

ANNUAL REPORT

and financial statements

For the year ended 31 March 2011

THE ROYAL NATIONAL INSTITUTE FOR DEAF PEOPLE
(COMPANY NUMBER 454169)

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WELCOME

Welcome to our annual report

This has been a significant and exciting year for us, one in which we have made real advances towards realising our vision. As we enter our next century we needed a new name to better reflect the scale of our work and to reach as many people as possible. As Action on Hearing Loss, our goal will remain the same as ever – a world where hearing loss doesn't limit or label people – and where people value their hearing enough to look after it.

We have a key focus on reaching the four million people who have not yet taken action on their hearing loss. We have made excellent progress with a significant increase in the number of people taking our Hearing Check and we are getting closer to our goal of seeing a national hearing screening programme for over 65s. Our Hear to Help projects have expanded across the UK and we have involved more volunteers in our work than ever before.

We have continued to support people who are deaf and have additional support needs through our range of services, including specialist care and support. We have introduced person-centred planning in all our services, to give service users more choice and control over their lives.

Lobbying, campaigning and research are key to our work. In February 2011 we achieved a change in the law surrounding MP3 players. All new music players will limit the volume at which music can be played – this is a significant step forward in protecting people's hearing for the future. We have established an alliance

of organisations in the voluntary, private and public sectors, which for the first time has produced joint responses to government consultations. Senior civil servants now see the alliance as a key body to consult with on health reforms relating to audiology.

Our biomedical research received a huge boost after we launched an initiative to accelerate the development of drugs to treat hearing loss and tinnitus. During the year we substantially raised the profile of the biomedical research work we support – and we increased funding for it by 20%.

Our progress this year has been achieved despite a challenging economic environment. The risks in the current climate mean that we decided to keep larger than usual reserves so that we are robust enough to face any future challenges.

Hearing Matters, a major piece of research which we launched as part of our centenary, found that hearing loss now affects more than 10 million people across the UK – an increase of a million since our last estimate – and it's growing rapidly. By 2031 a massive 14.5 million people in the UK will suffer from hearing loss. Our work is clearly as important as ever – and as our new name indicates, our message is act now!

We hope you enjoy the report which summarises this year's achievements and performance – our online video clips give you a chance to see the human face of the impact we have on people's lives. Please go to www.actiononhearingloss.org.uk.

Gerald Corbett
Chairman of the
Board of the Trustees

Jackie Ballard
Chief Executive

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Trustees' report

The Board of Trustees of Action on Hearing Loss presents its annual report and accounts for the year ended 31 March 2011. These comply with the Companies Act 2006, Action on Hearing Loss's governing document and the Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities, as revised in March 2005.

Reference and administrative details

Action on Hearing Loss is the trading name of the charitable company limited by guarantee, The Royal National Institute for Deaf People (RNID). It is registered as a charity (No 207720 England and Wales and SC038926 Scotland), and as a company (No 454169). The address of its registered office is as shown on the back cover of this report and accounts. Details of Trustees, senior executive staff, the Patron, President, vice-presidents and principal external advisers are given on pages 26-27.

Objectives and activities

Action on Hearing Loss's charitable objects are to promote and encourage the prevention and mitigation of deafness and the better treatment, education, training, employment and welfare of people who are deaf or hard of hearing, and generally to promote, safeguard and protect the welfare of such people.

Action on Hearing Loss works to create a world where deafness or hearing loss do not limit or determine opportunity, and where people value their hearing. We work by campaigning and lobbying, raising awareness of hearing loss, promoting hearing health, providing services and through social, medical and technical research.

Public benefit

All of our activities are undertaken to further our charitable purposes for the benefit of the public. The Trustees have had regard to Charity Commission guidance on public benefit in section four of the Charities Act 2006. The main benefits which have arisen during the year from the organisation's aims and activities are detailed in the following sections.

Achievements and performance

The following sections summarise the year's achievements and performance, measured against our three overarching objectives:

- Supporting people - ensuring no one with hearing loss is isolated
- Valuing hearing - ensuring all unnecessary hearing loss is prevented
- Challenging stigma - ensuring people with hearing loss take action

We can't do what we do without donations and dedicated volunteers. To read more about our work, including video clips which demonstrate the impact of what we do, go to www.actiononhearingloss.org.uk.

To support us, please go to www.actiononhearingloss.org.uk/impact

Supporting people

Ensuring no one with hearing loss is isolated

1 Supporting people with information and services

Our aim:

To ensure that people have full access to the information that they need to take action on their hearing loss and tinnitus

Our impact:

- We provided 54,275 pieces of information or advice at talks, events and information days
- Our Information Line dealt with a total of 19,750 calls, providing people with information they needed to make informed choices about their hearing loss or tinnitus
- We had 494,559 visitors to the information and resources section of our website

Our aim:

To establish 21 new Hear to Help projects to increase access to the information and support that can help people make the most of the hearing aids

Our impact:

- We launched 15 new Hear to Help projects and a further six are under development
- We helped 15,705 people to get the most out of their hearing aids through existing Hear to Help projects
- We ran befriending projects as part of our Hear to Help projects, benefiting 296 people in England alone

Our aim:

To empower customers in their choice of where to access hearing services and where to buy hearing aids

Our impact:

- We brought together a consortium of private sector hearing aid and hearing service dispensers to develop and consult on consumer guidelines for public, private and third sector providers. We have published the guidelines on our new website so consumers know what they should expect from hearing services and hearing aid providers
- We have worked with the Health Professions Council and other regulatory bodies to develop integrated service standards for hearing service providers
- We had 376,333 visitors to the Information and Resources section of our website

2 Supporting people with communication

Our aim:

To provide first-class communication support to British Sign Language (BSL) users and increase the number of communication professionals

Our impact:

- We delivered 16,885 assignments to 4,093 BSL users, allowing them to have equal access to health, education, legal, social and other council services
- We increased the number of registered communication professionals by 23. This represented 18% of the national increase, and exceeded our target for the year by 27%
- We received 98% positive feedback for our communications services
- We initiated a programme of online learning for people wanting to study BSL and interpreting, including the first online course for NVQ Level 6 BSL to English interpreting. So far 11 students are using this resource
- We worked with six deaf industry partners to improve BSL provision for families of children who are deaf. We set up new training facilities with partners in northwest and southwest England, which are now running sustainably without us, and we advised the government on how to support deaf children and young people entering the education system

Our aim:

To campaign for better access to communication for people with hearing loss

Our impact:

- We campaigned to make lipreading classes widely available at little or no cost to the learner, resulting in six councils either introducing classes or dropping fees for them. For example, after three years with no

provision, Newcastle City Council committed to providing new classes. This will improve communication skills and reduce social isolation of people with hearing loss

- We held eight action days across the country to campaign for better induction loop provision for hearing aid users. As a result, in Bristol the council promised to work towards making the city centre fully accessible to people with hearing loss
- We held seven communications roadshows across the country, reaching between 100 and 400 people to inform them about communication choices for people with hearing loss
- Our campaign to make television programmes more accessible to viewers with hearing loss resulted in the BBC agreeing to turn down background noise on the popular Wonders of the Universe programme, and producing guidelines for programme makers on acceptable levels of background noise. Future programmes will now be more accessible to viewers with hearing loss

"Over the years I lost a great deal of confidence as a result of my hearing loss. I was really struggling and had begun not to socialise. The change since I began to learn to lipread has been phenomenal. Now I have more confidence to socialise and I am excited to get back into work."

Lisa Crowder, who has campaigned for improved availability of lipreading classes.

Our aim:

To increase and improve the range of communication support

Our impact:

- We sold 84,033 communication support products for people with hearing loss, which included 30 new additions to our range
- We worked on developing new products, including a prototype for a new sound separation microphone that cuts out background noise, in collaboration with the University of Surrey
- Our online shop had 8% more visitors than last year. We added 20 videos to the website to give customers more background information about products before they buy

3 Supporting people with additional needs to live as independently as possible

Our aim:

To deliver high-quality, person-centred services

Our impact:

- All our Care Quality Commission registered services were rated either 'excellent' or 'good'
- We introduced person-centred planning at all 52 of our services, so that service users have more choice and control over their lives, including making decisions about what they want to achieve, who they want to work with them and what their support plan looks like

Our aim:

To reach a greater number of people at community level and promote independent living

Our impact:

- We have supported nine new service users in community services, a 5% increase on the number we supported last year, excluding the loss of one contract in Worcestershire
- We have improved our Supporting People quality scores - recently Blackburn scored a B and Leicester an A

4 Supporting young people to be successful and confident in life

Our aim:

To work with the National Deaf Children's Society (NDCS) to support young people in their transition to adulthood

Our impact:

- We worked with NDCS to ensure our work supporting young people in their transition to adulthood complements theirs

Our aim:

To explore different ways of providing services to the 16-25 age group

Our impact:

- Although we didn't make as much progress as we had hoped to at the outset of the year, we held a joint training session with Demos and Beatbullying to explore different ways of providing services
- We started work on a strategy to support young people in their transition to adulthood, to be completed later in 2011

Our aim:

To develop our young person's service in Wales and support Donaldson's, the national residential and day school in Scotland

Our impact:

- We established a partnership with Donaldson's, setting up a transitions advisory group and supporting their transitions project
- Our transitions project in Wales continued to support young people to be successful and confident 96% of the 71 young people we supported said they now have more confidence to deal with everyday situations, and 94% describe themselves as less isolated

Valuing hearing

Ensuring all unnecessary hearing loss is prevented

1 Promoting our research and position as a medical research charity

Our aim:

To raise the profile of our biomedical research

Our impact:

- Our biomedical research work was covered 200 times in different media outlets, with a total circulation of more than 241 million people
- We distributed 1,400 copies of our booklet, Hearing Progress 2010, to highlight the exciting progress we are making towards protecting and improving hearing, and alleviating tinnitus
- Our national conference, Hearing the Future, informed 134 members about our hearing research, and 941% of people who provided feedback judged the event as 'excellent' or 'very good' overall

Our aim:

To raise awareness of the importance of investing in biomedical research

Our impact:

- We worked with 91 organisations to encourage them to invest in developing treatments for the hearing loss market, by providing information that is not available anywhere else. For example, we provided information to a new company, Autifony, who as a result have successfully secured funding to start developing drugs for the treatment of hearing loss and tinnitus
- We helped academic groups make partnerships with commercial companies, allowing promising lines of research to be taken forward. For example, as a result of our work AstraZeneca is collaborating with the University of Sheffield to undertake promising regenerative research that could lead to ways of restoring hearing
- We encouraged the government to recognise the importance of biomedical research, resulting in a key funding initiative to set up multi-million pound biomedical research units and to designate deafness and hearing problems as a priority area

2 Searching for cures for hearing loss and tinnitus

Our aim:

To fund cutting edge biomedical research into hearing loss and tinnitus, and to increase public and private investment in it

Our impact:

- We increased our funding of biomedical research by 20% compared to last year, to £929,802
- We awarded five major new international research grants to investigate the biological causes and treatment of noise-induced hearing loss and tinnitus, and how to improve the benefits from using both a hearing aid and a cochlear implant
- Researchers, funded by us, made significant progress towards the protection and restoration of hearing, and alleviation of tinnitus. For example, research showed that even temporary hearing loss can lead to permanent tinnitus-related brain activity. They identified a drug which can reduce noise-induced hearing loss in animal models. They also discovered a biological pathway that may be involved in the death of hair cells
- Our grant programme attracted significant amounts of money to biomedical research on hearing loss. For example, after we gave an initial grant of £144,000 in October 2007 to kickstart a project to discover compounds that influence hair cell regeneration, the project was then able to attract a further US\$16m from the National Institute of Health

Our aim:

To launch a major new drug discovery initiative to reduce acquired hearing loss

Our impact:

- We developed and launched the Translational Research Initiative for Hearing (TRIH), which brings together scientists, industry, investors and people with hearing loss to accelerate the development of new medicines to protect and restore hearing. The initiative will capture scientific discoveries and provide the resources needed to develop them to a point where they can be tested in clinical trials, so that new drugs and therapies to reduce hearing loss can be developed
- We started partnerships with eight organisations who agreed to consider funding TRIH projects in the future

Our aim:

To attract talented new students into hearing research

Our impact:

- We funded four new PhD awards in the areas of hair cell biology, otitis media, tinnitus and cochlear implants. This contributes to training the next generation of hearing researchers in these fields and will progress developments in these areas, with 55% continuing to pursue research in their chosen field
- We awarded nine summer studentships, an increase of 50% from last year, allowing science undergraduates to gain research experience for six to eight weeks during their summer holiday and inspire them to pursue further hearing research training

3 Raising awareness of damaging noise levels

Our aim:

To work with organisations across the charitable, private and public sectors towards improving the nation's hearing

Our impact:

- We created an alliance of 22 organisations from the charitable, private and public sectors, working together to influence government. Senior civil servants now see this alliance as a key body to consult with on health reforms relating to audiology
- The alliance produced three joint responses to government NHS consultations for the first time, uniting the views of a diverse sector. The joint responses were followed by discussions with key officials and have had significant impact in the Department of Health
- We held a successful conference with the UK Council on Deafness, attended by 120 people including senior government advisors and the Vice Chair of the All Parliamentary Group on Deafness

Our aim:

To introduce noise-limiting software for MP3 players

Our impact:

- After several years of lobbying, we succeeded in getting regulations changed on MP3 players. In February 2011 the EU introduced a limit of 85 decibels, which means that no new music players can play music louder than this, unless the limit is specifically overridden, in which case regular warning signals will alert the listener that they may be damaging their hearing

Our aim:

To reach a wider audience with our campaign to raise music-lovers' awareness of hearing health – called Don't Lose the Music in 2010/11

Our impact:

- We held 30 Don't Lose the Music events across the country, for example attending music festivals, club nights and visiting colleges and universities to raise awareness of protecting hearing now in order to enjoy music forever
- We recruited more than 100 volunteers for our new 'roadie' volunteering scheme, to work with us on campaigns to raise awareness of hearing health
- We also recruited celebrity supporters Gary Numan, Les McKeown and Plan B to help us appeal to a wide range of music lovers

Challenging stigma

Ensuring people with hearing loss take action

1 Promoting early action on hearing loss

Our aim:

To campaign for an NHS hearing screening programme, so that people can take action on their hearing loss

Our impact:

- We developed a strong evidence base for governments to introduce a hearing screening programme for over 65s
- We continued our work with a group of professionals in Scotland and Wales to put together a funding bid for trials of a national hearing screening programme
As a result of this the Scottish Labour Party and Plaid Cymru declared support for hearing screening research in their manifestos

Our aim:

To encourage people to take early action on their hearing loss by taking our Hearing Check

Our impact:

- 233,384 people used our Hearing Check, an increase of over 60% from last year, bringing the total since it was launched in 2005 to 803,257
- 2,549 took the Hearing Check on Facebook, and 148,608 people downloaded the Hearing Check on their iPhones

233,384

People used our hearing check

60%

The increase on 2010

148,608

People downloaded the hearing check on their iPhones

2,549

People took the hearing check on Facebook

2 Campaigning for accessible audiology services in local communities

Our aim:

To develop a framework and campaign for high quality and accessible community audiology

Our impact:

- We campaigned for accessible audiology services, producing policy statements and a joint-sector response to the NHS White Paper
- We worked closely with parliamentarians and policy-makers to raise awareness of the importance of accessible audiology services in local communities
- We took part in the Department of Health Any Qualified Provider workshop and presented at an Audiology Improvement Programme workshop to set out our role in contributing to service provision
- We worked with service providers to encourage use of quality standards for audiology in Scotland, Wales and Northern Ireland

3 Challenging attitudes of service providers

Our aim:

To target public and private organisations to take up the Louder than Words charter and deaf awareness training

Our impact:

- Ten organisations took up the Louder than Words charter, which means they have reached our accessibility standard for staff and service users with hearing loss
- We delivered 230 deaf awareness training courses to public and private organisations attended by 3,129 people, with 99% rating them as either 'excellent' or 'good'

Our aim:

To encourage organisations to use technology to make them more accessible to customers and employees who are deaf

Our impact:

- We worked with the Department for Transport to develop new audiovisual display system announcements, which are now used on London buses. These systems include visual and audio announcements to keep passengers informed every stop of the bus route. We also succeeded in getting induction loops included on the new Routemaster design (pictured right), the first London bus to be fitted with this technology
- We built good working relationships with European partners through the VICON project, which creates information for designers and manufacturers to make their products more accessible and effective
- We developed a pilot project called REACH112 which will give people with hearing loss the ability to access emergency services, 900 users are currently benefiting from it and if the pilot is successful it will be rolled out across Europe

Our aim:

To deliver a high impact Deaf Awareness Week

Our impact:

- Deaf Awareness Week 2010 saw high levels of engagement, with our website receiving 14% more visitors than average over the week
- Alongside UKCOD (the UK Council on Deafness) and NDCS (the National Deaf Children's Society) we held a parliamentary reception attended by 57 MPs and increased the number of members in the All Party Parliamentary Group on Deafness
- We secured major media coverage of Deaf Awareness Week, for example, a Michael Parkinson interview about deafness and the impact on his family in the Daily Telegraph

Financial review and governance

In financial terms we have had a very positive year thanks to the continued support of our members, donors and partners. We generated an operating surplus of £0.6m in comparison to an operating surplus of £2.6m in 2009/10. This was significantly better than the budget we set for 2010/11.

Our incoming resources of £41.0m have decreased by £6.2m in comparison to 2009/10. This decrease is due to the Text Relay service being transferred to British Telecommunications plc in December 2009 and the end of the fundraising partnership we had with the Co-operative Group which took place in 2009/10. In the current challenging economic environment we have also seen pressure on our income streams relating to our trading activities for charitable impact. However, our income in 2010/11 has benefited from high levels of legacy income of £9.1m in comparison to £8.0m received in 2009/10, contributing to our positive financial performance in comparison to our budget for 2010/11.

Our overall expenditure decreased from £44.6m in 2009/10 to £40.4m in 2010/11. This decrease in expenditure is partly due to the Text Relay service having transferred to British Telecommunications plc in December 2009 and a reduction in our costs as a result of the end of the Co-operative Group partnership. There were also a number of cost reductions made across many departments as a result of the need to carefully manage our expenditure given the economic downturn. These measures also contributed to our positive financial performance against budget. During the year we accounted for unrealised gains of £0.1m and actuarial gains in relation to our pension scheme of £0.7m. These factors, together with an operating surplus of £0.6m, resulted in our total fund balances increasing by £1.4m to £15.5m.

Fixed assets as at 31 March 2011 totalled £13.1m in comparison to £13.0m as at 31 March 2010. This increase is due to a small net increase in both the value of investments and tangible assets during the year.

£41.0m

Income

Current assets as at 31 March 2011 were £11.7m in comparison to £11.9m as at 31 March 2010. This decrease is mainly due to a reduction in our levels of trade debtors as a result of a concerted effort to better manage our working capital.

Pensions

We operate a funded pension scheme that has both defined benefit and defined contribution sections. The defined benefit section was closed to new entrants on 1 October 2001 and closed to new accruals on 31 March 2010. The annually calculated notional surplus or deficit on the funding of the scheme is shown in the financial statements as the 'pension reserve' and is deducted from unrestricted funds in the balance sheet.

A detailed actuarial triennial valuation was carried out at 31 March 2009. Following this, a revised funding plan was agreed with the members and with the pension scheme trustees. The funding plan is a schedule of deficit-reduction payments designed to eliminate the deficit by 2028.

As part of the annual report and accounts preparation process an actuarial valuation was carried out as at 31 March 2011 using the methodology recommended by Financial Reporting Standard 17. This valuation shows the market value of the assets of the scheme to be £44.8m and the present value of the liabilities £50.8m. The net deficit on the scheme as at 31 March 2011 is £6.0m in comparison to a net deficit of £7.3m at 31 March 2010 in response to market factors and the actuarial assumptions made. Further details are included in note 20.

£40.4m

Expenditure

Reserves policy

Free reserves available for use exclude restricted funds and the tangible fixed assets held in unrestricted funds. Free reserves also exclude any deficit reported on the pension scheme.

As a matter of policy, each year the Trustees review the level of the reserves required to be held in investments, cash and cash equivalents that are not restricted to any particular purpose. We also consider our exposure to the risk of any significant loss of income or unforeseen cost. A sudden drop in income is the major risk against which these reserves are held. We recognise that there is voluntary income risk in relation to the current economic climate, a social enterprise income risk given current market conditions and the changes experienced within public sector funding, and the potential for stock market downturn or other factors, leading to declining legacy values and reduced donations.

During the year, in light of our strategy and the prevailing economic circumstances, the Trustees reviewed the reserves policy and concluded that it should remain unchanged, with an acceptable free reserve range remaining between £5.5m and £7.5m with a target level of £6.5m.

Free reserves excluding the pensions reserve

	2011 £m	2010 £m
Total unrestricted funds	16.5	18.4
Less		
Unrestricted tangible fixed assets	(6.6)	(8.4)
	<u>9.9</u>	<u>10.0</u>
Represented by		
- investments	4.6	4.6
- current assets	8.5	8.3
- current liabilities	(3.2)	(2.9)
	<u>9.9</u>	<u>10.0</u>

At the end of the financial year free reserves were £3.4m above the target and £2.4m above the upper limit set by the Board of Trustees in their reserves policy. This is partly due to the success of our legacy fundraising during the year. Reserve levels were further boosted by efficiency savings and reductions in activity which took place in the year in response to the potential impact of the cuts in public sector funding and the economic environment. In addition £0.7m of our free reserves have been generated from the Co-operative Group partnership and are planned to be spent during 2011/12.

The Board has set a £2.3m deficit operating budget for 2011/12 with the intention of managing reserves back to within our acceptable reserve target range whilst still having due regard to the risk profile related to our sources of income.

In light of the above and the reserves level of the charity and its future plans the Trustees consider it appropriate to continue to prepare the financial statements on a going concern basis.

Risk management and internal control

The Trustees continue to support a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks we face, prioritising them in terms of potential impact and likelihood of occurrence and then identifying and implementing ways of mitigating them. This year specific consideration has been given to the impact of the current economic climate, changes to the funding and commissioning of services and to the risks and opportunities resulting from our change of name and rebrand.

We have identified the following risks as the most significant for our organisation:

- Financial sustainability

We recognise that maintaining income levels is essential to our financial sustainability. To manage this risk we pursue diverse income generating strategies, have considered the

level of risk associated with our various income streams and the steps that we need to take to maintain and grow income levels. We have taken note of the current economic climate and have continued to take a cautious approach to our budgeting and forecasting. We have taken particular care to understand the current and potential future impact of changes to public sector funding and commissioning.

- **Recruitment and retention of staff**

We recognise the need for an appropriate staff base to meet our service delivery needs in line with the organisation's values and behaviours. To manage this risk we aim to be an organisation where employees enjoy a sense of fulfilment and where they feel supported and developed. We support equal opportunities and we hold the Investor in People standard, the disability symbol and the Louder than Words charter mark. We are committed to the training, career development and promotion of all employees. This year we have continued to deliver bespoke training throughout our management structure.

- **Investment in infrastructure**

We recognise that we need to maintain an infrastructure and support systems that are fit for purpose, providing the correct balance between cost effectiveness and quality of support. To manage this risk we aim to continually invest in our systems and infrastructure in the context of organisational priorities, sustainable cost base and financial constraints.

- **Our reputation and brand**

We recognise that reputation and brand are essential to maximise our support and organisational impact. We work in a collaborative way with other organisations working with deaf people who are hard of hearing, have tinnitus or have been deafened. We have made sure our change of name and rebranding and our campaigning strategy reflects this approach. We have maintained a clear communication strategy to make sure our focus on hearing loss is understood.

The Trustees have reviewed the adequacy of the charity's current internal controls and the costs of operating particular controls relative to the benefits. Procedures have been established for reporting failings immediately to appropriate levels of management and to the Board of Trustees.

Internal controls relating to income, expenditure and commitments are effective. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the executive management and the Board of Trustees. A programme of internal audits is in place, derived from a comprehensive risk assessment programme.

The internal control systems are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- A strategic plan and annual budget approved by the Trustees
- Regular consideration by the Trustees of financial results, variances from budgets and non-financial performance indicators
- Delegation of day-to-day management authority and segregation of duties
- The identification and management of specific key risks

Investment policy and performance

Our investment objective for the charity's financial assets is to maximise long-term total return with appropriate attention to risk management and our likely liquidity requirements.

The asset allocation targets that have been set by the Board are:

Equities	45% - 55%
Fixed Income	27.5% - 32.5%
Property	7.5% - 12.5%
Cash	7.5% - 12.5%

The actual allocations are shown in note 12. The Board of Trustees has set the fund managers a series of additional limitations on the way the portfolio is managed, as follows:

- Fixed income assets should have a minimum rating of AA
- Fixed income assets should have a maturity of three years or less

We do not restrict the fund managers to any particular category of investment. However, we expect and encourage fund managers to take social, environmental and ethical considerations into account when assessing the suitability of investments and when exercising the rights attached to our investments. This delegation is exercised within the framework provided by the Board's ethical policy. The Board has an Investment Committee which reviews fund manager and investment performance on a regular basis.

The Board of Trustees has set a performance benchmark, against which the fund managers are assessed. During the year it was based on the following proportions:

FTSE All-Share Index	40%
FTSE World (ex UK) Index	10%
FTA British Government All Stocks Index	30%
IPD All Balanced Funds Weighted Average	10%
7-Day LIBID	10%

Overall, the year to 31 March 2011 has been disappointing in relation to investments with the total return for the year being +6.4% in comparison to a benchmark return of +7.3%. A re-tender of the fund manager was carried out during 2010/11 resulting in the incumbent fund managers being re-appointed. The Trustees intend to keep the investment approach under particular scrutiny during the year to 31 March 2012 given the current fragile state of the world economy.

Grant-making policy

We award biomedical research grants to fund world-class research projects that will accelerate the development of medical treatments to prevent hearing loss, restore hearing and alleviate tinnitus. We also make grants to increase the numbers of trained research staff, build future research capacity and support small scale activities that will strengthen the hearing research community. Universities, non-profit research institutes and technology-led small businesses from any country are eligible for funding, except where geographical and organisational-type restrictions are stated for specific funding schemes.

Calls for grant proposals are publicised widely. Proposals we receive are subjected to an appropriate level of expert peer review, typically involving independent external reviewers and an independent grant review panel. We make the final decision about each award on the basis of this expert advice, the relevance of the research to our Biomedical Research Strategy and our available budget. We usually make payments every six months and review progress regularly. Everyone involved in the grant application process is asked to abide by our Biomedical Research Programme's Code of Conduct and Conflict of Interest Policy.

A small number of grants are occasionally awarded for social and technical research to help provide the evidence basis for campaigning and policy development. We also award grants to develop our library collection, currently housed and managed by University College London. Other details of grants payable are shown in note 7 to the financial statements.

Employees, volunteers and members

We aim to be an organisation where employees feel fulfilled, supported and developed. Employees are kept fully informed about our strategy and objectives, as well as day-to-day news and events. Regular information about the organisation is available

through meetings, briefings and our intranet site. All employees are encouraged to give their suggestions and views on performance and strategy. We create a variety of opportunities for staff to feed back including an annual staff survey.

We support equal opportunities, and we hold the Investor in People standard and the disability symbol. We follow a policy of recruitment and promotion on the basis of aptitude and ability without discrimination. We pursue the employment of disabled people and the continued employment and retraining of employees who become disabled during employment with us.

We are committed to the training, career development and promotion of all employees. An individual's career development is assessed with an annual appraisal and regular one-to-ones. Training programmes are provided to meet any ongoing needs, with the aim of developing employees for both their current and their future roles. We particularly seek to encourage employees with hearing loss to play an active role in developing both the organisation and themselves, with specific training courses to meet this need. At the end of the financial year, 18% (2010: 17%) of our staff were disabled or had hearing loss.

We recognise the invaluable work which our members and volunteers do on our behalf and the part they play in contributing to the achievement of our shared objectives. There are nearly 1,000 dedicated volunteers actively involved in supporting our services throughout the UK and we thank all our members, campaigners and donors for contributing their time and energy to supporting ongoing campaigns and fundraising activities.

Future plans

We revisited and updated our organisational strategy during 2010/11, and during 2011/12 our plans are built around the following four organisational aims:

- 1 People protect themselves against hearing loss
- 2 People acknowledge their hearing loss and take action
- 3 People with hearing loss are supported
- 4 No one is isolated through hearing loss

Our priorities: 2011/12 is our **centenary year** and we will be working hard to use the opportunity to move hearing loss higher up the public agenda, as well as to celebrate our achievements and the improvements to the lives of people with hearing loss over the past 100 years.

In 2011/12 we will continue to work towards improving the nation's hearing by reaching out to the **four million people** who have not taken action to address their hearing loss. The activities which underpin this aim include:

- Delivering a high impact campaign to encourage four million people to take action on hearing loss
- Promoting our Hearing Check and ensuring that this leads to individuals taking action
- Lobbying to establish hearing screening for over 65s, with pilots in Scotland and Wales
- Developing a model for hearing services which ensures that those who take action on their hearing loss experience a high quality, accessible and responsive service
- Ensuring that the right information is available at the right time, including support through Hear to Help schemes, and the launch of our new website, which will allow people to give feedback on their experiences of hearing aid services and products available to alleviate hearing loss

Finding treatments that protect hearing, restore hearing loss and silence tinnitus is a fundamental part of our future plans - and our members and supporters have told us how important this is to them as well. We will continue to fund biomedical research and to form partnerships to ensure that research outcomes are translated into treatments.

Personalisation is a major challenge affecting our delivery of social care and support services. Personalisation will allow our service users more choice and control over their lives, it will mean starting with the individual as a person with strengths and preferences and promoting and facilitating self-directed support. Over the next year this will require us to adapt our portfolio of services, our marketing and our internal processes so that we can enhance our business development capacity.

All our plans must have a sound financial basis. We are confident that our fundraising and income from our trading activities that further our charitable cause will enable us to at least sustain and ultimately grow our activities, including local engagement, biomedical research and technology development. Linked to fundraising and supporter engagement are volunteer contributions and fundraising - volunteer supported services will be the key to unlocking potential and increasing our impact across the UK.

Introducing

ACTION ON HEARING LOSS

In 1911 Leo Bonn, inspired by his personal experience of deafness, founded the organisation that would become RNID. From the start, his aims were ambitious: to support and care for people with hearing loss, to educate those at risk of damaging their hearing, and to raise awareness of how isolating hearing loss can be. During the brand research we spoke to more than 3,000 people - key audiences, the general public and staff - and found that the name RNID was confusing and misleading to the majority. As we enter our next century, we needed a new name to better reflect the scale of our work and to reach as many people as possible. As Action on Hearing Loss, our goal will remain the same as ever: a world where hearing loss doesn't limit or label people - and where people value their hearing enough to look after it.

Our new name, with a new logo, look and tone of voice, will more accurately reflect our vision and work and enable more people to see our relevance to their needs. Our centenary year has provided us with a unique opportunity to build on the heritage of the organisation while at the same time repositioning us as relevant to more people in the future.

Structure, governance and management

Action on Hearing Loss is the trading name of the Royal National Institute for Deaf People which is governed by its Articles of Association adopted on 14 May 1948 and last amended on 7 November 2008.

The Board of Trustees is responsible for the overall governance of Action on Hearing Loss. Trustees are either elected or co-opted. The total number of Trustees may not exceed 14. Eight Trustees are elected directly by members and of these eight, three seats are reserved for Trustees elected respectively by members resident in Wales,

Northern Ireland and Scotland Six seats are allocated to co-opted Trustees who are not elected but appointed by the Board of Trustees All Trustees are appointed for a term not exceeding three years, at the end of which they must retire but are then eligible for reappointment (either by election or by being co-opted) Trustees are not normally eligible to serve for more than two terms in total

Effective partnership between Trustees and staff continues to contribute significantly to our success Trustees are required to meet at least three times a year In the year up to 31 March 2011, they met at four quarterly board meetings and reviewed strategy and performance, and set operating plans and budgets New Trustees receive an induction pack containing detailed information about us, how we are organised and our work They are invited to spend time with the managing directors and to familiarise themselves with our activities so as to prepare themselves for effective and informed decision making

Trustees are encouraged to attend training sessions to develop their knowledge and skills The Board delegates certain powers in connection with the charity's management and administration, as set out below This delegation is controlled by requiring regular reporting back to the Board, ensuring that all decisions made under delegated powers can be ratified by the full Board in due course

Audit Committee

The Audit Committee comprises Trustees and other advisers All committee members are independent of management and free of any relationship that, in the opinion of the Board of Trustees, would interfere with their exercise of independent judgment The Audit Committee meets quarterly and is responsible for reviewing the charity's risk assessment, risk management and internal control systems and processes

Investment Committee

The Investment Committee comprises the Honorary Treasurer, one other Trustee and the Managing Director of Corporate Resources The Investment Committee meets at least

twice a year and is responsible for monitoring the charity's investment funds, appointing and regularly reviewing the performance of appropriate fund managers, and ensuring investment matters are conducted in line with the Investment Policy determined by the Board of Trustees

Nominations Committee

The Nominations Committee comprises at least three Trustees and takes delegated responsibility on behalf of the Board of Trustees for identifying, proposing and encouraging new members of the Board, and for ensuring they receive induction, support and development

Advisory groups

We have established advisory groups in Wales, Scotland and Northern Ireland Each group comprises a nominated Trustee who is the elected Trustee for the relevant country, representatives elected by members who are resident in the relevant country and a number of co-opted members Each advisory group is tasked with long-term planning for their country and advises and supports the Country Directors on local priorities and issues

Chief Executive

The Chief Executive is responsible for the day-to-day management of Action on Hearing Loss and for implementing policies agreed by the Board of Trustees The Chief Executive is assisted by three managing directors, a Chief Scientific Adviser and 11 directors

Group structure

Action on Hearing Loss has a wholly owned subsidiary, RNID Activities Limited, which carries out non-charitable trading activities to raise funds for Action on Hearing Loss During the financial year, it made an operating profit of £15,284 (2010 £208,789) The reduction in profit in 2010/11 was a result of the completion of the Co-operative Group fundraising partnership

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations Company law requires the

Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the group's net incoming/outgoing resources for that period. In preparing these financial statements, the Trustees are required to

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and group will continue to operate

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that

- Action on Hearing Loss is operating efficiently and effectively
- All assets are safeguarded against unauthorised use or disposition and are properly applied
- Proper records are maintained and financial information used within Action on Hearing Loss, or for publication, is reliable

- Action on Hearing Loss complies with relevant laws and regulations
- Action on Hearing Loss has paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the charity should undertake

So far as each of the Trustees at the date of this report is aware, there is no relevant audit information of which the charity's auditors are unaware. Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Board of Trustees

Gerald Corbett, Chairman (re-appointed for second term, 9 September 2010)

Stephen Hill, Honorary Treasurer

Professor Norman Black

Sir Rodney Brooke

Caroline Cousin (to 5 November 2010)

Win Griffiths (from 9 December 2010)

Professor Matthew Holley

Sir Peter Job

Dr Judith Langfield

Harry McQuillan (from 17 March 2011)

Janine Roebuck

Enid Rowlands (to 5 November 2010)

Ashley de Safrin

Diane Simpson (from 5 November 2010)

Stephen Thomas

HRH The Countess of Wessex

Patron

HRH The Duke of Edinburgh KG, KT

President

The Rt Hon Lord Ashley of Stoke CH

Vice Presidents

Rt Hon Malcom Bruce MP

Keith Butler-Wheelhouse

Sir Rocco Forte (from 9 December 2010)

Peter Marks

James Strachan

Rt Hon Jack Straw MP
(from 9 December 2010)

Steven Norris (from 10 January 2011)

Audit Committee

Stephen Hill, Chairman

Sir Rodney Brooke (from 9 December 2010)

Jack Climpson (to 15 March 2011)

Caroline Cousin (to 5 November 2010)

John Galbraith (from 5 November 2010)

Ashley de Safrin (from 10 June 2010)

Investment Committee

Stephen Hill, Chairman

Sir Peter Job (from 7 December 2010)

Jenine Langrish (from 7 December 2010)

Paul Breckell

Nominations Committee

Gerald Corbett, Chairman

Janine Roebuck (from 9 December 2010)

Enid Rowlands (to 5 November 2010)

Ashley de Safrin

Stephen Thomas

Executive Officers (as at 31 March 2011)

Jackie Ballard, Chief Executive

Paul Breckell, Managing Director of
Corporate Resources and Company Secretary

Sherine Krause, Managing Director of
External Engagement,

Louise Pritchard, Managing Director of Services

Dr Sohaila Rastan, Chief Scientific Adviser

Principal professional advisers

Solicitors

Bates Wells and Braithwaite
2-6 Cannon Street
London EC4M 6YH

Bankers

The Royal Bank of Scotland plc
280 Bishopsgate
London EC2M 4RB

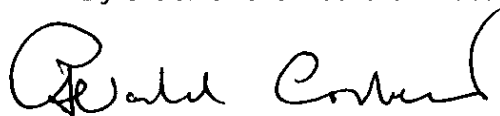
External auditor

Crowe Clark Whitehill LLP
St Bride's House, 10 Salisbury Square
London EC4Y 8EH

Investment managers

BlackRock Investment Management
(UK) Limited
33 King William Street
London EC4R 9AS

By order of the Board of Trustees



Gerald Corbett

Chairman

Action on Hearing Loss is the trading name of
The Royal National Institute for Deaf People

Principal and Registered office 19-23
Featherstone Street, London EC1Y 8SL

15 September 2011

Independent auditor's report

to the Members and Trustees of the Royal National Institute for Deaf People

We have audited the financial statements of The Royal National Institute for Deaf People (trading as Action on Hearing Loss) for the year ended 31 March 2011 which comprise the consolidated statement of financial activities, the group and charity balance sheets, the consolidated cash flow statement and the related notes numbered 1 to 27

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the charitable group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

We have been appointed as auditor under section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements

We read all the information in the Trustees' Report and any other surround information to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion

- the parent charitable company has not kept adequate accounting records, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Sally Kirby

Senior Statutory Auditor

For and on behalf of Crowe Clark Whitehill LLP

Statutory Auditor

London

Date 15 September 2011

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Financial Statements

Consolidated statement of financial activities

For the year ended 31 March 2011

(incorporating an income and expenditure account)

	Note	Unrestricted funds	Restricted funds	Total funds 2011	Total funds 2010
		£'000	£'000	£'000	£'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Donations, gifts and unrestricted grants		3,977	37	4,014	5,983
Legacies		9,041	77	9,118	7,953
Activities for generating funds					
Weekly lottery		924	-	924	667
RNID Activities Limited	10	79	-	79	286
Other incoming resources		213	-	213	328
Investment income	2	191	42	233	240
Incoming resources from charitable activities					
Supporting people	6	23,549	1,318	24,867	30,978
Valuing hearing		249	278	527	351
Challenging stigma		545	503	1,048	472
Total incoming resources		38,768	2,255	41,023	47,258
Resources expended					
Cost of generating funds					
Fundraising costs		3,618	-	3,618	4,300
RNID Activities Limited		64	-	64	77
Investment management fees		17	-	17	18
		3,699	-	3,699	4,395
Net incoming resources available for charitable application		35,069	2,255	37,324	42,863

(carried forward to page 31)

The notes on pages 35 to 54 form part of these financial statements. All amounts reflected above relate to continuing activities. There are no other gains or losses in the current or preceding year.

Consolidated statement of financial activities

For the year ended 31 March 2011
(incorporating an income and expenditure account)

(brought forward from page 30)

	Note	Unrestricted funds	Restricted funds	Total funds 2011	Total funds 2010
		£'000	£'000	£'000	£'000
Net incoming resources available for charitable application		35,069	2,255	37,324	42,863
Charitable activities					
Supporting people	6	28,980	1,595	30,575	34,735
Valuing hearing		2,878	257	3,135	2,651
Challenging stigma		2,447	495	2,942	2,787
Total cost of charitable activities		34,305	2,347	36,652	40,173
Governance costs		71	-	71	58
Total resources expended	4	38,075	2,347	40,422	44,626
Net incoming/(outgoing) resources before investment gains/(losses)	3	693	(92)	601	2,632
Realised gains on investments		5	-	5	271
Net incoming/(outgoing) resources being net income/(expenditure) for the year before transfers		698	(92)	606	2,903
Gross transfers between funds	22	(2,038)	2,038	-	-
		(1,340)	1,946	606	2,903
Other recognised gains and losses					
Unrealised gain on investments		125	-	125	639
Actuarial gain/(loss) on defined benefit pension scheme	20	667	-	667	(1,004)
Net movement in funds		(548)	1,946	1,398	2,538
Balances brought forward		11,112	2,971	14,083	11,545
Balances carried forward at end of year		10,564	4,917	15,481	14,083

The notes on pages 35 to 54 form part of these financial statements. All amounts reflected above relate to continuing activities. There are no other gains or losses in the current or preceding year. Included in restricted funds, above, is an endowment fund of £68,000 (see note 22).

Financial statements

Balance sheets

(Company number 454169)

As at 31 March 2011

	Note	Group		Charity	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
Fixed assets					
Tangible assets	11	8,440	8,362	8,440	8,362
Investments	12	4,688	4,593	4,688	4,593
		13,128	12,955	13,128	12,955
Current assets					
Stocks	13	969	729	969	729
Debtors	14	3,893	5,287	3,901	5,522
Cash at bank and short term deposits		6,819	5,845	6,806	5,604
		11,681	11,861	11,676	11,855
Creditors					
Amounts falling due within one year	15	3,359	3,409	3,354	3,403
Net current assets		8,322	8,452	8,322	8,452
Total assets less current liabilities being net assets excluding pension liability		21,450	21,407	21,450	21,407
Defined benefit pension scheme liability	20	5,969	7,324	5,969	7,324
Net assets including pension liability	19	15,481	14,083	15,481	14,083

(The balance sheets are continued on page 33)

The notes on pages 35 to 54 form part of these financial statements

Balance sheets

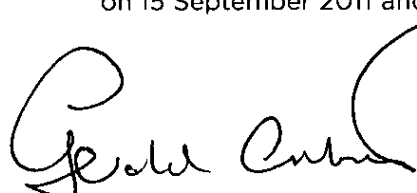
(Company number 454169)

As at 31 March 2011

(The balance sheets are brought forward from page 32)

	Note	Group		Charity	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
Funds					
Permanent endowment funds	21	68	-	68	-
Restricted income funds	21	4,849	2,971	4,849	2,971
		4,917	2,971	4,917	2,971
Unrestricted income funds		16,533	18,436	16,533	18,436
Pension reserve		(5,969)	(7,324)	(5,969)	(7,324)
Total unrestricted funds after pension reserve		10,564	11,112	10,564	11,112
Total funds		15,481	14,083	15,481	14,083

These financial statements were approved by the Board of Trustees and authorised for issue on 15 September 2011 and signed on its behalf by



Gerald Corbett
Chairman



Stephen Hill
Honorary Treasurer

The notes on pages 35 to 54 form part of these financial statements

Financial statements

Consolidated cash flow statement

For the year ended 31 March 2011
(incorporating an income and expenditure account)

	Note	2011 £'000	2010 £'000
Net cash inflow from operating activities	24	1,692	1,999
Returns on investments and servicing of finance			
Interest paid		(15)	(12)
Interest received		122	145
Dividends received		111	95
Net cash inflow from returns on investments and servicing of finance		218	228
Capital expenditure and financial investment			
Purchase of property		(182)	(145)
Purchase of other tangible fixed assets		(789)	(452)
Purchase of fixed asset investments		(720)	(1,711)
Sale of fixed asset investments		755	1,732
Cash (outflow) from capital expenditure and financial investment		(936)	(576)
Net cash inflow		974	1,651
Increase in cash	25	974	1,651

The notes on pages 35 to 54 form part of these financial statements

Notes to the financial statements

For the year ended 31 March 2011

1. Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards

In preparing the financial statements Action on Hearing Loss complies with "Accounting and Reporting by Charities" Statement of Recommended Practice (SORP) 2005 and the Companies Act 2006

After making enquires, the Trustees have a reasonable expectation that Action on Hearing Loss has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 26

The group financial statements consolidate the accounts of the charity and its subsidiary trading company. As provided by s 408 of the Companies Act 2006, no separate income and expenditure account is presented for the charity. The charity's surplus for the financial year of £606,000 (2010 surplus of £2,903,000) is the same as the group result as the subsidiary's profits are remitted to the charity under gift aid regulations

Incoming resources

Donations, gifts and legacies are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable certainty. For residuary and reversionary legacies, entitlement is established once the charity has been notified of an impending distribution, including notification of legacy payments after year end where the distribution was agreed by the personal representative prior to the year end

Grant income is included when the relevant conditions for receipt of the grant have been met

All other income is accounted for on an accruals basis

Donated services and gifts in kind over £20,000 are included as both income and expenditure in the relevant category

Resources expended

All resources expended are accounted for on an accruals basis. Charitable activities 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. Governance costs are those associated with constitutional and statutory requirements. Support costs include the central functions and have been allocated to activity cost categories on a basis consistent with the use of resources

Tangible fixed assets

All assets costing more than £5,000 are capitalised

All purchased assets are recorded at cost

All gifted assets are valued at date of receipt

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets on a straight line basis over their expected useful lives at the following annual rates

Freehold and long leasehold properties	at least 2%
Improvements to freehold and long leasehold properties	4%
Short leasehold properties	over lease term
Fixtures, fittings & furniture	20%
Computer equipment	33%
Motor vehicles	20%

No depreciation is provided on freehold land

Investments

Investments are recorded in the balance sheet at their market value at the balance sheet date

Notes to the financial statements

For the year ended 31 March 2011

Gains and losses are recognised in the SoFA. Realised gains and losses are calculated as the difference between disposal proceeds and the opening market value of the investment, or cost if purchased during the year. Unrealised gains and losses represent the movement in market value during the year.

Stocks

Stocks are stated 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.

Finance leases

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.

Operating leases

Rentals paid under operating leases are charged to the SoFA on a straight line basis over the lease term.

Pension costs

Action on Hearing Loss operates one funded pension scheme in the UK. The Scheme has both defined benefit and defined contribution Sections. The scheme is accounted for under FRS 17 "Retirement Benefits".

The defined benefit pension scheme current service costs together with the scheme interest costs less the expected return on the scheme assets for the year are charged to the SoFA within staff costs. The scheme actuarial gains and losses are recognised immediately after net incoming/(outgoing) resources for the year within other recognised gains and losses.

The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities.

The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

Contributions to the defined contribution scheme are charged to the SoFA in the period to which they relate.

Accrual of benefits under the defined benefit section of the Scheme ceased with effect from 31 March 2010.

Liabilities

Liabilities are recognised when Action on Hearing Loss has an obligation to make payment to a third party.

Grants payable are included in the period when the conditions are met by the receiving entity and a constructive obligation exists. The grants usually require satisfactory progress reports from the project. Grants authorised but unpaid at the balance sheet date are disclosed as commitments in note 7 where conditions remain unfulfilled by the intended recipient.

Funds

Unrestricted funds are those funds which are expendable at the discretion of the Trustees in furtherance of the charity's objects.

Restricted and endowment funds are subject to specific restrictions imposed by the donor or by the nature of the appeal.

Transfers between funds - these may arise when there is a charge from unrestricted funds to other funds or there is a release of restricted funds to unrestricted funds.

Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange prevailing at the time of transaction.

Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses incurred are included in the SoFA within charitable activities expenditure in the period in which they are incurred.

Notes to the financial statements

For the year ended 31 March 2011

2. Investment income

	2011 £'000	2010 £'000
Income from listed investments - UK	111	95
Interest received - bank	79	98
Interest received - investments	43	47
	233	240

3. Net incoming/(outgoing) resources for the year

This is stated after charging:

	2011 £'000	2010 £'000
Interest payable		
- bank loans and overdrafts wholly repayable within five years	15	12
Depreciation	890	907
Loss on disposal of fixed assets	3	63
Payments under operating leases		
- land and buildings	925	894
- other	300	349
Auditors' remuneration		
- audit	65	60
- other services	44	24

Financial statements

Notes to the financial statements

For the year ended 31 March 2011

4. Analysis of total resources expended

	Direct costs		Support costs		Total	Total
	Staff	Other	Staff	Other	2011	2010
	£'000	£'000	£'000	£'000	£'000	£'000
Cost of generating funds						
Fundraising costs	1,419	1,893	202	104	3,618	4,300
RNID Activities Limited	-	64	-	-	64	77
Investment management fees	-	17	-	-	17	18
	1,419	1,974	202	104	3,699	4,395
Charitable activities						
Supporting people	14,367	11,032	3,303	1,873	30,575	34,735
Valuing hearing	1,230	1,614	194	97	3,135	2,651
Challenging stigma	1,628	883	287	144	2,942	2,787
	17,225	13,529	3,784	2,114	36,652	40,173
Governance costs	-	71	-	-	71	58
Total resources expended	18,644	15,574	3,986	2,218	40,422	44,626

5. Support costs

Basis of allocation by staff number

	Management	Finance	Information Systems	Human Resources	Total
	£'000	£'000	£'000	£'000	2011
					£'000
Fundraising	17	104	76	109	306
Supporting people	281	1,738	1,245	1,913	5,177
Valuing hearing	16	100	72	102	290
Challenging stigma	24	148	108	151	431
Total	338	2,090	1,501	2,275	6,204

Notes to the financial statements

For the year ended 31 March 2011

6. Analysis of the main constituents of 'supporting people'

	Income	Expenditure	Net	Income	Expenditure	Net
	2011	2011	2011	2010	2010	2010
	£'000	£'000	£'000	£'000	£'000	£'000
Care and Support Services	14,807	16,988	(2,181)	14,671	15,635	(964)
Assessment and supply of assistive technology	5,626	6,154	(528)	6,173	6,550	(377)
Communication Services	2,397	2,829	(432)	3,593	3,719	(126)
Devolved Countries	755	1,387	(632)	791	1,198	(407)
Training & Consultancy	355	457	(102)	803	1,233	(430)
Membership	269	126	143	465	432	33
Other	261	558	(297)	3	665	(662)
Communications and Technology	210	1,116	(906)	105	675	(570)
Text Relay	167	167	-	4,292	4,025	267
Public Engagement	20	793	(773)	82	603	(521)
Total	24,867	30,575	(5,708)	30,978	34,735	(3,757)

"Other" includes work to ensure that people who are deaf or hard of hearing have access to the information, service and communication support that they need

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For the year ended 31 March 2011

7. Grants payable

The aggregate amount of grants made during the year ended 31 March 2011, analysed by recipient was

Objective	Institution	2011 £'000
Medical research into hearing loss	University College London	150
	University of Sheffield	112
	State University of Iowa	82
	Research Foundation of SUNY at Buffalo	67
	University of Western Australia	50
	University of Kansas Medical Center Research Institute	50
	The Bionic Ear Institute	49
	University of Antwerp	49
	Medical Research Council	28
	Wayne State University	25
	University of Tübingen	24
	University of Sussex	24
	University of Essex	24
	University of Leicester	24
	Imperial College London	23
	Imperial College of Science Technology & Medicine	23
	University of Cambridge	23
	University of Oxford	16
	Newcastle University	14
	King's College London	11
	University of Southampton	11
	University of Manchester	7
	University of Michigan	5
	University of York	3
	Genome Research Limited	3
	Keele University	2
	Case Western Reserve University	1
		900
Welfare, education and training for deaf and hard of hearing people	University College London	30
	Midland Regional Association for the Deaf	5
		35
Total		935

Of the total grant funding made during the year £929,802 related to biomedical research projects. In addition to the above, the charity expects to fund future grants totalling over £18m which have been awarded subject to satisfactory reviews during the course of the project being funded. These have not been provided for in Action on Hearing Loss's accounts. The expenditure for grants sits within the Valuing hearing line for charitable expenditure within the SoFA.

Notes to the financial statements

For the year ended 31 March 2011

8. Employees	2011 £'000	2010 £'000
Staff costs consist of:		
Wages and salaries	19,674	22,214
Social security costs	1,680	1,800
Pension costs	1,276	1,174
	22,630	25,188

The above figures include temporary and agency staff employed by Action on Hearing Loss at a cost of £953,085 (2010 £974,955)

The average monthly number of employees during the year was made up as follows:	2011	2010
Supporting people	663	704
Valuing hearing	39	55
Challenging stigma	58	35
Fundraising	42	48
Finance, human resources, information technology and administration	79	70
	881	912
The average monthly number of employees on a full time equivalent basis during the year was:	760	798

Number of employees receiving gross salaries over £60,000

£70,001 to £80,000	-	1
£80,001 to £90,000	3	2
£90,001 to £100,000	-	1
£120,001 to £130,000	1	-
£130,001 to £140,000	-	1

None of these employees (2010 1) is in the defined benefit pension scheme, and three (2010 4) are in the defined contribution pension scheme. Contributions in the pension year to the defined contribution scheme were £21,535, in respect of three employees (2010 4 with contributions of £29,472)

As at 31 March 2011 the Chief Executive of Action on Hearing Loss was the highest paid member of staff. In the year to 31 March 2011 she received remuneration of £127,454 (2010 £133,600) and was a member of the defined contribution pension scheme.

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For the year ended 31 March 2011

9. Trustees' remuneration

None of the members of the Board of Trustees received any remuneration during this year or last year. During the year, five Trustees (2010: 7) received reimbursements of non-private travel and subsistence expenditure amounting to £1,666 (2010: £1,534).

There were no related party transactions during the period.

10. Subsidiary company

Action on Hearing Loss owns 100% of the issued share capital of trading company RNID Activities Limited. The charity's investment in RNID Activities Limited is £2.

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

As it is a wholly owned subsidiary, related party transactions between RNID Activities Limited and Action on Hearing Loss are exempt from disclosure under FRS 8.

RNID Activities' turnover for the year ended 31 March 2011 was £78,834 (2010: £286,204), cost of sales were £52,395 (2010: £67,099), administration expenses were £11,155 (2010: £10,316), which resulted in an operating profit of £15,284 in 2011 (2010: £208,789).

The decrease in operating profit is due to the completion of the fundraising partnership with the Co-operative Group.

Notes to the financial statements

For the year ended 31 March 2011

11. Tangible assets

Group and Charity

	Freehold £'000	Long leasehold £'000	Short leasehold £ 000	Total Property £'000	Fixtures, fittings & furniture £'000	Computer equipment £'000	Other equipment £'000	Total other £'000	Grand total £'000
Cost									
At 1 April 2010	9,290	122	173	9,585	3,310	4,222	1,856	9,388	18,973
Additions	182	-	-	182	279	500	10	789	971
Disposals	-	-	-	-	(11)	(54)	(11)	(76)	(76)
At 31 March 2011	9,472	122	173	9,767	3,578	4,668	1,855	10,101	19,868
Depreciation									
At 1 April 2010	2,327	11	143	2,481	2,844	3,478	1,808	8,130	10,611
Charge for year	171	2	17	190	231	448	21	700	890
Disposals	-	-	-	-	(11)	(54)	(8)	(73)	(73)
At 31 March 2011	2,498	13	160	2,671	3 064	3,872	1,821	8,757	11,428
Net Book Value									
At 31 March 2011	6,974	109	13	7,096	514	796	34	1,344	8,440
At 31 March 2010	6,963	111	30	7,104	466	744	48	1,258	8,362

Action on Hearing Loss commissions valuations of its major freehold and leasehold properties every 3 years. The charity's major properties were last valued at 31 March 2010 by an external professional valuer. This valuation indicated that the market value of the properties on an existing use basis was higher than their net book value. The Trustees consider that there have been no material changes since this valuation, therefore no provision for impairment is deemed necessary.

Assets under construction are accounted for at cost. They are not depreciated until they are brought into use. Within computer equipment are assets under construction with a cost of £140,229, and within freehold property are assets under construction based on the value of architects' certificates with a cost of £107,339.

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For the year ended 31 March 2011

12. Fixed asset investments

Group and Charity	2011 £'000	2010 £'000
Value of investment portfolio at 1 April	4,593	3,704
Net monies disinvested	(35)	(3)
Management fee charged to capital	-	(18)
Realised gains on investments	5	271
Unrealised gains on investments	125	639
Market value at 31 March	4,688	4,593
Represented by		
Listed securities		
UK & overseas equity funds	2,611	2,495
UK & overseas corporate funds	1,334	1,272
UK property funds	431	-
Cash fund	312	826
	4,688	4,593
Cost at 31 March	4,175	4,192

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

	2011 £'000	2010 £'000
Charishare	1,944	1,920
MLIM Institutional Liquidity Fund	312	826
BlackRock Overseas Fund	594	510
Barclays Bank plc (UK fixed interest)	243	248
Skipton Building Society (UK fixed interest)	252	244
BPF – UK Property Fund	431	-

13. Stocks

Group and Charity	2011 £'000	2010 £'000
Equipment and publications	969	729

Notes to the financial statements

For the year ended 31 March 2011

14. Debtors

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Trade debtors	2,327	3,435	2,327	3,432
Gift aid donation due from RNID Activities Ltd	-	-	15	209
Other debtors	245	341	238	370
Prepayments and accrued income	1,321	1,511	1,321	1,511
	3,893	5,287	3,901	5,522

Other debtors include £100,000 (2010 £200,000) which is receivable after more than 12 months

15. Creditors: amounts falling due within one year

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Trade creditors	758	598	758	598
Other taxes and social security costs	461	462	461	462
Other creditors	313	305	313	303
Accruals	1,198	1,249	1,193	1,245
Deferred income	629	795	629	795
	3,359	3,409	3,354	3,403

16. Contingent liabilities

Action on Hearing Loss has given indemnities of approximately £218,000 in respect of legacies that have been received, but there is the possibility of future claims against these estates. It is not expected that any material liabilities will arise and no provisions have been made.

17. Legacies

The Trustees have been notified that the charity is a beneficiary of a number of estates for which the amounts to be paid to the charity have not yet been confirmed. In view of the uncertainty over the amounts that may be received, the Trustees have concluded that the conditions for recognition of these legacies have not yet been met and accordingly these legacies are not reflected in these financial statements. Provisional estimates indicate a potential value of these legacies of £5.5m.

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Notes to the financial statements

For the year ended 31 March 2011

18. Capital commitments

Group and Charity

As at 31 March 2011, Action on Hearing Loss had capital expenditure authorised and contracted in respect of freehold property of £109,141 (2010: £nil). These figures are not provided for in the financial statements for the year ended 31 March 2011.

19. Analysis of group net assets between funds

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total funds 2011	Total funds 2010
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March 2011 are represented by:					
Tangible fixed assets	6,656	1,784	-	8,440	8,362
Investments	4,620	-	68	4,688	4,593
Current assets	8,442	3,239	-	11,681	11,861
Current liabilities	(3,185)	(174)	-	(3,359)	(3,409)
Pension reserve	(5,969)	-	-	(5,969)	(7,324)
Group net assets	10,564	4,849	68	15,481	14,083

Notes to the financial statements

For the year ended 31 March 2011

20. Pension scheme

Action on Hearing Loss operates a funded pension scheme in the UK. The scheme has both defined benefit and defined contribution sections. Accrual of benefits under the defined benefit section of the Scheme ceased with effect from 31 March 2010. For the purposes of these financial statements a FRS 17 actuarial valuation was carried out at 31 March 2011 by a qualified independent actuary.

A detailed actuarial triennial valuation was carried out at 31 March 2009 and a revised funding plan agreed was agreed with the members and the pension scheme trustees. The funding plan is a schedule of deficit reduction payments designed to eliminate the deficit by 2028.

a) The amounts recognised in the balance sheet are as follows:	2011	2010
	£'000	£'000
Present value of funded obligations	(50,808)	(49,058)
Fair value of plan assets	44,839	41,734
Deficit	(5,969)	(7,324)
Liabilities	(5,969)	(7,324)
Net liability	(5,969)	(7,324)
b) Changes in the present value of the scheme liabilities:	2011	2010
	£'000	£'000
Opening liabilities	49,058	40,083
Service cost	-	295
Contributions by employees	-	174
Interest cost	2,493	2,410
(Gains) on curtailments and settlements	-	(710)
Actuarial (gains)/losses	(140)	6,878
Benefits paid	(1,461)	(1,340)
Increase in defined contribution section liabilities	858	1,268
Liabilities at the year end	50,808	49,058
c) Changes in the fair value of the scheme assets:	2011	2010
	£'000	£'000
Opening fair value of scheme assets	41,734	33,149
Expected return on defined benefit section assets	2,368	1,817
Actuarial gains	527	5,874
Contributions by employer	813	792
Contributions by employees	-	174
Benefits paid	(1,461)	(1,340)
Increase in defined contribution section assets	858	1,268
Fair value of scheme assets at the year end	44,839	41,734

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For the year ended 31 March 2011

d) The amounts included within the Statement of Financial Activities are as follows:

	2011 £'000	2010 £'000
Current service cost	-	(295)
Expected return on scheme assets	2,368	1,817
Gains on curtailments and settlements	-	710
Interest on pension liabilities	(2,493)	(2,410)
Total amount charged within net incoming/ (outgoing) resources	(125)	(178)
Actuarial gains/(losses)	667	(1,004)
Total amount credited/(charged) to the Statement of Financial Activities	542	(1,182)
	2011 £'000	2010 £'000
The actual return on the scheme assets in the year	2,895	7,691

Action on Hearing Loss's best estimate of expected contributions to the defined benefit section of the scheme in the year commencing 1 April 2011 is £836,580

e) The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2011	2010
Equities	46%	47%
Bonds	42%	42%
Insured annuities	2%	2%
Defined contribution scheme	10%	9%

f) Principal assumptions used by the actuary were (in absolute terms):

	2011	2010
Discount rate at 31 March	5.50%	5.60%
Overall expected return on defined benefit section assets	6.17%	6.30%
Rate of increase in salaries	n/a	n/a
Rate of increase of pensions in payment	3.50%	3.60%
Rate of increase of pensions in deferment	3.50%	3.60%
Inflation assumption	3.50%	3.60%
Assumed life expectations on retirements at age 65		
Retiring today - males	21.0	20.9
Retiring today - females	23.7	23.6
Retiring in 20 years - males	22.9	22.8
Retiring in 20 years - females	25.5	25.4

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For the year ended 31 March 2011

g) The amounts for the current and previous periods are as follows:

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Present value of scheme liabilities	(50,808)	(49,058)	(40,083)	(39,782)	(41,201)
Scheme assets	44,839	41,734	33,149	36,034	36,175
Deficit	(5,969)	(7,324)	(6,934)	(3,748)	(5,026)
Experience adjustments on scheme liabilities	140	(6,878)	1,981	4,171	(2,904)
Experience adjustments on scheme assets	527	5,874	(5,262)	(3,417)	(424)
Cumulative actuarial losses shown in the SoFA	(4,625)	(5,292)	(4,288)	(1,007)	(1,761)

h) Expected return on assets

The assumptions used in determining the overall expected return of the assets of the Scheme have been set having regard to yields available on government bonds, corporate bonds, bank base rates and incorporating appropriate risk margins where appropriate. The fair value of the Scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, which are derived from cash flow projections over long periods and thus inherently uncertain, were

	Long-term rate of return expected at 31/03/2011 p.a.	Fair value at 31/03/2011 £'000	Long-term rate of return expected at 31/03/2010 p.a.	Fair value at 31/03/2010 £'000
Equities and property	7.40%	20,467	7.50%	19,764
Fixed interest	4.90%	18,855	5.00%	17,346
Insured annuities	5.50%	673	5.60%	673
Cash and other	0.50%	161	0.50%	126
Overall expected return on defined benefit section assets	6.17%	-	6.30%	-
Defined contribution section assets	-	4,683	-	3,825

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For the year ended 31 March 2011

21. Restricted and endowment funds

Group and Charity

	Note	Balance 1 April 2010	Incoming resources and gains	Outgoing resources	Transfers (note 22)	Balance 31 March 2011
Restricted		£'000	£'000	£'000	£'000	£'000
Richardson Trust		2,636	42	(436)	-	2,242
The Bath Charity	22	-	-	(64)	1,848	1,784
Tinnitus Research	22	-	77	(47)	118	148
Borders Local Integrated Sensory Services		-	164	(66)	-	98
PHD Studentship		-	129	(47)	-	82
Tayside Integrated Sensory Services		1	100	(30)	-	71
Glasgow Integrated Sensory Services		-	105	(43)	-	62
PHD project into Tinnitus		55	143	(139)	-	59
North East Outreach Information Officer		29	92	(67)	-	54
Other restricted funds	22	250	1,403	(1,408)	4	249
Restricted funds		2,971	2,255	(2,347)	1,970	4,849
Endowed						
The Wennington Charity	22	-	-	-	68	68
Endowment funds		-	-	-	68	68
		2,971	2,255	(2,347)	2,038	4,917

During the year there have been material transfers from unrestricted to restricted funds and note 22 provides the details of these transfers

The Richardson Trust is restricted to providing accommodation and services for deaf and hard of hearing people in the north of England

The Bath Charity is restricted to providing relief for the charitable needs of deaf and hard of hearing people by the provision of services

The Tinnitus Research fund is a legacy that is restricted to research into Tinnitus

Borders Local Integrated Sensory Services is delivered in partnership with RNIB and supports people with sensory impairment living in the Scottish Borders by strengthening existing structures, introducing additional support services such as Hear to Help and by raising awareness and profile of sensory impairment in the region

The PHD Studentship is to fund a student to carry out research on auditory brain stem responses

Tayside Integrated Sensory Services is delivered in partnership with RNIB and supports people with

Notes to the financial statements

For the year ended 31 March 2011

(note 21 continued)

sensory impairment living in Tayside by strengthening existing structures, introducing additional support services such as Hear to Help and by raising awareness and profile of sensory impairment in the region Glasgow Integrated Sensory Services is delivered in partnership with RNIB and supports people with sensory impairment living in the Greater Glasgow and Clyde area by strengthening existing structures, introducing additional support services such as Hear to Help and by raising awareness and profile of sensory impairment in the region

The PHD project into tinnitus fund represents money received from CHK Charities Ltd who are sponsoring a three year PHD project at Leicester University The project is investigating the biological causes of tinnitus

The North East Outreach Information Officer fund provides funding for a full-time outreach information officer and volunteer co-ordinator in Northumberland to help deaf and hard of hearing people, their families and healthcare professionals in the community

Included within "Other" are 31 restricted funds with no individual fund having an opening or closing balance greater than £50,000

The Wennington Charity is an endowment fund that is restricted to relieving the charitable needs of deaf and hard of hearing people who may suffer from any other illness or permanent conditions with a preference for elderly people

22. Transfers from unrestricted to restricted funds

	2011 £'000
The Bath Charity	1,848
Tinnitus Research	118
Other	4
The Wennington Charity	68
Total transfers	2,038

On 9 May 2011 the Charity Commission provided two schemes in relation to 'The Bath Charity' and 'The Wennington Charity' which clarify Action on Hearing Loss's legal position in relation to their related fixed assets previously held in the accounts as unrestricted funds Whilst these schemes were granted on 9 May 2011 they clarify a position which was in existence at 31 March 2011 and therefore these accounts reflect the actual legal position confirmed subsequently by the Charity Commission

The Bath Charity

The Charity Commission ruled that 81% of the value of the assets of the Poolemead complex (a number of registered care homes in Bath) are restricted funds relating to The Bath Charity whose objects are to relieve the charitable needs of people who are deaf or hard of hearing by the provision of services The remaining 19% of the value of the Poolemead complex reflects the capital improvements funded from Action on Hearing Loss's general fund Historically the full value of the Poolemead complex has been held in the accounts as general funds and therefore a transfer of £1,848,000, representing the restricted element of the Poolemead complex has been transferred from general to restricted funds

£64,000 of the restricted fund was held in an investment account which is expendable against the objects of The Bath Charity This has been applied against the services we have delivered during 2010/11 to support people who are deaf or hard of hearing

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Tinnitus Research

There has been a transfer of £118,000 from general funds into the Tinnitus Research fund following investigations during the year which concluded that a balance from a legacy received in a prior year was received for the benefit of Tinnitus Research

The Wennington Charity

The Charity Commission has directed that the fund formerly known as "the Wennington Trust for the Deaf and Dumb" which has been renamed to "The Wennington Charity", previously accounted for as general funds, needs to be reclassified as an endowment fund. The income generated from the fund may be expended on the objects of the Trust which are to relieve the charitable needs of deaf and hard of hearing people who may suffer from any other illness or permanent conditions with a preference for elderly people. The income generated from the endowment fund can be expended on the Trust's objects.

£68,000 has been transferred from general funds to restricted funds to reflect the endowment fund that has been created.

23. Commitments under operating leases

Group and Charity

As at 31 March 2011, Action on Hearing Loss had annual commitments under non-cancellable operating leases as set out below:

	2011		2010	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Operating leases which expire				
Within 1 year	509	115	389	57
In 2-5 years	322	185	364	292
After 5 years	94	-	141	-
	925	300	894	349

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For the year ended 31 March 2011

24. Reconciliation of net incoming resources to net cash inflow from operating activities

	2011 £'000	2010 £'000
Net incoming resources for the year	601	2,632
Interest paid	15	12
Interest received	(122)	(145)
Dividends received	(111)	(95)
	383	2,404
Depreciation charge for year	890	907
Loss on sale of fixed assets	3	63
(Increase)/decrease in stocks	(240)	21
Decrease/(increase) in debtors	1,394	(433)
(Decrease) in creditors	(50)	(349)
Pensions reserve funding deficit movements	(688)	(614)
Net cash inflow from operating activities	1,692	1,999

25. Reconciliation of net cash to movements in funds

	2011 £'000	2010 £'000
Increase in cash in the year	974	1,651
Change in net funds resulting from cashflow	974	1,651
Movement in net funds in the year	974	1,651
Net funds at 1 April 2010	5,845	4,194
Net funds at 31 March 2011	6,819	5,845

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26. Analysis of changes in net funds

	At 1 April 2010 £'000	Cash flows £'000	At 31 March 2011 £'000
Cash at bank and in hand	5,845	974	6,819

27. Corporation tax

As a charity, Action on Hearing Loss is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

Acknowledgements

We are grateful to the following funders who have given generously the following grants, donations and gifts in wills during the financial year

	2011 £	London Southbank University - Knowledge Transfer project	5,086
Big Lottery Fund (this funding is restricted)			
Healthier Lives - Northern Ireland	188,923	European NI ESF - Sustainable Work and Wellbeing	45,486
Young Adult Transitions - Wales - Stepping Stones	94,525	Special EU Programmes Body - Sensory Engagement Programme	13,573
North East Rural Volunteer Outreach - Information Project	92,160		
Outreach Volunteer - Northern Ireland	90,145	Trusts Nominet Trust	95,051
Scotland - On the Move	71,059	The Redfern Charitable Trust	86,500
Outreach Information Officer - South East	44,745	John and Lucille Van Geest Foundation - Biomedical Research	82,500
		Comic Relief	23,696
Statutory Department of Children Schools and Families - I-Sign	411,143	Awards for All	9,000
Scottish Government - Borders Local Integrated Sensory Services (*of which £195 631 was received in March 2010)	390,631*	Constance Travis Charitable Trust	6,000
Western Health and Social Care Trust - Outreach Project	40,361	Albert Hunt Trust	5,000
Welsh Assembly Government - Section 64 - Information South Wales	36,500	Corporate The Co-operative Group	739,000
Welsh Assembly Government - Section 64 - Information North Wales Project	36,500	Individual Thank you to Mrs Daphne Schild and Ms Annabel Schild for their generous donations towards biomedical research	
Department of Employment & Learning - Sustainable Work and Wellbeing	32,133	We remember with deep gratitude the 484 donors who left gifts to us in their wills in 2010/11 Every legacy gift is truly appreciated	
DHSSPS Northern Ireland Core costs	29,444	Many other organisations, trusts and individuals have given generously during the year and we are very grateful to all our supporters	
WCVA - Volunteering & Participation	29,371	This funding enables us to continue our vital work for people who are deaf, hard of hearing or have tinnitus	
South Eastern Health & Social Care Trust - Peer Support Worker - Northern Ireland	13,194		
Disablement Advisory Service - Sustainable Work and Wellbeing	13,062		

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