

THE ROYAL NATIONAL INSTITUTE FOR DEAF PEOPLE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

Registered Office: 19-23 Featherstone Street
London
EC1Y 8SL

Company No: 454169

Charity No: 207720



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TRUSTEES' REPORT

The Board of Trustees present their annual report together with the audited financial statements for the year ended 31 March 2001.

STATEMENT OF RECOMMENDED PRACTICE (SORP) 2000

As the implementation of the requirements for SORP 2000 is mandatory for accounting periods starting on or after 1 January 2001, the Trustees have decided to delay its implementation until the financial year ending 31 March 2002. The Trustees are in the process of carrying out a detailed review of the key areas of risk so that they will be in a position to report on the management controls in their report next year as required by SORP 2000.

RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

The Statement of Financial Activities (SOFA), set out on page 10, is designed to reflect all income received in the year irrespective of when it is spent. Total incoming resources increased by 2% to £40.5m and direct charitable expenditure increased by 7% to £35.9m. The overall decrease in funds as at 31 March 2001 of £1.4m reflects expenditure that was funded out of the surplus funds of £1.5m received in the financial year ended 31 March 2000.

During the financial year:

- legacy income increased from £6.1m to £6.8m.
- income generated through voluntary donations and grants increased from £6.1m to £7.4m, as a result of growing campaign activities and new fundraising initiatives.
- expenditure on Care Services increased from £8.1m to £8.7m
- expenditure on Communication Services and Training increased from £3.0m to £3.3m.
- expenditure on RNID Typetalk reduced from £12.1m to £11.8m, reflecting the reduction in demand for the services as some customers have moved over to new technology such as SMS messaging and the Internet. This decline was anticipated and RNID is reviewing the ways the relay service can better meet the changing demands of its customer base, such as TextDirect.
- expenditure on Employment Services increased from £0.9m to £1.3m.
- RNID individual membership is continuing to expand rapidly and now stands at over 25,000.
- Organisational membership, introduced in June 1998, now stands at over 450.

EXPENDITURE CONTROL

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that management information is prepared and reviewed regularly by both the management and the Trustees. A programme of internal audits is in place, derived from a comprehensive risk assessment.

PROPERTY VALUES

All freehold and leasehold properties, where the original lease was for in excess of 15 years, are valued by RNID's surveyors on a five year rolling programme. The Trustees believe that the market values of certain freehold properties may be less than their book values. However, as these properties are intended to be occupied by RNID for the foreseeable future, their value to RNID is not necessarily affected by the changes in the property market, especially as they are kept in a continuing state of sound repair. There has consequently been no permanent diminution in their value to RNID.

RESERVES

Free reserves available for use by RNID are deemed to be those funds that can be raised from assets that are readily realisable, less funds that are designated as restricted. The calculation thus excludes real estate and other fixed assets used in the day-to-day running of RNID.

Each year the Trustees review the value of the reserves required to be held in investments, cash and cash equivalents, which are not restricted to any particular purpose. They consider RNID's exposure to significant loss of income and unforeseen expenditure, which cannot be offset by executive action, and the degree of risk ascribed to each such event is assessed.

With income, the major risk is declining voluntary income particularly due to an economic/stock market downturn or other factors leading to both declining legacy values and reduced donations.

The maintenance of tight budgetary control has reduced the risk of over-expenditure in any one financial year. It is not RNID policy to embark on major initiatives without committed funding. The Trustees have conducted their annual review of the level of reserves and are satisfied that they are adequate to support the current level of activity and forecast growth shown in RNID's three-year plan. The balance of free reserves represents the unrestricted funds that are available at short notice.

Free Reserves at the year end	2001	2000
	£'000	£'000
Total unrestricted funds	15,737	16,073
Less: tangible fixed assets and long-term Liabilities (see note 14)	(9,197)	(9,077)
	<hr/>	<hr/>
	6,540	6,996
	<hr/>	<hr/>
Represented by:		
- investments	5,575	7,193
- current assets	3,282	2,806
- current liabilities	(2,317)	(3,003)
	<hr/>	<hr/>
	6,540	6,996
	<hr/>	<hr/>

STAFF

Staff are RNID's primary asset.

During the year employees have continued to receive information about RNID through regular staff meetings, briefings and in-house intranet (e-connect), with staff being encouraged to give their suggestions and views on RNID's performance. The training needs of employees are continually assessed as part of the annual appraisal and supervision processes, and training programmes provided to meet these ongoing needs. The Investor in People award was achieved during the year, which reflects RNID's ongoing commitment to develop its staff. RNID is concerned to maintain an efficient ratio of administrative staff to other staff and central administration and finance staff presently comprise under 5% of the total.

EMPLOYING DEAF, HARD OF HEARING AND DISABLED PEOPLE

As a major disability charity, RNID is continuing to work towards equal opportunities and is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination. Management pursues both the employment of disabled people whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by RNID.

Particular attention is given to the training, career development and promotion of deaf, hard of hearing and other disabled employees with a view to encouraging them to play an active role in developing the organisation. The number of deaf and hard of hearing people employed by RNID at the end of the financial year was a total of 94. This represents nearly 22% of all employees, excluding those such as RNID Typetalk and telephone operators, care staff or interpreters whose hearing ability is fundamental to their ability to help RNID's deaf clients.

TRUSTEES

Effective partnership between Trustees and staff continues to contribute significantly to our success. To ensure that Trustees' roles and responsibilities are carried out effectively, each has portfolio interests which require them to have an understanding and a responsibility for specific aspects of RNID's work.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the preparation of financial statements for each financial year, which give a true and fair view of the incoming resources and application of those resources during the year, and of its state of affairs at the end of the year. In preparing these financial statements, the Trustees are required to:

- ensure that suitable accounting policies are in place and applied consistently;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees' responsibilities include keeping proper accounting records which disclose, with reasonable accuracy at any time, the charity's financial position. They are also responsible for safeguarding the charity's assets and for taking reasonable steps to prevent and detect fraud and breaches of the law and regulations.

THE FUTURE

The Trustees believe that RNID has a sound financial basis upon which to build for the future, and they will continue to strengthen RNID's campaigning and research activities, and develop existing services yet further to reach even more deaf and hard of hearing people.

REGISTRATION AND LEGAL SYSTEM

The Royal National Institute for Deaf People is a charity registered with the charity commission in England and Wales (No. 207720) and is a company limited by guarantee (No. 454169). Its governing instruments are its Memorandum of Association and Articles of Association adopted on 28 October 1992 and last amended on 21 September 2000. Its registered office is situated at 19 – 23 Featherstone Street, London, EC1Y 8SL.

BOARD OF TRUSTEES

The Trustees have either been elected, co-opted or appointed in accordance with the Memorandum and Articles of Association.

MEMBERS OF THE BOARD

David Livermore, *Chairman*

Jane Wilmot OBE*, *Vice Chairman*

Barry Petch, *Honorary Treasurer*

ADVISERS TO THE BOARD

Penny Beschizza*

Vasant Shend'ge*

Huw Thomas* (from 9 Nov. 2000)

Jenny White

David Adams*

John Bamford (Professor) (from 11 May 2000)

Mike Bishop*

Derek Bucknall*

Dr. Margaret du Feu*

Richard Eldridge

Heather Friskin*

Alison Heath MBE* (to 21 Sept. 2000)

Pauline Hughes (from 21 Sept. 2000)

Tom Levitt MP

Peter Lilley

Susan Millidge*

Jack Shapiro*

Sylvia Sheridan OBE

Owen Tudor (to 14 Dec. 2000)

Lady Wilson

AUDIT COMMITTEE

Barry Petch

Richard Hartley

Harold Izzard

INVESTMENT COMMITTEE

David Livermore

Barry Petch

Jack Shapiro*

*Deaf or hard of hearing

Patron

HRH The Duke of Edinburgh KG, KT

President

The Rt Hon Lord Ashley of Stoke CH

Vice Presidents

Lord Balfour of Burleigh
The Rt Hon Lord Campbell of Croy PC, MC, DL
The Rt Hon Lord Chalfont OBE, PC, MC
The Rt Hon Lord Jenkins of Hillhead PC
Professor Anthony Kelly CBE
Air Vice-Marshal Peter King CB, OBE
Dr Kevin Murphy
Sir Peter Parker LVO
Jack Shapiro
Lady Tummin OBE
John Whitney
Lady Wright MBE

Solicitors

Messrs Dibb Lupton Alsop
125 London Wall
London EC2Y 5AE

Messrs Bates Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

Bankers

National Westminster Bank Plc
104 Tottenham Court Road
London W1A 3AW

Executive Officers

(As at 2 August 2001)

Chief Executive

James Strachan

Director of Communications

Brian Lamb OBE

**Director of Finance
and Company Secretary**

Peter Magness

Director of Fundraising

Judi Stewart

Director of Personnel

Monica Watson

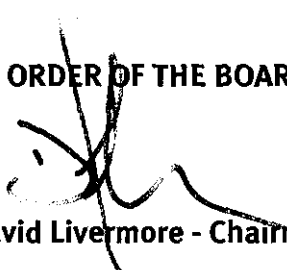
Directors of Services

Derek Smith
Sharon Collins

Director of Technology

Dr John Low

BY ORDER OF THE BOARD OF TRUSTEES



David Livermore - Chairman

The Royal National Institute for Deaf People
19-23 Featherstone Street
London EC1Y 8SL

02 August 2001

Report of the independent auditors

To the Members of The Royal National Institute for Deaf People

We have audited the financial statements on pages 10 to 23 which have been prepared under the accounting policies set out on page 13.

Respective responsibilities of directors and auditors

As described on page 6 the trustees', who are also directors of The Royal National Institute for Deaf People for the purposes of company law, responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

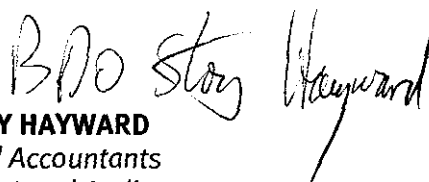
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company and the group's affairs as at 31 March 2001 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.


BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

2 August 2001

The Royal National Institute for Deaf People

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2001

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2001	Total Funds 2000
		£'000	£'000	£'000	£'000
Income and expenditure					
Incoming resources					
Legacies	3	6,825	-	6,825	6,090
Voluntary donations		4,634	-	4,634	3,895
Grants		830	1,894	2,724	2,248
RNID Typetalk, including BT funding		-	10,737	10,737	13,104
RNID Sound Advantage		2,363	-	2,363	2,567
Fees - RNID Care Services		8,168	-	8,168	8,064
- Communication Services & Training		2,552	-	2,552	2,405
- Campaigns & Information Services		409	-	409	154
- Disability and Deaf Awareness Training & Consultancy		564	-	564	286
Membership & Magazines		374	-	374	228
Investment & Other Income	2	592	3	595	693
VAT Overhead Recovery		256	-	256	102
RNID Activities Limited	7	330	-	330	14
Total incoming resources		27,897	12,634	40,531	39,850
Resources expended					
Direct charitable expenditure					
RNID Typetalk	4	-	11,802	11,802	12,111
RNID Sound Advantage	4	2,357	-	2,357	2,509
RNID Care Services	4	8,678	19	8,697	8,113
Communication Services & Training	4	2,311	994	3,305	2,958
Employment Services	4	844	458	1,302	857
Campaigns & Information Services	4	4,301	116	4,417	3,867
Disability and Deaf Awareness Training & Consultancy	4	1,684	-	1,684	1,547
Policy & Research	4	1,370	267	1,637	842
Membership & Magazines	4	671	-	671	639
		22,216	13,656	35,872	33,443
Other expenditure					
Fundraising - Charity	4	3,521	-	3,521	3,389
Fundraising - RNID Activities Limited	4	289	-	289	19
Management & Administration	4	2,147	19	2,166	2,213
		5,957	19	5,976	5,621
Total resources used		28,173	13,675	41,848	39,064
Net (outgoing) / incoming resources for year	3	(276)	(1,041)	(1,317)	786
Other recognised gains and losses					
Gains and losses on investments - realised		134	-	134	275
- unrealised		(245)	-	(245)	17
Gain on disposal of freehold property		51	-	51	428
Net movement in funds		(336)	(1,041)	(1,377)	1,506
Balances brought forward at beginning of year	15	16,073	4,420	20,493	18,987
Balances carried forward at end of year		15,737	3,379	19,116	20,493

All amounts included in net incoming resources for year relate to continuing activities

All recognised gains and losses are included in the Statement of Financial Activities.

The notes on pages 13 to 23 form part of these financial statements.

The Royal National Institute for Deaf People

BALANCE SHEETS AS AT 31 MARCH 2001

	Note	Group				Charity			
		2001		2000		2001		2000	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets									
Tangible assets	8		11,032		11,515		11,032		11,515
Investments	9		5,575		7,193		5,575		7,193
			<hr/>		<hr/>		<hr/>		<hr/>
			16,607		18,708		16,607		18,708
Current assets									
Stocks	10		590		439		587		435
Debtors	11		3,249		3,455		3,245		3,455
Cash at bank and short term deposits			1,634		1,750		1,674		1,751
			<hr/>		<hr/>		<hr/>		<hr/>
			5,473		5,644		5,506		5,641
Creditors									
Amounts falling due within one year	12		2,694		3,546		2,690		3,538
			<hr/>		<hr/>		<hr/>		<hr/>
Net current assets			2,779		2,098		2,816		2,103
			<hr/>		<hr/>		<hr/>		<hr/>
Total assets less current liabilities			19,386		20,806		19,423		20,811
			<hr/>		<hr/>		<hr/>		<hr/>
Creditors									
Amounts falling due after more than one year	13		270		313		270		313
			<hr/>		<hr/>		<hr/>		<hr/>
			19,116		20,493		19,153		20,498
			<hr/>		<hr/>		<hr/>		<hr/>
Funds									
Unrestricted funds			15,737		16,073		15,774		16,078
Restricted funds	15		3,379		4,420		3,379		4,420
			<hr/>		<hr/>		<hr/>		<hr/>
			19,116		20,493		19,153		20,498
			<hr/>		<hr/>		<hr/>		<hr/>

These financial statements were approved by the Board of Trustees on 2 August 2001.

David Livermore
Chairman

Barry Petch
Honorary Treasurer

The notes on pages 13 to 23 form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2001**

	Note	<u>2001</u>		<u>2000</u>	
		£'000	£'000	£'000	£'000
Net cash (outflow) / inflow from operating activities	19		(1,176)		135
Returns on investments and servicing of finance					
Interest paid		-		(1)	
Interest received		125		74	
Interest element of finance lease and hire					
purchase rental payments		(66)		(57)	
Dividends received		327		405	
Net cash inflow from returns on investments and servicing of finance			386		421
Capital expenditure and financial investment					
Purchase of property		(338)		(862)	
Purchase of other tangible fixed assets		(483)		(873)	
Sales of property and other tangible fixed assets		122		710	
Purchase of fixed asset investments		(1,983)		(2,595)	
Sale of fixed asset investments		3,553		2,809	
Cash inflow / (outflow) for capital expenditure and financial investment			871		(811)
Net cash inflow / (outflow) before financing			81		(255)
Financing					
Capital element of finance lease and hire					
purchase rental payments		(197)		(155)	
Net cash outflow from financing			(197)		(155)
Decrease in cash	20		(116)		(410)

The notes on pages 13 to 23 form part of these financial statements.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by revaluation of fixed asset investments to market value and are in accordance with applicable accounting standards and Statement of Recommended Practice "Accounting by Charities" (SORP) issued in 1995, except for the non-accrual of legacy income received after the end of the year (note 3).

The group accounts consolidate the accounts of the Charity and all its subsidiary trading companies. As provided by s.230 of the Companies Act 1985, no Statement of Financial Activities (SOFA) is presented for the Charity. The Charity's deficit for the financial year of £1,317,000 (2000 surplus - £786,000) is the same as the group result as the subsidiaries' profits are remitted to the Charity under gift aid regulations.

Income and expenditure - All incoming resources, other than legacies (see note 3), are accounted for on a receivable basis.

All resources expended are accounted for gross, when incurred. Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been apportioned as a percentage of staff employed on the relevant service.

Tangible fixed assets - Properties are valued at cost, or valuation at the time of receipt when acquired without consideration, less sale proceeds of part disposals plus expenditure of a capital nature.

Depreciation - Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets on a straight line basis, except the original purchases of freehold and long leasehold properties, over their expected useful lives at the following annual rates:

Improvements to freehold and long leasehold properties	4%
Short leasehold properties	over lease term
Fixtures, fittings & furniture	20%
Computer equipment	33%
Other equipment	20%
Motor vehicles	20%

With the exception of short leaseholds, no depreciation is provided on the original purchase cost of properties as the trustees consider that the lives of these assets and their residual value, based on prices prevailing at the time of their acquisition or subsequent valuation, are such that their depreciation is not material. The company regularly revalues the freehold properties and carries out annual impairment reviews. In the event of any permanent diminution in value, the shortfall is charged to the SOFA as appropriate.

Investments - Investments are shown in the balance sheet at market value. Surpluses or deficits on valuation and sales of investments are credited or charged to the SOFA.

Stocks - Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal.

Leasing and hire purchase - Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the SOFA over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to the SOFA on a straight line basis over the lease term.

Pension costs - Contributions to RNID's defined benefit pension scheme are charged to the SOFA so as to spread the cost of pensions over employees' working lives within RNID.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2001

2. INVESTMENT AND OTHER INCOME

	2001	2000
	<hr/>	<hr/>
	£'000	£'000
Income from listed investments - UK	327	399
- Non UK	-	6
	<hr/> 327	<hr/> 405
Interest received	125	74
Realised profit on disposal of functional fixed assets	6	33
Sundry income	<hr/> 137	<hr/> 181
	<hr/> 595	<hr/> 693

3. NET (OUTGOING) / INCOMING RESOURCES FOR YEAR**Income**

RNID has been notified of legacies of approximately £2,759,000 (2000 - £1,823,399), of which £687,000 (2000 - £738,055) has been received after 31 March 2001. These amounts have not been included in the accounts.

Expenditure

Total resources used includes:

	2001	2000
	<hr/>	<hr/>
	£'000	£'000
Interest payable :		
- bank loans and overdrafts wholly repayable within five years	-	1
- finance leases and hire purchase contracts	66	57
Depreciation	1,415	1,396
Payments under operating leases:		
- land and buildings	285	371
- other	460	386
Auditors' remuneration :		
- audit	45	42
- other services	30	6
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2001

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other	Depreciation	Total 2001	Total 2000
	£'000	£'000	£'000	£'000	£'000
Direct charitable expenditure					
RNID Typetalk	6,990	4,236	576	11,802	12,111
RNID Sound Advantage	458	1,893	6	2,357	2,509
RNID Care Services	6,384	2,066	247	8,697	8,113
Communication Services & Training	2,472	720	113	3,305	2,958
Employment Services	826	453	23	1,302	857
Campaigns & Information Services	1,470	2,919	28	4,417	3,867
Disability and Deaf Awareness					
Training & Consultancy	245	1,439	-	1,684	1,547
Policy & Research	842	780	15	1,637	842
Membership & Magazines	285	383	3	671	639
	19,972	14,889	1,011	35,872	33,443
Other expenditure					
Fundraising - Charity	1,133	2,377	11	3,521	3,389
Fundraising - RNID Activities Limited	-	289	-	289	19
Management & Administration	1,340	433	393	2,166	2,213
	22,445	17,988	1,415	41,848	39,064

5. EMPLOYEES

	2001 £'000	2000 £'000
Staff costs consist of:		
Wages and salaries	19,980	18,820
Social security costs	1,437	1,362
Pension costs	1,028	931
	22,445	21,113

The average monthly number of employees during the year was 1,374 (2000 - 1,435).

No. of employees receiving	£40,001	to	£50,000	9	7
	£50,001	to	£60,000	6	3
	£60,001	to	£70,000	2	2
	£90,001	to	£100,000	1	1

6. TRUSTEES REMUNERATION

None of the members of the Board of Trustees received any remuneration during this year or last year.

During the year, 7 Trustees (2000 - 8) received reimbursements of non-private travel and subsistence expenditure amounting to £5,845 (2000 - £5,828).

During the year, insurance was purchased to indemnify the Trustees against default on their part, for a premium of £2,363 (2000 - £2,340).

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2001

7. SUBSIDIARY COMPANIES

RNID owns 100% of the share capital of two subsidiary companies. The associated cost had been written off in prior years.

RNID Activities Limited
 Sound Advantage Limited (dormant)

RNID Activities Limited is a trading subsidiary of the charity handling fundraising events, retailing Christmas cards and other similar products.

A summary of the trading results for the year ended 31 March 2001 is shown below:

	2001	2000
	£'000	£'000
Turnover	330	14
Cost of sales	(288)	(18)
Gross profit / (loss)	42	(4)
Administrative expenses	(1)	(1)
Operating profit / (loss) for the financial year	41	(5)
Gift Aid donation to RNID	(36)	-
Profit / (loss) for the year	5	(5)
Balance brought forward at beginning of year	(5)	-
Balance carried forward at end of year	-	(5)

The Royal National Institute for Deaf People

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2001

8. TANGIBLE ASSETS

Group and Charity

	PROPERTY				OTHER FIXED ASSETS					
	Freehold	Long leasehold	Short leasehold	TOTAL Property	Fixtures, fittings & furniture	Computer equipment	Other equipment	Motor vehicles	TOTAL Other	GRAND TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation										
At 1 April 2000	9,020	48	2,470	11,538	1,759	2,769	1,940	791	7,259	18,797
Additions	338	-	-	338	198	270	15	176	659	997
Disposals	(21)	-	(13)	(34)	-	-	-	(189)	(189)	(223)
At 31 March 2001	9,337	48	2,457	11,842	1,957	3,039	1,955	778	7,729	19,571
Depreciation										
At 1 April 2000	872	-	892	1,764	1,370	2,243	1,466	439	5,518	7,282
Charge for year	154	-	242	396	244	464	170	141	1,019	1,415
Disposals	-	-	-	-	-	-	-	(158)	(158)	(158)
At 31 March 2001	1,026	-	1,134	2,160	1,614	2,707	1,636	422	6,379	8,539
Net Book Value										
At 31 March 2001	8,311	48	1,323	9,682	343	332	319	356	1,350	11,032
At 31 March 2000	8,148	48	1,578	9,774	389	526	474	352	1,741	11,515

The net book value of tangible fixed assets includes an amount of £358,606 (2000 - £378,942) in respect of assets held under finance leases and hire purchase contracts. Total depreciation charged on these assets during the year amounted to £166,641 (2000 - £146,959).

All freehold and leasehold properties, (where the original lease was for in excess of 15 years), are valued by RNID's surveyors on a five year rolling programme. The Trustees believe that the market values of certain freehold properties may be less than their book values. However, as these properties are intended to be occupied by RNID for the foreseeable future, their value to RNID is not necessarily affected by the changes in the property market, especially as they are kept in a continuing state of sound repair.

There has consequently been no permanent diminution in their value.

Major non-cash transactions

During the year, RNID entered into finance leases and hire purchase arrangements in respect of assets with a total capital value at inception of £175,831 (2000 - £207,396).

The Royal National Institute for Deaf People

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

8. TANGIBLE ASSETS (cont'd)

Group and Charity

The closing net book value represents fixed assets used for :

	PROPERTY				OTHER FIXED ASSETS					
	Freehold	Long leasehold	Short leasehold	TOTAL Property	Fixtures, fittings & furniture	Computer equipment	Other equipment	Motor vehicles	TOTAL Other	GRAND TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Direct charitable purposes										
RNID Typetalk	-	-	1,323	1,323	76	57	109	-	242	1,565
RNID Sound Advantage	-	-	-	-	2	4	5	53	64	64
RNID Care Services	5,501	48	-	5,549	38	27	40	173	278	5,827
Communication Services & Training	-	-	-	-	6	28	36	25	95	95
Employment Services	-	-	-	-	1	30	62	16	109	109
Campaigns & Information Services	-	-	-	-	7	17	5	-	29	29
Policy & Research	-	-	-	-	3	3	24	-	30	30
Membership & Magazines	-	-	-	-	-	1	-	-	1	1
Other purposes										
Fundraising - Charity	-	-	-	-	-	4	-	-	4	4
Management & Administration	2,810	-	-	2,810	210	161	38	89	498	3,308
Total	8,311	48	1,323	9,682	343	332	319	356	1,350	11,032
Assets held under finance lease:										
Gross value	-	-	-	-	-	-	129	778	907	907
Accumulated depreciation	-	-	-	-	-	-	126	422	548	548
Total	-	-	-	-	-	-	3	356	359	359

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2001

9. FIXED ASSET INVESTMENTS

Group and Charity

	2001	2000
	£'000	£'000
Market value of UK listed investments	<u>5,575</u>	<u>7,193</u>

Included in the market value are the following individual investments which represent more than 5% by value of the total fund.

Charinco Distribution Units
BP Amoco ord USD 0.25

	2001
Cost	£'000
At beginning of year	6,598
Additions	2,046
Disposals	<u>(3,230)</u>
At end of year	<u>5,414</u>

10. STOCKS

	Group		Charity	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Equipment, publications and Christmas cards	<u>590</u>	<u>439</u>	<u>587</u>	<u>435</u>

The replacement cost of stock is not materially different from that stated above.

11. DEBTORS

	Group		Charity	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Debtors	3,059	3,201	3,055	3,201
Prepayments	190	254	190	254
	<u>3,249</u>	<u>3,455</u>	<u>3,245</u>	<u>3,455</u>

Included above are amounts receivable after more than one year:

Loans to local deaf societies	<u>54</u>	<u>59</u>	<u>54</u>	<u>59</u>
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2001

12. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Creditors for taxation and social security	459	491	459	491
Obligations under finance leases and hire purchase contracts	196	174	196	174
Other creditors	1,231	1,784	1,227	1,781
Accruals	808	1,097	808	1,092
	<u>2,694</u>	<u>3,546</u>	<u>2,690</u>	<u>3,538</u>

13. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and Charity

	2001	2000
	£'000	£'000
Obligations under finance leases and hire purchase contracts	155	198
Long-term loan	115	115
	<u>270</u>	<u>313</u>

Obligations under finance leases and hire purchase contracts are due as follows:

	2001	2000
	£'000	£'000
Within 2-5 years	155	198

Details of the long-term loan are as follows:

In 1981, with the consent of the Charity Commissioners, funds amounting to £114,929 from the Tower House and the Bath Homes for the Deaf were used to finance a project at RNID Poolemead. This amount, which is non-interest bearing, is repayable after 60 years. To finance this repayment a sinking fund has been set up in which an amount of £427 is invested annually in accumulative shares of the Charities Official Investment Fund

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds 2001	Total Funds 2000
	£'000	£'000	£'000	£'000
Fund balances at 31 March 2001 are represented by:				
Tangible fixed assets	9,467	1,565	11,032	11,515
Investments	5,575	-	5,575	7,193
Current assets	3,282	2,191	5,473	5,644
Current liabilities	(2,317)	(377)	(2,694)	(3,546)
Long-term liabilities	(270)	-	(270)	(313)
Total net assets	<u>15,737</u>	<u>3,379</u>	<u>19,116</u>	<u>20,493</u>

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2001

15. RESTRICTED FUNDS

Group and Charity

	Balance 1 April 2000	Incoming Resources	Expenditure, Gains, Losses & Transfers	Balance 31 March 2001
	£'000	£'000	£'000	£'000
RNID Typetalk	2,954	10,737	(11,802)	1,889
Redbridge Sensory Services Centre	77	1	(6)	72
P G Harlowe Trust	63	3	(11)	55
Visicast Project	-	71	(20)	51
Other	1,326	1,822	(1,836)	1,312
Totals	4,420	12,634	(13,675)	3,379

Included within "Other" are 70 restricted funds with no individual fund having a closing balance greater than £50,000.

RNID Typetalk activities are fully funded by British Telecommunications Plc., helping to provide access to the telephone network for deaf and hard of hearing people.

Redbridge Sensory Services Centre is funded by the London Borough of Redbridge. This is a resource centre for people with sensory impairment.

The P G Harlowe Trust funds the education and training of a deaf accountancy student.

Visicast Project is funded by the Independent Television Commission. This funds the research on synthesised sign language interpretation for broadcast, web and video use.

16. CAPITAL COMMITMENTS

Group and Charity

	2001	2000
	£'000	£'000
Contracted but not provided	-	367

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2001

17. COMMITMENTS UNDER OPERATING LEASES

Group and Charity

As at 31 March 2001, RNID had annual commitments under non-cancellable operating leases as set out below:

	2001		2000	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within 1 year	26	66	14	127
In 2-5 years	76	64	41	108
After five years	144	66	259	-
	246	196	314	235

18. PENSIONS

RNID pays contributions to a defined benefit pension scheme established under an irrevocable Deed of Trust for its employees. The scheme is managed by trustees accountable to the pension scheme members. The pension cost charge for the year is shown in note 5 of these financial statements.

The scheme is valued every three years by independent consulting actuaries using the attained age funding method. The most recent formal valuation at 1 October 1998 indicated that, on the basis of service to date and current salaries, the scheme's assets were sufficient to meet its liabilities.

In common with most defined benefit pension schemes, employers' costs have increased due to external factors. These include changes in government legislation such as the removal of advanced corporation tax (ACT), the impact of the minimum funding requirement (MFR) together with the changes in demographics with people living longer after retirement.

In view of the above, an interim valuation was carried out by the actuaries on 1 October 2000, who advised the trustees that the rate paid by RNID should be increased to 15.8% from 13.5%.

Contributions to the scheme by employees and RNID have been maintained in accordance with the recommendations of the actuaries. The rate paid by RNID was 13.5% to 30 September 2000. This was increased to 15.8% from 1 October 2000. The members contribution was 5% of salary throughout the year.

At 31 March 2001 the trustees of the pension scheme were:

Mr B Petch

Mr D A King

Mrs C Pamphlett

Mr R Eldridge

Ms M I Watson

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2001

19. RECONCILIATION OF NET (OUTGOING) / INCOMING RESOURCES TO NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES

	2001	2000
	£'000	£'000
Net (outgoing) / incoming resources for the year	(1,317)	786
Interest paid	-	1
Interest received	(125)	(74)
Interest element of finance lease rental payments	66	57
Dividends received	(327)	(405)
<i>Operating (Deficit) / surplus for the year</i>	(1,703)	365
Depreciation charge for year	1,415	1,396
Surplus on sale of fixed assets	(6)	(33)
Legacy income received as investments	(63)	(156)
Increase in stocks	(151)	(277)
Decrease / (Increase) in debtors	206	(1,074)
Decrease in creditors	(874)	(86)
Net cash (outflow) / inflow from operating activities	(1,176)	135

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	£'000	£'000
Decrease in cash in the year	(116)	
Cash outflow from decrease in lease financing	197	
Change in net funds resulting from cash flows		81
New finance leases		(176)
Movement in net funds in the year		(95)
Net funds at 1 April 2000		1,263
Net funds at 31 March 2001		1,168

21. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2000 £'000	Cash flows £'000	Other changes £'000	At 31 March 2001 £'000
Cash at bank and in hand	1,750	(116)	-	1,634
	1,750	(116)	-	1,634
Debt due after more than one year	(115)	-	-	(115)
Finance leases	(372)	197	(176)	(351)
	(487)	197	(176)	(466)
Total	1,263	81	(176)	1,168