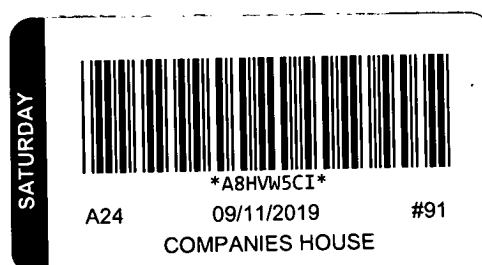


Charity Registration No. 1045617 (England and Wales)

Charity Registration No. SC039170 (Scotland)

Company Registration No. 03036802 (England and Wales)

**AFASIC**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**



# AFASIC

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	M Scales (Chair)	
	C Hammond (Treasurer)	
	J Emin	(Appointed 12 July 2018)
	O Holland	(Appointed 23 November 2018)
	J Perry	(Appointed 23 November 2018)
	C Everingham	(Appointed 5 April 2019)
<b>Corporate Management Team</b>	L Lascelles (Chief Executive)	
	M Thompson (Director Fundraising & Support Services)	
<b>Secretary</b>	L Lascelles (Chief Executive)	
<b>Charity number (England and Wales)</b>	1045617	
<b>Charity number (Scotland)</b>	SC039170	
<b>Company number</b>	03036802	
<b>Registered office</b>	St Margaret's House 15 Old Ford Road London E2 9PJ	
<b>Independent examiner</b>	Lee, Dicketts & Co 3 East Point High Street, Seal Sevenoaks Kent TN15 0EG	
<b>Bankers</b>	Lloyds 4 High Street Dartford Kent DA1 1BY	

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# AFASIC

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Statement of financial activities	8
Balance sheet	9
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## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

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The trustees present their report and financial statements for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

### Objectives and activities

**Afasic** is a UK parent-led charity, established in 1968, that provides information and support to parents of children with speech, language and communication needs. Over one million children and young people across the UK are affected by this hidden disability – that's an average of 2 in every classroom!

**Afasic's vision** is that every child and young person with speech, language and communication needs should be enabled to overcome the challenges they face and become the best they can be.

**Afasic's core purpose** is to provide information and support for parents, other carers and also to health, education and care professionals, to enable them to better understand, help and advocate for children with speech, language and communication needs; and to work directly with children and young people to help them develop key skills, improve social integration and gain access to educational and legal entitlements.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

### Achievements and performance

This was a transitional year for Afasic; with the scope of activities being adjusted in line with the level of income being achieved; to deliver a financially stable organisation focused on the delivery of core objectives. It has been another challenging year, including a further office move at short notice, although we are now settled into what we hope will be a longer term home in Bethnal Green. Despite the challenges we have continued to provide a source of help and support for children, parents and families across the country and a summary of our main achievements is given below.

#### Helpline & support for parents:

The Afasic parents' helpline continued to provide a vital source of information, support and advice to families across the country who are struggling to cope with the impact of Developmental Language Disorder. They are often isolated, bewildered and feeling very much alone in what they are facing.

- *"Thank you so much for your invaluable knowledge and excellent advice. It is people like you that really make a difference. So grateful I cannot thank you enough."*
- *"It was good to talk to someone who understands what speech and language conditions are about."*
- *"Really excellent information provided, I am very impressed."*

#### Website & information:

During the past 12 months (April 2018 – March 2019 inclusive) there were over 161,600 unique visitors to the Afasic website, an average of over 13,470 per month. The website provides a wide range of free information and resources and we continue to develop the range of resources available for parents so that they are better able to support and advocate for their child.

# AFASIC

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

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### DLD Conference:

Afasic hosted the first major conference on Developmental Language Disorder (DLD) at Bangor University on 26th April 2018. This sell out event had key speakers that included Professor Dorothy Bishop, Professor Courtney Norbury, and Dr Susan Ebbels. The conference was very well received and a few comments include:

- *"Great conference in every way, thoroughly informative and enjoyable."*
- *"Absolutely first class speakers and content. An invaluable resource."*
- *"Very informative, I feel it has helped empower me as a parent of a son with DLD. From today I feel I have evidence based arguments to advocate for the best service for my son."*

### Transition courses:

Afasic ran 14 'Secondary Starter' transition courses for 185 Year 6 pupils, to support them to have a successful start at Secondary school, in 14 locations across England, between May and August 2018. Each course was tailored for children with Developmental Language Disorder and persistent speech, language and communication disabilities, run in partnership with local speech and language therapists and schools.

Observations from course leaders, staff and volunteers confirmed pupils made good progress, supported by responses from pre and post course questionnaires from children and parents.

### Children's feedback:

*"I'm so pleased to have a new friend and we'll stay in touch"*

*"I am more happy to speak to new people now and know that I can do it in September too"*

*'I've learnt about bullying and how to deal with worries this week... I'm looking forward to doing the different lessons'*

### Parents said:

*"My son has really enjoyed this week. He wasn't keen at first but wanted to come back every day"*

*"He enjoyed it a lot, it has improved his confidence"*

*"My son was very nervous about coming to the group but he has really enjoyed his time here and it has given him lots of realistic help and ideas about his new chapter at secondary school."*

### All courses included:

- Social scenarios/games (practising social communication skills)
- E-safety and cyber bullying
- Active listening, requesting clarification
- Independent learning (recognising strengths and areas of difficulty, how and who to ask for help, producing communication passports)
- Practical skills (how to initiate conversations, self-monitor levels of attention)
- Music/art/sports or trips (to motivate and develop team working skills)

### Parent training:

We have been able to organise and run a number of training events for parents and carers. In the last 3 months of the year we have run 2 courses for parents in Essex under the heading of: "Speaking up for your child – are you being heard?"

### The courses covered areas such as:

- How best to engage with professionals and decision makers.
- Special needs guidance and legislation.
- Ideas to help parents feel more confident and ensure that their voice is heard.

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

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Some examples of quotes from parents attending include:

- *"What you do is a mission!!! Keep up your great work! Thank you for your time."*
- *"I have full understanding on how to support my child – more than before."*
- *"Information I didn't know existed..."*

The trustees believe that this was a successful year in that the organisation achieved more financial stability at a time when funding is difficult and at the same time continued to provide a vital source of information, help and support to families across the country.

As one parent recently said in a thank you note to us:

*"I can't thank you enough for your fantastic support when "J" was very young and had virtually no speech at all. You were with us at a very dark time in "J's" young life and yes, his speech did develop fully, despite all the put downs and dire predictions."* Anne

### Financial and business review

The past 12 months have been something of a transitional period for Afasic, with the focus being on developing a financially stable organisation with expenditure at levels that are in line with the level of income being received to ensure that the organisation is sustainable into the future.

In this respect the year has been a successful one, with both unrestricted and restricted income exceeding relevant levels of expenditure.

Unrestricted income for the year was £122,553 (2018: £213,297) with unrestricted expenditure at £112,265 (2018: £221,084), leaving a surplus of £10,288. Income is reduced as two large unrestricted grants came to an end and were not renewed, with other unrestricted funding increasingly hard to find. Action has been taken to reduce overhead costs that included a move of office, some redundancies, and all remaining staff working on reduced hours.

Restricted income totalled £71,318 for the year (2018: £303,760), with restricted expenditure at £70,510 (2018: £405,462), with a small surplus of £808. The large reduction in restricted income and expenditure relates to the completion of projects in England and Wales the previous year in line with project funding, which was not renewed.

Overall there is a net surplus for the year of £11,096, compared to a net deficit the previous year of £106,336. This demonstrates our commitment to reducing costs and focusing on our core strategic targets.

Unrestricted funds continue to include a legacy of £211,768, the timing and recovery of which remains uncertain, and as such this has been included as a long term debtor and placed into a designated fund. (For further details please refer to notes 15 and 16).

Unrestricted funds available for general charitable purposes as at the 31st March 2019 were £80,670, which is within the level of unrestricted funds required by the trustees (see reserves policy below).

The trustees believe that the difficult decisions taken and hard work in reducing costs over the past 18 months or so has left Afasic in a much better financial position and ready to look at developing our business plan and key objectives for the future on a sustainable basis.

All remaining staff are part time, on reduced hours, supported by volunteers. This has obviously limited the ability of the organisation to do all that it would like to in supporting children and families affected by Developmental Language Disorder. The trustees' strategy is to now focus on building income levels and at the same time looking at smarter ways of working that over time will enable us to reach many more families in need more quickly and cost effectively.

# **AFASIC**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019**

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### **Reserves policy:**

The trustees have an agreed reserves policy that takes into account the main risks to the organisation highlighted through the risk management policy.

The policy of the trustees is to maintain unrestricted reserves at a level sufficient to support the core activities of the organisation for a minimum of six months and up to twelve months. This level of reserves is deemed prudent by the trustees, to ensure that the work and services of the organisation can be planned with some certainty. This policy is reviewed by the trustees on an annual basis.

At the year-end unrestricted reserves (excluding the designated fund) provided 7 months cover for budgeted unrestricted expenditure (previous year 6.8 months). This is therefore just within the level of cover required by the trustees under this policy.

The trustees will continue to monitor the reserves position closely over the coming year.

### **Principal funding sources:**

We are very grateful to all those individuals who have contributed through membership fees, individual donations and taking part in events.

We are also very grateful for other major funding contributions and significant grants that have been received during the year from:

BBC Children in Need (England), Donald Forrester Trust, Mercers' Company, the PF Charitable Trust, the G & E Pollitzer Charitable Settlement, the Sobell Foundation, the WO Street Charitable Trust, Akira Financial Ltd, Jangro Ltd, Next plc, Tesco, and Waitrose.

Given the continuing difficult economic climate, the trustees would like to thank all of our supporters who have contributed towards our work during the year, no matter how large or small. This is greatly appreciated and has helped to make a real difference to the daily lives of the children, young people and families that we help.

### **Investment policy:**

The Memorandum and Articles of Association give the charity the power to invest monies not immediately required for its purposes as it sees fit. The Trustee Board agreed an investment policy in December 2004 that states:

- An amount of cash for working capital of up to £150k is to be maintained in the organisation's current and accessible deposit accounts at any one time.
- Balances above this figure that are not required to cover short / medium term liabilities are to be available for investment.
- There are currently no funds held in investments.

### **Risk management:**

The trustee board adopted a risk management policy in December 2004 and established a risk register, both of which are reviewed and updated as necessary on at least an annual basis. The policy and register have identified the major risks to which the organisation is exposed and outline strategies, systems and procedures to manage these.

Afasic has policies in place including a health and safety policy, child protection policy, equal opportunities policy, and data protection policy as well as procedures laid down in a staff handbook to ensure that all staff and volunteers comply with these.

Financial risk management is an integral part of the operational framework of the business and strategic planning, project management and financial reporting procedures are in place.

# AFASIC

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### Plans for the future:

We believe that there is a critical need to support children with Developmental Language Disorder ('DLD') and that Afasic is the only independent charity that specifically focuses on helping parents access the legal, educational and other services to which they are entitled.

Looking forward, the main objectives for Afasic will continue to be:

- The provision of help, information, advice and advocacy support to parents and carers of children and young people with DLD and related conditions. This will mainly be provided via the Afasic helpline, website, printed publications and social media channels.
- The on-going development of website content; including downloadable information for parents and professionals backed up by the helpline call handlers.
- The development of information fact sheets to help parents understand DLD and access the help they need for their child.
- The organisation of specialist primary to secondary week-long transition courses.
- The organisation of training workshops for parents, carers and mainstream professionals to improve their ability to support children and young people with DLD.
- Policy, campaigning and research work around DLD and related issues.

We are currently working on the content for a major re-development of the information available for parents on our website, which will be split down into 7 main sections covering:

- All about Speech & Language (Difficulties)
- Identification & Diagnosis
- The SEND system
- Schools, Early Years Settings, and 16+ Settings
- EHC Needs Assessments and Plans
- Resolving Disagreements
- Expert Parent Guide

We have decided to make all this available for free online so that parents will be able to access it directly themselves at any time. Nowadays people expect to be able to find the information they need online, so it is important to make this available. Not everyone wants to ring a Helpline, and some delay contacting us, wasting valuable time.

#### Structure, governance and management

The organisation is a registered charity and a company limited by guarantee. The organisation was registered as a charity on 4 July 1968, and incorporated on 23 March 1995. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association, as amended to allow for current governance arrangements on 6 November 2004. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The organisation was registered with the Office of the Scottish Charity Regulator on 17 January 2008 under number SC039170.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C Hamer	(Resigned 23 November 2018)
M Scales (Chair)	
M Sharp	(Resigned 23 November 2018)
C Hammond (Treasurer)	
J Emin	(Appointed 12 July 2018)
O Holland	(Appointed 23 November 2018)
J Perry	(Appointed 23 November 2018)
C Everingham	(Appointed 5 April 2019)



**TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2019**

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**Recruitment and appointment of trustees:**

The trustees are all volunteers. The Board of Trustees comprises both elected and co-opted members. In addition to the Honorary Officers, up to six board members can be elected at the AGM.

To ensure that the work of the charity is informed by a mix of business, financial and technical advice, the Board of Trustees also has four co-opted places designated for individuals with an interest in and the potential to offer valuable contribution to the effectiveness of the organisation. The Chair and Vice Chair must be parents of a child with a speech and language impairment. All members are circulated with invitations to nominate trustees and Honorary Officers prior to the AGM, along with details and nomination forms.

**Organisational structure:**

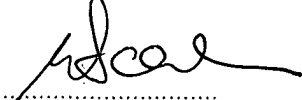
The Board of Trustees, which can have a maximum of 13 members, administers the charity and meets on at least a quarterly basis. The day-to-day management of the organisation is in the hands of the Chief Executive.

**Trustee induction and training:**

Each new trustee receives induction from the Chair and/or Chief Executive as to their role and responsibilities and the work of the organisation. They are provided with a copy of "The Good Trustee Guide" published by NCVO, along with a copy of the Memorandum and Articles of Association, latest accounts and annual review, strategic and business plans, and details of major projects and services.

Trustees are encouraged to attend appropriate external training events where this will help them in their role, in addition to internal training provided by staff and trustees.

On behalf of the Board of Trustees



**M Scales (Chair)**

Trustee

Dated: 28/10/2019

# AFASIC

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF AFASIC

---

We report to the trustees on our examination of the financial statements of Afasic (the charity) for the year ended 31 March 2019.

### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 (the 2006 Act). You are satisfied that the financial statements of the charity are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied ourselves that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, we report in respect of our examination of the charity's financial statements carried out under section 44 (1) (c) of the 2005 Act and section 145 of the Charities Act 2011 (the 2011 Act). In carrying out our examination we have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### Independent examiner's statement

Since the charity is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). We confirm that we are qualified to undertake the examination because we are a member of Association of Chartered Certified Accountants, which is one of the listed bodies.

We have completed our examination. We confirm that no matters have come to our attention in connection with the examination giving us cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Lee, Dicketts & Co

3 East Point  
High Street, Seal  
Sevenoaks  
Kent  
TN15 0EG

Dated: 1/11/19

# AFASIC

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

		Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
	Notes					
<b><u>Income and endowments from:</u></b>						
Donations and legacies	2	72,241	-	15,190	87,431	192,155
Activities in furtherance of the charity's objects	3	49,277	-	56,128	105,405	317,444
Investments	4	476	-	-	476	1,255
Other income	5	559	-	-	559	6,203
<b>Total income</b>		<b>122,553</b>	<b>-</b>	<b>71,318</b>	<b>193,871</b>	<b>517,057</b>
<b><u>Expenditure on:</u></b>						
Raising funds	6	19,670	-	-	19,670	29,922
Charitable activities	7	92,595	-	70,510	163,105	596,624
<b>Total resources expended</b>		<b>112,265</b>	<b>-</b>	<b>70,510</b>	<b>182,775</b>	<b>626,546</b>
Net gains/(losses) on investments	12	-	-	-	-	3,153
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>10,288</b>	<b>-</b>	<b>808</b>	<b>11,096</b>	<b>(106,336)</b>
Fund balances at 1 April 2018		70,382	211,768	90,007	372,157	478,493
<b>Fund balances at 31 March 2019</b>		<b>80,670</b>	<b>211,768</b>	<b>90,815</b>	<b>383,253</b>	<b>372,157</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# AFASIC

## BALANCE SHEET

AS AT 31 MARCH 2019


	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	13		1,275		1,616
<b>Current assets</b>					
Debtors falling due after one year	15	211,768		211,768	
Debtors falling due within one year	15	12,613		22,920	
Cash at bank and in hand		188,201		168,481	
		412,582		403,169	
<b>Creditors: amounts falling due within one year</b>	17	(30,604)		(32,628)	
Net current assets			381,978		370,541
<b>Total assets less current liabilities</b>			383,253		372,157
<b>Income funds</b>					
Restricted funds	19		90,815		90,007
<u>Unrestricted funds</u>					
Designated funds	20	211,768		211,768	
General unrestricted funds		80,670		70,382	
			292,438		282,150
			383,253		372,157

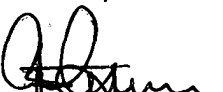
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The accounts were approved by the trustees on 28/10/2019

  
M Scales (Chair)  
Trustee

  
J Emin  
Trustee

Company Registration No. 03036802

# AFASIC

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	24		19,484		(129,963)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(240)		-	
Proceeds on disposal of investments		-		88,311	
Interest received		476		1,255	
<b>Net cash generated from investing activities</b>			236		89,566
<b>Financing activities</b>					
Proceeds from borrowings		-		25,000	
<b>Net cash (used in)/generated from financing activities</b>			-		25,000
<b>Net increase/(decrease) in cash and cash equivalents</b>			19,720		(15,397)
Cash and cash equivalents at beginning of year			168,481		183,878
<b>Cash and cash equivalents at end of year</b>			188,201		168,481

# AFASIC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

#### Charity information

Afasic is a private company limited by guarantee incorporated in England and Wales. The registered office is St Margaret's House, 15 Old Ford Road, London, E2 9PJ.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

These accounts are prepared on the going concern basis. The trustees have a reasonable expectation that Afasic will continue in operational existence for the foreseeable future, however the general economic environment continues to make it difficult to raise unrestricted funds to cover core services and costs. It remains difficult to project what the likely receipt of unrestricted funding will be over the next 12 months.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# AFASIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

---

#### 1 Accounting policies

(Continued)

Where it is clear that the donor has specified a grant to be related to a fixed period for a specified use, these funds will be treated as deferred income and released to the Statement of Financial Activities to match the related expenditure.

#### 1.5 Resources expended

The accruals basis is applied to all expenditure.

Expenditure has been allocated according to the Statement of Recommended Practice "Accounting and Reporting by Charities" and is shown under the appropriate sub-heading. Items of expenditure which involve more than one charitable activity, are allocated appropriately between the charitable activities involved on the basis of estimates made by the charity's management.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% reducing balance
Computers	33.3% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Basic financial instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any loss arising from impairment is recognised in the profit and loss account in other administrative expenses.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# AFASIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 1 Accounting policies (Continued)

##### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

#### 2 Donations and legacies

	Unrestricted funds general £	Restricted funds £	Total 2019 £	Total 2018 £
Donations and gifts	61,460	15,190	76,650	182,817
Legacies receivable	2,532	-	2,532	501
Subscriptions	8,249	-	8,249	8,837
	<u>72,241</u>	<u>15,190</u>	<u>87,431</u>	<u>192,155</u>
<b>For the year ended 31 March 2018</b>	<u>159,379</u>	<u>32,776</u>		<u>192,155</u>

#### 3 Activities in furtherance of the charity's objects

	2019 £	2018 £
Events	18,572	24,794
Inservice training, conferences and activity weeks	7,560	15,076
Literature	3,394	2,988
Grants receivable for charitable activities	75,879	274,586
	<u>105,405</u>	<u>317,444</u>
Analysis by fund		
Unrestricted funds - general	49,277	
Restricted funds	56,128	
	<u>105,405</u>	
<b>For the year ended 31 March 2018</b>		
Unrestricted funds - general		46,496
Restricted funds		270,948
		<u>317,444</u>



# AFASIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 4 Investments

	Unrestricted funds general 2019 £	Total 2018 £
Income from listed investments	-	737
Interest receivable	476	518
	<u>476</u>	<u>1,255</u>

### 5 Other income

	Unrestricted funds general £	Restricted funds £	Total 2019 £	Total 2018 £
Royalties	481	-	481	889
Management and administration services	78	-	78	5,314
	<u>559</u>	<u>-</u>	<u>559</u>	<u>6,203</u>
For the year ended 31 March 2018	<u>6,167</u>	<u>36</u>		<u>6,203</u>

### 6 Raising funds

	Unrestricted funds general 2019 £	Total 2018 £
<u>Fundraising and publicity</u>		
Other fundraising costs	6,239	6,830
Staff costs	13,431	23,092
	<u>19,670</u>	<u>29,922</u>
Fundraising and publicity	<u>19,670</u>	<u>29,922</u>

# AFASIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 7 Charitable activities

	Information and awareness	Parents and families	Children and young people	Total 2019	Total 2018
	2019	2019	2019		
	£	£	£	£	£
<b>Staff costs</b>	13,426	23,804	24,933	62,163	295,140
Depreciation and impairment	191	190	200	581	2,822
Services	3,276	3,158	33,820	40,254	158,839
Property costs	3,254	4,141	4,385	11,780	61,636
Administrative costs	3,526	4,475	4,250	12,251	27,942
Other staff costs	163	1,797	568	2,528	15,815
	<u>23,836</u>	<u>37,565</u>	<u>68,156</u>	<u>129,557</u>	<u>562,194</u>
Share of support costs (see note 9)	7,263	7,264	8,873	23,400	24,174
Share of governance costs (see note 9)	3,383	3,383	3,382	10,148	10,256
	<u>34,482</u>	<u>48,212</u>	<u>80,411</u>	<u>163,105</u>	<u>596,624</u>
<b>Analysis by fund</b>					
Unrestricted funds - general	33,819	31,958	26,818	92,595	191,162
Restricted funds	663	16,254	53,593	70,510	405,462
	<u>34,482</u>	<u>48,212</u>	<u>80,411</u>	<u>163,105</u>	<u>596,624</u>
<b>For the year ended 31 March 2018</b>					
Unrestricted funds - general	80,893	60,754	49,515		191,162
Restricted funds	62,822	168,729	173,911		405,462
	<u>143,715</u>	<u>229,483</u>	<u>223,426</u>		<u>596,624</u>

### 8 Description of charitable activities

#### Information and awareness

Providing and disseminating information on speech, language and communication needs and raising awareness of this hidden disability.

#### Parents and families

Supporting and empowering parents and families of children and young people with speech, language and communication needs, enabling them to advocate for their child.

#### Children and young people

Working directly with children and young people with speech, language and communication needs to develop their communication, social and life skills.

# AFASIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 9 Support costs

	Support costs £	Governance costs £	2019 £	2018 £
Staff costs	16,107	-	16,107	19,234
Information technology	6,707	-	6,707	4,244
Finance costs	586	-	586	696
Audit fees	-	7,230	7,230	7,230
Accountancy	-	2,190	2,190	870
Trustee and AGM expenses	-	728	728	2,156
	<u>23,400</u>	<u>10,148</u>	<u>33,548</u>	<u>34,430</u>
Analysed between Charitable activities	<u>23,400</u>	<u>10,148</u>	<u>33,548</u>	<u>34,430</u>

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but they were reimbursed a total of £553 travelling expenses (2018 - £1,922).

### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
	<u>6</u>	<u>15</u>

#### Employment costs

	2019 £	2018 £
Wages and salaries	87,225	314,432
Social security costs	2,225	17,722
Other pension costs	2,251	5,312
	<u>91,701</u>	<u>337,466</u>

Wages and salaries include redundancy payments totalling £0 (2018 - £44,516).

There were no employees whose annual remuneration was £60,000 or more.

# AFASIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 12 Net gains/(losses) on investments

	Unrestricted funds general 2019 £	Total 2018 £
Gain/(loss) on sale of investments	-	3,153

### 13 Tangible fixed assets

	Fixtures, fittings & equipment £	Computers £	Total £
<b>Cost</b>			
At 1 April 2018	27,834	14,164	41,998
Additions	-	240	240
At 31 March 2019	27,834	14,404	42,238
<b>Depreciation and impairment</b>			
At 1 April 2018	27,388	12,994	40,382
Depreciation charged in the year	112	469	581
At 31 March 2019	27,500	13,463	40,963
<b>Carrying amount</b>			
At 31 March 2019	334	941	1,275
At 31 March 2018	446	1,170	1,616

### 14 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	220,288	229,049
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	29,260	26,544

# AFASIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 15 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Other debtors	8,520	17,281
Prepayments and accrued income	4,093	5,639
	<u>12,613</u>	<u>22,920</u>
	2019 £	2018 £
<b>Amounts falling due after more than one year:</b>		
Prepayments and accrued income	211,768	211,768
	<u>211,768</u>	<u>211,768</u>
<b>Total debtors</b>	<u>224,381</u>	<u>234,688</u>

Debtors include a legacy receipt of £211,768 which has been confirmed by the executors as the legal entitlement of Afasic and the assets of the estate have been confirmed as collected. The trustees are very concerned at the delay in distribution of the estate which is due to problems of interpretation by the executors and which are not in the control of Afasic. The trustees cannot be certain as to the timeframe within which the executors will be in a position to distribute the estate or any conditions which might attach to the distribution. In view of the delay in collecting this asset and difficulty in estimating the timing of receipt the trustees have decided to classify the asset as a long term asset.

### 16 Loans and overdrafts

	2019 £	2018 £
Other loans	<u>25,000</u>	<u>25,000</u>
Payable within one year	<u>25,000</u>	<u>25,000</u>

During the year to 31 March 2018 a £25,000 loan was made to Afasic by a key supporter as part of a special appeal to supporters. The purpose of this loan was to help provide cash flow to support the financial obligations which arose from redundancy and other restructuring costs that arose during the year. The loan does not have a set date for repayment but there is a specific condition that repayment will be made from the distribution of the outstanding legacy due to Afasic. The intention of the trustees is to repay this loan as soon as it is practicably possible. This will depend upon development of the overall financial position. Although there is some uncertainty about the timing of repayment of the loan it is possible that this may be done within the next 12 months so the trustees have classified the loan as repayable within one year.

# AFASIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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

	Notes	2019 £	2018 £
Borrowings	16	25,000	25,000
Other taxation and social security		1,344	1,964
Deferred income	18	-	4,120
Trade creditors		3,943	1,150
Other creditors		317	394
		<u>30,604</u>	<u>32,628</u>

#### 18 Deferred income

	2019 £	2018 £
Other deferred income	-	4,120
	<u>-</u>	<u>4,120</u>

#### 19 Restricted funds

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

	Balance at 1 April 2018 £	Movement in funds		Balance at 31 March 2019 £
		Incoming resources £	Resources expended £	
<b>Works across the nations</b>				
CYMRU	2,186	28	(1,290)	924
Northern Ireland	280	-	-	280
NDO	3,348	-	(2,687)	661
Voice for Life	482	-	(300)	182
<b>Supporting parents and professionals</b>				
Parent Support Service	3,639	16,633	(11,441)	8,831
Local Groups	32,591	11,429	(1,980)	42,040
<b>Supporting children and young people</b>				
Summer School	41,627	43,128	(52,812)	31,943
Bryony Walker Fund	5,278	100	-	5,378
West Midlands	576	-	-	576
	<u>90,007</u>	<u>71,318</u>	<u>(70,510)</u>	<u>90,815</u>

Details of certain restricted funds, including income from grants and donations are as follows:

# AFASIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 19 Restricted funds

(Continued)

#### **Works across the nations:**

##### **CYMRU**

Regretfully we had to close down our projects in Wales at the end of March 2018 as funding bids were unsuccessful and we were unable to find the funds necessary to maintain and develop our work there beyond this period. Income & expenditure seen during the year relate to a conference held in April 2018 on Developmental Language Disorder in North Wales.

##### **Northern Ireland**

Previously funded by a grant from the Big Lottery Fund for work with young people in Northern Ireland. This project has now been completed.

##### **NDO (England)**

For general development work and parent training across England, with income and expenditure seen being related to that work.

##### **Voice for life**

A 3 year project that developed new resources, information and training aimed mainly at parents across England that came to an end in April 2017.

#### **Supporting parents and professionals:**

##### **Parent Support Service**

Provides support to parents through a telephone helpline, production and distribution of literature and publications and development of resources on the Afasic website. Main funders for this service during the year included a grant of £10,000 from the Sobell Foundation; £3,000 from the WO Street Charitable Trust; and £1,000 from Tesco, Bags of Help Fund.

##### **Local Groups**

Members who come together to form groups at a local level to provide mutual support, organise activities for children and young people and work in partnership with local authorities.

#### **Supporting children and young people:**

##### **Transition Summer Schools**

This is a programme of innovative courses for children facing the move from primary to secondary school. These week long courses aim to prepare the children for this move, arm them with strategies for dealing with things like bullying, and develop their social and language skills. Main funders during the year include: BBC Children in Need £35,628 and the Mercers' Company £7,500.

##### **West Midlands Funds**

Funds to be used for our work in the West Midlands areas.

##### **Bryony Walker Fund**

A fund set up with donations made in memory of our Trustee and Vice Chair Bryony Walker who sadly passed away in 2014 to be used for work with young people.

Afasic is very grateful to all the donors mentioned above for their support of our work during this period.

# AFASIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 20 Designated funds

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

	Balance at 1 April 2018 £	Movement in funds Incoming resources £	Balance at 31 March 2019 £
Legacy income - strategic plan	211,768	-	211,768
	<u>211,768</u>	<u>-</u>	<u>211,768</u>

The trustees have decided to reorganise Afasic as set out in the financial and business review. On receipt of the outstanding legacy the trustees intend to invest the legacy proceeds in the future development and reconstruction of Afasic and its charitable activities.

#### 21 Analysis of net assets between funds

	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:					
Tangible assets	1,254	-	21	1,275	1,616
Current assets/(liabilities)	79,416	211,768	90,794	381,978	370,541
	<u>80,670</u>	<u>211,768</u>	<u>90,815</u>	<u>383,253</u>	<u>372,157</u>



# AFASIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	1,042	1,042
Between two and five years	521	1,562
	<u>1,563</u>	<u>2,604</u>

### 23 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).

### 24 Cash generated from operations

	2019 £	2018 £
Surplus/(deficit) for the year	11,096	(106,336)
Adjustments for:		
Investment income recognised in statement of financial activities	(476)	(1,255)
Gain on disposal of investments	-	(3,153)
Depreciation and impairment of tangible fixed assets	581	2,822
Movements in working capital:		
Decrease in debtors	10,307	2,411
Increase/(decrease) in creditors	2,096	(28,572)
(Decrease)/increase in deferred income	(4,120)	4,120
<b>Cash generated from/(absorbed by) operations</b>	<u>19,484</u>	<u>(129,963)</u>