

# REGISTRAR OF COMPANIES

## The Commonwealth Society for the Deaf

### Annual Report and Financial Statements

31 May 2007



Company Limited by Guarantee  
Registration Number  
2739343 (England and Wales)

Charity Registration Number  
1013870

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## Reference and administrative details of the charity, its trustees and advisers

<b>Patron</b>	HRH The Duke of York KG KCVO ADC
<b>Vice Patron</b>	The Rt Hon The Baroness Chalker of Wallasey PC
<b>Directors</b>	J A Davis FCIS (Chairman) P Fossey-Chalmers SRN (Vice Chairman and Honorary Technical Adviser) W T Fraser-Allen BA (Hons) ACA (Honorary Treasurer) I G Tucker OBE PhD (Education Advisor) H Daya BSc FRCS (ORL) (Medical Adviser) M Nolan PhD J K Fincham PhD BA (Hons) D K Prasher BSc (Hons) PhD P A Wood D A Dougan BSc FBDO MIADO MSc M C Harper CMG MA J E Roberts
<b>Company secretary</b>	S W Green
<b>Chief Executive</b>	G Williams
<b>Registered office</b>	34 Buckingham Palace Road London SW1W 0RE
<b>Company registration number</b>	2739343 (England and Wales)
<b>Charity registration number</b>	1013870
<b>Auditors</b>	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
<b>Bankers</b>	Lloyds TSB plc Butler Place Branch Caxton Street London SW1H 0PR

## **Directors' report** Year to 31 May 2007

The directors present their statutory report together with the financial statements of The Commonwealth Society for the Deaf for the year ended 31 May 2007. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies set out on pages 4 and 4 of the attached accounts and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005.

The Commonwealth Society for the Deaf is also known as Sound Seekers.

### **GOVERNANCE, STRUCTURE AND MANAGEMENT**

#### **Governance**

The Society is governed by a Board of Directors which meets normally six times per year in order to direct and manage the work of the organisation. The Board appoints from their number a Chairman, Vice Chairman and Treasurer, who oversee the work of the Society between Board meetings.

The directors also act as trustees for the charitable activities of The Commonwealth Society for the Deaf.

The following directors were in office at 31 May 2007 and served throughout the year, except where shown.

<b>Director</b>	<b>Appointed / Resigned</b>
J A Davis FCIS (Chairman)	Appointed 1 June 2007
P Fossey Chalmers SRN (Vice-Chairman and Honorary Technical Adviser)	
I G Tucker OBE PhD (Honorary Education Adviser)	
M Nolan PhD	
J K Fincham PhD BA (Hons)	
W T Fraser-Allen BA (Hons) ACA (Honorary Treasurer)	
H Daya BSc FRCS (ORL) (Honorary Medical Adviser)	
D K Prasher BSc (Hons) PhD	
P A Wood	
D A Dougan BSc FBDO MIADO Msc	
M C Harper CMG MA	
J E Roberts	

In accordance with Article 41, D K Prasher, P A Wood, D A Dougan and M C Harper retire by rotation at the Annual General Meeting and being eligible, also offer themselves for re-election.

#### **Company secretary**

S W Green

## **GOVERNANCE, STRUCTURE AND MANAGEMENT (CONTINUED)**

### **Governance (continued)**

No trustees received any remuneration from the charity during the year (2006 - £nil) £374 (2006 - £580) was reimbursed to directors during the year and relates to costs incurred visiting the charity's overseas projects. A director, M Nolan, is the European President of Starkey Laboratories Limited which supplies equipment to projects run by the charity at or better than, normal commercial terms. The total amount paid to Starkey Laboratories Limited during the year, in respect of such equipment, was £13,298 (2006 - £15,553)

### **Training**

Upon joining the Board of Directors, Trustees are provided with a pack including information provided by The Charity Commission explaining their legal responsibilities, together with relevant information about the Society, including a copy of the charity's governing documents

### **Statement of directors' responsibilities**

Company law requires the directors (who also act as trustees for the charitable activities for The Commonwealth Society for the Deaf) to prepare financial statements which give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In preparing accounts giving a true and fair view, the directors are required to

- ◆ select suitable accounting policies and then apply them consistently,
- ◆ make judgements 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 will continue in operation

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enables them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Each of the directors confirm that

- ◆ So far as the director is aware, there is no relevant audit information of which the charity's auditors are unaware, and

## **GOVERNANCE, STRUCTURE AND MANAGEMENT (CONTINUED)**

### **Statement of directors' responsibilities (continued)**

- ◆ The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of the s234ZA of the Companies Act

### **Structure and management reporting**

The Board of Directors delegates responsibility for the day to day management of the Society to the Chief Executive, who reports to the Board through the Chairman. The Board have also set up a sub committee structure (e.g. Finance, Marketing and Fundraising, Education, Projects), to which the Chief Executive reports on developments. Sub Committees also have delegated responsibilities, as well as providing advice and submitting recommendations to the Board of Directors.

### **Risk management**

The directors have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity and its finances. The directors believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

## **ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES**

### **Activities and specific objectives**

The Society's mission is to provide/ work to improve essential equipment, skills and knowledge within developing countries that enable the needs of deaf people and those suffering impaired hearing, especially children, to be addressed.

The main objectives for the financial year were

- ◆ The completion of the Lesotho HARK<sup>1</sup> project, including the delivery of new laboratory equipment and a further package of in-country training to the project staff
- ◆ The running of a training course in Uganda on the maintenance of audiology technology (AMT)
- ◆ To complete the set-up phase of our HARK<sup>1</sup> project in The Gambia
- ◆ To make progress in the set-up of our HARK<sup>1</sup> Pune project

**ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)**

**Activities and specific objectives (continued)**

- ◆ To continue to support our Sierra Leone HARK! project
- ◆ Ongoing fundraising for projects and running costs

**ACHIEVEMENTS AND PERFORMANCE**

**Review of activities**

*Lesotho*

The Lesotho HARK! programme continued throughout the year to provide a mobile audiology service across the 'Mountain Kingdom'. The year saw Sound Seekers deliver a comprehensive suite of equipment that will enable the Lesotho HARK! team to calibrate and maintain the audiology equipment they have, as well as manufacture ear moulds. A week of additional training was also delivered during the year. Sound Seekers' formal involvement in the project came to an end on 31<sup>st</sup> December 2006, but we remain an interested and supportive friend of the project.

*The Gambia*

The year saw Sound Seekers make good progress with fundraising for The Gambia HARK! project, enabling us to move ahead with plans for its initial roll-out. This included the recruitment of two UK audiologists to set up and manage the development of the project during its first nine months, from April 2007, and the ordering of the HARK vehicle and associated equipment.

*Pune (India) HARK!*

The year saw us carry out a further review of the needs of the Maharashtra region, as part of our consultation with our partners at King Edward Memorial Hospital in Pune. The HARK! vehicle and equipment were ordered, ahead of the project's launch in 2007/8.

*Sierra Leone*

Having launched the HARK! Sierra Leone project the previous year, 2006/7 saw the work of the team continue to develop, with visits of the mobile clinic reaching out across the country.

*Audiology Maintenance Technology Course*

An AMT course took place in July/August 2006 at our Ugandan academic partner's campus, Kyambogo University, in Kampala. Five students took part in the course, representing Lesotho (2), The Gambia (2) and Uganda. Students were taught how to repair, maintain and calibrate audiology equipment such as audiometers and hearing aids, as well as make ear moulds for hearing aids.

*Fundraising*

During the year Sound Seekers was successful in securing important funding for existing and future projects.

## **FINANCIAL REVIEW**

### ***Results for the year***

Incoming resources for the year totalled £362,454 down £27,706 against 2006

The main area of expenditure was the direct cost of overseas projects which totalled £225,994 (2006 - £255,142)

The cost of generating funds has decreased by £7,275 to £56,826 mainly due to an decrease in related staff costs. Governance costs totalled £7,019 for the year (2006 - £6,280)

The surplus for the year was £72,615 (2006 - £64,637)

## **Reserves policy and financial position**

### ***Reserves policy***

The charity aims to maintain its unrestricted reserves to cover at least the following

- (a) Net investment in fixed assets (other than those financed by restricted funds),
- (b) three months operating expenditure other than expenditure on projects only incurred following receipt of donations of a restricted nature, and
- (c) cessation costs

### ***Financial position***

The balance sheet shows total funds of £457,870

These funds include an amount of £296,008, which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 14 to the accounts together with an analysis of movements in the year.

Funds totalling £1,015 have been designated, or set aside, by the trustees for specific purposes. These purposes and an analysis of the movements on the funds are set out in note 15 to the financial statements.

General funds of the charity at 31 May 2007 total £160,847



**FINANCIAL REVIEW** (continued)

**Reserves policy and financial position** (continued)

**Financial position** (continued)

The directors consider that this level of free reserves matches the parameters set out in the charity's reserves policy above and they, therefore, consider free reserves to be adequate but not excessive

**The charity's assets**

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements

**Auditors**

On 30 September 2007, Buzzacott, the charity's auditors, transferred their entire business to Buzzacott LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The directors have consented to treating the appointment of Buzzacott as auditors as extending to Buzzacott LLP. In accordance with section 385 of the Companies Act 1985, Buzzacott LLP will be proposed for re-appointment as auditors of the charity

Approved by the directors and signed on their behalf by

*William Fraser Allen*

Director

Approved by the directors on

*17 October 2007*

**Report of the independent auditors to the members of The Commonwealth Society for the Deaf**

We have audited the financial statements on pages 4 to 4 which have been prepared under the historical cost convention and the accounting policies set out on pages 4 and 4

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 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 directors and auditors**

As described on page 3 the directors (who also act as trustees for the charitable activities of The Commonwealth Society for the Deaf) are responsible for the preparation of the directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read information contained in the trustees' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

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

## **Independent auditors' report** 31 May 2007

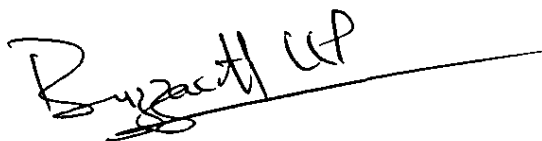
### **Basis of opinion (continued)**

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

### **Opinion**

In our opinion the financial statements

- ◆ give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the charitable company's state of affairs as at 31 May 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- ◆ have been properly prepared in accordance with the Companies Act 1985, and
- ◆ the information given in the directors' report is consistent with the financial statements



Buzzacott LLP  
Chartered Accountants and Registered Auditors  
12 New Fetter Lane  
London  
EC4A 1AG

17 October 2007

# Statement of financial activities Year to 31 May 2007

	Notes	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
<b>Income and expenditure</b>					
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	1	85,261	39,975	<b>125,236</b>	99,429
Activities for generating funds	2	34,736	—	<b>34,736</b>	48,671
Interest receivable		14,833	—	<b>14,833</b>	10,892
Incoming resources from charitable activities	3	—	187,649	<b>187,649</b>	231,168
<b>Total incoming resources</b>		<b>134,830</b>	<b>227,624</b>	<b>362,454</b>	<b>390,160</b>
<b>Resources expended</b>					
Cost of generating funds	4	56,826	—	<b>56,826</b>	64,101
Charitable activities	5	47,656	178,338	<b>225,994</b>	255,142
Governance costs	6	7,019	—	<b>7,019</b>	6,280
<b>Total resources expended</b>		<b>111,501</b>	<b>178,338</b>	<b>289,839</b>	<b>325,523</b>
<b>Net incoming resources before transfers</b>		<b>23,329</b>	<b>49,286</b>	<b>72,615</b>	<b>64,637</b>
<b>Transfers between funds</b>		<b>(5,607)</b>	<b>5,607</b>	<b>—</b>	<b>—</b>
<b>Net movements in funds</b>		<b>17,722</b>	<b>54,893</b>	<b>72,615</b>	<b>64,637</b>
<b>Fund balances brought forward at 1 June 2006</b>		<b>144,140</b>	<b>241,115</b>	<b>385,255</b>	<b>320,618</b>
<b>Fund balances carried forward at 31 May 2007</b>		<b>161,862</b>	<b>296,008</b>	<b>457,870</b>	<b>385,255</b>

There were no gains and losses in the period other than those included in the statement above

There is no difference between the net movement in funds stated above, and the historical cost equivalent

All of the charity's activities derived from continuing operations during the above two financial periods

# **Balance sheet** 31 May 2007

	Notes	2007 £	2007 £	2006 £	2006 £
<b>Fixed assets</b>					
Tangible assets	11		46,586		31,521
<b>Current assets</b>					
Debtors	12	8,691		9,439	
Cash at bank and in hand		437,345		357,320	
		446,036		366,759	
<b>Creditors</b> amounts falling due within one year	13	(34,752)		(13,025)	
<b>Net current assets</b>			411,284		353,734
<b>Total net assets</b>			457,870		385,255
<b>Represented by</b>					
<b>Funds and reserves</b>					
<b>Income funds</b>					
Restricted funds	14		296,008		241,115
Unrestricted funds					
General fund			160,847		143,125
Designated funds	15		1,015		1,015
			457,870		385,255

Approved by the directors  
and signed on their behalf by

*William Fraser-Allen*

Director

Approved on 17 October 2007

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1985 Applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements

**Incoming resources**

Cash donations, legacies and collections are treated as income in the year in which they are received

Gifts in kind (being equipment for distribution to needy organisations and individuals) is recognised in the year in which it is onwardly distributed

Income from special events is included in the year in which the event takes place

Income from investments, including, where appropriate, inputted tax credits and covenanted income are accounted for on a receivable basis

The value of voluntary help is not included in the financial statements

**Resources expended and the basis of apportioning costs**

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered

Resources expended comprise the following

- a The costs of generating funds include the salaries, direct costs and overheads associated with generating donated income
- b The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the directors' report

The majority of costs are directly attributable to specific activities Certain shared costs are apportioned to activities in furtherance of the objects of the charity Staff costs are apportioned on the basis of estimated staff hours

- c Governance costs comprise costs which are directly attributable to legal procedures necessary for compliance with statutory requirements

**Gifts in kind**

Gifts for onward distribution to beneficiaries of the charity are included at their market value as assessed by a qualified professional

**Tangible fixed assets**

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives

- ♦ Hark! vehicles 33 3% per annum based on cost
- ♦ Office equipment 10% per annum based on cost

**Fund accounting**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects

**Cash flow**

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements"

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction Exchange differences are taken into account in arriving at the net movement in funds

**Leased asset**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight line basis over the lease term

**1 Voluntary income**

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Donations				
General donations (including Trust funds)	78,055	—	<b>78,055</b>	27,862
Covenanted donations	7,206	—	<b>7,206</b>	6,635
Donated equipment for use abroad	—	39,975	<b>39,975</b>	64,932
<b>Total</b>	<b>85,261</b>	<b>39,975</b>	<b>125,236</b>	<b>99,429</b>

**2 Incoming resources from activities for generating funds**

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Radio Appeal	14,108	—	<b>14,108</b>	—
Rock Concert	8,855	—	<b>8,855</b>	—
Monday Lottery	7,773	—	<b>7,773</b>	—
Dinner	—	—	—	38,671
People for People	4,000	—	<b>4,000</b>	10,000
<b>Total</b>	<b>34,736</b>	<b>—</b>	<b>34,736</b>	<b>48,671</b>

**3 Incoming resources from charitable activities**

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Hark! Namibia	—	—	—	303
Hark! The Gambia	—	44,010	<b>44,010</b>	67,846
Uganda School for the Deaf	—	—	—	10,783
Becham School for the Deaf	—	—	—	7,730
Hark! India	—	5,680	<b>5,680</b>	80,096
Hark! Lesotho	—	1,514	<b>1,514</b>	7,203
Training	—	14,139	<b>14,139</b>	10,082
Hark! Sierra Leone	—	12,250	<b>12,250</b>	47,000
Vocational Training for Young Adults, Sierra Leone	—	8,740	<b>8,740</b>	—
Malawi	—	—	—	62
Zambia	—	—	—	63
Hark! Tanzania	—	101,066	<b>101,066</b>	—
	—	<b>187,649</b>	<b>187,649</b>	<b>231,168</b>



**4 Cost of generating funds**

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Fundraising costs				
Staff costs and fees	34,442	—	<b>34,442</b>	41,840
Radio Appeal	234	—	<b>234</b>	—
Rock Concert	14,557	—	<b>14,557</b>	—
Monday Lottery	1,635	—	<b>1,635</b>	—
Dinner	—	—	—	16,792
Other costs	5,958	—	<b>5,958</b>	5,469
<b>Total</b>	<b>56,826</b>	<b>—</b>	<b>56,826</b>	<b>64,101</b>

**5 Cost of charitable activities**

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Staff costs and fees	15,883	43,639	<b>59,522</b>	60,157
Office and other costs	31,773	—	<b>31,773</b>	28,560
Equipment for use abroad	—	39,975	<b>39,975</b>	64,932
Hark! Uganda	—	—	—	965
Uganda School for the Deaf	—	—	—	7,390
Becham School for the Deaf	—	—	—	7,730
Hark! Tanzania	—	196	<b>196</b>	—
Hark! The Gambia	—	36,316	<b>36,316</b>	864
Hark! Namibia	—	2,298	<b>2,298</b>	1,005
Swazi Earcare	—	141	<b>141</b>	40
Hark! Lesotho	—	17,605	<b>17,605</b>	5,856
Hark! India	—	1,165	<b>1,165</b>	10,000
Training	—	9,350	<b>9,350</b>	15,773
Hark! Sierra Leone	—	27,653	<b>27,653</b>	51,870
<b>Total</b>	<b>47,656</b>	<b>178,338</b>	<b>225,994</b>	<b>255,142</b>

**6 Governance costs**

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Auditors' remuneration				
Statutory audit services	3,408	—	<b>3,408</b>	2,702
Other costs				
Board meetings & other statutory arrangements	3,611	—	<b>3,611</b>	3,578
<b>Total</b>	<b>7,019</b>	<b>—</b>	<b>7,019</b>	<b>6,280</b>

**7 Net incoming (outgoing) resources before transfers**

This is stated after charging

	<b>2007 Total funds £</b>	<b>2006 Total funds £</b>
Staff costs (note 8)	<b>100,241</b>	100,575
Auditors' remuneration	<b>3,408</b>	2,702
Depreciation	<b>30,631</b>	25,563
Operating lease rentals	<b>18,693</b>	18,693

**8 Employees and staff costs**

Staff costs during the year were as follows

	<b>2007 £</b>	<b>2006 £</b>
Wages and salaries	<b>91,297</b>	92,667
Social security costs	<b>8,944</b>	7,908
	<b>100,241</b>	100,575

The average number of UK employees during the year, calculated on a full time equivalent basis, analysed by function, was as follows

	<b>2007 Number</b>	<b>2006 Number</b>
Generation of funds	<b>1 5</b>	1 5
Charitable activities	<b>1 5</b>	1 5
	<b>3 0</b>	3 0

The average number of employees during the year, calculated on an average headcount basis was 6 0

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year (2006 – none)

**9 Directors' remuneration and related party transactions**

None of the directors received any remuneration in respect of their services during the year (2006 – £nil)

£374 (2006 – £580) was reimbursed to directors during the year and relates to costs incurred visiting the charity's overseas projects and UK expenses

**9 Directors' remuneration and related party transactions** (continued)

Dr M Nolan, a director, is the European President of Starkey Laboratories Limited, a company to which payments of £13,298 (2006 - £15,553) were made during the year in connection with the purchase of project equipment, at or better than, normal commercial terms

Mr G Williams, the Chief Executive, is a trustee of People for People, a charity which made a donation of £4,000 to the Society (2006 - £10,000)

**10 Taxation**

The Commonwealth Society for the Deaf is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities

**11 Tangible fixed assets**

	Hark! India vehicle £	Hark! Sierra Leone £	Hark! The Gambia £	Office Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 June 2006	30,000	44,990	—	5,662	<b>80,652</b>
Additions	—	—	44,990	706	<b>45,696</b>
Disposals	(30,000)	—	—	—	<b>(30,000)</b>
At 31 May 2007	—	44,990	44,990	6,368	<b>96,348</b>
<b>Depreciation</b>					
At 1 June 2006	30,000	14,997	—	4,134	<b>49,131</b>
Charge for year	—	14,997	14,997	637	<b>30,631</b>
Disposals	(30,000)	—	—	—	<b>(30,000)</b>
At 31 May 2007	—	29,994	14,997	4,771	<b>49,762</b>
<b>Net book values</b>					
At 31 May 2007	—	14,996	29,993	1,597	<b>46,586</b>
At 31 May 2006	—	29,993	—	1,528	<b>31,521</b>

**12 Debtors**

	2007 £	2006 £
Taxation recoverable	<b>2,717</b>	5,177
Other debtors	<b>4,416</b>	2,704
Prepayments and accrued income	<b>1,558</b>	1,558
	<b>8,691</b>	9,439

**13 Creditors: amounts falling due within one year**

	2007 £	2006 £
Other creditors	5,327	6,467
Accruals and deferred income	29,425	6,558
	<b>34,752</b>	<b>13,025</b>

**14 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes

	At 1 June 2006 £	Incoming resources £	Expenditure, gains and losses £	Transfers £	At 31 May 2007 £
Equipment for use abroad	—	39,975	(39,975)	—	—
Hark! Tanzania	—	101,066	(196)	—	<b>100,870</b>
Hark! Sierra Leone	80,145	12,250	(43,696)	—	<b>48,699</b>
Hark! Namibia	2,298	—	(2,298)	—	—
Hark! India (Pune)	78,688	5,680	(1,165)	—	<b>83,203</b>
Swazi Earcare	—	—	(141)	141	—
Hark! Lesotho	17,187	1,514	(19,950)	1249	—
Hark! The Gambia	62,672	44,010	(52,561)	—	<b>54,121</b>
Vocational Training for Young Adults, Sierra Leone	—	8,740	—	—	<b>8,740</b>
Zambia	63	—	—	—	<b>63</b>
Malawi	62	—	—	—	<b>62</b>
Training	—	14,139	(18,356)	4,217	—
	<b>241,115</b>	<b>227,624</b>	<b>(178,338)</b>	<b>5,607</b>	<b>296,008</b>

The specific purposes for which the funds are to be applied are as follows

**Equipment for use abroad**

This fund represents equipment donated for onward distribution to needy organisations and individuals

**Hark! Tanzania**

This fund represents donations made specifically to support projects in Tanzania

**Hark! Sierra Leone**

This fund represents donations made specifically to support the Hark! Project in Sierra Leone

**Hark! Namibia**

This fund represents donations made specifically to support the Hark! project in Namibia  
This project has now ended

**14 Restricted funds (continued)**

**Hark! India (Pune)**

This fund represents donations made specifically to support the Hark! Project in Pune, India

**Swazi Earcare**

This fund represents donations made specifically to fund the Swazi Earcare project. This project has now finished.

**Hark! Lesotho**

This fund represents donations made specifically to the Hark! Lesotho project. This project has now ended.

**Hark! Gambia**

This fund represents donations made specifically to support the Hark! Project in Gambia.

**Vocational Training for Young Adults, Sierra Leone**

This fund represents donations made specifically to support vocational training for young adults in Sierra Leone.

**Zambia**

This fund represents donations made specifically to support the Hark! Project in Zambia.

**Malawi**

This fund represents donations made specifically to support our work with the deaf in Malawi.

**Training**

This fund represents donations made towards the AMT audiological courses at NESBOT and the Institute of Laryngology and Autology in London and also the AMT course in Uganda.

**15 Designated funds**

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

	At 1 June 2006 £	New designations £	Utilised/ released £	At 31 May 2007 £
Jairos Jiri Naran Centre, Zimbabwe	1,015	—	—	1,015

This fund represents donations made at the funeral of Andrew McPherson. These funds have been designated to the Jairos Jiri Naran Centre in Zimbabwe.

## Notes to the financial statements 31 May 2007

### 16 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total 2007 £
<b>Fund balances at 31 May 2007 are represented by</b>				
Tangible fixed assets	1,597	—	44,989	<b>46,586</b>
Current assets	187,634	1,015	257,387	<b>446,036</b>
Creditors amounts falling due within one year	(28,384)	—	(6,368)	<b>(34,752)</b>
<b>Total net assets</b>	<b>160,847</b>	<b>1,015</b>	<b>296,008</b>	<b>457,870</b>

### 17 Leasing commitments

Operating leases

At 31 May 2007 the charity had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007 £	2006 £
Operating leases which expire		
Within one year	<b>18,693</b>	—
Within two to five years	—	18,693