

# REGISTRAR OF COMPANIES

## The Commonwealth Society for the Deaf

### Annual Report and Financial Statements

31 May 2012

Company Limited by Guarantee  
Registration Number

2739343 (England and Wales)  
Charity Registration Number  
1013870

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## **Contents**

### **Reports**

Reference and administrative details of the charity, its directors and advisers	1
Directors' report	3
Independent auditor's report	11

### **Financial Statements**

Statement of financial activities	13
Balance sheet	14
Principal accounting policies	15
Notes to the financial statements	17

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

<b>Patron</b>	HRH The Duke of York KG KCVO ADC
<b>Vice Patrons</b>	The Rt Hon The Baroness Chalker of Wallasey PC The Rt Hon Malcolm Bruce MP Sir Peter Bottomley, MP William Austin Mary Perkins
<b>Directors</b>	Judith Roberts (Chair) Ivan G Tucker OBE PhD (Vice Chairman) Soren Presser-Velder Lic rer pol (magna cum laude) Liz Rer (Honorary Treasurer) Hamud Daya BSc FRCS (ORL) (Medical Adviser) Dermot A Dougan BSc FBDO MIADO MSc Graham P Frost BSc(Hons) MSc RHAD MIOA MIET John K Fincham PGCE BA(Hons) PhD MRSC Niall Keane BEd, BA, MSc Health Economics Michael Nolan PhD (Hon Technical Adviser) Elwina Timchin MBChB MRCP MSc
<b>Chief Executive</b>	Lucy Carter (effective from 11 July 2012)  <i>Previously Gary Williams (resigned effective from 13 July 2012)</i>
<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>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

## **Reference and administrative details of the charity, its directors and advisers**

**Bankers**      The Co-operative Bank  
Delf House  
Southway  
Skelmersdale  
WN8 6WT

Lloyds TSB plc  
Butler Place Branch  
Caxton Street  
London  
SW1H 0PR

**Investment Managers**      Smith and Williamson Investment  
Management  
25 Moorgate  
London  
EC2R 6AY

## **Directors' report** Year to 31 May 2012

The directors, who are also the trustees for the purposes of the Charities Act, present their statutory report together with the financial statements of The Commonwealth Society for the Deaf for the year ended 31 May 2012. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and it is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 and 16 of the attached financial statements 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 charity is governed by a Board of Directors which meets no less than five times per year (from October 2012, the Board will meet four times a year, including the AGM) 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 charity between Board meetings.

The following directors were in office at the date of approval of the financial statements and served throughout the year ended 31 May 2012, except where shown.

<b>Director</b>	<b>Appointed /Resigned</b>
Malcolm C Harper CMG MA (Chair until 31/07/2012)	Resigned 31/07/2012
Ivan Tucker OBE PhD (Vice Chairman & Hon Educational Adviser from 17/12/10)	
Will T Fraser-Allen BA (Hons) ACA (Hon Treasurer)	Resigned 01/07/2012
Soren Presser-Velder Lic rer pol (magna cum laude) (Honorary Treasurer)	Appointed 01/07/2012
Hamid Daya BSc FRCS (ORL) (Hon Medical Adviser)	
Dermot A Dougan BSc FBDO MIADO MSc	
G P Frost BSc(Hons) MSc RHAD MIOA MIET (Hon Technical Adviser)	
John K Fincham PGCE BA(Hons) PhD MRSC C Chem	
Malcolm Garner BEd PhD	Resigned 22/06/2011
Niall Keane BEd, BA, MSc Health Economics	Appointed 01/06/2012
Michael Nolan PhD	
Deepak K Prasher BSc (Hons) PhD	Resigned 24/04/2012
Judith E Roberts (became Chair from 31/7/2012)	
Andrew W Smith BSc MSc MB BS MRCP DCH	Resigned 18/03/2011
Elwina Timehin MBChB MRCP MSc	Appointed 22/06/2011

In accordance with Article 41 and Article 46, appropriate Directors will retire by rotation at the Annual General Meeting and if eligible, may also offer themselves for re-election.

**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

**Governance** (continued)

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 charity, including a copy of the charity's governing documents

No directors received any remuneration from the charity during the year (2011 - £nil) £5,611 (2011 - £40) was reimbursed to directors during the year and relates to costs incurred in the UK and visiting the charity's overseas projects

**Statement of directors' responsibilities**

The directors (who also act as the trustees for the charitable activities for The Commonwealth Society for the Deaf) are responsible for preparing the directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. Under company law the directors must not approve the financial statements unless they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of The Commonwealth Society for the Deaf for that period.

In preparing these financial statements, the directors are required to

- ◆ select suitable accounting policies and then apply them consistently,
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP),
- ◆ make judgements and estimates that are reasonable and prudent,
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- ◆ 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 keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

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

Each of the directors confirms that

- ◆ so far as the director is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- ◆ 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 s418 of the Companies Act 2006

The directors are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

**Structure and management reporting**

The Board of Directors delegates responsibility for the day to day management of the Charity to the Chief Executive, who reports to the Board at each of their meetings, which take place at least five times per year. The Board have also set up a sub committee structure (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 charity's main purpose is to improve the lives of the hearing impaired in the developing world

Our work encompasses

- ◆ increasing understanding of hearing impairment and the needs of sufferers in developing countries,
- ◆ providing training, facilities and equipment in those countries to enable screening, diagnosis, treatment and rehabilitation, and
- ◆ improving access for the hearing impaired to education, social support and technology

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

**Activities and specific objectives** (continued)

The main objectives for the financial year were

- ◆ To continue to support the HARK! project in the Gambia
- ◆ To continue to develop the Tanzania HARK! project
- ◆ To continue to support the HARK! project in Pune, India
- ◆ To continue to support the HARK project in Ghana
- ◆ To continue the set-up phase for a HARK! project in Zambia
- ◆ To commence the set-up phase for a HARK! project in Cameroon
- ◆ To commence the set-up phase for a HARK! project in Lesotho
- ◆ To commence the set-up phase for a HARK! project in Malawi
- ◆ To fund the building of a secondary vocational school in Kenya
- ◆ To commence an Audiology Maintenance and Technology course in the University of Nairobi, Kenya
- ◆ Ongoing fundraising for projects and running costs

**Public benefit statement**

The directors (who also act as trustees for the charitable activities of The Commonwealth Society for the Deaf) confirm that they have complied with their duty under section 17 of the Charities Act 2011. They have considered the public benefit guidance published by the Charity Commission and believe that they have followed its guidance in this area. The annual report gives a detailed description of the activities undertaken by the charitable company during the period in furtherance of its charitable purposes, and the directors are satisfied that all such activities provide a public benefit.

**Achievements and performance**

**Cameroon**

In the first half of 2012, Sound Seekers staff made plans with a US-based organisation (Global Deaf Connection) to plan a combined visit in February 2013 to Cameroon to move the project forward. At the close of the financial year, Sound Seekers was exploring promising links with other health service providers in Cameroon who might be able to implement the project if the Ministry of Health cannot do so. We have a promising link with the Cameroon Baptist Convention and are looking forward to pushing this project forward.



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

**Achievements and performance** (continued)

**Ghana**

The Ghana HARK<sup>1</sup> has been active providing primary ear and hearing care in Kumasi region since 2009. Other than paying for insurance for the vehicle, which we have committed to doing until July 2012, we did not make any financial contribution to the running of this project during this financial year.

**India**

The India HARK<sup>1</sup>, which was constructed in India by the car manufacturers TATA, was funded by Sound Seekers and has been active providing primary ear and hearing care in Pune region since 2008. During this financial year, we did not make any financial contribution to the running of this project (because the project is now run locally), but we benefit from networking and advice about challenges overcome received from the project co-ordinators.

**Kenya**

Sound Seekers supported two activities in Kenya during this reporting period. The first is setting up the Audiology Maintenance and Technology (AMT) course at the University of Nairobi. Sound Seekers has supported the running of this course at the University of Kyambogo in Uganda for several years and it is now being transferred to Kenya, where it will run alongside the one-year diploma in Clinical Audiology and Public Health Otology. In February 2012, Sound Seekers sponsored the former course coordinator from the University of Kyambogo and the new course coordinator from the University of Nairobi to meet in Nairobi in order to discuss the practical implications of transferring the course. The first AMT course is due to run in Nairobi in January 2013.

The second activity is financing construction work at a secondary school in the south of Kenya, including two classrooms, one workshop, one administration block and two toilet blocks. We have also financed solar panels and water harvesting equipment and various items of furniture. Sound Seekers still has around £5,000 set aside for Kilifi school and, in liaison with the school management team, will negotiate how this money can be best spent for the benefit of the school pupils.

**Lesotho**

The original Lesotho HARK<sup>1</sup> was unfortunately damaged beyond repair in a road accident. Since the team in Lesotho was active in implementing their mobile primary ear and hearing care service, Sound Seekers fundraised to replace the HARK<sup>1</sup> vehicle. The construction of the vehicle was completed during this reporting period, and before shipping it to Lesotho, it was on display as part of the Sound Seekers' programme at the British Academic Conference in Otolaryngology in July.

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

**Achievements and performance** (continued)

**Malawi**

Sound Seekers has raised funds for Malawi to send two candidates on the one-year diploma in Clinical Audiology and Public Health Otology. The first candidate started in September 2011 and the second candidate will start in September 2012. Meanwhile, Sound Seekers has financed the transfer of a HARK<sup>1</sup> vehicle from South Africa to Malawi. The vehicle will be based at Queen Elizabeth Central Hospital in Blantyre, where Sound Seekers will sponsor the equipping of a static audiology unit.

**Sierra Leone**

Sound Seekers' new Project Development Manager visited Sierra Leone in April 2012 in order to follow up on the HARK<sup>1</sup> programme which was active between 2006-2009. Unfortunately, the Ministry of Health has not managed to continue the support of the mobile programme, and the Project Manager started negotiations with other partners who may be able to take over the running of the vehicle in order to use it for its desired purpose. There may be possibilities to re-engage in Sierra Leone, for example working with St Joseph's School for the Hearing Impaired in Makeni and Ola During Children's Hospital in Freetown.

**Tanzania**

Two Sound Seekers Directors, acting as Project Champions, visited in February and March 2012 to monitor project implementation and progress. During this reporting period, there was a change in management at Muhimbili hospital in Dar Es Salaam, where Sound Seekers has been supporting the establishment of audiology services. The new Executive Director wished to renegotiate and extend the collaboration with Sound Seekers, in order to improve the delivery of the programme. The next phase of the project will involve collaboration with CCBRT for delivery of the audiology and ENT outreach clinic. CCBRT is a local NGO providing disability and rehabilitation services in Tanzania.

**The Gambia**

The Gambia HARK<sup>1</sup> team has continued to deliver their outreach programme during this reporting period, without any financial support from Sound Seekers. The fact that the Gambian Ministry of Health has taken financial responsibility for this project, including fuelling the vehicle and paying staff allowances, is very encouraging. In May, a Danish medical audiologist/ENT visited The Gambia for two weeks, to work with the HARK<sup>1</sup> team, most of whom are new and do not have the same training and experience as the original team. Due to the staff changes, The Gambia Phase II project has been delayed, as it was envisaged that the original team (with several years training between them) would carry out the trainings in the eight outlying clinics. This will advance when further training has been arranged for the replacement team. At Bansang Hospital, in the east of the country, there has been significant development in the establishment of an audiology clinic.

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

**Achievements and performance** (continued)

**Zambia**

The Zambia HARK<sup>1</sup> arrived in-country in early 2012. The Project Development Manager visited Zambia in May and spent several days in Ndola, where the HARK<sup>1</sup> will be based at Ndola Central Hospital when the team has been trained and the equipment has arrived. We have arranged for the Clinical Officer for ENT to be sponsored by Sound Seekers to participate in the one-year diploma course in Nairobi. Trainings in primary ear and hearing care are planned for the last quarter of 2012 for candidates of Ndola Central Hospital and Arthur Davison Children's Hospital (also in Ndola). These will be carried out by a UK ENT Registrar who is being sponsored to visit Ndola by Sound Seekers and a Zambian Audiologist who has been doing some work for us on the ground.

**Fundraising**

Fundraising continued during the year in support of existing and future projects.

**FINANCIAL REVIEW**

**Investment policy and performance**

The investment strategy is set by the directors and takes into account income requirements, present and future financial expenditure requirements, risk profile and the investment manager's advice and view of the market prospects in the long term.

The policy is to maximise total return through a diversified portfolio whilst providing a level of income advised by the directors from time to time. There is also an Ethical Policy precluding investment directly in any company which has the majority of its business in arms, defence, tobacco or gambling.

The performance of the portfolio and the charity's investment strategy are reviewed regularly by the directors with the investment managers.

The charity's investments comprise one portfolio of listed investments. Investments with a market value of £239,089 at 31 May 2012 are managed by Smith and Williamson Investment Management.

There are no restrictions on the charity's power to invest.

During the year the charity's investments performed well generating a pleasing level on income and capital growth.

**Results for the year**

Incoming resources for the year totalled £173,383 down £334,541 against 2011.

The main area of expenditure was the direct cost of overseas projects, which totalled £200,406 (2011 - £188,737).

## **Directors' report** Year to 31 May 2012

### **FINANCIAL REVIEW** (continued)

#### **Results for the year** (continued)

The cost of generating funds has decreased by £8,789 to £51,486 mainly because fewer events took place this year. Governance costs totalled £15,375 for the year (2011 - £12,850)

The deficit for the year was £115,403 (2011 – surplus £94,996)

#### **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 £718,291

These funds include an amount of £262,480, 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 16 to the financial statements together with an analysis of movements in the year.

Funds totalling £248,735 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 17 to the financial statements.

General funds of the charity at 31 May 2012 total £207,076

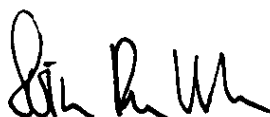
The directors consider that this level of free reserves matches the parameters set out in the charity's reserves policy above and they, therefore, consider free reserves to be adequate but not excessive.

#### **The charity's assets**

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

Approved by the directors and signed on their behalf by

Director



SOREN PRESSER-VELDER

Approved by the directors on

22 Nov 2012

## **Independent auditor's report 31 May 2012**

### **Independent auditor's report to the members of The Commonwealth Society for the Deaf**

We have audited the financial statements of The Commonwealth Society for the Deaf for the year ended 31 May 2012 which comprise the statement of financial activities, balance sheet, the principal accounting policies and the related notes. 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 charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity'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**

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the statement of directors' responsibilities set out in the Directors' Report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 (APB'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 charitable company'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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

## **Independent auditor's report 31 May 2012**

### **Opinion on financial statements**

In our opinion the financial statements

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 May 2012 and of its 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

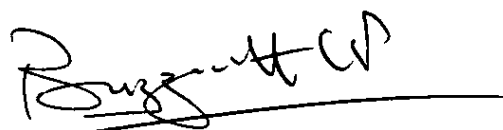
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' 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 requires us to report to you if, in our opinion

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- ◆ the 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



Avnish Savjani, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

30 November 2012

## Statement of financial activities Year to 31 May 2012

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
<b>Income and expenditure</b>					
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	1	50,046	25,113	<b>75,159</b>	229,077
Activities for generating funds	2	10,659	—	<b>10,659</b>	10,113
Investment income and interest receivable	3	12,394	—	<b>12,394</b>	8,008
Incoming resources from charitable activities	4	—	75,171	<b>75,171</b>	87,343
<b>Total incoming resources</b>		<b>73,099</b>	<b>100,284</b>	<b>173,383</b>	<b>334,541</b>
<b>Resources expended</b>					
Cost of generating funds	5	51,486	—	<b>51,486</b>	60,275
Charitable activities	6	63,233	137,173	<b>200,406</b>	188,737
Governance costs	7	15,375	—	<b>15,375</b>	12,850
<b>Total resources expended</b>		<b>130,094</b>	<b>137,173</b>	<b>267,267</b>	<b>261,862</b>
<b>Net (outgoing)/ incoming resources before transfers</b>	8	(56,995)	(36,889)	<b>(93,884)</b>	72,679
<b>Transfers between funds</b>		(5,066)	5,066	—	—
<b>Net incoming resources before other recognised gains and losses</b>		(62,061)	(31,823)	<b>(93,884)</b>	72,679
<b>Net (losses) gains on investments</b>		(21,519)	—	<b>(21,519)</b>	22,257
<b>Net movements in funds</b>		(83,580)	(31,823)	<b>(115,403)</b>	94,996
<b>Fund balances brought forward at 1 June 2011</b>		<b>539,391</b>	<b>294,303</b>	<b>833,694</b>	<b>738,698</b>
<b>Fund balances carried forward at 31 May 2012</b>		<b>455,811</b>	<b>262,480</b>	<b>718,291</b>	<b>833,694</b>
				<b>2012 £</b>	<b>2011 £</b>
Net movements in funds				<b>(115,403)</b>	94,996
Unrealised losses/(gains) in investments				<b>21,518</b>	(22,257)
Difference between historical cost realised gains and the actual realised gains calculated on the revalued amounts				<b>40</b>	38
<b>Historical net movement in funds</b>				<b>(93,845)</b>	<b>72,777</b>

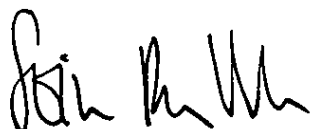
All of the charity's activities derived from continuing operations during the above two financial periods

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been prepared

**Balance sheet** as at 31 May 2012

	Notes	2012 £	2012 £	2011 £	2011 £
<b>Fixed assets</b>					
Tangible assets	12		52,233		—
Investments	13		239,089		261,722
<b>Current assets</b>					
Debtors	14	4,223		67,786	
Short term deposits		405,632		546,733	
Cash at bank and in hand		28,137		32,106	
		<u>437,992</u>		<u>646,625</u>	
<b>Creditors</b> amounts falling due within one year	15	(11,023)		(74,653)	
<b>Net current assets</b>			<u>426,969</u>		<u>571,972</u>
<b>Total net assets</b>			<u>718,291</u>		<u>833,694</u>
<b>Represented by.</b>					
<b>Funds and reserves</b>					
<b>Income funds:</b>					
Restricted funds	16		262,480		294,303
Unrestricted funds					
General fund			215,707		276,654
Designated funds	17		240,104		262,737
			<u>718,291</u>		<u>833,694</u>

Approved by the directors  
and signed on their behalf by



Director **SOREN PRESSER-VELDOR**

Approved on **22 Nov 2012**



## **Principal accounting policies 31 May 2012**

### **Basis of accounting**

The financial statements have been prepared under the historical cost, as modified by the inclusion of investments at market value, convention and in accordance with the requirements of the Companies Act 2006. 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, imputed tax credits and gift aid 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.

## **Principal accounting policies 31 May 2012**

### **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 £1,000 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

### **Investments**

Investments are included on the balance sheet at their market value at the end of the financial period. Realised and unrealised gains (losses) are credited (or debited) to the statement of financial activities in the period in which they arise

## Notes to the financial statements 31 May 2012

### 1 Voluntary income

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Donations				
General donations (including Trust funds)	34,162	—	<b>34,162</b>	44,945
Gift Aid donations	5,830	—	<b>5,830</b>	7,299
Legacies	10,054	—	<b>10,054</b>	150,533
Donated equipment for use abroad	—	25,113	<b>25,113</b>	26,300
	<b>50,046</b>	<b>25,113</b>	<b>75,159</b>	<b>229,077</b>

### 2 Incoming resources from activities for generating funds

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Manchester Dog Racing	—	—	—	148
London Marathon	—	—	—	1,165
Recital	630	—	<b>630</b>	—
Xmas DM	29	—	<b>29</b>	—
People for People	10,000	—	<b>10,000</b>	8,800
	<b>10,659</b>	<b>—</b>	<b>10,659</b>	<b>10,113</b>

### 3 Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
UK listed investments	8,631	—	<b>8,631</b>	5,289
Interest receivable	3,763	—	<b>3,763</b>	2,719
	<b>12,394</b>	<b>—</b>	<b>12,394</b>	<b>8,008</b>

## Notes to the financial statements 31 May 2012

### 4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Ashray Akrotiri	—	—	—	1,425
Hark! Cameroon	—	1,000	1,000	5,750
Hark! Lesotho	—	60,733	60,733	—
Hark! Namibia	—	—	—	(61,100)
Hark! Tanzania	—	1,101	1,101	17,305
Hark! The Gambia	—	—	—	60,097
Hark! Zambia	—	10,000	10,000	—
Kenya School Project	—	—	—	927
Malawi	—	—	—	62,939
Kenya	—	2,287	2,287	—
Zimbabwe	—	50	50	—
	—	75,171	75,171	87,343

### 5 Cost of generating funds

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Fundraising costs				
Staff costs and fees	45,365	—	45,365	43,561
Other costs	5,007	—	5,007	16,119
Investment manager costs				
Investment management fees	1,114	—	1,114	595
<b>Total</b>	<b>51,486</b>	<b>—</b>	<b>51,486</b>	<b>60,275</b>

## Notes to the financial statements 31 May 2012

### 6 Cost of charitable activities

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Staff costs and fees	23,744	61,463	<b>85,207</b>	70,794
Office and other costs	39,489	—	<b>39,489</b>	36,643
Equipment for use abroad	—	25,113	<b>25,113</b>	26,300
Hark! Zambia	—	12,877	<b>12,877</b>	16,172
Hark! Ghana	—	2,339	<b>2,339</b>	17,749
Hark! Tanzania	—	4,097	<b>4,097</b>	5,677
Hark! The Gambia	—	18,713	<b>18,713</b>	4,477
Hark! Cameroon	—	37	<b>37</b>	424
Hark! Lesotho	—	—	<b>—</b>	—
AMT Course Nairobi	—	932	<b>932</b>	—
Ashray Akruti	—	—	<b>—</b>	960
Malawi	—	7,748	<b>7,748</b>	—
Kenya	—	143	<b>143</b>	—
Hark! Sierra Leone	—	1,460	<b>1,460</b>	—
Zimbabwe	—	2,251	<b>2,251</b>	7,095
Kenya School Project	—	—	<b>—</b>	2,395
Maldives	—	—	<b>—</b>	51
<b>Total</b>	<b>63,233</b>	<b>137,173</b>	<b>200,406</b>	<b>188,737</b>

### 7 Governance costs

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Auditor's remuneration				
Statutory audit services	4,320	—	<b>4,320</b>	<b>4,612</b>
Other costs				
Board meetings & other statutory arrangements	11,055	—	<b>11,055</b>	<b>8,238</b>
<b>Total</b>	<b>15,375</b>	<b>—</b>	<b>15,375</b>	<b>12,850</b>

### 8 Net incoming resources before transfers

This is stated after charging

	2012 Total funds £	2011 Total funds £
Staff costs (note 9)	<b>132,756</b>	116,537
Auditor's remuneration	<b>4,320</b>	4,612
Depreciation	<b>17,411</b>	29,979
Operating lease rentals	<b>21,739</b>	20,859

## Notes to the financial statements 31 May 2012

### 9 Employees and staff costs

Staff costs during the year were as follows

	2012 £	2011 £
Wages and salaries	119,620	105,211
Social security costs	13,136	11,326
	<b>132,756</b>	<b>116,537</b>

The average number of UK employees during the year, calculated on an average headcount basis, analysed by function, was as follows

	2012 Number	2011 Number
Generation of funds	1	1
Charitable activities	2	2
	<b>3</b>	<b>3</b>

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year (2011 – none)

### 10 Directors' remuneration and related party transactions

None of the directors received any remuneration in respect of their services during the year (2011 – £nil)

£5,611 (2011 – £40) was reimbursed to directors during the year and relates to costs visiting the charity's overseas projects and UK expenses

Mr G Williams, who was Chief Executive during the year, is a trustee of People for People, a charity which made a donation of £10,000 to the Society (2011 – £8,800)

### 11 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

## Notes to the financial statements 31 May 2012

### 12 Tangible fixed assets

	Hark! Lesotho Vehicle £	Hark! Tanzania Vehicle £	Hark! Ghana vehicle £	Hark! Sierra Leone vehicle £	Hark! The Gambia vehicle £	Hark! Zambia Vehicle £	Office Computer equipment £	Total £
<b>Cost or valuation</b>								
At 1 June 2011	—	45,230	44,709	44,990	44,990	45,230	6,368	<b>231,517</b>
Additions	52,233	—	—	—	—	—	—	<b>52,233</b>
At 31 May 2012	<u>52,233</u>	<u>45,230</u>	<u>44,709</u>	<u>44,990</u>	<u>44,990</u>	<u>45,230</u>	<u>6,368</u>	<b>283,750</b>
<b>Depreciation</b>								
At 1 June 2011	—	45,230	44,709	44,990	44,990	45,230	6,368	<b>231,517</b>
Charge for year	—	—	—	—	—	—	—	<b>—</b>
At 31 May 2012	<u>—</u>	<u>45,230</u>	<u>44,709</u>	<u>44,990</u>	<u>44,990</u>	<u>45,230</u>	<u>6,368</u>	<b>231,517</b>
<b>Net book values</b>								
At 31 May 2012	<u>52,233</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<b>52,233</b>
At 31 May 2011	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<b>—</b>

### 13 Investments

	2012 £	2011 £
Market value at 1 June 2011	<b>261,722</b>	—
Additions at cost	—	301,868
Disposals at opening market value (proceeds £1,114 Realised loss £1)	<b>(1,115)</b>	(62,403)
Unrealised investment (losses)/gains	<b>(21,518)</b>	22,257
Market value at 31 May 2012	<u><b>239,089</b></u>	<u>261,722</u>
Historical cost of investments at 31 May 2012	<u><b>238,354</b></u>	<u>239,428</u>

Investments held at 31 May 2012 comprised the following

	2012 £	2011 £
Smith and Williamson Investment Management		
UK Equities - Investment Trusts	<b>134,887</b>	153,573
International Equities - Investment Trusts	<b>28,545</b>	30,953
UK Property - Investment Trusts	<b>16,080</b>	16,528
Cash Fund	<b>59,577</b>	60,668
	<u><b>239,089</b></u>	<u>261,722</u>

## Notes to the financial statements 31 May 2012

### 13 Investments (continued)

At 31 May 2012 investments included the following individual material holdings when compared to the total portfolio valuation as at that date.

Holding	%	£
Smith and Williamson Investment Management		
S & W Cash Fund	25%	59,577
Edinburgh Investment Trust	19%	45,679
Scot American Investment Co	16%	39,266
Mercantile Investment Trust	16%	36,860
Henderson Intl Inc	12%	28,545
F & C Commercial Property Trust	7%	16,080
UK Commercial Property Trust	5%	13,082

### 14 Debtors

	2012 £	2011 £
Taxation recoverable	340	1,843
Other debtors	1,307	63,826
Prepayments and accrued income	2,576	2,117
	<b>4,223</b>	<b>67,786</b>

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

	2012 £	2011 £
Other creditors	4,763	68,393
Accruals and deferred income	6,260	6,260
	<b>11,023</b>	<b>74,653</b>



## Notes to the financial statements 31 May 2012

### 16 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 2011 £	Incoming resources £	Expenditure, gains and losses £	Transfers £	At 31 May 2012 £
Equipment for use abroad	—	25,113	(25,113)	—	—
AMT Course-Nairobi	—	—	(932)	932	—
Hark! Tanzania	20,325	1,101	(14,115)	—	7,311
Hark! Cameroon	63,170	1,000	(10,055)	—	54,115
Hark! India (Pune)	3,500	—	(500)	—	3,000
Hark! The Gambia	50,620	—	(28,731)	—	21,889
Hark! Zambia	87,950	10,000	(22,895)	—	75,055
Hark! Lesotho	—	60,733	(10,018)	—	50,715
Zimbabwe	1,866	50	(2,251)	335	—
Hark! Ghana	—	—	(2,339)	2,339	—
Ashray Akrotiri	465	—	—	—	465
Sierra Leone	—	—	(1,460)	1,460	—
Malawi	60,001	—	(17,766)	—	42,235
Kenya	6,406	2,287	(998)	—	7,695
	294,303	100,284	(137,173)	5,066	262,480

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! Cameroon

This fund represents donations made specifically to support the Hark! Project in The Cameroon

#### Hark! India (Pune)

This fund represents donations made specifically to fund the Hark! India (Pune) Project

#### Malawi

This fund represents donations made specifically to the Project in Malawi

#### Hark! Gambia

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

## Notes to the financial statements 31 May 2012

### 16 Restricted funds (continued)

#### Hark! Zambia

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

#### Hark! Lesotho

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

#### Hark! Ghana

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

#### Zimbabwe

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

#### Kenya

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

#### Ashray Akroti

This fund represents donations made specifically to support our work with the Ashray Akroti School in India

#### AMT course - Nairobi

This fund represents donations made specifically to support the AMT course in Nairobi

#### Sierra Leone

This fund represents donations made specifically to support projects in Sierra Leone

### 17 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 2011 £	New designations £	Utilised/ released £	At 31 May 2012 £
EJG Fund	261,722	(14,002)	(8,631)	239,089
Jairos Jiri Naran Centre, Zimbabwe	1,015	—	—	1,015
	<u>262,737</u>	<u>(14,002)</u>	<u>(8,631)</u>	<u>240,104</u>

The EJG Fund is designated to generate income in support of a Project Development Manager post. New designations in the year included investment income of £8,631 which was utilised, and movements on the investment fund

This Jairos Jiri Centre 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 2012

### 18 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total 2012 £
<b>Fund balances at 31 May 2012 are represented by:</b>				
Fixed assets	—	—	52,233	<b>52,233</b>
Investments	—	239,089	—	<b>239,089</b>
Current assets	226,730	1,015	210,247	<b>437,992</b>
Creditors amounts falling due within one year	(11,023)	—	—	<b>(11,023)</b>
<b>Total net assets</b>	<b>215,707</b>	<b>240,104</b>	<b>262,480</b>	<b>718,291</b>

### 19 Leasing commitments

Operating leases

At 31 May 2012 the charity had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2012 £	2011 £
Operating leases which expire		
Within one to two years	<b>21,739</b>	—
Within two to five years	—	20,859