Myrus Smith
Chartered Accountants and Statutory Auditor
Norman House,
8 Burnell Road,
Sutton, Surrey.
SM1 4BW

9 December 2019

THE COMMONWEALTH SOCIETY FOR THE DEAF

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR TO 31 MAY 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Income from:					
Donations	2	93,255	57,916	151,171	161,179
Charitable activities	3	-	276,814	276,814	155,733
Other trading activities	4	535	-	535	659
Investments	5	6,936	-	6,936	6,349
Total income		<u>100,726</u>	<u>334,730</u>	<u>435,456</u>	<u>323,920</u>
Expenditure on:					
Raising funds	6	53,978	-	53,978	39,940
Charitable activities	7	158,796	378,995	537,791	614,746
Total expenditure		<u>212,774</u>	<u>378,995</u>	<u>591,769</u>	<u>654,686</u>
Net (expenditure)/income before (losses)/gains on investments		(112,048)	(44,265)	(156,313)	(330,766)
Net gains/(losses) on investments	13	(6,792)	-	(6,792)	4,477
Net (expenditure)/income for the year	8	(118,840)	(44,265)	(163,105)	(326,289)
Transfer between funds		(2,610)	2,610	-	-
Net movement in funds		<u>(121,450)</u>	<u>(41,655)</u>	<u>(163,105)</u>	<u>(326,289)</u>
Reconciliation of funds:					
Fund balances brought forward at 1 June 2018		<u>256,430</u>	<u>177,923</u>	<u>434,353</u>	<u>760,642</u>
Fund balances carried forward at 31 May 2019		<u><u>£134,980</u></u>	<u><u>£136,268</u></u>	<u><u>£271,248</u></u>	<u><u>£434,353</u></u>

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.

THE COMMONWEALTH SOCIETY FOR THE DEAF

BALANCE SHEET

AS AT 31 MAY 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	12		30,172		6,687
Investments	13		198,271		206,546
			<u>228,443</u>		<u>213,233</u>
Current assets					
Debtors	14	4,115		35,688	
Short term deposits		20,017		150,017	
Cash at bank and in hand		39,516		218,495	
		<u>63,648</u>		<u>404,200</u>	
Creditors: amounts falling due within one year	15	(20,843)		(183,080)	
Net current assets			<u>42,805</u>		<u>221,120</u>
Total net assets			<u><u>£271,248</u></u>		<u><u>£434,353</u></u>
The funds of the charity:					
Funds and reserves					
Restricted funds	16		136,268		177,923
Unrestricted funds	17		134,980		256,430
			<u>£271,248</u>		<u>£434,353</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:



Steven Reekie
Director

Approved on 9 December 2019

Company Registration Number 2739343 (England and Wales).

THE COMMONWEALTH SOCIETY FOR THE DEAF

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2019

	2019 £	2018 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(272,141)	(169,330)
Cash flows from investing activities:		
Dividends, interest and rent from investments	6,936	6,349
Proceeds from sale of investments	90,175	33,091
Payments to acquire investments	(74,179)	(26,490)
Purchase of tangible fixed assets	(45,257)	-
Net cash provided by (used in) investing activities	(22,325)	12,950
Change in cash and cash equivalents in the reporting period	(294,466)	(156,380)
Cash and cash equivalents at the beginning of the reporting period	375,859	532,239
Cash and cash equivalents at the end of the reporting period	£81,393	£375,859
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the reporting period (as per statement of financial activities)	(163,105)	(326,289)
Adjustments for:		
Depreciation charges	21,772	9,989
Losses/(gains) on investments	6,792	(4,477)
Dividends, interest and rents from investments	(6,936)	(6,349)
Decrease/(increase) in debtors	31,573	(16,084)
(Decrease)/increase in creditors	(162,237)	173,880
Net cash provided by (used in) operating activities	£(272,141)	£(169,330)
Analysis of cash and cash Equivalents		
Cash at bank and in hand	39,516	218,495
Notice deposits (less than 3 months)	20,017	150,017
Cash held by investment managers	21,860	7,347
Total cash and cash equivalents	£81,393	£375,859

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

1. ACCOUNTING POLICIES

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 2019.

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.

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.

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.

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 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 trustees' 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.

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

1. ACCOUNTING POLICIES/contd...

Income recognition/contd...

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.

Donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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.

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.

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.

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

1. ACCOUNTING POLICIES/contd...

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:

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

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.

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

/contd...

1. ACCOUNTING POLICIES/contd...

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.

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.

Financial Instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairments are recognised in expenditure.

2. DONATIONS

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Donations				
Individuals	16,803	-	16,803	12,439
Trusts and foundations	33,809	12,993	46,802	86,926
Corporates	41,321	44,923	86,244	29,282
Gift Aid donations	1,322	-	1,322	1,839
Legacies	-	-	-	30,693
	<u>£93,255</u>	<u>£57,916</u>	<u>£151,171</u>	<u>£161,179</u>

Of the £161,179 recognised in 2018, £105,168 was unrestricted funds and £56,011 was restricted funds.

Income from donations in 2019 includes £79,499 (2018 : £60,661) of donated goods and services, and an equivalent charge is included in expenditure on charitable activities.

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

/contd...

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Increasing access to ear and hearing healthcare, including training and capacity building	-	276,814	276,814	135,774
Increasing access to education	-	-	-	19,959
	<u>£Nil</u>	<u>£276,814</u>	<u>£276,814</u>	<u>£155,733</u>

All of the £155,733 recognised in 2018 was restricted funds.

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	2019 Total Funds	2018 Total funds
Events	169	-	169	74
Sponsorship income from Challenge events	345	-	345	-
Other miscellaneous income	21	-	21	585
	<u>£535</u>	<u>£Nil</u>	<u>£535</u>	<u>£659</u>

All of the £74 recognised in 2018 was unrestricted funds.

5. INVESTMENT INCOME AND INTEREST RECEIVABLE

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Smith and Williamson Investment Management:				
UK Equities – Investment Trusts	2,238	-	2,238	4,245
International Equities – Investment Trusts	2,465	-	2,465	973
UK Property – Investment Trusts	400	-	400	480
Cash Fund	-	-	-	10
UK Fixed Interest	154	-	154	-
Alternative Investments	908	-	908	-
Multi Asset	179	-	179	-
Interest receivable	573	-	573	641
Other investment income	19	-	19	-
	<u>£6,936</u>	<u>£Nil</u>	<u>£6,936</u>	<u>£6,349</u>

All of the £6,349 recognised in 2018 was unrestricted funds.

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

/contd...

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds	Restricted funds	2019 Total funds £	2018 Total funds £
Fundraising costs	£	£	£	£
Staff costs	49,422	-	49,422	32,417
Event costs	348	-	348	6
Advertising, marketing and other costs	2,876	-	2,786	6,190
Investment management fees	1,332	-	1,332	1,327
	<u>£53,978</u>	<u>£Nil</u>	<u>£53,978</u>	<u>£39,940</u>

All of the £39,940 expenditure recognised in 2018 was charged to unrestricted funds.

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	2019 £	2018 £
Direct costs		
Management visits to country	11,546	15,719
Equipment and tools	122,671	141,610
Training for field officers	32,944	10,687
Expenses for field officers	76,263	57,734
Recycling and reusing	-	(139)
Overhead costs	4,652	52,738
Volunteer visits and training	34,365	27,583
Audiology support	13,928	11,548
Construction	9,120	89,598
Depreciation on HARK vehicles	6,687	9,989
Depreciation on Comprehensive Audiology Session, Zambia	15,085	-
Bank charges	19	139
	<u>327,280</u>	<u>417,206</u>
Support costs		
Staff costs	129,143	141,366
Training costs	3,373	2,417
Office costs	21,876	18,224
Other expenditure	5,785	5,990
Legal and professional fees	43,048	23,237
Governance costs		
Auditor's remuneration	4,000	3,900
Board meetings and other statutory arrangements	3,286	2,406
	<u>£537,791</u>	<u>£614,746</u>

Of the £614,746 expenditure recognised in 2018, £167,337 was charged to unrestricted funds and £447,409 was charged to restricted funds.

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

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8. NET (EXPENDITURE)/INCOME FOR THE YEAR

This is stated after charging:

	2019	2018
	Total funds	Total funds
	£	£
Staff costs	178,565	173,783
Auditor's remuneration	4,000	3,900
Depreciation	21,772	9,989
Operating lease rentals	14,831	11,325
Gains/(loss) on foreign exchange	76	33
	<u> </u>	<u> </u>

9. EMPLOYEES AND STAFF COSTS

Staff costs during the year were as follows:

	2019	2018
	Total funds	Total funds
	£	£
Wages and salaries	161,930	157,985
Social security costs	13,820	14,055
Pension costs	2,815	1,743
	<u> </u>	<u> </u>
	<u>£178,565</u>	<u>£173,783</u>

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

	Number	Number
	2019	2018
Generation of funds	2.0	1.0
Charitable activities	3.0	3.0
	<u> </u>	<u> </u>
	<u>5.0</u>	<u>4.0</u>

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year (2018 - 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 £65,714 (2018 - £58,810).

10. DIRECTORS' REMUNERATION AND RELATED PARTY TRANSACTIONS

No directors received any remuneration in respect of their services during the year (2018 - £Nil).

£573 (2018 - £299) was reimbursed to two directors (2018 - two) during the year and relates to the costs of visiting the charity's overseas projects and UK expenses.

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

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11. 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.

12. TANGIBLE FIXED ASSETS

	Hark! Malawi Outreach £	Comprehensive Audiology Services, Zambia £	Total £
Cost			
At 1 June 2018	29,998	-	29,998
Additions	-	45,257	45,257
Disposals	(29,998)	-	(29,998)
	<hr/>	<hr/>	<hr/>
At 31 May 2019	-	45,257	45,257
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 June 2018	23,311	-	23,311
Charge for year	6,687	15,085	21,772
Eliminated on disposal	(29,998)	-	(29,998)
	<hr/>	<hr/>	<hr/>
At 31 May 2019	-	15,085	15,085
	<hr/>	<hr/>	<hr/>
Net book values			
At 31 May 2019	£Nil	£30,172	£30,172
	<hr/>	<hr/>	<hr/>
At 31 May 2018	£6,687	£Nil	£6,687
	<hr/>	<hr/>	<hr/>

13. INVESTMENTS

	2019 £	2018 £
Market value at 1 June 2018	199,199	201,323
Additions at cost	74,179	26,490
Disposals at opening market value	(90,175)	(34,357)
Unrealised investment (losses)/gains	(6,792)	5,743
	<hr/>	<hr/>
Market value at 31 May 2019	176,411	199,199
	<hr/>	<hr/>
Cash held by investment managers	21,860	7,347
	<hr/>	<hr/>
	£198,271	£206,546
	<hr/>	<hr/>

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

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13. INVESTMENTS (continued)

Investments held at 31 May 2019 comprised the following:

	2019	2018
	£	£
Smith and Williamson Investment Management:		
UK Equities - Investment Trusts	61,400	121,206
International Equities - Investment Trusts	11,898	39,396
UK Property – Investment Trusts	-	11,552
UK Fixed	37,130	6,593
NB Private Equity Partners Ltd	-	20,452
Overseas Fixed Interest	22,470	-
Alternative Investments	22,460	-
Multi Assets	21,053	-
	<u>£176,411</u>	<u>£199,199</u>

At 31 May 2019 investments included the following individual material holdings when compared to the total portfolio valuation as at that date:

Holding	2019 %	2019 £	2018 %	2018 £
Smith and Williamson Investment Management:				
Edinburgh Investment Trust	11.8	20,650	12.1	24,010
Scot American Investment Co.	-	-	11.9	23,616
Mercantile Investment Trust	23.1	40,750	22.2	44,150
Henderson Intl Inc Shs	-	-	14.8	29,430
F&C Commercial Property Trust	-	-	5.8	11,552
JP Morgan Asset Management UK Ltd				
US Equity Income	-	-	12.8	25,577
Artemis Fund Managers Global Income	6.7	11,898	7.0	13,819
UK Fixed Interest	8.6	15,232	3.0	6,593
NB Private Equity Partners Ltd	12.7	22,460	10.0	20,452
Schroder Unit Trusts	12.4	21,898		-
Polar Capital Funds	12.7	22,470	-	-
RIT Cap Partners	12.0	21,053	-	-
	<u>100.00</u>	<u>176,411</u>	<u>100.0</u>	<u>£199,199</u>

14. DEBTORS

	2019	2018
	£	£
Prepayments and accrued income	2,536	34,463
Taxation recoverable	340	645
Other debtors	1,239	580
	<u>£4,115</u>	<u>£35,688</u>

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Accruals and deferred income	17,172	181,211
Other creditors	3,671	1,869
	<u>£20,843</u>	<u>£183,080</u>

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

	£
Deferred income at 1 June 2018	-
Resources deferred in the year	165,009
Released during the year	<u>(165,009)</u>
Deferred income at 31 May 2019	<u>£Nil</u>

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

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16. 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 2018 £	Income £	Expenditure £	Transfers £	At 31 May 2019 £
2019					
Increasing access to ear and hearing healthcare, including training and capacity building					
DfID Malawi	21,381	91,360	103,668	-	9,073
Malawi Extension	1,125	-	3,735	2,610	-
Malawi Outreach	4	-	4	-	-
Basic audiology support Gambia	28	-	28	-	-
TPS Sierra Leone	5,780	-	4,571	-	1,209
TPS Zambia	(1)	-	-	-	(1)
Tele-audiology – Malawi and Zambia	9,129	-	7,650	-	1,479
Hearing Aid Refurbishment Zambia	32,441	-	19,848	-	12,593
Earmould Zambia	7	-	7	-	-
Earmould Cameroon	272	-	272	-	-
Consultant Audiologist	10,467	-	852	-	9,615
HARK Vehicles	6,687	-	6,687	-	-
Recycling and Reusing	5,814	-	-	-	5,814
Hearing Aids, Batteries and Equipment	-	39,660	39,660	-	-
Audiology Bansang	1,560	-	-	-	1,560
Audiology Services Zambia (JOA)	10,703	165,009	112,549	-	63,163
Good Gifts (Audiology)	1,577	3,763	200	-	5,140
Audiology Setup Connaught Hospital	-	19,901	-	-	19,901
World Hearing Day 2019 Award - Zambia	-	544	544	-	-
Increasing access to education					
Access to Education Sierra Leone	6,188	-	6,188	-	-
Access to Education Zambia	1,708	-	1,315	-	393
Access to Education Malawi	51,854	-	51,854	-	-
Access to Education Kansenshi Zambia	(16)	-	-	-	(16)
Access to Education Chilengwa	2,930	-	2,822	-	108
Zambia Endola – Teacher training	-	9,993	7,764	-	2,229
Bryan Guinness Trust	-	2,000	2,000	-	-
Increasing community awareness					
PEHC	6,777	-	6,777	-	-
Research on Prevalence, Causes and Effects of Hearing Loss					
Zambia Research	1,508	-	-	-	1,508
60 th Anniversary Event	-	2,500	-	-	2,500
	<u>£177,923</u>	<u>£334,730</u>	<u>£378,995</u>	<u>£2,610</u>	<u>£136,268</u>

Comparative information for the previous financial year follows:

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

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16. RESTRICTED FUNDS/contd....

	At 1 June 2017 £	Income £	Expenditure £	Transfers £	At 31 May 2018 £
2018					
Increasing access to ear and hearing healthcare, including training and capacity building					
DfID Malawi	7,960	120,773	107,352	-	21,381
Malawi Extension	(32)	-	13,843	15,000	1,125
Malawi Outreach	28,240	-	28,236	-	4
Basic audiology support Gambia	32,675	-	32,647	-	28
Audiology Support – Meeting Needs	4,967	-	4,967	-	-
TPS Sierra Leone	9,412	-	3,632	-	5,780
TPS Zambia	13,006	-	13,007	-	(1)
Tele-audiology – Malawi and Zambia	21,260	-	12,131	-	9,129
Hearing Aid Refurbishment Zambia	46,282	-	13,841	-	32,441
Earmould Zambia	5,061	-	5,054	-	7
Earmould Cameroon	7,710	-	7,438	-	272
Consultant Audiologist	10,467	-	-	-	10,467
HARK Vehicles	16,676	-	9,989	-	6,687
Recycling and Reusing	5,814	-	-	-	5,814
Hearing Aids, Batteries and Equipment	-	41,672	41,672	-	-
Audiology Bansang	-	9,832	8,272	-	1,560
Audiology Services Zambia (JOA)	-	15,001	4,298	-	10,703
Good Gifts (Audiology)	-	1,577	-	-	1,577
Increasing access to education					
Access to Education Sierra Leone	14,633	-	8,445	-	6,188
Access to Education Zambia	79,146	19,959	97,397	-	1,708
Access to Education Malawi	78,068	-	26,214	-	51,854
Access to Education Kansenshi Zambia	2,647	-	2,663	-	(16)
Access to Education Chilengwa	-	2,930	-	-	2,930
Increasing community awareness					
PEHC	12,379	-	5,602	-	6,777
Research on Prevalence, Causes and Effects of Hearing Loss					
Zambia Research	2,217	-	709	-	1,508
	<u>£398,588</u>	<u>£211,744</u>	<u>£447,409</u>	<u>£15,000</u>	<u>£177,923</u>

A description of the purpose for each of these restricted funds is as follows:

The projects under 'Increasing access to ear and hearing healthcare, including training and capacity building' aim to establish audiology services in hospitals and clinics and promote and advance hearing healthcare in our countries of operation. These services enable the screening of people for hearing loss and provision of appropriate support for children and adults identified with hearing loss. In all countries, these services are delivered through a twin approach of static services and mobile outreach in rural and remote areas. Complementing these services are earmould labs, which help customise earmoulds for hearing aid fitting, and hearing aid refurbishment project in Zambia, which enables donated hearing aids to be refurbished and distributed to our programmes.

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

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16. RESTRICTED FUNDS/contd....

Our work on **increasing access to education** has involved the expansion of classrooms for deaf children as well as training of special needs teachers to better include children with hearing loss in their classrooms and respond to their specific needs.

Through our Primary Ear and Hearing Care work, we have **increased community awareness** of good ear and hearing care practices and of services available for people with hearing loss.

Our **Research on Prevalence, Causes and Effects of Hearing Loss** was a one-off research in Zambia on "Multi Drug Resistant TB Treatment in Ndola Central Hospital, Zambia: Study of ototoxicity and practice".

17. UNRESTRICTED FUNDS

	Balance at 1 June 2018 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 May 2019
2019					
Unrestricted Funds:					
General	<u>£256,430</u>	<u>£100,726</u>	<u>£219,566</u>	<u>£(2,610)</u>	<u>£134,980</u>

Comparative information for the previous financial year is as follows:

	Balance at 1 June 2017 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 May 2018
2018					
Unrestricted Funds:	<u>£362,054</u>	<u>£112,176</u>	<u>£202,800</u>	<u>£(15,000)</u>	<u>£256,430</u>

THE COMMONWEALTH SOCIETY FOR THE DEAF

NOTES TO THE FINANCIAL STATEMENTS

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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total 2019 £
2019			
Fixed assets	-	30,172	30,172
Investments	198,271	-	198,271
Current assets	(55,737)	119,385	63,648
Creditors: amounts falling due within one year	(7,554)	(13,289)	(20,843)
	<u>£134,980</u>	<u>£136,268</u>	<u>£271,248</u>

Comparative information for the previous financial year is as follows:

	Unrestricted funds £	Restricted funds £	Total 2018 £
2018			
Fixed assets	-	6,687	6,687
Investments	206,546	-	206,546
Current assets	62,189	342,011	404,200
Creditors: amounts falling due within one year	(12,305)	(170,775)	(183,080)
	<u>£256,430</u>	<u>£177,923</u>	<u>£434,353</u>

19. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments due under non-cancellable operating leases are as follows:

	Land and buildings	
	2019	2018
Within one year	<u>£4,331</u>	<u>£6,426</u>