

Company Limited by Guarantee  
Registered number: 02739343  
(England and Wales)  
Charity registration number: 1013870

**THE COMMONWEALTH SOCIETY FOR THE DEAF**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2017**

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**THE COMMONWEALTH SOCIETY FOR THE DEAF**

**(A company limited by guarantee)**

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**THE COMMONWEALTH SOCIETY FOR THE DEAF**  
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**Reference and administrative details**

<b>Patron</b>	HRH The Duke of York KG KCVO ADC
<b>Vice Patrons</b>	Dame Mary Perkins Lord Bruce of Bennachie
<b>Directors</b>	Philip Shaw MA, MBA (Chair) Denise Goldman MSc, PhD (Vice Chair) Soren Presser-Velder Lic.rer.pol. (Treasurer until Dec 16) Steven Reekie FCCA (Treasurer from Dec 16) Malcolm Garner PhD David Greenberg PhD
<b>Chief Executive</b>	Emma Judge
<b>Registered office</b>	c/o UCL Ear Institute 332-336 Gray's Inn Road London WC1X 8EE
<b>Auditor</b>	Myrus Smith Norman House 8 Burnell Road Sutton Surrey EC2V 6DL
<b>Bankers</b>	The Co-operative Bank Delf House Southway Skelmersdale WN8 6WT  Lloyds Bank plc Butler Place Branch Caxton Street London SW1H 0PR
<b>Investment Managers</b>	Smith and Williamson Investment Management 25 Moorgate London EC2R 6AY

**THE COMMONWEALTH SOCIETY FOR THE DEAF**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MAY 2017**

**Reference and administrative details of the charity, its directors and advisors**

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 2017. 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 23 and 25 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later. The Commonwealth Society for the Deaf is also known as Sound Seekers.

**GOVERNANCE, STRUCTURE AND MANAGEMENT**

**Governance**

The following directors were in office at the date of approval of the financial statements and served throughout the year ended 31 May 2017, except where shown.

<b>Director</b>	<b>Appointed /Resigned</b>
Philip Shaw MA, MBA (Chair)	
Denise Goldman, MSc, PhD (Vice-Chair)	
Soren Presser-Velder Lic.rer.pol. (Honorary Treasurer)	Resigned December 2016
Steven Reekie FCCA (Honorary Treasurer)	Appointed December 2016
David Greenberg BSc, PhD	
Malcolm Garner, PhD	

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.

Upon joining the Board of Directors, directors 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 in connection with their services as directors (2016 - £nil). £5,202 (2016 - £1,236) 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 are also trustees of Commonwealth Society for the Deaf for the purposes of charity law) 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 charitable company and of the income and expenditure of the charitable company for that period.

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## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2017 /contd...**

### **GOVERNANCE, STRUCTURE AND MANAGEMENT/contd...**

#### **Statement of directors' responsibilities/contd...**

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ 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 charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the charitable company's auditor is 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 charitable company's auditor is 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 charitable company'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 four times per year, plus the AGM. The Board have also set up the following Committees:

The Finance and Audit Committee reports to the Board of Directors and has delegated responsibilities, as well as providing advice and submitting recommendations to the Board of Directors.

The Project Committee reports to the Board of Directors and has delegated responsibilities, as well as providing advice and submitting recommendations to the Board of Directors.

The Fundraising Committee acts as an advisory board to the Executive Team. The Committee is independent of any external advice procured by Sound Seekers.

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MAY 2017**  
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**GOVERNANCE, STRUCTURE AND MANAGEMENT/contd...**

**Key management personnel**

The directors consider that they, together with the Chief Executive, comprise the key management personnel of the charitable company. None of the directors receive any remuneration from the charitable company in connection with their role as directors. The annual pay of the Chief Executive is reviewed annually by the board.

Other transactions with the directors are disclosed in note 9.

**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.

During the last financial year, we have been continually reviewing and updating our Financial Procedures Policy to help mitigate any potential risks in financial management and ensure consistent practices are adhered to across the organisation and with our partners. This year, we have incorporated a section on Asset Management and Disposal into the policy and we have also developed asset registers to help track and monitor equipment and other assets to help mitigate the risks of loss and/or theft.

To minimise the risk of transactional financial fraud, a bi-monthly review of invoices against bank statements and credit card statements is carried out by a member of Sound Seekers' Board of Directors. The Executive Team also provides a financial analysis every three months to the directors, covering spend and income against budget and divided between project and general expenditure. All these strategies help safeguard the organisation against fraudulent practices.

Through our Procurement Policy, Sound Seekers follows a set of key principles for purchasing goods, equipment and services which are appropriate for a small organisation, compliant with any relevant legislation and audit requirements, and which also meet any specific donor requirements. We have also updated the Anti-Corruption Policy to include reference to the 2010 Bribery Act Legislation in our Anti-Fraud, Bribery and Corruption Policy.

We have developed a new strategic framework for 2017 to 2022 which informs the strategic direction of the organisation over the next five years to ensure our programmes are designed and implemented in accordance with our charitable objectives. This, coupled with our Value for Money Framework which recognises economy, efficiency, effectiveness and equity as the core ways of achieving our intended outcomes and aims to provide the best possible service to people disadvantaged by hearing loss in developing countries, by leveraging the optimum use of our resources, ensures a strong focus on our approach and impact which are the key building blocks to sustainability and effectiveness.

By incorporating these principles into Sound Seekers' charitable objectives and operations, the risk of undertaking programmes or projects that are not sustainable or effective is greatly reduced.

The directors are considering ways of increasing the number and diversity of potential donors to reduce our dependency on a few key regular donors. To ensure we can fulfil our commitments to our partners, we need to increase our financial support from other funding streams. We have been rolling out our fundraising strategy to support and reflect Sound Seekers' Vision, Mission and Values and it has helped increase our restricted and unrestricted income for the continuation and development of priority programme areas over the last financial year.

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TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MAY 2017  
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**ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES**

**Activities and specific objectives**

The charity's main purpose is to improve the lives of people with hearing loss in the developing world. Currently, we are focusing on sub-Saharan Africa. We develop long-term, holistic partnerships in all our countries of operation. This commitment begins once an initial consultation and assessment has been completed and a partner has been identified. It continues as the partnership develops and further needs and/or adaptations are required to ensure we can meet our charitable objectives through our partnerships.

Deafness can be both a cause and effect of poverty. To combat this, we work to secure the future of people with hearing loss in some of the poorest communities of the developing world by:

***Forging Partnerships***

We work in partnership with hospitals, schools and communities to ensure a positive and long-term impact on the lives of people who are deaf or hard of hearing.

***Sharing Skills***

We train local health practitioners in ear and hearing healthcare to help ensure the sustainability of our work and reduce the dependency on outside assistance.

***Working Holistically***

We address all issues relating to deafness including prevention, identification and treatment by raising awareness of the causes of deafness, including the legacy of malaria and meningitis, and promoting basic ear care to help reduce the likelihood of hearing loss.

***Supporting Education***

We help improve the school environment, access to education and communication for deaf and hearing-impaired children, by delivering teacher training, materials and equipment, and providing sign language courses.

***Advocacy***

We believe deafness should not be an obstacle to education, employment and social inclusion, and we work with deaf people to promote equal rights and opportunities.

**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.

**Summary of the year's activities**

This has been one of the toughest periods the international development community as a whole has faced for more than 40 years. A combination of political uncertainty, both globally and in the UK, and new charity regulations is challenging the sector in an unprecedented way. However, as a small organisation, Sound Seekers can respond quickly to the ever changing environment and continues to adapt while ensuring our mission to support people with hearing loss realise their rights by enabling access to healthcare and education is at the forefront of all we do.

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FOR THE YEAR ENDED 31 MAY 2017  
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**ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)**

**Summary of the year's activities/contd...**

Our partnership with the Department for International Development (DFID), through the UK Aid Match Fund Scheme, continues to support the comprehensive audiology service we have developed in Southern Malawi, and includes increasing access to education for children with hearing loss who may otherwise be excluded from school. This year saw the return to Malawi of the first ever Malawian audiologists who were sponsored through Sound Seekers and successfully attained an MSc in Audiology at the University of Manchester. They are in the process of completing their clinical training before taking over the service at Queen Elizabeth Central Hospital (QECH) in Blantyre in 2018. This is an outstanding achievement and places Malawi as a leader in audiology in sub-Saharan Africa.

We have further increased access to ear and hearing care in our countries of operation by training eight local health practitioners to qualify as Hearing Instrument Specialists and deliver quality audiology services in Cameroon, the Gambia, Malawi and Zambia. Five have already returned to their hospitals of origin, including two to QECH, and the remaining three will return to The Gambia and Zambia in December 2017. We have also raised awareness and promoted primary ear and hearing care for more than 50,000 people in Zambia and Cameroon.

Following the Ebola crisis, our work in Sierra Leone continues while communities are still recovering from its devastating effects with many survivors reporting ear and hearing complications. Sadly, the civil unrest in Cameroon has hindered the direct monitoring of our work there although we remain in close contact with the team. Our work in The Gambia was also temporarily disrupted by political turbulence at the start of 2017. Although this caused some delays to our projects, we have now completed most of our activities as planned, including the refurbishment of the audiology clinic at the Edward Francis Small Teaching Hospital in Banjul. All these things serve as a poignant reminder that working in Africa is unpredictable with many challenges beyond the poorly resourced health systems all of which can impact upon our ability to meet our objectives in a timely manner.

Our corporate partnership with Specsavers continues to develop with support for our Hearing Aid Refurbishment Programme in Zambia, hearing aid donations from Specsaver stores around the country and the sponsoring of our event at Bankside Gallery, which was one of two successful fundraising events we held this year. Our partnership with Hear the World also continues to flourish with five of their volunteers supporting our projects in Malawi and Zambia over the last year.

As a staff team of only four, support and technical expertise from all our volunteers and our pro bono partners, including Weil, Gotshal and Manges, is vital to the scope of our activities and the success of our operations. The sharing of skills and provision of pro bono services, alongside donations of equipment and consumables, enable us to improve access to ear and hearing care, and education for more people with hearing loss in Africa and this year, we formed part of a coalition that campaigned for the adoption of a new resolution on the prevention of deafness and hearing loss. The resolution was unanimously approved by all member states at the World Health Assembly, held in Geneva in May 2017, and urges governments to integrate strategies for ear and hearing care within the framework of their primary health care systems; establish training programmes for the development of human resources in the field; implement screening programmes for early identification; and make high-quality, affordable hearing devices accessible to all who need them. There still remains much work to do but this is an exciting and encouraging moment for us, not only because the resolution is a strong tool for advocacy with Ministries all over the world, but also because it builds upon Sound Seekers' strategic goals and direction.



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TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MAY 2017  
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**ACHIEVEMENTS AND PERFORMANCE**

Our activities cover the following aspects: Increasing Access to Ear and Hearing Healthcare; Training and Capacity Building; Increasing Access to Education; Increasing Community Awareness; and Research on Prevalence, Causes and Effects of Hearing Loss.

**Increasing Access to Ear and Hearing Healthcare**

In the financial year 2016 – 2017, we made great strides in advancing the availability and provision of hearing healthcare services in the countries where we work, including Zambia, The Gambia, Sierra Leone, Cameroon and Malawi. In total, in these five countries, 13,295 people (6,998 adults and 6,297 children) were screened for hearing loss through our clinic and outreach services in public hospitals and schools. Of these, 1,812 persons were identified and treated for hearing loss. This included 451 children (7% of total children screened) of which 188 were girls and 1,361 adults (19% of total adults screened) of whom 627 were women.

Through the generous funding of UK Aid from the British people and long-term support from Jersey Overseas Aid (JOA) our hearing healthcare programme (clinic-based and outreach) in **Malawi** is fully underway at Queen Elizabeth Central Hospital, Blantyre, with two qualified audiologists now well-positioned to take over and lead the services. An audiology clinic was also established at the Edward Francis Small Teaching Hospital in Banjul, in **The Gambia**, through funding from JOA, serving the population in and around the capital as well as the more rural and remote areas through its outreach programme.

**Supported by UK Aid from the British People**



**Supported by the People of the Island of Jersey**



In **Zambia**, we established a Children's Hearing Clinic at University Teaching Hospital, Lusaka, which is now fully equipped and serving paediatric patients, becoming the first public hospital in Zambia to have a dedicated audiology clinic for children. Through funding from JOA, we also continued our work with Ndola Central Hospital which is now focusing on providing hearing screening to local schools through their outreach programme, ensuring that there is early identification of hearing loss among school-going children and they are provided with the necessary treatment and follow-up support. At Beit Cure Hospital in Lusaka, thanks to the generous support of Specsavers, our Hearing Aid Refurbishment Project (HARP) continues to run successfully, repairing, refurbishing and re-using donated hearing aids and distributing to clinics and hospitals in Africa to benefit children and adults with hearing loss. Over 4000 hearing aids donated from UK hospitals, Specsavers stores and individuals have been sorted at the HARP project this year with 1,300 refurbished hearing aids having been dispatched to hospitals and clinics in six countries and 2,677 ready and waiting to be dispatched.

In **Sierra Leone**, following the Ebola crisis, services re-started in September 2016 and children are now continuing to be identified and provided with support for hearing loss at St. Joseph's School for the Hearing Impaired and the Loreto Clinic in Makeni.

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TRUSTEES' REPORT  
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**ACHIEVEMENTS AND PERFORMANCE/contd...**

**Increasing Access to Ear and Hearing Healthcare/contd...**

**Case Studies**

***Shakira is completely different in class since her hearing aids were fitted***

Shakira is a 13 year old girl from Malawi who developed hearing loss after contracting meningitis at the age of five. She then stopped speaking, which is when her parents realised she was having difficulty hearing. She is able to lip read and speak a little but only her parents understand her fully. Shakira's mother, Famely, explained that Shakira's school teacher told the students about Sound Seekers hearing screening outreach visit in January 2017 and had asked students to communicate this information to their parents. Famely explained: "I took Shakira to this outreach visit where she was assessed and diagnosed with hearing loss in both ears. She was measured for hearing aids and fitted with hearing aids in February 2017. The marked change in her hearing has been incredible."



Shakira's teacher told Famely that Shakira is completely different in class since she's had hearing aids. She can communicate with her teacher and fellow students much better than before. In the last few years, Shakira was becoming increasingly isolated due to her hearing loss and she was struggling to fit in with her peers. Her confidence and self-esteem was also diminishing. Since having the hearing aids, her interaction and communication with her friends has vastly improved.

***Five year old Natasha has her hearing tested for the first time in Zambia***



Natasha has had problems hearing since she was a baby, but her hearing was not tested at birth. Her mother only realised she could not hear at age one. She was first diagnosed with hearing loss in both ears at Beit Cure Hospital in Lusaka and returned for a follow up appointment in April 2017 to have a full hearing assessment in order to have refurbished hearing aids fitted (from the HARP). They travelled 45km from home to get to Beit Cure Hospital.

The audiology team at Beit Cure Hospital, supported by Sound Seekers' volunteer paediatric audiologist, Bhavisha Parmar, used play audiometry (a technique used to test hearing of young children to respond to sounds using play and games) to assess Natasha's hearing in order to accurately select the best type of refurbished hearing aid to use and Natasha was later fitted with hearing aids for the first time. The team showed Natasha and her mother how to use and look after the hearing aids and she will need a lot of follow up and monitoring to see her progress with her new hearing aids. Natasha goes to school in a special classroom within a mainstream school and her new hearing aids will help her in class. Natasha's mother is very grateful for her daughter's new hearing aids, which would not have been possible without HARP.

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**ACHIEVEMENTS AND PERFORMANCE**/contd...

**Increasing Access to Ear and Hearing Healthcare**/contd...

***Ebola survivor Sorie's new hearing aids are helping him at school***

It has been reported that many of the survivors of Ebola have ear and hearing complications. Since surviving Ebola, 11 year old Sorie, originally from Freetown in Sierra Leone, lost his hearing. Last year, he joined St Joseph's School for the Hearing Impaired in Makeni, supported by Sound Seekers, and is now getting the extra support he needs:



*"We were at Lungi when my father got sick. My father died and we were taken to a camp and then my mother got sick and she also died. I too got sick and so did my sister. No one was allowed to touch us. We survived but we lost so many of our family. When I recovered from Ebola, I couldn't hear so I was brought here. I like coming to St Joseph's because I had a hearing aid fitted and I can learn to write."*

**Training and Capacity Building**

In some of the countries where we work, audiology is not a recognised profession with no audiologists employed to work in public hospitals. The few local audiologists in countries like Zambia and The Gambia are involved in private practice. Given this dearth of trained audiology practitioners, Sound Seekers has been committed to training health practitioners from public hospitals in audiology to ensure that services established are sustainable and continue to serve the population in the long term.

Four people from **Malawi** – two men and two women - were sponsored by Sound Seekers, with funding contributions from UK Aid from the British People, to undertake an MSc Audiology course at Manchester University. Three of them successfully completed the MSc in September 2016 - the two women have been working at the audiology clinic at Queen Elizabeth Central Hospital since October 2016, making them the first Malawian audiologists in a public hospital in Malawi, while the third graduate is working at African Bible College Hearing Clinic in Lilongwe, Central Malawi.

Five nurses from **Cameroon, Malawi, The Gambia and Zambia** graduated from the Hearing Instrument Specialist course and have now returned as audiology technicians to support the audiology services at Mbingo Baptist Hospital in Cameroon, Queen Elizabeth Central Hospital in Malawi, Bansang Hospital in The Gambia and Ndola Central Hospital in Zambia. With support from JOA, an additional two nurses – one from The Gambia and one from Zambia - and a Teacher of the Deaf from The Gambia were sponsored to enrol on the one-year Hearing Instrument Specialist course in Zambia. These students will graduate in December 2017 and will return to support the audiology services as audiology technicians at University Teaching Hospital, Lusaka, Zambia, the Edward Francis Small Teaching Hospital, Banjul, The Gambia, and the St. John's School for the Deaf in Serrakunda, The Gambia.

In addition, through our two long-term professional volunteer audiologists in **Zambia and Malawi** and one-week volunteer audiologists placed in Zambia and Malawi through support from Hear the World Foundation, we have continued to provide on-the-job support, training and capacity building on hearing healthcare to staff at Queen Elizabeth Central Hospital, Malawi as well as University Teaching Hospital, Beit Cure Hospital and Ndola Central Hospital in Zambia.

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TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MAY 2017  
/contd...

**ACHIEVEMENTS AND PERFORMANCE**/contd...

**Training and Capacity Building**/contd...

**Case Studies**

*Malawian Audiologists*



*"I feel excited and honoured to be among the first Malawians granted an opportunity to study for a Master's degree in Audiology... I am now ready to take over the audiological services in Malawi." Mwanaisha Jauza Phiri (pictured on the left)*

*"I'm not sure what I would be doing if I hadn't trained as an audiologist in Manchester. I do know for certain that I am thankful for this opportunity because Malawi needs people like me to improve its hearing services." Chikondi Chabaluka (pictured on the right)*

*Hearing Instrument Specialist Students*

*"When I go back I will implement everything from this course. I'm going to be of great service to my country. In Zambia, the gap between the rich and poor is very big, so very few people are able to access services but thanks to Sound Seekers, people with hearing loss can walk into our department [at UTH] and receive audiology services at no cost." Althea Michelo, University Teaching Hospital, Zambia*

*"Without Sound Seekers, education for deaf children would have been more difficult and outreach patients would have been a big problem because of mobility but Sound Seekers provided us with a mobile vehicle which made things easy for us so that those in the province are benefitting. When I go back [after my training], I wish to help those in need so they can benefit from my training, as I am a teacher and I deal with children with hearing loss in the school, I will try to organise workshops so that many teachers can benefit from my training here." Daniel Correa, St John's School for the Deaf, The Gambia*

*"I am a trained nurse in the ENT department at Edward Francis Small Teaching Hospital (EFSTH). My responsibility in the clinic is to help the team at outreach help various communities. Sometimes at outreach, you see a minimum of 70 people and some will travel 300km just for this service. After this course, I will go back to my country and serve to the best of my ability. I will definitely explain to staff about awareness on hearing loss, to improve and to prevent hearing loss." Modou Sowe, Edward Francis Small Teaching Hospital, The Gambia*

**Increasing Access to Education**

In **The Gambia**, 29 Itinerant Teachers were provided with refresher training on sign language skills along with further teaching materials to aid and enhance the inclusion of children with hearing loss in classroom settings.

In April 2017, we started our Access to Education project in **Zambia**, funded by JOA, which aims to expand the deaf units in two mainstream schools – Chilengwa and Kansenshi primary schools in Ndola – by adding a classroom block of three classrooms in each school. Construction began on this project in June 2017. A vital component of this project is also identification of children with hearing loss in mainstream schools, which is being carried out by the audiology team at Ndola Central Hospital running outreach services to primary schools in Ndola district.

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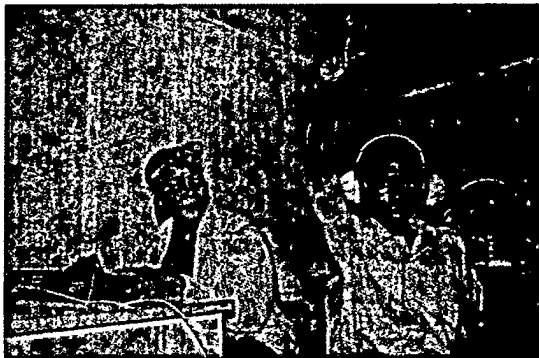
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### ACHIEVEMENTS AND PERFORMANCE/contd...

#### Increasing Access to Education/contd...

To complement our audiology work in Southern Malawi, and following the success of our previous teacher training in The Gambia, an education project, funded by UK Aid from the British People and JOA, is recently underway to train Itinerant Special Needs (ISN) teachers on hearing loss awareness, the use of hearing aids and the needs of a child with hearing loss in a mainstream school setting. This project will establish a vital link between our audiology services and improving access to education for children with hearing loss.

**Twins, Ousainou and Anssa, were identified with hearing loss thanks to trained itinerant teachers at their school**



Ten year old twin boys, Ousainou and Anssa, were referred to the audiology clinic at St John's School of the Deaf in The Gambia. They attend St Therese's School and their teacher told their father that they weren't responding in class. He was aware that sometimes they didn't respond but thought they were just ignoring him. The teacher had recently been trained by itinerant teacher, Fatoumatta S. Jallow, through Sound Seekers' Step Down Training which helps ensure teachers can identify children with hearing loss in their class and that they have the skills to include them in mainstream schooling. The boys were identified with severe to profound hearing loss but they can be helped with the fitting of hearing aids and will remain at

St Therese's School. Fatoumatta explained: *"Before the training, teachers didn't like working with children with hearing loss because they didn't have the knowledge or skills to do so. The training has helped overcome this and now children can be in mainstream schools because the teachers know how to identify them and understand more about how to teach them. The training has been very effective."*

#### Increasing Community Awareness

More than 50,000 people (17,356 in Zambia and 33,387 in Cameroon) were sensitised on Primary Ear and Hearing Care (PEHC) through role-play, drama and education sessions at schools, local health centres and markets. The sessions educated people on PEHC, including provision of appropriate medical attention (for infections, discharging ears etc.) and referral to hospitals/clinics where necessary. All interventions are based on guidelines on PEHC developed by the World Health Organisation (WHO).

#### Case study



Sound Seekers has trained 96 community workers in PEHC in Ndola District, Zambia who have conducted sessions on PEHC in six catchment areas (out of 18) including local schools and health centres.

Scola Sanga and Monica Musunga, both aged 15, from Masala School in Ndola, Zambia benefited from these PEHC sessions (pictured above with their teacher, Friedah Chola, who has been trained in PEHC) explained: *"Now we know how to keep our ears clean. Before the training we would put things like oil in our ears, now we can tell our parents how to look after our ears."*

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**ACHIEVEMENTS AND PERFORMANCE/contd...**

**Research on Prevalence, Causes and Effects of Hearing Loss**

With funding from Action on Hearing Loss, Sound Seekers commissioned a research study on ototoxicity and practice related to administration of kanamycin in Multi-Drug Resistant (MDR) Tuberculosis (TB) treatment in Ndola, **Zambia**. Despite the wide prescription of kanamycin to patients with MDR TB in Zambia, there has been no research investigating the burden of hearing loss with limited guidelines specifying method and frequency of hearing assessment for patients receiving kanamycin treatment.

Our research found that 92% of patients on kanamycin included in the study developed hearing loss. The study recommended establishment of audiological monitoring protocol; inclusion of capreomycin in MDR TB Treatment at Ndola Central Hospital; further country-wide prospective studies of longer duration and larger sample size; need for high frequency audiometry (beyond 8kHz) and otoacoustic emissions testing; and early intervention with hearing device if suitable. The study was published in the Zambia National Health Institute journal and findings were also disseminated through presentation to the Ndola Central Hospital administration.

**Plans for 2017/2018**

In 2017 – 2018, we will continue our work delivering audiology services, improving quality of education for children with hearing loss and increasing awareness of hearing loss for families and communities. Training and skills transfer to local health practitioners, teachers and other service providers will continue to be a vital priority cutting across all streams of our work.

***Increasing Access to Ear and Hearing Healthcare***

We plan to further consolidate our work at Edward Francis Small Teaching Hospital (EFSTH) in Banjul, **The Gambia**, as well as at University Teaching Hospital, Beit Cure Hospital and Ndola Central Hospital in **Zambia**, by continuing to support the delivery of quality audiology services (clinic-based and outreach) through trained local practitioners.

We also plan to set up an audiology service at Bansang Hospital in **The Gambia**, replicating the services established at EFSTH.

Additionally, we will provide on-the-job training and supervision to graduates returning to their respective jobs in hospitals in Zambia and The Gambia through the placement of volunteer audiologists.

In Lusaka, Zambia, we will continue our Hearing Aid Refurbishment Project (HARP) providing refurbished hearing aids to our countries of operation, thanks to the continued supported of Specsavers.

With funding from Hear the World Foundation, we will fully equip and set up ear mould labs in Ndola Central Hospital in Ndola, **Zambia** and Mbingo Baptist Hospital in **Cameroon** ensuring the existing audiology services are comprehensive.

***Increasing Access to Education***

In 2017-18, we will complete the expansion of the deaf units in Chilengwa and Kansenshi schools in Ndola, **Zambia**. Through the placement of volunteer Teachers of the Deaf in **Malawi** and **Zambia**, we plan to train special needs teachers in Southern **Malawi** on awareness and effective inclusion of children with hearing loss in classroom settings. In **Sierra Leone**, we will support the establishment of a nursery class at St. Joseph's School for the Hearing Impaired in Makeni through a volunteer Teacher of the Deaf who will also support the training of special needs teachers and mainstream teachers on education of children with hearing loss.

**THE COMMONWEALTH SOCIETY FOR THE DEAF**  
(A company limited by guarantee)

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MAY 2017  
/contd...

**ACHIEVEMENTS AND PERFORMANCE**/contd...

**Plans for 2017/2018**/contd...

***Increasing Community Awareness***

We plan to do more in the coming years on increasing awareness and education of families and communities on ear and hearing care and on the rights of people with hearing loss, with close support to families on communication and social inclusion of people living with hearing loss. Given the foundation of established audiology services and inclusive education work in **Malawi**, in the future, we plan to focus our attention on community-based interventions in the southern region, including awareness, education and prevention of hearing loss. In **Cameroon**, we will continue our PEHC interventions to sensitise schools and communities through our work with Mbingo Baptist Hospital.

**Supporters**

Sound Seekers would like to thank all our donors and supporters for their generous contributions over the years. While it is not possible to acknowledge each of our supporters, every donation, no matter how large or small, helps us deliver our mission to support people with hearing loss realise their rights by enabling access to healthcare and education and for that we are extremely grateful.

UK Aid for the British People  
Hear the World Foundation  
Sivantos  
Otometrics  
The Adrian Swire Charitable Trust  
The Paget Trust  
Mosse Charitable Settlement  
British Foreign School Society  
St Mary The Boltons  
Action on Hearing Loss  
Beattie Communications  
Weil, Gotshal & Manges  
People for People and Smile a Minute  
Bankside Gallery

Jersey Overseas Aid  
The Specsavers Partnership  
Rayovac  
Audium  
The Brock Webb Trust  
W.L. Pratt Charitable Trust  
Peacock Charitable Trust  
Meeting Needs  
Card Aid  
Michael Hall Consultants Ltd  
The Bespoke Agency  
Arco Ltd  
The Santon Group

***Partners***

Sound Seekers would like to thank all our partners for their work in helping us achieve our objectives.

Queen Elizabeth Central Hospital, Blantyre, Malawi  
University Teaching Hospital, Lusaka, Zambia  
Beit Cure Hospital, Lusaka, Zambia  
Ndola Central Hospital, Ndola, Zambia  
Starkey Hearing Institute, Lusaka, Zambia  
Kansenshi Primary School, Ndola, Zambia  
Chilengwa Primary School, Ndola, Zambia  
St. Joseph's School for the Hearing Impaired, Makeni, Sierra Leone  
Loreto Clinic, Makeni, Sierra Leone  
Mbingo Baptist Hospital, Cameroon  
Mbingo Baptist Convention Integrated School for the Deaf, Cameroon  
Edward Francis Small Teaching Hospital, Banjul, The Gambia  
St. John's School for the Deaf, Serrakunda, The Gambia  
Bansang Hospital, Bansang, The Gambia  
UCL Ear Institute, London, UK

**THE COMMONWEALTH SOCIETY FOR THE DEAF**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MAY 2017**  
/contd...

**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. At the beginning of this financial year to mitigate against expected depreciation of the investment funds post Brexit, the directors agreed that some of these funds should be transferred to a cash account.

The charity's investments comprise one portfolio of listed investments with a market value of £203,364 at 31 May 2017 which are managed by Smith and Williamson Investment Management.

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

During the year, the investment portfolio was able to generate healthy returns.

**Results for the year**

Income for the year totalled £582,197 up £208,916 against 2016.

The main area of expenditure was the direct cost of overseas projects, which totalled £351,752 (2016 - £607,053).

The expenditure on raising funds has decreased to £33,473 (2016 - £51,748).

The deficit for the year was £6,413 (2016 - deficit of £394,128). A significant proportion of the deficit in 2016 (£348,308) represented project costs relating to funding received but not spent in previous periods.

**Reserves policy and financial position**

**Reserves policy**

Our reserves are an essential element of our strategic, operational and budgetary planning and ensure that we can operate and avoid financial difficulties and that we can cover expenditure in the event of reduced income or changes in circumstances.

The directors wish to ensure that we are able to provide the services that have been promised and fulfil our commitment to our partners. As such, our reserves are held on an agreed policy with a clear understanding of what the money is to be used for and ensures we can:

- ◆ Fund working capital;
- ◆ Fund unexpected operational costs and expenditure, for example, when projects overrun or exchange fluctuations impact on original budgets;
- ◆ Fund shortfalls in income, when income does not reach expected levels. Funds might be needed to give the trustees time to take action if income falls below expectations;



**THE COMMONWEALTH SOCIETY FOR THE DEAF**  
**(A company limited by guarantee)**

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MAY 2017  
/contd...

**FINANCIAL REVIEW/contd...**

**Reserves policy and financial position/contd...**

**Reserves policy/contd...**

- ◆ Fund an unforeseen emergency or other unexpected need for funds, e.g. an unexpected large repair bill or finding 'seed-funding' for essential equipment and/or programme work that cannot be covered by restricted funding;
- ◆ Fund short-term deficits in a cash budget, for example, money sometimes needs to be spent before a funding grant is received;
- ◆ Funds for a significant project that requires the charity to provide 'matched funding';
- ◆ Funds for net investment in fixed assets (other than those financed by restricted funds); and
- ◆ Funds for cessation costs;

The directors have considered the level of reserves that the charity needs to hold. Given the uncertainty over future income, the directors have agreed that the minimum acceptable level of free reserves for the charity is £90,000, equating to approximately three months operating expenditure.

At 31 May 2017, the charity's free reserves were £362,054.

The directors acknowledge that the level of reserves at 31 May 2017 was higher than the minimum required by the reserves policy. The excess reserves provide contingency which may be required to meet an unforeseen emergency or other any other unexpected need as outlined above and are essential to ensure the charity's activities do not lapse without due warning to complete them. Given the charity's activities and the uncertainty over future income, the directors believe that the level of reserves held to be adequate but not excessive.

**Financial position**

The balance sheet shows total funds of £760,642.

These funds include an amount of £398,588 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.

**THE COMMONWEALTH SOCIETY FOR THE DEAF**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MAY 2017**  
**/contd...**

**FINANCIAL REVIEW/contd...**

**Reserves policy and financial position/contd...**

**The charity's assets**

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

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the directors and signed on their behalf by:



Steven Reekie  
Director

Approved by the directors on 16 November 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

**THE COMMONWEALTH SOCIETY FOR THE DEAF**  
**(A company limited by guarantee)**

FOR THE YEAR ENDED 31 MAY 2017

We have audited the financial statements of The Commonwealth Society for the Deaf for the year ended 31 May 2017 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), including FRS 102, 'the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

This report is made solely to the charitable company'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 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 charitable company members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

The directors are also the trustees of the charitable company for the purposes of charity law. As explained more fully in the statement of directors' responsibilities set out in the Trustees' Annual Report, the directors 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material 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 charitable company's affairs as at 31 May 2017 and of 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 based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

**THE COMMONWEALTH SOCIETY FOR THE DEAF**

**(A company limited by guarantee)**


**FOR THE YEAR ENDED 31 MAY 2017**

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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 directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



S.A. Jones (Senior Statutory Auditor)  
For and on behalf of Myrus Smith  
Chartered Accountants and Statutory Auditor  
Norman House,  
8 Burnell Road,  
Sutton, Surrey.  
SM1 4BW

16 November 2017

**THE COMMONWEALTH SOCIETY FOR THE DEAF**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR TO 31 MAY 2017**

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>Income from:</b>					
Donations	2	187,821	96,984	284,805	96,514
Charitable activities	3	-	278,162	278,162	258,745
Other trading activities	4	9,328	-	9,328	4,267
Investments	5	7,232	-	7,232	13,755
Other		2,670	-	2,670	-
<b>Total income</b>		<u>207,051</u>	<u>375,146</u>	<u>582,197</u>	<u>373,281</u>
<b>Expenditure on:</b>					
Raising funds	6	33,473	-	33,473	51,748
Charitable activities	7	230,016	351,752	581,768	711,857
<b>Total expenditure</b>		<u>263,489</u>	<u>351,752</u>	<u>615,241</u>	<u>763,605</u>
<b>Net (expenditure)/income before (losses)/gains on investments</b>		<u>(56,438)</u>	<u>23,394</u>	<u>(33,044)</u>	<u>(390,324)</u>
Net gains/(losses) on investments	13	26,631	-	26,631	(3,804)
<b>Net (expenditure)/income for the year</b>	8	<u>(29,807)</u>	<u>23,394</u>	<u>(6,413)</u>	<u>(394,128)</u>
Transfer between funds		<u>(10,000)</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<u>(39,807)</u>	<u>33,394</u>	<u>(6,413)</u>	<u>(394,128)</u>
<b>Reconciliation of funds:</b>					
Fund balances brought forward at 1 June 2016		<u>401,861</u>	<u>365,194</u>	<u>767,055</u>	<u>1,161,183</u>
<b>Fund balances carried forward at 31 May 2017</b>		<u><u>£362,054</u></u>	<u><u>£398,588</u></u>	<u><u>£760,642</u></u>	<u><u>£767,055</u></u>

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.

# THE COMMONWEALTH SOCIETY FOR THE DEAF

## BALANCE SHEET

AS AT 31 MAY 2017

	Notes	2017	2016
		£	£
<b>Fixed assets</b>			
Tangible assets	12	16,676	32,487
Investments	13	203,364	323,818
		<u>220,040</u>	<u>356,305</u>
<b>Current assets</b>			
Debtors	14	19,604	40,724
Short term deposits		350,017	204,018
Cash at bank and in hand		180,181	225,254
		<u>549,802</u>	<u>469,996</u>
<b>Creditors:</b> amounts falling due within one year	15	(9,200)	(59,246)
<b>Net current assets</b>		<u>540,602</u>	<u>410,750</u>
<b>Total net assets</b>		<u>£760,642</u>	<u>£767,055</u>
<b>The funds of the charity:</b>			
<b>Funds and reserves</b>			
Restricted funds	16	398,588	365,194
Unrestricted funds			
Designated funds	17	-	254,092
General fund	17	362,054	147,769
		<u>£760,642</u>	<u>£767,055</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the directors and signed on their behalf by:



Steven Reekie  
Director

Approved on 16 November 2017

Company Registration Number 2739343 (England and Wales).

**THE COMMONWEALTH SOCIETY FOR THE DEAF**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MAY 2017**

	2017 £	2016 £
<b>Cash flows from operating activities:</b>		
<b>Net cash provided by (used in) operating activities</b>	<b>(53,391)</b>	<b>(285,538)</b>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rent from investments	7,232	13,755
Proceeds from sale of investments	148,868	3,002
Purchase of fixed assets	-	(29,998)
<b>Net cash provided by (used in) investing activities</b>	<b>156,100</b>	<b>(13,241)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>102,709</b>	<b>(298,779)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>429,530</b>	<b>728,309</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>£532,239</b>	<b>£429,530</b>
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
<b>Net income/(expenditure) for the reporting period (as per statement of financial activities)</b>	<b>(6,413)</b>	<b>(394,128)</b>
<b>Adjustments for:</b>		
Depreciation charges	15,811	20,726
(Gains)/losses on investments	(26,631)	3,805
Dividends, interest and rents from investments	(7,232)	(13,755)
(Increase)/decrease in debtors	21,120	123,457
Increase/(decrease) in creditors	(50,046)	(25,643)
<b>Net cash provided by (used in) operating activities</b>	<b>£(53,391)</b>	<b>£(285,538)</b>
<b>Analysis of cash and cash Equivalents</b>		
Cash at bank and in hand	180,181	225,254
Notice deposits (less than 3 months)	350,017	204,018
Cash held by investment managers	2,041	258
<b>Total cash and cash equivalents</b>	<b>£532,239</b>	<b>£429,530</b>

# THE COMMONWEALTH SOCIETY FOR THE DEAF

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

### 1. ACCOUNTING POLICIES

**The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.**

#### **Basis of preparation**

These financial statements have been prepared for the year to 31 May 2017.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014 and Update Bulletin 1 issued on 2 February 2016, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. This is the first set of financial statements of the charitable company prepared in accordance with the Charities SORP FRS 102.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

#### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the directors and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the liability for multi-year grant commitments; and
- ◆ estimating the useful economic life of tangible fixed assets.

#### **Assessment of going concern**

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The directors of the charitable company have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The directors are of the opinion that the charitable company will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 May 2018, the most significant areas that affect the carrying value of the assets held by the charitable company are the level of investment return and the performance of the investment markets (see the investment policy of the directors' report for more information).

#### **Income recognition**

Income is recognised in the period in which the charitable company has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, grants, investment income and income from trading activities.



# THE COMMONWEALTH SOCIETY FOR THE DEAF

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

### 1. ACCOUNTING POLICIES/contd...

#### **Income recognition/contd...**

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Grants are recognised to the extent that it is probable that the economic benefits will flow to the charitable company and the income can be reliably measured. It is measured at fair value of the consideration received or receivable, excluding any relevant value added tax.

Grant income is credited to the statement of financial activities when the charity is entitled to the income, unless it relates to funding for specific future periods either via explicit or implicit time conditions within the grant agreement.

Grants from trusts and foundations have been included as income from charitable activities i.e. to improve the lives of people with hearing loss in the developing world where they are restricted to a specific activity but as donations where the money is given in response to an appeal or grant application or with greater freedom of use, e.g. for core purposes.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

Income generated by trading activities comprises of income from events. It is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

In accordance with FRS 102, the value of volunteers is not included in the financial statements.

#### **Expenditure recognition and the basis of apportioning costs**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

# THE COMMONWEALTH SOCIETY FOR THE DEAF

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

### 1. ACCOUNTING POLICIES/contd...

All expenditure is accounted for on an accruals basis. All expenses are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charitable company. This includes the salaries, direct costs and overheads associated with raising donated income and running events.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charitable company through the provision of its charitable activities as described in the directors' report.

Governance costs comprising the costs involving the public accountability of the charitable company (including audit costs) and costs in respect to its compliance with regulation and good practice are allocated to the cost of charitable activities.

All expenditure is stated inclusive of irrecoverable VAT.

#### **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

#### **Listed investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

As noted above the main form of financial risk faced by the charitable company is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

#### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

#### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

# THE COMMONWEALTH SOCIETY FOR THE DEAF

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

/contd...

### 1. ACCOUNTING POLICIES/contd...

#### Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charitable company anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

#### 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.

#### 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.

### 2. Donations

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Donations				
Individuals	38,987	-	38,987	50,820
Trusts and foundations	22,900	41,065	63,965	37,400
Corporates	68,810	55,919	124,729	5,512
Gift Aid donations	8,017	-	8,017	2,782
Legacies	49,107	-	49,107	-
	<u>£187,821</u>	<u>£96,984</u>	<u>£284,805</u>	<u>£96,514</u>

All of the £96,514 received in 2016 was unrestricted funds.

Income from donations in 2017 includes £114,415 of donated goods and services, and an equivalent charge is included in expenditure on charitable activities.

# THE COMMONWEALTH SOCIETY FOR THE DEAF

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

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### 3. Income from charitable activities

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Increasing access to ear and hearing healthcare, including training and capacity building	-	118,683	118,683	258,325
Increasing access to education	-	159,479	159,479	420
	<u>£Nil</u>	<u>£278,162</u>	<u>£278,162</u>	<u>£258,745</u>

All of the £258,745 received in 2016 was restricted funds.

### 4. Income from other trading activities

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Events	<u>£9,328</u>	<u>£Nil</u>	<u>£9,328</u>	<u>£4,267</u>

All of the £4,267 received in 2016 was unrestricted funds.

Income from events in 2017 includes donated facilities of £1,062.

### 5. Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Smith and Williamson Investment Management:				
UK Equities – Investment Trusts	4,689	-	4,689	8,614
International Equities – Investment Trusts	953	-	953	1,600
UK Property – Investment Trusts	520	-	520	1,040
Cash Fund	23	-	23	35
Interest receivable	820	-	820	2,466
Other investment income	227	-	227	-
	<u>£7,232</u>	<u>£Nil</u>	<u>£7,232</u>	<u>£13,755</u>

All of the £13,755 received in 2016 was unrestricted funds.

# THE COMMONWEALTH SOCIETY FOR THE DEAF

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

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### 6. Expenditure on raising funds

	Unrestricted funds	Restricted funds	2017 Total funds £	2016 Total funds £
Fundraising costs	£	£	£	£
Staff costs	25,000	-	25,000	16,275
Fundraising consultancy	938	-	938	20,367
Event costs	2,836	-	2,836	2,597
Advertising, marketing and other costs	3,221	-	3,221	10,584
Investment management fees	1,478	-	1,478	1,925
	<u>£33,473</u>	<u>£Nil</u>	<u>£33,473</u>	<u>£51,748</u>

All of the £51,748 expenditure in 2016 was charged to unrestricted funds.

### 7. Expenditure on charitable activities

	2017 £	2016 £
<b>Direct costs</b>		
Management visits to country	13,204	13,874
Equipment and tools	130,636	82,195
Training for field officers	36,647	150,727
Expenses for field officers	42,846	43,544
Recycling and reusing	677	6,196
Overhead costs	29,328	65,040
Volunteer visits and training	14,417	6,965
Audiology support	8,915	24,752
Construction	18,150	102,743
Depreciation on HARK vehicles	15,811	20,727
	<u>310,631</u>	<u>516,763</u>
<b>Support costs</b>		
Staff costs	154,085	135,356
Training costs	2,320	3,697
Office costs	19,095	25,218
Other expenditure	13,870	5,193
Legal and professional fees	69,799	11,466
Governance costs		
Auditor's remuneration	4,300	8,000
Board meetings and other statutory arrangements	7,668	6,164
	<u>£581,768</u>	<u>£711,857</u>

Of the £711,857 expenditure in 2016, £104,804 was charged to unrestricted funds and £607,053 was charged to restricted funds.

# THE COMMONWEALTH SOCIETY FOR THE DEAF

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

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### 8. Net (expenditure)/income for the year

This is stated after charging:

	2017	2016
	Total funds	Total funds
	£	£
Staff costs	179,085	151,631
Auditor's remuneration	4,300	8,000
Depreciation	15,811	17,394
Operating lease rentals	4,785	14,063
Gains/(loss) on foreign exchange	(23)	65
	<u>179,085</u>	<u>151,631</u>

### 9. Employees and staff costs

Staff costs during the year were as follows:

	2017	2016
	Total funds	Total funds
	£	£
Wages and salaries	164,284	140,243
Social security costs	12,675	11,388
Pension costs	1,626	-
Pension scheme set up costs	500	-
	<u>£179,085</u>	<u>£151,631</u>

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

	Number	Number
	2017	2016
Generation of funds	1.0	1.0
Charitable activities	3.5	3.0
	<u>4.5</u>	<u>4.0</u>

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year (2016 - none).

The directors consider that they, together with the Chief Executive, comprise the key management personnel of the charitable company. The total remuneration of the key management personnel for the year was £57,067 (2016 - £58,592).

### 10. Directors' remuneration and related party transactions

No directors received any remuneration in respect of their services during the year (2016 - £nil).

£5,202 (2016 - £1,236) was reimbursed to three directors (2016 - one) during the year and relates to the costs of visiting the charity's overseas projects and UK expenses.

# THE COMMONWEALTH SOCIETY FOR THE DEAF

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

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### 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.

### 12. Tangible fixed assets

	Hark! Vehicles £
<b>Cost</b>	
At 1 June 2016	82,231
Additions	-
	<hr/>
At 31 May 2017	82,231
	<hr/>
<b>Depreciation</b>	
At 1 June 2016	49,744
Charge for year	15,811
	<hr/>
At 31 May 2017	65,555
	<hr/>
<b>Net book values</b>	
At 31 May 2017	£16,676
	<hr/>
At 31 May 2016	£32,487
	<hr/>

### 13. Investments

	2017 £	2016 £
Market value at 1 June 2016	323,560	330,367
Additions at cost	-	-
Disposals at opening market value (proceeds: £148,868; realised loss: £5,536)	(154,404)	(3,003)
Unrealised investment (losses)/gains	32,167	(3,804)
	<hr/>	<hr/>
Market value at 31 May 2017	201,323	323,560
	<hr/>	<hr/>
Cash held by investment managers	2,041	258
	<hr/>	<hr/>
	£203,364	£323,818
	<hr/>	<hr/>

Investments held at 31 May 2017 comprised the following:

	2017 £	2016 £
Smith and Williamson Investment Management:		
UK Equities - Investment Trusts	139,208	231,235
International Equities - Investment Trusts	37,230	58,913
UK Property – Investment Trusts	11,880	20,400
Cash Fund	13,005	13,012
	<hr/>	<hr/>
	£201,323	£323,560
	<hr/>	<hr/>

# THE COMMONWEALTH SOCIETY FOR THE DEAF

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

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### 13. Investments (continued)

At 31 May 2017 investments included the following individual material holdings when compared to the total portfolio valuation as at that date:

Holding	2017 %	2017 £	2016 %	2016 £
Smith and Williamson Investment Management:				
S&W Cash Fund	6.5	13,005	4.0	13,012
Edinburgh Investment Trust	19.0	38,275	21.0	67,860
Scot American Investment Co.	16.3	32,838	15.5	50,135
Mercantile Investment Trust	19.5	39,340	21.2	68,600
Henderson Intl Inc Shs	14.3	28,755	13.8	44,640
F&C Commercial Property Trust	5.9	11,880	6.3	20,400
JP Morgan Asset Management UK Ltd				
US Equity Income	12.0	24,149	11.8	38,216
Artemis Fund Managers Global Income	6.5	13,081	6.4	20,697
	<u>100.0</u>	<u>£201,323</u>	<u>100.0</u>	<u>£323,560</u>

### 14. Debtors

	2017 £	2016 £
Prepayments and accrued income	3,001	9,845
Taxation recoverable	972	22,014
Other debtors	15,631	8,865
	<u>£19,604</u>	<u>£40,724</u>

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

	2017 £	2016 £
Accruals and deferred income	8,719	53,369
Other creditors	481	5,877
	<u>£9,200</u>	<u>£59,246</u>

Deferred income relates to project grants received in advance. Movements on deferred income are shown below:

	£
Deferred income at 1 June 2016	
Resources deferred in the year	43,700
Released during the year	(43,700)
	<u>£Nil</u>
Deferred income at 31 May 2017	



# THE COMMONWEALTH SOCIETY FOR THE DEAF

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

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### 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 2016 £	Income £	Expenditure £	Transfers £	At 31 May 2017 £
<b>Increasing access to ear and hearing healthcare, including training and capacity building</b>					
DfID Malawi	2,753	96,979	91,772	-	7,960
Malawi Extension	3,531	-	13,563	10,000	(32)
Malawi Outreach	46,689	-	18,449	-	28,240
Basic audiology support Gambia	67,354	-	34,679	-	32,675
Audiology Support – Meeting Needs	-	4,967	-	-	4,967
TPS Sierra Leone	13,336	-	3,924	-	9,412
TPS Zambia	70,048	-	57,042	-	13,006
Tele-audiology – Malawi and Zambia	33,298	-	12,038	-	21,260
Hearing Aid Refurbishment Zambia	14,259	43,417	11,394	-	46,282
Earmould Zambia	-	7,610	2,549	-	5,061
Earmould Cameroon	-	9,126	1,416	-	7,710
Consultant Audiologist	14,569	-	4,102	-	10,467
HARK Zambia	530	-	530	-	-
HARK Vehicles	32,487	-	15,811	-	16,676
Recycling and Reusing	6,491	-	677	-	5,814
Hearing Aid Batteries	-	50,920	50,920	-	-
<b>Increasing access to education</b>					
Access to Education Gambia	32	-	3,938	3,906	-
Access to Education Sierra Leone	28,092	-	9,553	(3,906)	14,633
Access to Education Zambia	-	79,837	691	-	79,146
Access to Education Malawi	-	79,643	1,575	-	78,068
Access to Education Kansenshi Zambia	-	2,647	-	-	2,647
<b>Increasing community awareness</b>					
PEHC	29,508	-	17,129	-	12,379
<b>Research on Prevalence, Causes and Effects of Hearing Loss</b>					
Zambia Research	2,217	-	-	-	2,217
	<u>£365,194</u>	<u>£375,146</u>	<u>£351,752</u>	<u>£10,000</u>	<u>£398,588</u>

A description of the purpose for each of these restricted funds can be found in the Trustees' Report.

**THE COMMONWEALTH SOCIETY FOR THE DEAF**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2017**

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**17. Unrestricted funds**

	Balance at 1 April 2016 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 May 2017
Unrestricted Funds: General	147,769	207,051	236,858	244,092	362,054
Designated EJG fund	254,092	-	-	(254,092)	-
	<u>£401,861</u>	<u>£207,051</u>	<u>£236,858</u>	<u>£(10,000)</u>	<u>£362,054</u>

The EJG Fund was originally designated for programme management over the period 2017 to 2021. The Trustees have now decided to cancel this designation.

**18. Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Total 2017 £
Fixed assets	-	16,676	16,676
Investments	203,364	-	203,364
Current assets	164,531	385,271	549,802
Creditors: amounts falling due within one year	(5,841)	(3,359)	(9,200)
Total net assets	<u>£362,054</u>	<u>£398,588</u>	<u>£760,642</u>

**19. Commitments under operating leases**

The total future minimum lease payments due under non-cancellable operating leases are as follows:

	Land and buildings	
	2017	2016
Within one year	<u>£12,852</u>	<u>£6,313</u>