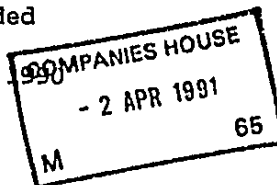


454169

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Year ended

31st March 1990



THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Annual report and financial statements for the year ended 31st March 1990

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Patron:

HRH The Duke of Edinburgh KG, KT

President:

The Rt. Hon. Jack Ashley CH, MP

Vice-Presidents:

Lord Armstrong of Ilminster GCB, CVO
Sir Peter Baldwin KCB
Lord Balfour of Burleigh
The Rt. Hon. Lord Campbell of Croy, PC, MC, DL
The Rt. Hon. The Lord Chalfont, OBE, PC, MC, FRSA
The Rt. Hon. Lord Jenkins of Hillhead, PC
Lord Elwyn-Jones of Llanelli & Newham (until 5th December 1989)
Dr. Anthony Kelly FRS
Sir Peter Parker LVO
Mr. Michael Reed OBE
Sir John Rodgers (until 22nd January 1990)
Mr Jack Shapiro (from 8th November 1989)
Dr. Esther Simpson
Mr. John Whitney
Lady Beatrice Wright

Chairman:

Mrs. Winifred Tumim JP, BA(Hons)Oxon, Dip.Soc. Studies, Dip.Linguistics

Vice-Chairman:

Ms. J. Wilmot BA, Dip.Lib.

Honorary Treasurer:

Mr. Mark Nicholls MA, MBA (from 8th November 1989)
(Mr. Jack Shapiro until 8th November 1989)

Chief Executive and Secretary:

Mr. Michael Whitlam

Registered office

105 Gower Street, London, WC1E 6AH

Auditors

Stoy Hayward, 8 Baker Street, London, W1M 1DA.

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Report of the Council of Management for the year ended 31st March 1990

The Council presents its annual report, together with the accounts of the Institute for the year ended 31st March 1990.

The Royal National Institute for the Deaf is registered as a charity (No. 207720) in accordance with the National Assistance Act of 1948, and the Charities Act 1960 and is a company limited by guarantee (Company No. 454169). The Institute is concerned with deaf people of all ages and is established to promote and encourage the prevention and mitigation of deafness; the better treatment, education, training, employment and welfare of people with all conditions and degrees of deafness and generally to promote, safeguard and protect their interests. During the period covered by this report, the Institute has also agreed a set of four Principles which will underpin its work and they are:

1. Deaf people are full members of society. They have equal rights, should be afforded equal respect and must be able to exercise equal opportunities;
2. Deaf people have a right to the language and mode of communication of their choice;
3. Deaf people have a right to equality of access to information and full participation in society;
4. In providing services, full account must be taken of deaf people and other consumers, their experiences, their value, their rights and their opinions.

The accounts, as in previous years, continue to reflect the healthy position with continued growth in both fiscal and operational terms. The net movement of funds for the year to 31st March 1990 shows a net outflow of £319,715, which compares to the previous year of £632,519. This figure does not take into account the restricted fund of £500,000, as included in accruals and deferred income in note 14, given to the Institute by British Telecom, but does include the restricted fund of £75,000 donated by the government in order to fund the Text Users Help Scheme. The money in this restricted fund is held to help deaf people registered with the Text Users Help Scheme. The Institute began the financial year 1989/90 anticipating a deficit on the revenue account of over £500,000. The careful management of the budget during the year has ensured that once again maximum use is made of income generated from whatever source.

The Text Users Help Scheme, which was established over a year ago, proved to have a very slow start, but the number of deaf people registered with the Scheme is now almost 3,000 which means that in the year to come, it is expected that larger sums of money will be given to deaf people, and that the donation from British Telecom will be fully used. It is pleasing to note also that British Telecom have agreed an additional sum of £4 million over the next three years to cover the costs of expanding the Telephone Exchange for the Deaf to a 24 hour a day service, running seven days a week, 365 days a year. The service will be based in Liverpool and become fully operational in the spring of 1991. Mention was made in the Annual Report last year of the establishment of a new marketing company, wholly owned by the Royal National Institute for the Deaf and called Sound Advantage PLC. Although the company is now fully operational, the costs accruing to this development fall into the next year's financial accounts.

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Report of the Council of Management for the year ended 31st March 1990 (Continued)

However, it is important to note here that there is a significant commitment on the part of the RNID with an anticipated first year financial commitment in excess of £300,000. Sound Advantage has been established in order to sell environmental aids to local authorities, health authorities and deaf individuals. More detailed information about the company will be available in the next Annual Report. The establishment of a new marketing company and a major service within the RNID like the expanded TED, now to be called RelayPhone, will create opportunities for modifications and developments to the business structure of the organisation.

Although the government recently announced a slowing down in the implementation of the community care initiatives, the RNID has invested in a substantial marketing strategy, targeted at local authorities and will continue to market its service to those agencies. It is the belief of the Institute that it can become a major service provider on behalf of local and health authorities, generating substantial sums of income to cover the running costs of these services in the year to come.

Income will not of course totally depend upon the signing of contracts and it is pleasing to note that our income from legacies has maintained a buoyant position. The Institute is fortunate in having good legacy income, and indeed could not operate as extensively as it does without it. There are now positive signs of growth in income via the other parts of the Fundraising department. In particular developments in sponsorship and direct mail are worthy of some note. The Institute could in the future benefit enormously from increased commercial sponsorship.

In recent months the RNID has committed itself to a programme of quality assurance as a means of ensuring that all our services are of the highest quality possible. Quality, however, costs money and the commitment by the Council to maintaining a high quality service will mean that in coming years more money will have to be spent in this area. An example during this period of improving the quality of the working conditions at headquarters can be seen in the area which formerly housed the Magic Circle. That area has now been refurbished and has produced some extremely good quality and low cost office accommodation.

It is worth noting that although these accounts report actual fiscal transactions and not gifts in kind, the Institute continues to benefit from donations of people's skills, time and also tangible gifts in kind.

Staff

The number of deaf and hard of hearing people employed in the Institute continues to grow steadily as new posts are created and vacancies filled. The total number of staff employed at the Institute is at present 550; of this number, 61 are deaf or hard of hearing. It is interesting to note that, as a year on year comparison, the average weekly number of employees employed by the Institute during the year was 514 for the year to March 1990, and 466 to the year 1989. Staff are a great asset to the Institute and this growth in numbers reflects the enormous increase in work now being undertaken on behalf of deaf and hard of hearing people.

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Report of the Council of Management for the year ended 31st March 1990 (Continued)

Staff (Continued)

During the year, the policy of providing employees with information about the Institute has been continued through regular staff meetings and newsletters, to which staff have been encouraged to present their suggestions and views on the Institute's performance.

Membership of the Council of Management

The names of the persons who are presently members of the Council of Management or were at any time during the financial year ended 31st March 1990 are as follows:

Mr. D. Adams FRCS
Mr. P. Bishop (from 17th May 1989)
Mr. G.M. Chapman
Canon J. Clarke (from 8th October 1989)
Mrs. W. Daunt
Mrs. M.G. Davis
Dr. J. Denmark M.Psy.Med, FRCS. Psych, DPM
Mr. D.E. Downs JP
Mr. D.M. Fleet
Dr. A. Franks Bsc, PHD, DSC, FInstP
Mr. G. Fraser MA, BM, BCL, FRCS (until 18th October 1989)
Brigadier J.F.M. Grear OBE
Mr. W.B. Harding
Mr. K.R. Hartley
Mrs. A. Heath MA (Oxon), ALA
Mr. E. Huntingdon MSc, FIS, Grad.IMA
Miss. E.M. Kennedy
Air Vice Marshall Peter King CB, OBE, QHS, FRCS(E)
Dr. N. Kitson MB, BS, MRC, Psych
Dr. J.J. Knight OBE, PhD, CPhys, FInstP, FIOA
Dr. F.R. Lawson MSc, PhD, CEng, FIAS, MCIBS, MInstE, MIEH
Mr. A. Macdonald (from 18th October 1989)
Mr. C. Mayo MA (Cantab), Dip/FE (Lond)
Ms. K. Meador (from 17th May 1989)
Mr. T. McLaren MBE, MISW (until 8th October 1989)
Councillor S. Mercer
Dr. G.W.G. Montgomery BA, MEd, PhD, HDip.Ed
Mrs. M. Moodie (from 18th October 1989)
Dr. K.P. Murphy PhD
Mrs. R. Myers (from 18th October 1989)
Mr. C.D. Nelson BA(Hons), AICSA
Mr. M.P. Nicholls MA, MBA
Ms. E. Nicholson MP (from 14th February 1990)
Mr. S. Norris (until 3rd May 1989)
Mr. D.A. Palmer JP, FCA, ATII
Mr. C. Powell (from 17th May 1989)
Mr. M. Reed OBE (until 17th May 1989)
Mr. G. Reynolds
Mr. G. Rumsey

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Report of the Council of Management for the year ended 31st March 1990 (Continued)

Membership of the Council of Management (continued)

Mr. J. Shapiro
Mrs. P. Shaw FInstTT, MGIM, FRGS
Mr. B. Symington
Mr. R. Trotter BA, ALA (from 18th October 1989)
Mrs W. Tumim JP, BA(Hons)Oxon, Dip.Soc.Studies, Dip. Linguistics
Miss S.M. Turner MA, DipEd, FISW
Mr. W.H. Ward CQSW, CSWD
Ms C.M. Watkins (from 18th October 1989)
Mr. P. Wilby (from 14th February 1990)
Miss C.M. Williams FRCS
Ms. J. Wilmot BA, DipLib

Results for the year

The income and expenditure account is set out on page 7 and shows the accounting result for the year, which has been transferred to general funds.

Transfer to reserves and other funds

A transfer amounting to £627,319 (1989 - £370,602) has been made from the general fund to the property fund and represents the purchases less the disposals at book value of property during the year.

Significant changes in tangible fixed assets

The movement in tangible fixed assets is set out in note 9 of these accounts.

Property values

In the opinion of the Council the market value of the properties is in excess of the net book value but in view of the specialised nature of the use of the properties, a current valuation is considered inappropriate.

By order of the Council of Management

Michael Whitlam

Secretary

The Royal National Institute for the Deaf,
105 Gower Street,
London, WC1E 6AH.

7th September 1990

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Movement of funds statement for the year ended 31st March 1990

	Note	1990 £	1989 £
<u>REVENUE ACCOUNT</u>			
Residential centres - Income	6	4,052,218	3,584,534
- Expenditure	6	(3,773,947)	(3,359,062)
		278,271	225,472
Legacies	2	2,934,542	2,606,246
Other voluntary income	3	912,383	752,538
Investment and other income	4	427,569	431,026
Income in relation to non-residential services	7	583,606	493,974
Designated funds	16	109,594	116,292
Restricted funds	16	77,996	-
		5,045,690	4,400,076
Expenditure in relation to non-residential services	7	(3,278,518)	(2,654,039)
Grants to individuals and outside bodies		(118,353)	(106,163)
Fund raising costs		(576,538)	(475,842)
Computer services		(124,531)	(154,065)
Designated funds	16	(113,555)	(80,875)
Restricted funds	16	(78,263)	-
		(4,289,758)	(3,470,984)
Central finance and administration		(838,982)	(642,920)
Net income on revenue account		195,221	511,644
Non cash movement - depreciation		296,344	258,958
		491,565	770,602
<u>CAPITAL ACCOUNT</u>			
Proceeds on sale of investments		1,213,295	1,279,202
Proceeds on sale of tangible fixed assets		17,115	11,295
		1,230,410	1,290,497
Purchase of investments		(1,046,141)	(2,016,341)
Purchase of property		(627,319)	(370,602)
Other fixed assets		(368,230)	(306,675)
		(2,041,690)	(2,693,618)
Net expenditure on capital account		(811,280)	(1,403,121)
Net movement of funds for year (see note 18)		(319,715)	(632,519)

The notes on pages 8 to 18 form part of these accounts

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Balance sheet at 31st March 1990

	Note	1990 £	1989 £
Fixed assets			
Tangible assets	9	5,841,722	5,155,373
Investment in subsidiary companies	10	12,502	2
		<hr/>	<hr/>
		5,854,224	5,155,375
Investments	11	3,680,926	3,600,426
		<hr/>	<hr/>
		9,535,150	8,755,801
Current assets			
Stocks	12	27,674	46,472
Debtors	13	815,922	651,494
Short term deposits		1,009,070	545,519
Cash at bank and in hand		82,620	63,038
		<hr/>	<hr/>
		1,935,286	1,306,523
Creditors			
Amounts falling due within one year	14	1,669,782	939,405
		<hr/>	<hr/>
Net current assets		265,504	367,118
		<hr/>	<hr/>
Total assets less current liabilities		9,800,654	9,122,919
Creditors			
Amounts falling due after more than one year	15	443,263	225,162
		<hr/>	<hr/>
		9,357,391	8,897,757
		<hr/>	<hr/>
Funds and reserves	16		
General Fund		4,245,456	4,408,913
Property Fund		4,987,579	4,360,260
Restricted funds		20,730	20,997
Designated funds		103,626	107,587
		<hr/>	<hr/>
		9,357,391	8,897,757
		<hr/>	<hr/>

Administered Funds

Mrs. Winifred Tumim) Chairman
)
 Mark Nicholls) Honorary Treasurer
) 7th September 1990

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[Signature]

[Signature]

The notes on pages 8 to 18 form part of these accounts

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Income and expenditure account for the year ended 31st March 1990

	<u>1990</u> £	<u>1989</u> £
Net income on revenue account (see page 5)	195,221	511,644
Transfer of funds from administered fund	-	33,315
Surplus on sale of investments	260,154	18,626
Surplus on sale of tangible fixed assets	4,259	418
	<u>459,634</u>	<u>564,003</u>
Transfer to restricted/designated funds (note 16)		
Income	187,590	116,292
Expenditure	<u>(191,818)</u>	<u>(80,875)</u>
	<u>4,228</u>	<u>(35,417)</u>
Result for the year and transfer to general fund (note 16)	<u>463,862</u>	<u>528,586</u>

The notes on pages 8 to 18 form part of these accounts

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Notes forming part of the accounts for the year ended 31st March 1990

1. Accounting policies

There have been no changes in accounting policies during the year.

The financial statements have been prepared under the historical cost convention using the following principal accounting policies:

a) Income and expenditure

- i) Voluntary income is brought into the accounts when received and expenditure and other income is on the accruals basis.
- ii) Legacies are treated as income.
- iii) Fund raising costs are charged to revenue as and when incurred.
- iv) Expenditure includes non-recoverable value added tax.

b) Fixed assets

- i) 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.
- ii) Expenditure on additions or improvements to properties vested in the Official Custodian of Charities is capitalised.
- iii) The capitalised value of properties of whatever nature is represented by an equivalent transfer from the General Fund to the Property Fund.

c) Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except properties, over their expected useful lives at the following rates:

Furniture, fixtures and equipment	- 20% reducing balance
Motor vehicles	- 20% straight line
Computer equipment	- 20% straight line

No depreciation is provided on properties in view of the policy stated in b)iii) above. As it is the Institute's policy to maintain its properties in good condition so as to prolong their useful lives, any depreciation involved would not be material.

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Notes forming part of the accounts for the year ended 31st March 1990 (Continued)

1. Accounting policies (continued)

d) Stocks

Stocks are valued at the lower of cost and net realisable value.

e) Investments

- i) Investments are shown in the balance sheet at cost, or net probate value when acquired without consideration.
- ii) Profits or losses on sales of investments representing the General Fund are credited or charged to the income and expenditure account. Those relating to administered funds are transferred direct to the appropriate fund.

f) Subsidiary companies

Group accounts have not been prepared as the Council is of the opinion that this would involve expense out of proportion to their value to Members of the Institute. The amounts involved not being material in the context of the group.

g) Leasing and hire purchase commitments

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 income and expenditure account 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 revenue on a straight line basis over the lease term.

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Notes forming part of the accounts for the year ended 31st March 1990 (Continued)

2. Legacies

	<u>1990</u>	<u>1989</u>
	£	£
Cash	2,837,189	2,464,971
Investments	<u>97,353</u>	<u>141,275</u>
	<u>2,934,542</u>	<u>2,606,246</u>

3. Other voluntary income

	<u>1990</u>	<u>1989</u>
	£	£
Voluntary donations and covenants	894,689	737,465
Special events and appeals		
Total income	44,131	34,940
Total expenses	<u>(26,437)</u>	<u>(19,867)</u>
	<u>17,694</u>	<u>15,073</u>
	<u>912,383</u>	<u>752,538</u>

4. Investment and other income

	<u>1990</u>	<u>1989</u>
	£	£
Income from listed investments	272,104	302,849
Interest received	142,738	108,144
Rents and sundry income	6,727	13,193
Covenanted donations from RNID Cards Ltd. (note 10)	<u>6,000</u>	<u>6,840</u>
	<u>427,569</u>	<u>431,026</u>

5. Total expenditure is after charging:

Interest on finance leases	21,300	17,639
Depreciation	296,344	258,958
Payments under operating leases		
Land and buildings	85,307	63,517
Other	20,215	11,326
Remuneration to auditors		
Current year audit	26,852	25,605
Prior year audit	1,768	2,781
Other services	<u>4,313</u>	<u>3,787</u>

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Notes forming part of the accounts for the year ended 31st March 1990 (Continued)

6. Residential Centres

	1990		1989	
	Income £	Expenditure £	Income £	Expenditure £
Centres for deaf and deaf/blind people in longer term support:				
Roper House, Canterbury	405,173	455,182	358,049	413,207
St. Anthony, Crowborough	510,851	510,985	452,627	481,646
Hostels for deaf people of working age:				
St. Nicholas, Wembley	236,867	205,095	211,165	150,511
Old Oak Road, Acton	4,029	19,927	3,247	16,975
Rehabilitation centres to provide social, occupational and vocation programmes for deaf and deaf/blind people with special needs:				
Court Grange, Newton Abbott	580,481	579,774	608,127	535,802
Richardson House, Blackburn	561,052	514,634	516,349	477,165
Long term support and rehabilitation centre:				
Poolemead, Bath, including supported housing at Pennard Court	1,753,765	1,488,350	1,434,970	1,283,756
	4,052,218	3,773,947	3,584,534	3,359,062

7. Other services to deaf and hard
of hearing people

Education and employment services	146,554	414,781	154,361	382,492
Community services and Tinnitus Support Services				
Regional services	182,893	575,322	45,485	361,509
Tinnitus support services	7,103	46,875	9,622	35,062
Deaf/blind services	288	42,985	262	46,256
Central community services	2,147	81,522	186	66,069
	192,431	746,704	55,555	508,896
Communication services				
Scientific and Technical Services				
London	1,817	362,688	341	259,627
Glasgow	41,979	156,216	32,220	165,868
Hearing Advisory Services				
London	336	96,136	870	61,738
Glasgow	1,141	38,805	704	5,081
Human Communication Services	3,900	301,352	13,020	245,246
Telephone exchange	47,864	201,438	148,733	129,671
Medical and Tinnitus research	-	93,745	11,260	81,871
Whittingham Hospital	35,248	33,326	29,561	28,137
	132,285	1,283,706	236,709	977,239

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Notes forming part of the accounts for the year ended 31st March 1990 (Continued)

7. Other services to deaf and hard of hearing people (continued)

	<u>1990</u>		<u>1989</u>	
	Income £	Expenditure £	Income £	Expenditure £
Advocacy and information services				
Library and information	8,324	289,846	5,288	259,751
Publications (including Sound Barrier)	104,012	255,778	42,061	267,898
Central advocacy services	-	178,880	-	171,020
Campaigns	-	108,823	-	86,743
	<u>112,336</u>	<u>833,327</u>	<u>47,349</u>	<u>785,412</u>
Total	<u>583,606</u>	<u>3,278,518</u>	<u>493,974</u>	<u>2,654,039</u>

Fees, contributions and grants - analysis of income by source

	<u>1990</u> £	<u>1989</u> £
Fees and contributions - residential care and training schemes:		
Local Authority fees and DSS contributions	3,912,081	3,504,201
Manpower Services Commission	<u>155,671</u>	<u>127,272</u>
	4,067,752	3,631,473
Central government grants:		
Manpower Services Commission	8,490	62,014
Department of Health and Social Security	4,000	82,000
Other government grants	97,248	64,561
Other grants - trusts, companies and other organisations	177,522	117,898
Other income for services to deaf and hard of hearing people	<u>280,812</u>	<u>120,562</u>
Total income as above	<u>4,635,824</u>	<u>4,078,508</u>

8. Employees

Staff costs consist of:

Wages and salaries	4,616,621	3,863,882
Social security costs	376,254	315,870
Pension costs	<u>263,196</u>	<u>228,396</u>
	<u>5,256,071</u>	<u>4,408,148</u>

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Notes forming part of the accounts for the year ended 31st March 1990 (Continued)

8. Employees (Continued)

	1990 Number	1989 Number
The average weekly number of employees during the year was as follows:		
Residential centres	320	298
Other services including central administration	194	168
	514	466

One employee received £40,001 - £45,000 in the year (1989 - £30,001 - £35,000).

9. Tangible assets

	Freehold property £	Long leasehold property £	Vested property £	Motor vehicles £	Furniture, fixtures and computer equipment £	Total £
Cost						
At beginning of year	1,882,264	48,375	2,429,621	212,008	1,724,472	6,296,740
Additions	627,319	-	-	84,866	283,364	995,549
Disposals	-	-	-	(29,907)	-	(29,907)
At end of year	2,509,583	48,375	2,429,621	266,967	2,007,836	7,262,382
Depreciation						
At beginning of year	-	-	-	121,941	1,019,426	1,141,367
Provided for the year	-	-	-	42,155	254,189	296,344
Disposals	-	-	-	(17,051)	-	(17,051)
At end of year	-	-	-	147,045	1,273,615	1,420,660
Net book value						
At 31st March 1990	2,509,583	48,375	2,429,621	119,922	734,221	5,841,722
At 31st March 1989	1,882,264	48,375	2,429,621	90,067	705,046	5,155,373

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Notes forming part of the accounts for the year ended 31st March 1990 (Continued)

9. Tangible assets (Continued)

The net book value of tangible fixed assets includes an amount of £210,536 (1989 - £196,970) in respect of assets held under finance leases. Total depreciation on these assets amounted to £72,677 (1989 - £47,591).

	<u>1990</u> £	<u>1989</u> £
Capital commitments		
Contracted but not provided	36,901	89,612
Authorised but not contracted	<u>180,000</u>	<u>134,000</u>
	216,901	223,612
	<u> </u>	<u> </u>

10. Investment in subsidiary companies

At beginning of year	2	2
Additions in year	<u>12,500</u>	<u>-</u>
At end of year	12,502	2
	<u> </u>	<u> </u>

The Institute holds 100% of the equity share capital in RNID Cards Limited, a company registered in England, which publishes and sells Christmas cards and related items. The surplus for the year is covenanted to the Institute (see note 4).

During the year the Institute acquired 100% of the equity share capital of Sound Advantage plc, a company registered in England, set up to distribute products to people with impaired hearing.

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Notes forming part of the accounts for the year ended 31st March 1990 (Continued)

11. Investments

	<u>Listed</u>		<u>Unlisted</u>	<u>Other loans</u>	<u>Total</u>
	<u>General Fund</u>	<u>Sinking Fund (note 15)</u>			
	£	£	£	£	£
Cost or as valued at date of receipt					
At beginning of year	3,484,025	3,845	2,556	110,000	3,600,426
Additions	1,032,206	427	1,008	-	1,033,641
Disposals	(953,141)	-	-	-	(953,141)
At end of year	3,563,090	4,272	3,564	110,000	3,680,926

	<u>Listed</u>		<u>Total</u>
	<u>General Fund</u>	<u>Sinking Fund (note 15)</u>	
	£	£	£
Market value of listed investments:			
31st March 1990	3,711,334	7,233	3,718,567
31st March 1989	3,830,902	5,743	3,836,645

Other loans represents loans totalling £110,000 made to local societies to assist in the purchase of freehold property for their use. These loans are secured by a first legal mortgage and are repayable within a maximum period of twenty-five years. Interest on one of these loans for £30,000 will only arise if and when the property is sold.

12. Stocks

	<u>1990</u>	<u>1989</u>
	£	£
Consumable stores	16,612	16,799
Special aids, publications etc.	11,062	29,673
	27,674	46,472

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

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Notes forming part of the accounts for the year ended 31st March 1990 (Continued)

13. Debtors	<u>1990</u> £	<u>1989</u> £
Prepayments	14,266	32,857
Amounts due from administered funds	4,180	7,804
Amounts due from subsidiary companies	42,394	5,697
Other debtors - including residential fees	<u>755,082</u>	<u>605,136</u>
	<u>815,922</u>	<u>651,494</u>

Of the amounts due from the subsidiary companies £41,570 (1989 - £3,500) falls due for payment after more than one year.

14. Creditors falling due within one year	<u>1990</u> £	<u>1989</u> £
Bank overdraft	-	38,371
Creditors for taxation and social security	132,775	111,259
Accruals and deferred income	913,595	225,361
Other creditors	515,543	499,892
Obligations under finance leases	<u>107,869</u>	<u>64,522</u>
	<u>1,669,782</u>	<u>939,405</u>

Accruals and deferred income includes an amount of £497,014 which represents £500,000 received from British Telecommunications PLC plus £75,000 received from the Department of Social Security, in respect of the Text Line Users Help Scheme, after deducting expenditure of £77,986.

15. Creditors falling due after more than one year	<u>1990</u> £	<u>1989</u> £
Long term loans	364,929	114,929
Obligations under finance leases	<u>78,334</u>	<u>110,233</u>
	<u>443,263</u>	<u>225,162</u>

Included in long term loans are the following:

- (a) In 1981 with the consent of the Charity Commissioners the Funds amounting to £114,929 from the Tower House and the Bath Home for the Deaf were used to finance the Poolemead Project. 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 £427.35 is invested annually in accumulative shares of the Charities Official Investment Fund (see note 11).
- (b) A £250,000 National Westminster Bank loan repayable over a period of 15 years at an interest rate of 1% above the Bank's Base Rate (minimum 6%). There is a capital repayment holiday for the first two years and thereafter a minimum annual payment of £20,000. This loan is secured by a first legal mortgage over Unit 2, Pelham Court, Pelham Road, Nottingham.

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Notes forming part of the accounts for the year ended 31st March 1990 (Continued)

15. Creditors falling due after more than one year (Continued)

Obligations under finance leases are due as follows:

	<u>1990</u> £	<u>1989</u> £
Within 1 - 2 years	72,845	59,023
Within 2 - 5 years	<u>5,489</u>	<u>51,210</u>
	<u>78,334</u>	<u>110,233</u>

16. Funds and reserves

	General Fund £	Property Fund £	Restricted Funds £	Designated Funds £
At beginning of year	4,408,913	4,360,260	20,997	107,587
Result for year as per income and expenditure account	463,862	-	-	-
Transfer from General Fund to Property Fund, equal to the net expenditure on properties in year (627,319)	-	627,319	-	-
Funds received in year	-	-	77,996	109,594
Expenditure in year	<u>-</u>	<u>-</u>	<u>(78,263)</u>	<u>(113,555)</u>
At end of year	<u>4,245,456</u>	<u>4,987,579</u>	<u>20,730</u>	<u>103,626</u>

The property fund represents the book value of the properties in which the Institute has an interest. The consent of the Charity Commissioners is required if they were to be sold.

Restricted funds are funds subject to specific conditions imposed by the donor and binding on the Institute.

Designated funds consist of amounts which have been allocated or designated for specific purposes by the Institute itself. The use of these funds will remain at the discretion of the Institute.

17. Commitments under operating leases

As at 31st March 1990, the company had annual commitments under non-cancellable operating leases as set out below:

	<u>1990</u>		<u>1989</u>	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
In one to two years	-	9,619	-	-
In two to five years	-	6,364	-	11,326
After five years	<u>117,307</u>	<u>4,232</u>	<u>67,120</u>	<u>-</u>
	<u>117,307</u>	<u>20,215</u>	<u>67,120</u>	<u>11,326</u>

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Notes forming part of the accounts for the year ended 31st March 1990 (Continued)

18. Movement of funds for year

	<u>1990</u> £	<u>1989</u> £
The net movement of funds is represented by:		
Funds transferred from administered fund	-	(33,315)
(Decrease)/increase in stocks	(18,798)	8,307
Increase in debtors	164,428	116,422
Increase in creditors	(986,849)	(187,091)
Increase/(decrease) in bank balances and deposits	<u>521,504</u>	<u>(536,842)</u>
	(319,715)	(632,519)

19. Post balance sheet events

Since 1st April 1990, £168,750 has been paid, and a further £150,000 committed and authorised, in order to increase the Institute's investment in Sound Advantage PLC.

20. Administered funds - Income and expenditure accounts

	Opportunities for Volunteering £	Television for the Deaf £
Income		
Grant from DHSS	111,240	-
Donations	1,000	293
Investment and other income	<u>941</u>	<u>15,603</u>
	113,181	15,896
Less: Expenditure	<u>110,096</u>	<u>16,221</u>
Surplus/(deficit) for the year	3,085	(325)
Balance as per last accounts	<u>(5,346)</u>	<u>94,786</u>
Balance of funds as at 31st March 1990	<u>(2,261)</u>	<u>94,461</u>
Net assets statements as at 31st March 1990		
Cash and bank balances	2,114	98,710
Due to RNID	(4,094)	(86)
Creditors	<u>(281)</u>	<u>(4,163)</u>
Net assets	<u>(2,261)</u>	<u>94,461</u>

THE ROYAL NATIONAL INSTITUTE FOR THE DEAF

Report of the auditors

To the members of The Royal National Institute for the Deaf

We have audited the financial statements on pages 5 to 18 in accordance with auditing standards.

In our opinion the financial statements give a true and fair view of the state of the Institute's affairs at 31st March 1990 and of the result and source and application of funds for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

Stoy Hayward,
Chartered Accountants,
8 Baker Street,
London, W1M 1DA.

7th September 1990