



**16  
17**

# Annual Report

and Financial Statements



## Deafness affects us all

**Janine first started losing her hearing when she was 18 and now has a severe to profound hearing loss.**

“It can’t be emphasised enough that deafness isn’t just about old people. It affects one in six of us, and if it’s not you, then it’s going to be somebody you live with or know. So, we have to be well informed, we have to be kind and we have to be considerate.

“We all need somebody to point us in the right direction, and that’s what Action on Hearing Loss is dedicated to doing.

“When I think about the possibility of one day having 100% hearing again, I get very emotional. I would be able to communicate with everyone again.”



# We are **Action on** **Hearing Loss**

In the UK, **one in six** of us has hearing loss. That's more than **11 million** people, a number that will increase as the population ages. We estimate that, by 2035, more than **15.6 million** people will have hearing loss.

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Over **6 million** people – that's **one in 10** of us – are living with tinnitus – incessant buzzing, ringing, whistling or banging in one ear, both ears or in the head. Research has shown that, for some people, tinnitus can lead to depression, anxiety, stress and sleep problems.

We help people who are confronting deafness, tinnitus and hearing loss to live the life they choose. We enable them to take control of their lives and remove the barriers in their way.

We provide people with support and care, develop technology and treatments, and campaign for equality.

Deafness, tinnitus and hearing loss are all 'invisible conditions', so their impact is often underestimated.

Being able to communicate with people and feeling part of a community is such an important part of life. People with deafness, tinnitus and hearing loss can often feel isolated and cut off from everyday life.

People who are severely or profoundly deaf are four times more likely to be unemployed than the general population. This is often as a result of public attitudes towards deafness and a lack of awareness.

Yet there are so many ways that we can bring about radical improvements in the quality of life for people with deafness, tinnitus and hearing loss – for example, information and advice, peer networks, technology and communication support. We believe everyone should have choice and control over how they live their lives.

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How can we help each other?

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# Welcome to our Annual Report and Financial Statements for 2016-17

Over 11 million people in the UK have hearing loss and one in 10 of us have tinnitus. This is a major health, economic and social issue that government, businesses and the general public simply cannot ignore.

This has been another year of successes and challenges. Government cuts to health and social care have threatened the availability of free hearing aids. This year, we successfully persuaded all three NHS Clinical Commissioning Groups (CCGs) who considered making cuts to continue to provide hearing aids to those who need them. In North Staffordshire, where cuts have been made, we've been working to show the CCG the impact this is having on people with hearing loss.

Last year, the John Townsend Trust in Kent went into administration. Its adult care and support services for people who are profoundly deaf with additional needs faced imminent closure. We **purchased five properties** and took over the running of these services, enabling vulnerable people to stay in their homes and continue to receive the support they need.

We provided high-quality, person-centred care and support services to more people who are deaf with additional needs than ever before.

In December 2016, we were proud to launch our **Technology Initiative for Hearing Loss**, with HRH The Duke of York in attendance. It aims to support the innovation, development and take-up of technology to help people confronting deafness, tinnitus and hearing loss.

Technology can be a vital lifeline, connecting people to services and entertainment, and in combating social isolation.

Our vision is to develop treatments to protect and restore hearing and silence tinnitus, and one day discover cures for those who want them. To bring us closer to that goal, in the past year we **invested £1.7 million in biomedical research**.

In February 2017, thanks to our brilliant campaigners and supporters, **we changed the law on subtitling**. The Digital Economy Act requires all broadcasters to **provide minimum levels of subtitles for all on-demand services**. This means that people with deafness and hearing loss will be able to watch television, however and wherever they want to, without being excluded.

We also launched our **Working for Change** campaign and published our report *Improving attitudes to hearing loss in the workplace*. Its aims are to help employers feel confident about recruiting people with hearing loss, and to overcome common myths about hearing loss and employment.

It's been a year of mixed success for our Commercial Services. We sold more than **88,000 products** to people who are deaf, have tinnitus or hearing loss. We transformed our professional services for employers to provide improved solutions and training. Our communication support business remains financially challenging, but with more than **16,000 communication assignments** coordinated, we continue to deliver huge social impact for British Sign Language users and those who need communication support.

## The year ahead

While the external environment for charities remains a key challenge, we'll keep striving to do more for people with deafness, tinnitus and hearing loss.

As we move into the final year of our 2013-18 strategy, *Taking Action*, we'll focus on extending our reach to more people in more communities. We'll provide older people with vital information through our new **Hear to Inform and Connect** project and provide support to local organisations so their services are more accessible to people with hearing loss.

GPs are often a major barrier to people addressing their hearing loss. To understand why and find ways to change that, we will pilot a **GP project** on the Isle of Wight that aims to improve referral rates to audiology for people who suspect they have hearing loss.

We'll run focus groups to understand further the needs of people who are deaf with multiple

conditions and their experiences of the health and social care system. With this vital evidence, we can represent this vulnerable group of people effectively.

We'll continue to **fund biomedical research**, to make the scientific discoveries that can lead to effective treatments for tinnitus and hearing loss. We'll work with manufacturers and experts to **develop new technologies** and offer digital solutions to the people who face barriers in everyday life because of deafness, tinnitus and hearing loss.

We'll also continue to **campaign for equality** – in the workplace, when accessing healthcare, when enjoying entertainment at home, or accessing culture through cinema and theatre, and in noisy cafes, bars and restaurants.

Of course, this all takes money. That's why we will **work harder than ever to raise funds**, and to give people supporting our charity a rewarding and positive experience. Above all, we'll use your generous donations to improve the lives of people with deafness, tinnitus and hearing loss.

## Thank you

We want to say a very big 'thank you' to our staff, volunteers, members and supporters for everything you've done for people with deafness, tinnitus and hearing loss. You are at the heart of our organisation, and we're incredibly grateful for everything you do.

We, and the Board of Trustees, hope you continue to feel inspired by the work we do to take action and keep supporting our cause.



*Paul Breckell*  
Paul Breckell,  
Chief Executive



*John Morgan*  
John Morgan,  
Chairman

We supported over 121,000 people



We helped more than 30,000 people with hearing aids get the most from them

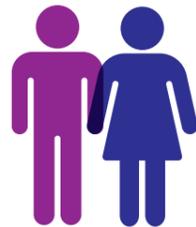


We gave 2.05 million hours of high-quality, person-centred care and support to people who are deaf with additional needs

# Key achievements



We successfully convinced the government to amend the Digital Economy Act 2017, requiring broadcasters to provide minimum levels of subtitles



Our befriending service helped over 1,700 people

89% of people attending our social groups or receiving home visits felt they had improved their daily life

I meet others who have as bad or worse hearing loss as myself and realise I am not alone.

*Outcomes Survey, 2016*

Through our free Information Line, we answered 15,005 calls and 9,805 emails




72,542 people used our Hearing Check

We gave care and support to more than 550 people who are deaf with additional needs, 8% more than last year, by taking on 3 new care homes, 2 extra supported living services and an additional day service

We supported 102 projects to increase research capacity, make scientific discoveries and develop new treatments



Over 1,000 people helped us campaign, calling on the restaurant industry to reduce levels of background noise



91% of our volunteers would recommend Action on Hearing Loss as a good place to volunteer



We persuaded a further 3 Clinical Commissioning Groups (CCGs) in England to carry on providing free hearing aids, and continued our fight against the only CCG to have introduced restrictions



1.88 million people visited our website

90% of people who use our Hear to Help service say that there had been some or a big improvement in their daily life since attending the hearing aid drop-in

The drop-in session is very useful to me. I can pick up batteries there, get tubing replaced and talk to people who understand hearing loss issues.

*Outcomes Survey, 2016*



We launched our Working for Change campaign, helping employers see through the myths that prevent them from employing people confronting deafness, tinnitus and hearing loss



We invested £1.7m in treatments to prevent hearing loss, restore hearing and silence tinnitus



**Trustees'**  
Report



**Having worn hearing aids for 60 years, I just want to give back. If I can just help one person walk out feeling relieved, with a smile on their face, then it's worth it.**

Marguerite, Hear to Help hearing aid clinic volunteer



**Strategic**  
Report

# Our strategy

## Our vision:

A world where hearing loss doesn't limit or label people, where tinnitus is silenced – and where people value and look after their hearing.



## Our aims:



### Support and Care

We help people confronting deafness, tinnitus and hearing loss to take control of their lives, so they can live the life they choose.

- We provide high-quality services, and we influence others to improve their services to meet people's needs.
- We seek to ensure that everyone confronting deafness, tinnitus and hearing loss receives the diagnosis and information they need to manage their condition, and any high-quality support or care that they may need to live the life they choose.



### Technology and Treatments

We enable people confronting deafness, tinnitus and hearing loss to take control of their lives, so they can live the life they choose.

- We fund biomedical research, encourage other funders to invest in hearing research, and drive the development and take-up of new technology.
- We seek to ensure that new technology and medical treatments are developed quickly to benefit the people we support.



### Equality

We campaign to remove barriers faced by people confronting deafness, tinnitus and hearing loss, so they can live the life they choose.

- We influence governments and organisations, empower people and change public attitudes.
- We seek to ensure that everyone confronting deafness, tinnitus and hearing loss has the same access and can make the same life choices as everyone else.

## Our purpose:

We help people confronting deafness, tinnitus and hearing loss to live the life they choose. We enable them to take control of their lives and remove the barriers in their way.



## Our values:

Our values, People, Passion and Partnership, reflect the identity and personality of our organisation.



### People

We treat people as people – with human warmth, dignity and respect. We see people as whole people, not just as an issue or a problem to be solved. We show kindness, care and understanding, and approach people how we would like to be approached.



### Passion

We are passionate about our work and we want to make a real difference in people's lives. If things can be improved, we won't just settle for how they are. We're prepared to challenge the status quo. We strive for high standards, to do our very best. We take positive risks and innovate, trying new things.



### Partnership

We work alongside others to achieve the best results. We listen carefully and try hard to understand. We share insights, ideas, learning and resources. We respect and value differences and we enable others to participate. We act with integrity and build trust.

**Achievements and performance:**  
Progress against our strategy



**We spent £28.35m** supporting people confronting deafness, tinnitus and hearing loss

**15,005** calls and **9,805** emails answered



**“Thank you for listening and giving me information on your telephone helpline about hearing loss in one ear, which was most distressing and impacting on my work.”**

Email feedback to Information Line

## Support and Care

Through accurate information, welfare advocacy, talks and events, and a range of initiatives, we support individuals and families, at home, at work and in residential settings, to live the life they choose.

### Information and local services

Our knowledge, skills and experience allow us to provide the right support, when and where it is needed, to the 11 million people with hearing loss, including the 900,000 people with severe or profound deafness, and the one in 10 people with tinnitus.

### To help, to meet and get in touch

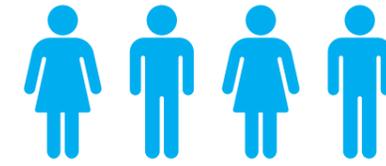
Our **Hear to Help** hearing aid services gave life-changing help to more than **30,000 people** at our local drop-ins – or at home. Staff and committed volunteers change batteries, perform repairs or simply spend time with people. It’s a truly local service, enabling so many to manage their hearing loss more effectively.

Our befriending services, **Hear to Meet** and **In Touch**, help those isolated due to their hearing loss. We gave **1,766 people** with hearing loss across England, Wales and Northern Ireland the chance to meet up over tea and coffee, share experiences and information, and make new friends.



**i** Find out more about the impact our Hear to Meet service has had in Wales in this subtitled video on our website: [actiononhearingloss.org.uk/impact](http://actiononhearingloss.org.uk/impact)

**94%** of people accessing **Hear to Help** said it was good or excellent



**30,000** people received life-changing **Hear to Help** services

**1,766** people were supported through **Hear to Meet** and **In Touch** – an increase of **26%**

**67%** said they feel less on their own because they can talk to people at **Hear to Meet** social groups

## We’re ‘hear to help’



Jo lives in Llandrindod Wells in Wales. She has been a hearing aid user for four years and is a regular visitor to her local Hear to Help clinic. “My hearing aids have made all the difference to me,” Jo says. “I can now hear the birds singing in the trees and watch TV again.”

Recently, she needed her hearing aids serviced. It was only a small problem, but it meant she couldn’t hear properly. She went to audiology to get them looked at, but eventually gave up and decided to go home. “I felt vulnerable and annoyed.”

“Then, I heard about the monthly Hear to Help clinic in Llandrindod Wells. It’s so much easier for me to get to and I can be seen and back out in 15 minutes. It’s wonderful to have this in my own community and it’s really given me back my confidence. I’m no longer worried about something going wrong, as I know help is close by.”



**69%** of people accessing Hear to Help said they were happier because they could manage their hearing loss better



“Charities like Action on Hearing Loss are making a big difference by supporting Deaf people, like me, whose first language is British Sign Language. They’re giving me strength by supporting me to overcome the communication barriers and challenges I’ve been facing in trying to access the welfare system. Email feedback to Welfare Officer

### Information, not isolation

We gave information to more than **71,000 people in local communities** across the UK, through talks, leaflets, factsheets and events – a 56% increase from the previous year. We reached isolated people with little access to information about deafness, tinnitus, hearing loss, equipment, services and benefits.

### Advocating for welfare rights

Our newly launched welfare rights service in Scotland gave support and information about benefits queries, claims and appeals to **74 people** who are deaf or have hearing loss.

Thirty-six of those supported use British Sign Language as their first language.

### Sensory services for people with both hearing and sight loss

In England, our joint sensory services have supported **3,374 people** who are visually impaired, deaf, hard of hearing or deafblind. We work with local authorities to assess people’s needs, and offer practical solutions, including

rehabilitation and support with everyday skills such as cooking and getting to the shops.

### Tinnitus support grows

Our dedicated tinnitus support services have supported **334 people** in England and Northern Ireland – through one-to-one sessions and group meetings. Our services are growing and we’ve helped 89% more people than in the previous year.

“I have never been to a support group before, as I can usually deal with any problem, but I find the tinnitus group really helps me and I now feel really relaxed. *Margate Impact Report for Discovery Grant*

## Isle of Wight recognised for excellence

Our Isle of Wight sensory service was recognised by the *Health Service Journal*, being shortlisted for an award for partnership between health and local government. We have been working with the NHS on the ‘My Life A Full Life’ programme, supporting people to identify and better manage sensory loss, and highlighting that it is a long-term health condition often overlooked by health professionals.

## Employment services

We supported **123 people** to return to, or enter, employment, through specialist work and employment programmes in Northern Ireland, Wales and Scotland.

Our **Moving On** service in Scotland supports young people aged 16–25 who are deaf or have hearing loss into employment, training and education. This year, we supported 63 young people to get work experience and **65%** moved into full-time employment, training or education.



## A taste of success for Steven

Steven wanted to make the move from a part-time placement into a permanent career in catering. Our Scottish Moving On service helped Steven to develop his CV, enhance his job search skills and prepare him for job interviews. He went full-time as a kitchen porter and, five months later, was promoted to sous chef.

“I love my job because I’ve learnt many cooking techniques and am looking forward to applying them in my new role as a sous chef,” Steven says. “Kitchens can be pressurised places and it is really important to work quickly and efficiently. To do my job correctly, good communication is very important – if you

don’t know what’s on order, things can go wrong.”

Steven lipreads, uses basic signs and exchanges notes by mobile with his colleagues to make sure he’s on top of the job. His supervisor is learning British Sign Language, which means she will soon be able to communicate more effectively with him.

“It can be tough for people who are deaf to find work,” Steven says. “But knowing what you want to do and getting the right support makes life much easier. The advice I received from Moving On has been life-changing. It means I am now doing the job I really want to do, and not sitting at home losing my confidence.”



## Care and Support for the individual

We work with people who are deaf, deafblind or have hearing loss and also have additional needs, to help them achieve their goals. Support is tailored to individuals' needs and ranges from care in **long-term residential care** settings to helping people adjust to **independent living**.

**96%**  
of people are happy with the support they get

Annual Care and Support survey, 2017



**550 people given 2.05 million hours of support in 47 Care and Support services**

### Wilfred's supported living



When the John Townsend Trust went into administration, we took on five care homes facing closure in Westgate-on-Sea, Kent. Vulnerable people like Wilfred, who lives in St Christopher's, can now stay in their homes and receive continued care and support. Since the transfer, the Quality Care Commission has improved the rating for three registered care services from 'poor' to 'good'.

"When the deaf school closed down, I worried about St Christopher's closing," Wilfred says. "I was so scared I'd have to move away, but Action on Hearing Loss saved the day and our house."

"The staff who support Wilfred know when he needs help and back away when he needs space and time to himself," says Wilfred's mum. "They are always available to speak to me. I am very happy with St Christopher's and I know that Wilfred is too."

### Making it real

'Making it Real' is a commitment across the care sector to transform adult social care through person-centred working and community-based support. We're very proud that every single one of our Care and Support services can now display the Making it Real kitemark.

Tony, one of our deafblind residents, moved 12 years ago to Watery Lane in Bath, where he was taught how to deafblind sign, transforming his life. In our subtitled video

on our website, you can see for yourself how we approach person-centred working: [actiononhearingloss.org.uk/impact](http://actiononhearingloss.org.uk/impact)



**100%**  
of our Care and Support services are 'Making it Real'

**"I cannot thank the team enough for their care and support"**



### loan throw a lifeline

With severe hearing loss and learning difficulties from birth, life became harder for loan and his mum when he lost his part-time job at Asda through ill health.

Describing that time as very difficult, loan's mum worried about her son, who was "increasingly housebound and relying on me for everything, and having great difficulty walking". One of her main concerns was that "loan had no life without me".

Then came a lifeline from loan's social worker and Action on Hearing Loss. The social worker was able to get a Disablement Grant to make their house more "user friendly" and give loan a much-needed three hours' support a week.

loan now goes swimming every week. With an additional three hours' support



agreed, he has also been introduced to bowling and snooker, which he really enjoys. On top of doing three activities he loves, he gets to meet others socially, something he looks forward to every week. loan and his mother now also enjoy valuable time apart.

loan's mum now feels that she is "not alone" and looks forward every week to six hours' respite from her caring role. This has allowed her to take a holiday, with some family help, and she has peace of mind knowing that loan is safe and well.

"I cannot thank the team enough for their care and support. Knowing there are people out there I can turn to for help means so much. As a parent with so many difficulties, I feel they've given me a better life and hope for the future."

## Diagnosis, information and support

Many vital NHS hearing services are still under threat, because of budget cuts and increasing demand. Our research shows that this is leading, in some parts of the UK, to people not getting the right diagnosis or hearing services they need.

### Getting the right diagnosis

Research suggests that GPs fail to refer **45%** of people reporting hearing loss onto

specialist services. Low levels of diagnosis mean that two-thirds of people don't get the treatment and support they need. Delays in treatment mean that people with hearing loss are less likely to get the most benefit from hearing aids. Evidence shows that hearing aids reduce social isolation and the risk of depression (Source: *Hearing Matters* report, 2015).

Working to increase referrals to audiology for people with hearing loss, we've trialled local hearing screening services across England, Northern Ireland and Wales, benefiting **1,945 people**. A total of **70,597 people** took our Hearing

Check: **69,052 online** and **1,545 over the telephone**.

We have also set up a project with GPs on the Isle of Wight to pilot a number of approaches, tools and materials designed to raise awareness of hearing loss and increase referrals to audiology.

# 45%

**of people reporting hearing loss are not referred by GPs**

*Hearing Matters* report, 2015



**70,597** people used our Hearing Check: **69,052** online **1,545** via telephone

## Cochlear implants make a difference

Cochlear implants can improve people's ability to hear and understand speech if they can't benefit from hearing aids. People can communicate more confidently, regain their independence and stand a better chance of getting the job they want. See what a difference cochlear implants have made in Laura's life in this subtitled video on our website: [actiononhearingloss.org.uk/impact](http://actiononhearingloss.org.uk/impact)



We responded to NHS Improvement's consultation on proposed changes to funding for cochlear implant procedures, which could make them an unaffordable option for NHS trusts and deny many people the benefit of this technology.

## Fighting NHS cuts

We successfully **discouraged three Clinical Commissioning Groups (CCGs) in Worcestershire from cutting hearing aid provision**, allowing those with hearing loss in the county to continue benefiting from the only viable treatment available to them.

In October 2015, despite our strong campaign backed up by robust evidence, cuts to free hearing aid provision for people with mild hearing loss came into effect in North Staffordshire.

We have **continued to campaign for the North Staffordshire CCG to change its mind**. In November 2016, the Healthy Staffordshire Select Committee voted unanimously to refer the CCG's policy to the Secretary of State for Health for further investigation.

## We have discouraged

# 3

**CCGs in Worcestershire from cutting hearing aid provision**

“Recently I came into contact with Action on Hearing Loss and since the day I was fitted with a new hearing aid, I can hear words that are spoken to me. The difference is incredible and I am extremely grateful for the help I have been given. *Outcomes Survey, 2016*”

## Publish, guide and improve

We have worked with NHS England on the *Action Plan on Hearing Loss*, which aims to drive improvements in healthcare. We have co-produced a literature review on early intervention titled *Early Diagnosis Scoping Report*. A *Joint Strategic Needs Assessment* guidance document on hearing loss and a *Living Well* hearing loss guide for employers are being finalised.

## Raising standards in Scotland

Our report *Time to raise the standards* highlights the experiences of NHS audiology patients in Scotland. We urge audiology services to do more to meet the individual needs of people, supporting them to make fully informed decisions about how they manage their hearing loss in everyday life.



# How we made a difference to our beneficiaries...

## People with hearing loss

**“Because the hospital services were cutting back, they advised me about the support services Action on Hearing Loss provide. These have been my saviour since last September. I don’t know what I would have done without them.”**

Hear to Help and Hear to Meet annual survey, 2017

**“The most important thing is to be able to talk to others with hearing loss, rather than only family or friends, who at times do not understand. I can feel isolated at times, and even though I wouldn’t wish my hearing loss on others, the support I’ve received and not having to apologise for not understanding what is said to me are much appreciated.”**

Hear to Help and Hear to Meet annual survey, 2017

**“I went to the lipreading classes and they gave me some knowledge about hearing loss, how the first things to drop off your radar are the leaves rustling, the birds chirping, and hearing water running. This helped me convince my husband that he should go back to the hospital to get another hearing test and then start wearing the hearing aids he had been given years ago.”**

Hear to Help and Hear to Meet annual survey, 2017

**“Before I had my hearing aids I had no idea I was hard of hearing. It was my family who noticed me having the TV on full volume and not hearing the doorbell. So very grateful for my hearing aids, would not be without them – many thanks for your excellent service.”**

Hear to Help and Hear to Meet annual survey, 2017

## People who are deaf

**“Many deaf people can find it difficult to get employment opportunities and experience difficulties following conversations at work but, thankfully, my Employment Advisor at Action on Hearing Loss gave my colleagues some Deaf Awareness training and told me about the support, such as Access to Work.”**

User of our Scottish employment service

**“I was attending interviews but not getting any work and I was very frustrated. Action on Hearing Loss supported me to gain work experience and further qualifications to add to my CV. I’m grateful to them for giving me a chance.”**

User of our Welsh employment service

## People with tinnitus

**“It is good to know I have support from other people.”**

Margate Impact Report for Discovery Grant

**“My GP just said I had to learn to live with it. It is good to talk to other people and not feel alone.”**

Margate Impact Report for Discovery Grant

**“Very caring and supportive – an essential service. Knowing someone else knows and can offer help and information is vital.”**

User of the Northern Ireland Tinnitus Service

**“I have had more help here in 10 minutes than in three NHS appointments.”**

User of the Northern Ireland Tinnitus Service



## Our volunteers

An amazing **1,400** people generously gave up their time, skills and energy for us this year. Our volunteers help out in many different ways: giving information talks, supporting our hearing aid drop-in sessions, working with our finance team and helping out at fundraising events. Without their commitment and effort, we simply wouldn't be able to help so many people who are deaf, or have tinnitus or hearing loss.



### Megan



"I wear hearing aids and rely on lipreading. I also have tinnitus, which can be really annoying at times of stress. It's been an emotional journey and I've had to make some life-changing decisions, including changing my career path in teaching, which has always been my passion.

It wasn't until I turned 21 and started training to become a teacher that I finally started my journey as a hearing aid user. I struggled at times at university but, fortunately, I had good friends who helped me to cope. I realised I relied more and more on my lipreading skills and found myself extremely tired at the end of a day teaching young children. This didn't stop me, though, and I taught successfully for two years after graduating. I gave it my all but, on reflection, I realise now how draining the work was.

I had to take action, so I did some research. That's how I came to Action on Hearing Loss. I made an appointment to visit the resource room in Brighton, and attended several of the charity's coffee mornings and events, which encouraged me to get involved as a volunteer. I felt I had something to give – particularly as I was younger than the average person with hearing loss.

As a volunteer, I have two roles: I help run a monthly lipreading group and I also work within the Outreach Information team, giving talks and information to local groups and at events.

I've gained such a lot as a volunteer. It has really improved my confidence and given me something that I can feel passionate about and get stuck into."



“Volunteering has helped me to improve my skills and gain new ones – helping me to find and secure a new job.

*Volunteer Satisfaction Survey, 2016*

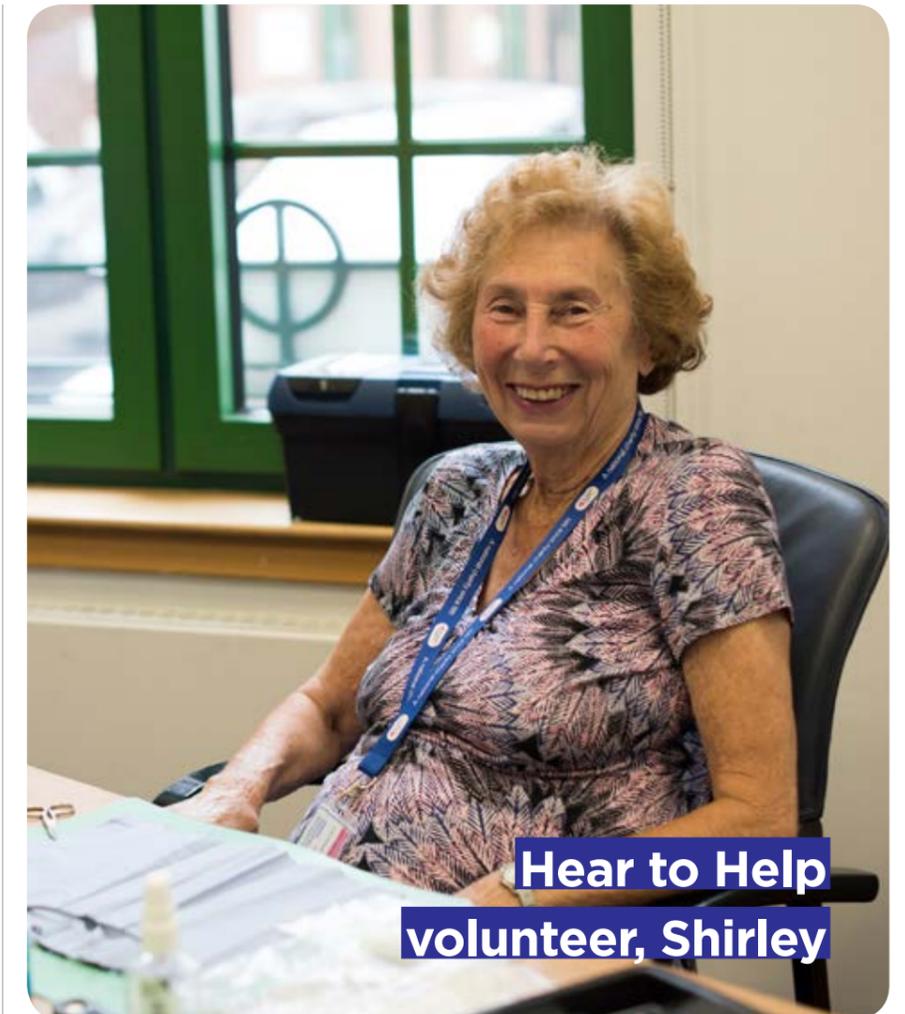
### Karl aids others in Essex

One of our volunteers in Essex, Karl, draws on his own experience of hearing loss to run one of our Hear to Help hearing aid support services. Like Karl, 55% of our volunteers are deaf or have hearing loss. Learn more about his story and his joy in volunteering for us, in this short video on our website: [actiononhearingloss.org.uk/impact](http://actiononhearingloss.org.uk/impact)



“Over the five years plus that I have been volunteering, I've enjoyed every minute of it. Meeting new people has turned me from a shy and anxious person into a more confident version of myself.

*Volunteer Satisfaction Survey, 2016*



# Technology and Treatments

To give people confronting hearing loss and tinnitus hope for the future, we fund research now. To give them control of their lives today, we work to bring them cutting-edge technology.

## Why we fund research

There are currently no cures for hearing loss or tinnitus. Treatment for hearing loss is largely limited to technology such as hearing aids or cochlear implants. There are no treatments to silence tinnitus, only ways to help people cope with it.

In the UK, so many of the 11 million people with hearing loss and the one in 10 of us with tinnitus desperately need new treatments and, ultimately, cures. That's why, in 2016-17, we spent **£1.7m** on research (a breakdown of our grant payments is detailed in Note 10 of the Financial Statements on pages 91-92).

We awarded the following new awards:

- six International Research Project grants worth **£838,298** to make scientific discoveries (see 'New project grants', opposite)

- a Translational Research Initiative for Hearing grant worth **£296,443** to bring a promising approach to preventing a particular type of hearing loss closer
- 12 Flexi Grants worth **£52,709** to kick-start new areas of research
- three Pauline Ashley Fellowships worth **£166,197** to support talented researchers at the start of their careers
- five new PhD studentships worth **£362,500** (see 'PhD students', opposite)
- 17 conference bursaries worth **£13,890**, allowing early-career researchers to present their work at three international conferences
- six undergraduate summer placements, worth **£9,200**, in hearing research laboratories, to spark interest in research into deafness, tinnitus and hearing loss.

In 2016-17,  
we spent  
**£3.74m**

developing new technologies and treatments for tinnitus and hearing loss



**The support from Action on Hearing Loss has been pivotal to my team's work and helped us collaborate with other research teams in the UK and abroad to explore new research into age-related hearing loss. It's also directly funded the salary of an up-and-coming research scientist who's been studying the role of a new gene that may be involved in hearing loss.**

Mike Bowl, Medical Research Council's Harwell Institute

## New project grants



We awarded six International Research Project grants:

- Professor Karen Steel at King's College London is researching diagnostic tests for age-related progressive hearing loss.
- Dr Robert Carlyon at MRC Cognition and Brain Sciences Unit, Cambridge, is researching methods for improving speech perception by cochlear implant users.
- Dr Lavinia Sheets at Massachusetts Eye and Ear Infirmary, Harvard University, USA, is identifying drugs to promote regeneration of auditory cells.
- Dr Michael Bowl at MRC Mammalian Genetics Unit, Harwell, Oxfordshire, is looking into identifying molecules important for proper function of the inner ear.
- Dr Amanda Lauer at Johns Hopkins University, Baltimore, USA, is investigating how stress and anxiety affect the development of tinnitus.
- Dr Sally Dawson at University College London is looking to discover more genes that cause otosclerosis.

**I'm looking at a new gene involved in deafness. I became involved in hearing loss research during my Master's degree in experimental neuroscience. I was looking at Parkinson's disease, brain injury and deafness, and found deafness the most interesting and varied. My ultimate goal is to find a way to reverse damage in the auditory system. It would be great if we could just take a pill and hear again.** Rafael Kochaj, King's College London



## PhD students

It's vital that we help to increase the number of scientists working on treatments and cures for hearing loss and tinnitus. That's why, in 2016-17, we funded five new PhD studentships. Follow the link below to watch a video on our website of the students presenting their findings so far: [actiononhearingloss.org.uk/impact](http://actiononhearingloss.org.uk/impact)



We also work in partnerships, co-funding PhD grants with Cochlear Ltd and Advanced Bionics.

## Recent breakthroughs

Our research at the University of Leicester discovered that exposure to loud noise can alter the strength of signalling between neurons in a specific part of the brain and that this is linked to tinnitus. Targeting this process in the future could lead to treatments for tinnitus.

Dr Eri Hashino, of **Indiana University School of Medicine**, has published in *Nature Biotechnology* the results of research we funded. She describes a new method for growing human inner ear tissue from stem cells. The cells are grown as 3D structures, not as a flat layer on the surface of a culture dish. This approach allows the cells to interact with each other in ways that mimic more closely what happens in the body. We hope this new approach will lead to new treatments to protect and regenerate hair cells.

## From discovery to treatment

We awarded funding to a three-year project at the **University of Sussex** to support the development of a drug to prevent hearing loss caused by aminoglycosides (a class of antibiotic), which are used to treat life-threatening infections.

We provided expert support and advice to **11 companies** with an interest in developing treatments for hearing loss and tinnitus, helping them to make vital connections with clinicians and academics, identify investment partners and recruit people into clinical trials.

We have been funding research with the biotech company **Otomagnetics** to develop a 'magnetic injection' system for getting drugs into the inner ear to treat hearing loss.

## Pilot studies

**Twelve new pilot studies**, funded through our Flexi Grant scheme, will enable us to develop new paths of research. Here are some of the studies we're supporting:

- Professor Colin Bingle, **University of Sheffield**, is using gene editing (a new genetic tool) to investigate the role of genes in cells of the middle ear, in order to gain a better understanding of otitis media.
- Dr Jacques Grange and Professor John Culling, **Cardiff University**, are developing new ways of using cochlear implants to improve understanding of speech in noisy situations.
- Professor Deborah Hall, Dr Kathryn Fackrell, Dr Haula Haider and Professor Birgit Mazurek,

**NIHR Nottingham Hearing Biomedical Research Unit**, are working on creating a standard approach, globally, for measuring the results of clinical trials in adults with tinnitus.

- Dr Andrew Liu, Dr Philip Gander, Dr Inyong Choi and Dr Matthew Howard, **State University of Iowa**, USA, are studying brain activity related to making greater effort to listen and understand speech in noisy situations. This could lead to new types of hearing tests.
- Dr Karina Needham, **University of Melbourne**, Australia, is looking at the role played by a specific group of proteins in nerve damage caused by exposure to loud noise.
- Professor Xiaorui Shi, **Oregon Health and Science University**, USA, is investigating whether damaged blood vessels in the inner ear can be regenerated to restore hearing.



**Less than 1% of the total UK expenditure on medical research goes to hearing loss**

*Hearing Matters* report, 2015

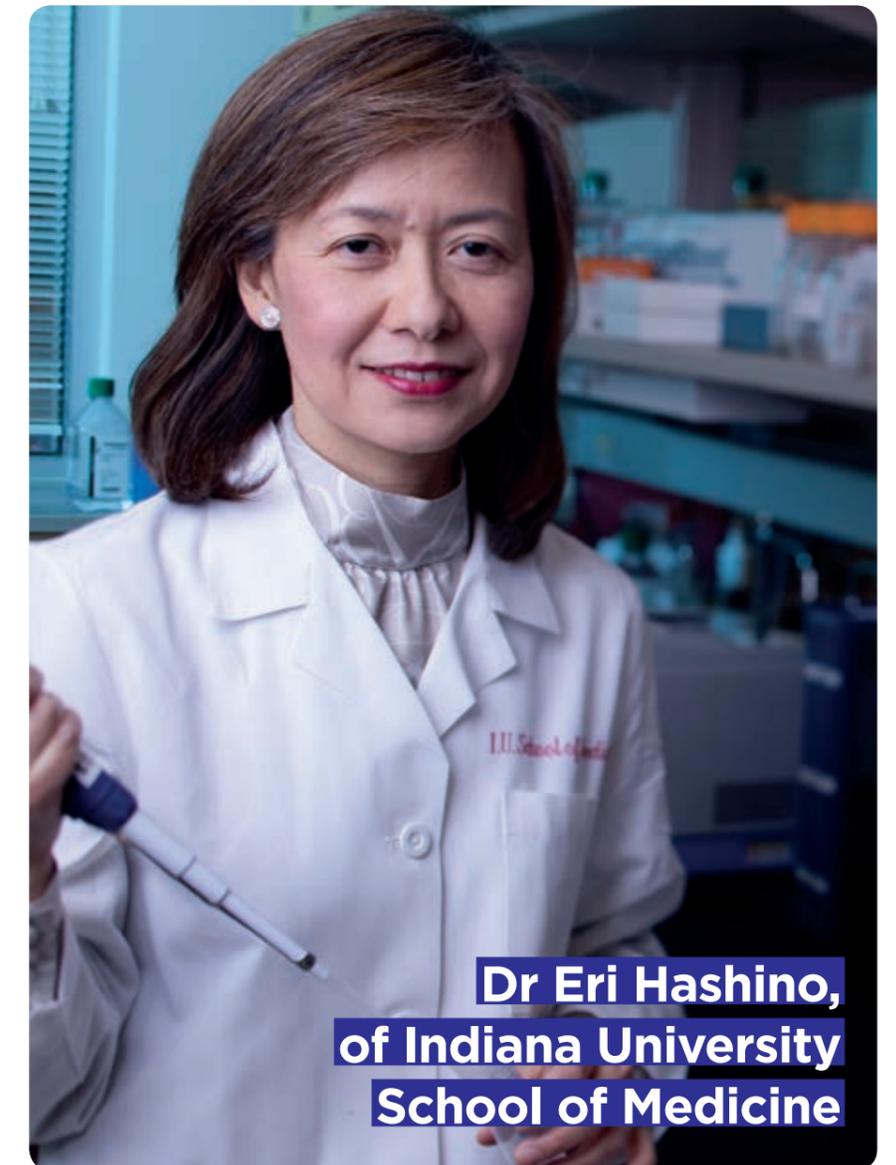
“Grant funding from Action on Hearing Loss helped us jump-start the company. Together with support from the State of Maryland, we were able to do a lot of the initial laboratory work showing magnetic delivery works. We are starting a formal collaboration with one major pharmaceutical company and are in discussions with others. Pharma companies and sophisticated investors look at an investment by Action on Hearing Loss and see it as a vote of confidence by an organisation that's expert in hearing.”

Dr Benjamin Shapiro, President and co-founder of Otomagnetics



“The Action on Hearing Loss Flexi Grant helped get us on our feet. The funding was just what we needed to set up epigenetics of the auditory system in our lab and run one solid preliminary experiment. We used this data to apply for a bigger grant, which we received. That's now in its third year and we're up and running.”

Professor Karen Avraham, Tel Aviv University



**Dr Eri Hashino,  
of Indiana University  
School of Medicine**

## Technology

Technology is vital for giving control to people confronting deafness, tinnitus and hearing loss, and allowing them to participate fully in everyday life. It lets them use services, communicate in the workplace, and socialise with friends and family.

### Breaking new ground

We work in partnership with manufacturers and developers of assistive technology to bring more than **400 products** to market through our online shop (see 'Retail therapy', opposite). This year, we provided help and advice to

developers of groundbreaking innovations, including:

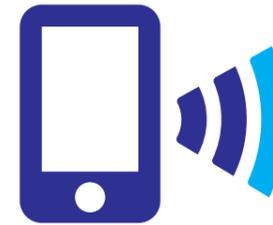
- real-time, speech-to-text technology such as Texthear with **Geemarc**
- providing information in British Sign Language (BSL) with app developer **Signly** using augmented reality technology; based on the image picked up by a smartphone camera, a relevant BSL video appears to translate the text
- cutting-edge audio technology that has the potential to make watching TV more accessible for people with hearing loss – such as

**S3A's** 3D sound system based on object audio – for example, by increasing the volume of speech and reducing the background noise.

We also work with developers and manufacturers to help them understand how their technology could be used or improved to support people with deafness, tinnitus and hearing loss. One example is the 'hearables' market, non-medical devices that can be worn on the ear. We've reviewed a number of these on our website to make more people with hearing loss aware of technology that could be of benefit to them.

## Get the facts, try the tech

We have updated our **Products and Technology information factsheets and leaflets**. We also continue to run our **dedicated resource rooms**, which give people with deafness, tinnitus or hearing loss the chance to try out new technology. Trained volunteers are on hand to give assistance and provide information about our range of products and the support available.



**88,491** of our products were sold in 2016-17, from vibrating doorbells to amplified phones – an increase of **17%** on last year

## Retail therapy

We sell a range of assistive technology products. They've been tried and tested to help people confronting deafness, tinnitus and hearing loss, as well as their families and friends, to enjoy a better quality of life. Here's what just a few people had to say:



### Listening device

"What a wonderful little gadget – I use it with my hearing aids set on the loop system and the sound is loud and clear. To be hard of hearing can be very isolating – I sometimes feel alone in a crowd, but from now on I shall be able to converse with confidence. It's going to turn my life around completely." Helen



### Vibrating alarm clock

"Once his hearing loss was severe, things like waking up in the morning, alarm clocks, well, they could be a bomb going off, that wasn't going to wake him up. So we invested in an alarm clock with a vibrating pad, which at the time was hilarious, but a necessity to wake him up." Lynn

## Taking the initiative

People with deafness and hearing loss face many barriers daily, at home, at work and when out and about. In public places, there's a lack of visual information. Mainstream products frequently aren't designed with their needs in mind.

People with tinnitus face dwindling numbers of specialists, and low awareness and understanding of tinnitus management, leading to worsening symptoms. There is therefore a need for greater awareness of assistive devices for tinnitus management.

That's why, in December 2016, we launched our Technology Initiative for Hearing Loss

to support the innovation, development and take-up of technology to help people confronting deafness, tinnitus and hearing loss, with our Royal Patron, HRH The Duke of York attending the event.

"I'm really pleased to see that technology is being used to solve some of these problems," the Duke said. "Hearing loss is a human condition that we can in many cases help alleviate, and there are people out there who simply don't know that their technology can be applied in this area. We just have to get the message out that this is an area where technology can make a difference."



**HRH The Duke of York at the launch of the Technology Initiative for Hearing Loss, 2016**



We spent  
**£5.90m**

in 2016-17 influencing government and organisations, empowering people and changing attitudes

**12,000** people have viewed our various online information resources:

**1,329**

on getting help from the jobcentre

**1,194**

on supporting older people in residential care homes

**2,396**

on visiting cafes, pubs and restaurants

**1,943**

on visiting the cinema

**1,992**

on visiting a GP

**3,152**

on telling your employer about hearing loss

## Equality

Awareness and understanding of the impact of deafness, tinnitus and hearing loss can result in people taking action. We campaign for change so that we can have true equality and there are no longer barriers to face.

### Campaigning

We campaign to make things better for people who are deaf or have hearing loss, and encourage others to value their hearing. We work with politicians, public services, fellow charities, businesses, and the general public so that we can collaboratively make a difference to people's lives.

We believe that everyone should enjoy the same human rights. Deafness and hearing loss should not be a barrier to taking part fully in all aspects of everyday life – at home, at work, when using essential services and socialising.

That's why we're calling on the UK government and other organisations to take stronger action to improve the situation across the board.

It's why we also create online resources to help people confronting deafness, tinnitus and hearing loss to understand their rights, and to explain legal obligations to service providers and employers. These resources provide

information to empower individuals to challenge things that are not right and to support and enable providers to make the case for the changes needed.

### Subtitle it! – it's the law

When we launched our **Subtitle it! campaign** in June 2015, thousands of you asked the government to put an end to the digital exclusion that has prevented people who are deaf or have hearing loss from enjoying on-demand content.

Together, we did it. On 8 February 2017, **Parliament voted in favour of an amendment to the Digital Economy Bill**, now the Digital Economy Act 2017, making it a **legal requirement for on-demand broadcasters to provide minimum levels of subtitles**.

We've worked with broadcasters such as **Sky** and **BT** to support the rollout of subtitles on their on-demand platforms, promoting their trials to our supporters with deafness and hearing loss.

“The news about the change to the Digital Economy Act means, quite simply, that I will have the freedom to choose what I view and when, and will no longer be excluded from watching with family or friends. In a digital world, subtitles mean you don't get left out.

Michelle, Subtitle it! campaigner



**3,154** people took action for Subtitle it! in 2016-17



In summer 2016, on the back of our report *Speak Easy: hearing the views of your customers*, we launched our **Speak Easy campaign**, with a free campaign pack, to take noise off the menu in cafes, pubs, bars and restaurants.

The campaign was reported on BBC Breakfast news and in *The Times*, *the Daily Mail*, *the Guardian*, *the Independent* and several hospitality trade publications. Our Chief Executive, Paul Breckell, also gave interviews to various national radio stations.

We've also sent the report to some of the UK's largest restaurant chains, encouraging them to work with us as campaign partners to tackle the problem of background noise in their venues.

So far, more than **1,000** people have requested the campaign pack to provide direct feedback to their local venues.

“Eating out is meant to be sociable and fun, but often I end up feeling excluded because of the noise. It's embarrassing when the server asks what drink I would like and I order the fish. Sometimes, I just have to say no to an invitation when I know it's a noisy venue.

Susan, Speak Easy campaigner

## Access to healthcare

The Accessible Information Standard came into effect from 31 July 2016, requiring all NHS and adult social-care services in England to identify, record, share and meet the communication needs of patients, including people with deafness or hearing loss.

To coincide with the publication of the Standard, we launched our **On the Record campaign**, producing materials tailored for people who are deaf or have hearing loss: a rights guide, a communication card and a template letter, which were also provided in BSL.

People can use the materials to make sure their communication needs are properly registered. This information should then be permanently recorded and available to any healthcare provider to whom they are referred.

We've worked with NHS England to understand how the Standard is being complied with, and we responded to their post-implementation review with our *Accessible Information Standard Review – Action on Hearing Loss Response*.

For BSL users, the lack of booked interpreters at health appointments continues to be a barrier.

Even when an interpreter is requested, around two-thirds of patients don't get one, and almost half who do find the quality of interpretation is not good enough. **On the Record** is working to change this.

## Access denied

Adapted telephones, flashing doorbells and hearing loops are some of the potentially life-changing items that local social services should provide for people who are deaf or have hearing loss. But with cuts in spending on assistive technology, thousands of people with hearing loss across Wales are now not getting the support they need.

## Accessible referendum in Scotland

We successfully campaigned for two TV programmes shown in Scotland about the European Union referendum to be accessible and include British Sign Language (BSL). We also persuaded both Vote Leave and Britain Stronger in Europe to issue campaign videos in BSL.

**“When I was referred to hospital, information about my hearing loss was not shared [by my GP]. The hospital did not know that I had hearing aids, and staff shouted everyone's names out when it was their turn – and this was for people waiting for ear, nose and throat (ENT) and audiology appointments.** *Accessible Information Standard Review –*

*Action on Hearing Loss Response*

## Working for change

For years, people with hearing loss have told us that the biggest barrier they face in the workplace is the poor attitude of employers. Our new campaign, **Working for Change**, aims to change that.



Supported by the Minister of State for Disabled People, Health and Work, we have published *Working for change: improving attitudes to hearing loss in the workplace*, a myth-busting guide that will help employers feel confident about recruiting people with hearing loss.

“All employees at Sass and Belle are offered an opportunity to learn BSL and most do take the lessons. The classes are excellent for team-building and providing staff with a new skill. We currently employ one Deaf BSL-user in our design team. His colleagues communicate with him using his preferred language, so he feels part of the team.”  
Richard Stone, Managing Director, Sass and Belle

Action on Hearing Loss Cymru's campaign **Access Denied** highlights these cuts in spending on assistive technology, which could put people at risk of serious isolation, loneliness and, ultimately, developing mental health problems.

More than **700 people** took action by contacting their local director of social services and asking them to increase the budget for people with deafness and hearing loss.

## Communication support

We delivered **15,505 sign language assignments** to people needing communication support, and more than **822 assignments** across the UK to people needing non-BSL or electronic support, such as speech-to-text reporters (STTRs), who provide a word-for-word account on a screen, in real time, for people who are deaf or have hearing loss. We provided a wide range of communication support to help people who are deaf or have hearing loss access public services, work-related meetings, training, appointments and events.



**Deaf Awareness training, London**

## Awareness raising and influencing

### Deaf awareness

Despite changes to the law, people with deafness or hearing loss still experience disadvantage and discrimination. Often, people and organisations, including workplaces, simply lack awareness of how to improve communication.

That's why we are determined to make everyone more deaf aware by empowering individuals, informing employers and influencing government.

We ran a campaign called **'Definitely Can'** on social media for Deaf Awareness Week 2016, tearing up society's assumptions and turning the spotlight on the incredible things deaf people and people with hearing loss can do. Our Twitter engagement increased by **450%** during the campaign.

In 2016-17, we provided **45 Deaf Awareness training sessions** to voluntary, private and public sector organisations. We also

carried out **134 work-based assessments**, advising employers on how best to support staff with hearing loss.

## 45 Deaf Awareness training sessions; 134 work-based assessments

### Changing public attitudes

We have started a pilot to **engage the wider public** on the personal and emotional impact of hearing loss, to change the way people think, feel and act. The response has been very positive with attendees wanting to talk to family members about hearing loss with a better understanding, and pledges by people to do more to help.

### Louder than Words™

Louder than Words is our nationally recognised accreditation for organisations striving to offer excellent levels of service and accessibility for customers and employees who are deaf or have hearing loss.



The charter mark helps businesses meet the needs of the 11 million people with hearing loss, improve service quality, grow customer loyalty and meet the requirements of the Equality Act and the public sector Equality Duty (Disability Discrimination Act 1995, in Northern Ireland).

This year, we awarded Louder than Words again to **21 organisations**, and to **three new organisations** for the first time. **Nine other organisations** went through the benchmark process and will receive the award in 2017-18.

## Margaret gets connected



We have been working with the Royal National Institute for the Blind (RNIB) and Sense, the charity for people who are deafblind or have sensory impairments or complex needs, to deliver an access-to-technology service called **Online Today**. We have supported more than 1,200 people this year to get online and connect to other people digitally, among them Margaret of Portadown, Northern Ireland.

"I am a cochlear implant and hearing aid user and I also have tinnitus," Margaret

says. "The tinnitus sometimes keeps me awake all night and I need a distraction to keep it at bay.

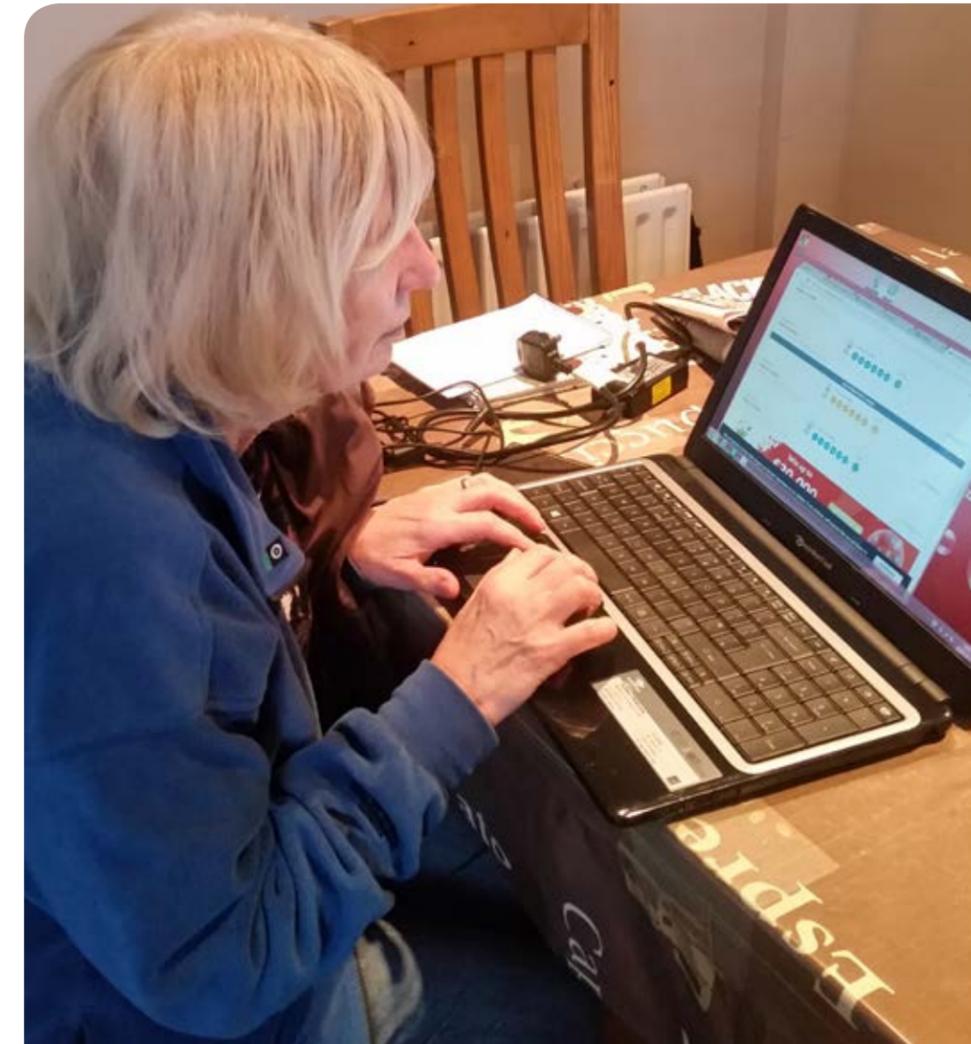
"I decided to go to an **Online Today** session to learn how to use the laptop I bought three years ago. They showed me how to search the internet, and create Facebook and email accounts. I can now email my sister in Canada, which I am thrilled about.

"I have also found learning all these new things to be a sort of therapy because it has taken my mind off the tinnitus."



### BSL National Plan for Scotland

The British Sign Language (Scotland) Act 2015 places a duty on the Scottish government and local authorities to promote the use of BSL in Scotland. We have been advising the Scottish government on the first draft *BSL National Plan* and how to promote it. *The Plan*, due to be published in October 2017, sets out more than **50 actions** to be taken by 2023.



 **The training made me feel like it is perfectly achievable for me to learn sign language.** David, Martindale Pharma

# Fundraising

We couldn't support, campaign and fund research for people confronting deafness, tinnitus and hearing loss without the generosity of our supporters. We are hugely grateful to every one of them for their commitment and support.

## Our achievements

Through gifts in wills, public fundraising, major giving and partnerships, advertising and sponsored events, it's been another successful year in fundraising, bringing in a total of **£12.59m**.

## Gifts in wills

In 2016-17, **435 supporters** left us gifts in their will, helping to raise over £9.4m, the largest amount in more than 10 years. Once again, this generosity has made much of our work possible.

## Public fundraising

We are fortunate to have over **50,000 active supporters and members**. We rely on their donations for much of our voluntary income. This year, we received individual donations from supporters who responded to specific charity appeals, attended events or took on a challenge, entered into our weekly lottery or shopped online.

## Major giving and partnerships

Major donations from individuals, companies and trusts are an increasingly

important source of income for us. We match our major supporters with specific projects if requested, and work hard to build a close relationship between our supporters and the work they fund.

One of our key partners is **Boots Hearingcare**. Employees raise funds for our cause, and we work in partnership with the company to raise awareness of how important it is to have your hearing checked.

## Tinnitus on TV

This year, we launched a TV advertisement promoting a new tinnitus guide. It reached **17.3 million** adults, prompting an extraordinary **34,000 requests** for the free guide and raising **£40,000**.

The advert also raised awareness of the reality of millions of people in the UK facing tinnitus, and of the work we are doing to find a cure. We want to help those people manage their tinnitus and reduce the impact it can have on their lives.

While these new initiatives may initially require investment, they broaden our appeal to new supporters and help grow income in the future.



# £40,000 raised through tinnitus TV ad

## Inspired DJ raises funds

In October 2016, in a series of challenges on our behalf, Philip took on the gruelling 13.1 miles at the Royal Parks Half Marathon in London, followed by the Maidstone Half Marathon just one week later. During the races, he wore specially made earplugs that cancelled out most sounds, so that he could experience what it's like to have hearing loss.

"I was keen to do some work for Action on Hearing Loss, because I have a real passion for sound," Philip says. "I DJ in my spare time but the love goes so much further than music. I've run with the

noise-cancelling earplugs a few times, with only the sound of my footsteps shuddering internally and my pulse for company.

"It's very lonely being soundless. There are so many sounds out there in the everyday world. They all add up to making the day special, even if they're annoying things like my wife's snoring! Everyday sounds inspire me as I pound the streets, knowing that everything I raise will go towards research and support for those living with deafness, tinnitus and hearing loss."



**Philip supporting Action on Hearing Loss in the Royal Parks Half Marathon 2016**

## Fundraising control and regulation

We follow the standards laid out in the Code of Fundraising Practice, and adhere to the guidance of the Institute of Fundraising and the Direct Marketing Association (DMA). We are organisational members of the Institute of Fundraising and members of the Fundraising Regulator. We are also members of, and are regularly audited by, the Gambling Commission.

Recent media exposure of certain unacceptable fundraising practices elsewhere within the sector led to an investigation and subsequent report by Sir Stuart Etherington, Chief Executive of the National Council for Voluntary Organisations. We welcomed his recommendation for the formation of a new charity fundraising regulator.

We took the opportunity to assess our practices to make sure we were doing everything we could to provide our supporters with a rewarding experience, and to consistently uphold the highest ethical standards.

We regularly use a number of methods to monitor our performance and those of the agencies we work with, including robust contracts, mystery shopping, random call monitoring, and close monitoring of complaints to identify and resolve the root causes of any problems that people may be experiencing. This ensures that everyone who works with us to raise funds complies with our high standards.

### Use of agencies and third parties

We worked with carefully selected professional fundraising agencies for telephone and door-to-door fundraising. We did not use

agencies for street fundraising. We also worked with agencies to help us process responses to appeals and donations received, to print and mail on our behalf, maintain our supporter database and help us monitor the effectiveness of our fundraising activities. We work with any newly appointed agencies to ensure that contracts are set up to comply with the current and known changes to regulation. We also regularly review existing contracts to ensure that they continue to meet our high standards.

### Managing communications

We want our supporters to have the opportunity to tell us how they would like us to stay in touch with them, so we can honour their wishes and share information on topics that are important to them.

We offer supporters the opportunity to choose how we communicate with them

and for what purpose – and we honour those wishes. We also offer everyone we contact simple ways to opt out of any further communication.

We do not sell or exchange lists of data with any other charities or companies for marketing or fundraising purposes.

We are also preparing to ensure that we are compliant with the impending launch of the General Data Protection Regulation in May 2018 and the implementation of the Fundraising Preference Service in July 2017.

### People in vulnerable circumstances

We take our responsibility towards supporter care and, in particular, to vulnerable people very seriously. Members of our in-house Supporter Care team are all trained to respond sensitively and appropriately to any individual showing signs of distress, confusion or vulnerability.

## Commitment

We will continue to monitor closely all of our fundraising activities to ensure they remain at the highest standards and reflect the wishes and preferences of all our generous supporters. We welcome any feedback or comments you may have. To get in touch by post or email, see the last page of this report for contact details.

We also have contracts and controls in place, as described previously, to ensure all agencies that may come into contact with vulnerable people treat them in line with our policies and values.

### Complaints

We take every complaint we receive seriously and make sure that we respond promptly and investigate fully. We report our complaints on a calendar-year basis in line with the Fundraising Regulator's requirements. For the 12 months to 31 March 2017, we received 41 fundraising-related complaints, which is an improvement on the previous year, in which we received 85. We received no official complaints via the Fundraising Regulator. To ensure that we provide the best level of service to the people who support our work, we regularly monitor the level and nature of feedback that we receive.

# Our future plans

## Taking Action: Our strategy 2013-18

Our national and local strategy sets out clearly how, by 2018, we'll get closer to our vision of a world where hearing loss does not limit or label people, where tinnitus is silenced – and where people value and look after their hearing.

2016-17 was the fourth year in which we delivered this strategy. We'll move closer to achieving our vision in 2017-18, the final year of the strategy, by continuing to focus on our three core aims.



### Support and Care

Within our Support and Care programme, we will continue the expansion of our local community services that has been taking place since we developed our *Taking Action* strategy. Continuing to grow means working with more volunteers, more effectively, and finding new ways to fund and sustain our work for people confronting deafness, tinnitus and hearing loss.

We will pilot a project to increase referral rates to audiology by influencing GPs. We know that lack of

GP awareness and referral to audiology is one of the biggest barriers to people successfully addressing their hearing loss.

We are also seeking to improve the support we can offer to people who are deaf with multiple needs and, if possible, expand our high-quality Care and Support services.

We will also be piloting focus groups to further our understanding of the needs of people who are deaf with additional needs in order to advocate for change based on the experience of those we currently, and will continue to, work with.



### Technology and Treatments

We will continue to invest in biomedical research to accelerate the discovery and development of treatments to prevent hearing loss, restore hearing and silence tinnitus.

We will continue to catalyse innovation, support development and increase take-up of technology to improve the lives of people we support through our Technology Initiative for Hearing Loss.

Finally, we will do more to increase people's awareness of our biomedical research, building on people's interest in this area of our work to further support our fundraising efforts. We will develop a major fundraising appeal and engaging information for our website.



### Equality

Through our **Speak Easy campaign**, we will keep campaigning to reduce background noise in restaurants, bars and cafes; we will improve access to television through our **Subtitle It! campaign**; and, through **Working for Change**, challenge the attitudes of employers and assist people we support to enter and progress in the workplace.

We will continue our work to empower people confronting deafness, tinnitus and hearing loss through online resources, so that they have better access to key areas of life, by raising awareness of their rights, helping them to exercise those rights, and by helping providers make the changes needed.

We will also pilot and launch a project to change public attitudes to hearing loss so that more people understand it, care about it and take action.

To achieve these aims, we'll:

- continue to grow our fundraising, inspire more people to care about hearing loss – and do something about it – and use our new database to improve our relationships with, and service to, supporters
- provide the highly effective products and services that directly and indirectly improve the lives of people confronting deafness, tinnitus and hearing loss
- build on improvements to our systems and processes, particularly in Finance and Human Resources, and continue to operate the safe and secure legal, operational and financial infrastructure that's so essential
- make sure the organisation is financially healthy and sustainable so that we can deliver what we promise
- develop our next five-year strategy for 2018-23, engaging with and consulting the people we support, our partners and the wider charity sector as we develop our plans for the future.



We will hold an **international conference on research into treatments for hearing loss and tinnitus in March 2018**, bringing together leaders from industry and academia



Our new **Hear to Inform and Connect project aims to reach 12,000 older people with hearing loss in its first year**



We will work with **5 small to medium organisations** to help them become more inclusive to employees with hearing loss

# Financial review

Financial highlights 2016-17



**We were impacted by our Commercial Services performance.** Commercial Services are one year behind in delivering the strategy, as a result of recruitment and marketing delays.



**We effectively managed our expenditure** to ensure we achieved our net budget

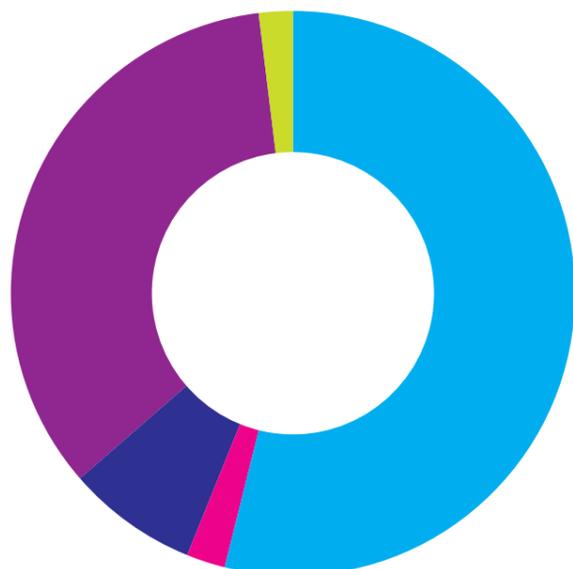


**How we spend £1 income:**



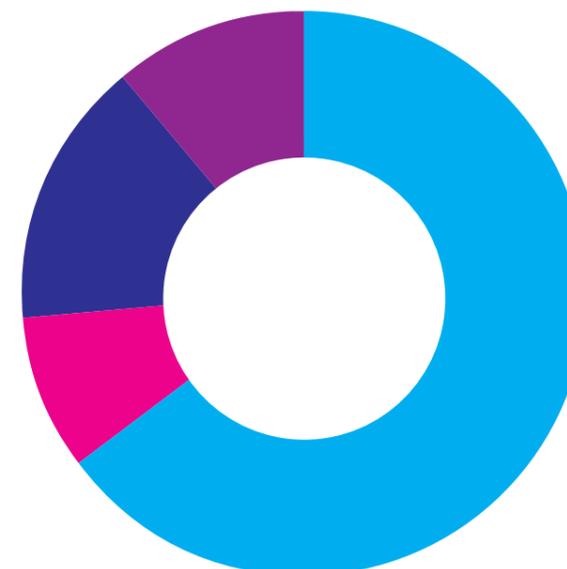
**Generating future income: 10%**

**Charitable activities: 90%**



## Where did our money come from?

- Support and Care: £21.99m
- Technology and Treatments: £1.53m
- Equality: £3.50m
- Voluntary income and activities for generating funds: £12.59m
- Other income and investments: £0.69m



## How was our money spent?

- Support and Care: £28.35m
- Technology and Treatments: £3.74m
- Equality: £5.90m
- Expenditure on raising funds: £4.26m

## Overview

Financially, 2016-17 has been a busy and mixed year, with some positive successes being offset by challenges elsewhere.

We had **£9.4m in legacy income**, the highest level in 11 years and £1.0m more than planned. This in part helped mitigate declines in other fundraising areas, in particular regular donations and corporates.

**Support and Care income grew by 5.9%**. It was an extremely busy year, with the transfer and integration of the former John Townsend Trust adult services, and the management of ongoing funding pressures from statutory commissioning authorities and higher than expected voids in some of the services. The transferred services, although not at full capacity, have financially performed well.

Our **Commercial Services** directorate, which has income and expenditure across all charitable activities, had a challenging year, with income lower than expected and in decline from the prior year. With reduced income, expenditure across the various products and services was

managed, resulting in a net operating deficit, compared to the positive contribution expected. Significant changes have been made in the teams as new structures were put in place, but with delays to recruitment of key positions and some challenging external markets, it means that we are 12 months behind our plan for the turnaround. The financial results in the year do not do justice to the positive operational changes being implemented and the hard work of the committed team, which are setting the foundations for future success.

We continued to invest in **door-to-door fundraising** to secure future income, a strategy that was approved by Trustees, following the sale of the former head office. During the year, we diversified our fundraising investment with the launch of our first **direct response television** campaign, which has proven to be successful, and we have similar campaigns planned for the upcoming year.

At the beginning of the year we acquired five freehold properties for £3.2m with mortgage finance to facilitate the transfer of former John Townsend Trust services, enabling **49 people** to remain in their homes, and employing

**73 people** locally. There were **£120,000** of one-off costs associated with legal and other fees.

During the year, we also started the refurbishment of the new head office acquired in August 2015, spending **£1.261m** in year.

## Events after the reporting period

On 2 May 2017, the Charity moved to a **new head office** following its purchase in August 2015 and subsequent refurbishment. As of 24 May 2017, no further rent or other obligations exist in relation to the former head office of 19-23 Featherstone Street, London. The head office purchase and move was funded from the designated fund, created from the sale of the Featherstone Street building in March 2014.

The UK initiated Article 50 of the Lisbon Treaty on 29 March 2017, which formally notified the European Union of the UK's intention to leave. There will be at least a two-year window to negotiate the exit from the European Union. Risks and opportunities arising from this are being proactively identified and managed through the Risk Committee. At the time of signing the

Financial Statements, it is too early to determine with any certainty what the exit from the European Union will mean for the Charity or our beneficiaries.

## Going concern

The Trustees have reviewed the Charity's financial position, taking account of the satisfactory levels of reserves, amounts receivable, the annual plan and the five-year financial plan, and its systems of financial and risk management. As a result of its review, the Trustees believe that the Charity is well placed to manage operational and financial risks successfully.

Accordingly, the Trustees have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the annual accounts.

## Pensions

We operate a funded pension scheme that has both defined benefit and defined contribution sections. We closed the defined benefit section to new entrants on

## Reserves policy

Reserves are maintained at a level that enables the Charity to manage financial risk and short-term income volatility. Free reserves available for use exclude restricted and designated funds and the tangible fixed assets held as unrestricted funds. Free reserves also exclude any long-term liabilities, including long-term loans and any deficit reported on the pension scheme.

As a matter of policy, each year the Trustees review the value of the reserves required to be held in investments, cash and cash equivalents that are not restricted to any particular purpose.

We calculate the amount that is required to be held based on the assessment of the risks affecting the income and expenditure of the Charity. We consider the exposure of the Charity to the risk of any significant loss of income or unforeseen increase in costs. A drop in income is the major risk that these reserves are held to mitigate against.

The calculation of the reserves required to be held takes into account the risk-weighted income and expenditure.

1 October 2001 and closed it to new accruals on 31 March 2010. The annually calculated notional surplus or deficit on the funding of the scheme is shown in the Financial Statements as the 'pension reserve' and is deducted from unrestricted funds in the balance sheet.

The last detailed actuarial triennial valuation was carried out on 31 March 2015. Following this, a revised funding plan was agreed with members and the pension scheme Trustees.

As part of the *Annual Report and Financial Statements* preparation process, an actuarial valuation was carried out on 31 March 2017 using methodology recommended by Financial Reporting Standard 102. This valuation showed market value of assets to be £69.2m and the current value of liabilities of £78.5m. The net deficit of £9.3m compared to a net deficit of £7.4m as at 31 March 2016. The funding plan is a schedule of deficit-reducing payments designed to eliminate the deficit by 2030; the contribution by the Charity this year was £1.0m. Further details are included in Note 22.

The Trustees recognise there is a voluntary income risk in relation to the current economic and political climate; a social enterprise income risk given current market conditions and continued pressures in public sector funding. It is also recognised

that the volatility of the stock market and other factors can lead to declining legacy values and reduced donations.

The Trustees have agreed that the free reserves should be in the range of £5.0m and £7.0m with a target of

£6.0m. Free reserves as at 31 March 2017 were £5.2m (2016: £7.7m) and in line with the reserve policy. In the year, the Trustees again continued investing in fundraising programmes from reserves as part of an income growth and diversification strategy.

The table shows the change in free reserves from 31 March 2016 to 31 March 2017.

	2017 (£m)	2016 (£m)
<b>Free reserves</b>		
Total unrestricted funds	20.7	18.7
Less: Unrestricted fixed assets	(15.5)	(11.0)
	5.2	7.7
<b>Represented by:</b>		
Investments	2.3	3.4
Current assets	8.0	8.2
Current liabilities	(5.1)	(3.9)
	5.2	7.7

## Investment policy and performance

Our investment objective for the Charity's financial assets is to maximise long-term, total return with appropriate risk management and liquidity requirements of the Charity. The Board of Trustees has set the following asset allocation targets:

- Equities: 45%–65%
- Fixed Income: 15%–30%
- Property: 5%–10%
- Alternatives: 5%–15%
- Cash: 0%–10%

The actual allocations are shown in Note 16, which demonstrates that the asset allocation at the year-end are within the target ranges shown above. The Board of Trustees has set the fund managers a series of additional limitations on the way the portfolio is managed, as follows:

- Fixed income assets should have a minimum rating of BBB with assets rated BBB not representing more than 10% for the fixed-term portfolio.

- Fixed income assets should have a maturity of seven years or less with a weighted average of no more than five years.

We expect our fund managers to take social, environmental and ethical considerations into account when assessing the suitability of investments and when exercising the rights attached to the investments. The Board has an Investment Committee that reviews fund manager and investment performance on a regular basis.

The fund managers are assessed against the following performance benchmark set by the Board of Trustees:

- FTSE All-Share Index: 40%
- FTSE World (ex-UK) Index: 20%
- FTSE Gilts 0-5 Year: 20%
- IPD UK all Property: 10%
- LIBOR +3%: 10%
- Cash: 0%

Overall, it has been a positive year for our investments with the portfolio, with a performance return of 15.3% to 31 March 2017. This is slightly lower than the benchmark for the year of 15.9%. During the year, the Charity divested £1.5m to support its working capital requirements. £1.1m that was on deposit matured and was also transferred into a current account to fund building work on the new head office building. The external conditions remain volatile with both global and local market and political uncertainties, and Trustees intend to keep the investment approach under particular scrutiny during the year to 31 March 2018.

## Grant-making policy

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

We widely publicise our calls for grant proposals. We advertise our grant schemes on our website and through emails sent out to the research community. The proposals we receive are subjected to an appropriate level of expert peer review, typically involving independent, external

reviewers and a voluntary independent grant-review panel. Each panel is made up of experts who serve for a three-year term and the panel members are listed on our website. We make the final decision about each award on the basis of this expert advice, the relevance of the research to our biomedical research strategy, and our available budget. We usually make payments every six months and review progress regularly.

Everyone involved in the grant-application process is asked to abide by our Biomedical Research Programme's Code of Conduct and Conflict of Interest policy. We occasionally award a small number of grants for social and technical research to help provide the evidence basis for campaigning and policy development. We also award grants to develop our library collection, currently housed and managed by University College London. Other details of grants payable are shown in Note 10 to the Financial Statements.

## Risks and uncertainties

The Trustees continue to support a formal risk management process to assess business risks and implement risk management strategies through regular review and oversight by the Audit Committee. This has involved identifying the types of risks faced by Action on Hearing Loss, prioritising them in terms of potential impact and likelihood of occurrence and then identifying and implementing mitigation steps. We continue to measure the impact of any potential risk by considering our free reserve position rather than income.

Strategic risk identification and oversight this year has focused on continued management of our financial position, continued regulatory reporting meeting any change in requirements, further progress with the development of our Commercial Services Group strategy, and monitoring and modifying approaches to fundraising to meet changing regulations and in advance of the introduction of GDPR in May 2018.

Action on Hearing Loss has a clear policy in relation to its strategic risk appetite being risk averse in terms of financial management and risk-taking in

terms of supporting the aims of our beneficiaries.

We monitor the risks and uncertainties arising from Brexit and consult with various sector groups to identify any emerging risks, threats and opportunities. Currently, no material change is noted from our risk analysis.

As Trustees we recognise there remain uncertainties that could affect our risk mitigation strategy through uncontrollable, external factors such as government policy, external focus on the charity sector and the wider economic conditions.

Strategic risk identification and mitigation is summarised as:

Risk	Mitigation
<p><b>Financial risk</b>, which includes:</p> <ul style="list-style-type: none"> <li>• not meeting our targets for unrestricted income</li> <li>• loss of, or reduction of, funding streams</li> <li>• uncontrolled expenditure</li> <li>• our free reserve position falling below the parameters set by the reserves policy.</li> </ul> <p>These risks would reduce our capacity to deliver our strategy.</p>	<ul style="list-style-type: none"> <li>• A detailed approach is taken to budget setting with the development of financial plans that are reviewed and approved by the Board of Trustees. Regular, detailed financial monitoring is carried out during the year and quarterly re-forecasts are prepared. Actions are taken to mitigate against budget-income pressures, including effective cost management measures.</li> <li>• Regular monitoring of the impacts of austerity measures emanating from local authority and central government expenditure, mitigating associated risks by improving efficiencies and, where necessary, considering the long-term viability of service delivery.</li> <li>• Detailed oversight of a new Commercial Services Group strategy and continuous review of our fundraising strategies to maximise our unrestricted income streams.</li> <li>• Continuing to invest in diverse income-generating strategies to maintain and grow unrestricted income.</li> <li>• Effective management of our pension fund obligations and continued, positive engagement with the pension scheme Trustees.</li> <li>• Monitoring and reviewing our investment strategy and its performance, managed by appointed, external fund managers.</li> <li>• Monitoring developments in respect of the UK's Brexit negotiations.</li> </ul>

Risk	Mitigation
<p><b>Governance risk</b>, which includes:</p> <ul style="list-style-type: none"> <li>• lack of compliance with legal and regulatory requirements</li> <li>• conflicts of interest</li> <li>• lack of appropriate oversight or delegations of responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>• Trustees are recruited through open and transparent member elections or through the advertisement and appointment of co-opted positions managed by the Board of Trustees Nominations Committee.</li> <li>• Board of Trustees' approval of delegated authority is regularly reviewed and clearly communicated.</li> <li>• In-depth reporting framework to the Board of Trustees is maintained.</li> </ul>
<p>These risks could have an impact on our operational delivery and the degree of regulatory scrutiny we may face.</p>	<ul style="list-style-type: none"> <li>• We review and continually update our compliance and regulatory reporting to reflect legislative and regulatory changes, an example of which includes data protection compliance reporting.</li> <li>• We continue to review and improve our online monitoring systems, such as quality monitoring systems, online complaints system, online incident reporting system and online management compliance audits, providing improved visibility evidencing good practice and areas for improvement.</li> <li>• A robust whistle-blowing policy is in place, which is accessible and known to all employees. Any issues arising from a disclosure are promptly and properly investigated, and reported.</li> <li>• Quarterly reporting to our Audit Committee, whose membership includes three Trustees and two independent advisors, on risks arising out of the Charity's operations and internal mitigating controls. The Audit Committee reviews and monitors the adequacy of internal controls and reports to the Board of Trustees on significant risks, any identified weaknesses in controls and progress of actions for addressing any such identified weaknesses.</li> </ul>

Risk	Mitigation
<p><b>Brand protection and reputation risk</b>, which includes:</p> <ul style="list-style-type: none"> <li>• loss of brand value, reducing fundraising and influencing potential</li> <li>• receiving damaging publicity</li> <li>• damage to charity sector brand image.</li> </ul>	<ul style="list-style-type: none"> <li>• We protect our brand reputation by delivering a proactive and reactive communications and marketing strategy, and by ensuring appropriate training and policies are in place to govern external communications and social media.</li> <li>• We work to engage stakeholders and people we support in our campaigns and the services we offer.</li> <li>• We have an ethics and brand risk management policy that helps to ensure we form appropriate partnerships.</li> </ul>
<p>We recognise that reputation and brand are essential to maximise support and organisation impact. If risks around these were to materialise, key stakeholders such as funders and beneficiaries may no longer wish to be involved with us, meaning that, consequently, we would be less able to achieve our desired impact.</p>	<ul style="list-style-type: none"> <li>• We track complaints and feedback to ensure we are aware of potential issues.</li> <li>• We are members of all relevant fundraising professional standards bodies and other professional standards bodies and have worked collaboratively with them to address concerns raised about sector practice.</li> <li>• We work to build our brand through marketing and by ensuring our values are embedded in our staff and external communications.</li> <li>• We have worked with charity partners to collectively provide feedback on adverse media publicity.</li> <li>• We have reviewed and tested in year our Business Continuity Plan.</li> <li>• We keep our fundraising standards and practices under review to minimise the risk of reputational impact.</li> </ul>



**What motivated me to go into hearing research is that I feel completely indebted to cochlear impact technology.**

Helen Willis, University College London

**Risk**

**Mitigation**

**Asset management – our people, money and property risk**, which includes:

- our ability to recruit and retain people with the required skills and experience
- not achieving best value from expenditure
- our infrastructure not being fit for purpose
- our ability to recruit a sufficient number of volunteers to support our strategic objectives
- the risk of failure of our support systems such as IT.

These risks would mean that we would be unable to work effectively towards our objectives, reducing our impact.

**Information security risk**, which includes:

- loss, or disclosure of, confidential information or personal data
- misuse of personal data
- a cyber-security attack on our infrastructure.

These risks could result in the loss of stakeholder confidence, breach of contractual and/or regulatory requirements and regulatory fines.

- Our most important asset is our people. So that we continue to recruit and retain people of the required calibre, we invest significantly in learning and development. We have person-centred recruitment policies and we have further progressed work on our pay and reward policy.
- We carry out an annual survey of our staff and volunteers and, from this, we develop and implement action plans to address key issues.
- We continue to review our property portfolio to ensure we maximise its value.
- We continue to review the suitability of our financial-control measures to reduce the possibility of deliberate or accidental loss.
- We continued and increased our IT infrastructure investment programme.
- We continue to carry out resilience testing of key business-critical activities led by our Business Continuity Board.

- We continue to monitor risks associated with poor information governance through our Information Security Board and ensure appropriate controls are in place to mitigate those risks.
- We continue to monitor risks associated with cyber security and ensure our controls remain suitable and proportionate.
- We have reviewed our Information Security and management arrangements and invested in additional support to ensure that we make progress against the implementation of the new General Data Protection Regulations (GDPR).

# Structure, governance and management

## Structure

Action on Hearing Loss is the trading name of the charitable company limited by guarantee, the Royal National Institute for Deaf People (RNID), registered in England and Wales No. 454169. It is registered as a charity (No. 207720 England and Wales and SC038926 Scotland). Action on Hearing Loss is governed by its Articles of Association, adopted on 14 May 1948, and last amended on 7 November 2008. The registered office address, which changed on 2 May 2017, is 1-3 Highbury Station Road, London N1 1SE.

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

Action on Hearing Loss has a wholly owned subsidiary, RNID Activities Ltd, which carries out non-charitable trading

activities to raise funds for Action on Hearing Loss. During the financial year, it made an operating profit of £277 (2016: £15,567).

## Public benefit

The Trustees use Charity Commission guidance on public benefit (section four of the Charities Act 2006). With regard to the Charity Commission's guidance, the Trustees consider the Charity has a wide impact on society and provides public benefit in the following ways:

- by reducing social isolation and supporting people with deafness, tinnitus and hearing loss to gain employment
- by providing information, advice, support and care to people with deafness, tinnitus and hearing loss, and their families
- by campaigning for equality for those confronting deafness and hearing loss, and by providing deaf awareness to the general public and businesses

- by funding biomedical research that aims to catalyse the development of treatments and cures of hearing loss and tinnitus, aiding future generations
- by working with the NHS and other organisations to improve their services and by encouraging individuals to address their hearing loss early.

## Governance

### Board of Trustees

The Board of Trustees is responsible for the overall governance of Action on Hearing Loss. Trustees are either elected or co-opted. The total number of Trustees may not exceed 14. Eight Trustees are elected directly by members and, of these eight, three seats are reserved for Trustees elected respectively by members resident in Wales, Northern Ireland and Scotland. Six seats are allocated to co-opted Trustees who are not elected but appointed by the Board of Trustees. All Trustees are appointed for a term not exceeding three years, at

the end of which they must retire but are then eligible for reappointment (either by election or by being co-opted). Trustees are not normally eligible to serve for more than two terms in total.

Effective partnership between Trustees and staff continues to contribute significantly to our success. Trustees are required to meet at least three times a year. In the year up to 31 March 2017, they met at four quarterly Board meetings and reviewed strategy and performance, and set our operating plan and the annual budget.

### New and retired Trustees

Our Chair, Stephen Hill OBE, resigned on 1 January 2017, after eight successful years as a Trustee and nearly four years as Chair. The Board of Trustees and the Executive Directors wish to thank him for his significant contributions and acknowledge his leadership and commitment to Action on Hearing Loss.

Two Trustees completed their terms of office during the year

and stood down – Peter Clarke and Win Griffiths. Jim Waits resigned on 10 January 2017. The Board of Trustees wishes to acknowledge its thanks and appreciation for their valuable contributions to the work of the Charity.

Our new Chair, John Morgan, was appointed on 1 January 2017 following a formal recruitment process managed by the Nominations Committee and an independent external advisor. Two new elected Trustees – Professor Brian Moore and Maggie Hampton – joined the Board of Trustees during the year. We are delighted to welcome them all to the Action on Hearing Loss Board at this exciting time.

### Board induction and training

New Trustees receive an induction pack containing detailed information about us, how we are organised and our work. They are invited to spend time with the Chief Executive and the Executive Directors, and to familiarise themselves with our activities, to prepare themselves for effective and

informed decision-making. Trustees are encouraged to attend training sessions to develop their knowledge and skills.

As part of an ongoing programme of governance work, the Board of Trustees and its Committees during the year self-evaluated their effectiveness, both individually and collectively through a series of questionnaires. The results from the self-evaluation were collated, and presented to and discussed by the Board of Trustees. Overall, the Trustees were pleased with the positive results; in response to the feedback, the Trustees agreed changes to its board meetings' structure, agendas and papers. The Board of Trustees continues to monitor its effectiveness, taking account of the self-evaluation feedback, and has planned a further detailed review in 2018.

# Committees of the Board

The Board delegates certain powers in connection with the Charity’s management and administration, as set out below. This delegation is controlled by requiring the committees to report back regularly to the Board, ensuring that all decisions made under delegated powers can be ratified by the full Board in due course. All committees provide meeting minutes and an annual report to the Board that outlines key areas of work undertaken.

## Audit Committee

The Audit Committee comprises the Honorary Treasurer, at least one other Trustee, and up to two independent members. All committee members are independent of management and free of any relationship that, in the opinion of the Board of Trustees, would interfere with their exercise of independent judgement. The Audit Committee meets quarterly and is responsible for reviewing the Charity’s risk assessment, risk management and internal control systems and processes.

## Investment Committee

The Investment Committee comprises the Honorary Treasurer, one other Trustee, the Executive Director, Corporate Resources and an independent member. It meets at least twice a year, and is responsible for maintaining the Charity’s investment funds, appointing and regularly reviewing the performance of appropriate fund managers, and ensuring investment matters are conducted in line with the investment policy determined by the Board of Trustees.

## Nominations Committee

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

## Country Advisory Groups

The Country Advisory Groups in Wales, Scotland and Northern Ireland each comprise a nominated Trustee who is the elected Trustee for the relevant country, representatives elected by members who are resident in the relevant country, and a number of co-opted members. Each Advisory Group is tasked with long-term planning for their country and advises the Country Directors on local priorities and issues.

## Chief Executive

The Chief Executive is responsible for the day-to-day management of Action on Hearing Loss and for implementing policies agreed by the Board of Trustees. The Chief Executive is assisted by five Executive Directors and eight Directors.



## List of Trustees and Executive Officers and their membership of sub-committees

Trustees	Audit Committee	Investment Committee	Nominations Committee
John Morgan (Chair from 1 January 2017)			✓ (Chair)
Stephen Hill OBE (Chair until 1 January 2017 )			✓ (Chair)
Eric Roux (Treasurer)	✓ (Chair)	✓ (Chair)	
Caroline Ashley			✓
Ingrid Gallen	✓	✓	
Peter Clarke (until 4 November 2016)			
Carol Cole			
Richard Jones CBE			✓
Win Griffiths (until 4 November 2016)			
Professor Quentin Summerfield			✓
Liz Tait	✓		
Dr Gerhard May			
Jacqueline Press			
Louise Craddock			
Jim Waits (until 10 January 2017)	✓	✓	
Maggie Hampton (from 4 November 2016)			
Professor Brian Moore (from 4 November 2016)			

Executive Officers (as at 31 March 2017)	Audit Committee	Investment Committee	Nominations Committee
Chief Executive, Paul Breckell			
Executive Director, Corporate Resources and Company Secretary, Peter Robson		✓	
Executive Director, Commercial Services, James Rowe			
Executive Director, Fundraising and Marketing, David Steadman			
Executive Director, Services, Louise Pritchard			
Executive Director, Biomedical Research, Sohaila Rastan			

## List of Patrons and Vice Presidents

Patron:  
HRH The Duke of York KG

Vice Presidents:

- The Rt Hon. the Lord Bruce of Bennachie
- Keith Butler-Wheelhouse
- Gerald Corbett
- Professor Adrian Davis OBE
- Sir Ranulph Fiennes
- Sir Rocco Forte
- Dame Evelyn Glennie
- Baroness Howe of Idlicote
- Steven Norris
- Dame Esther Rantzen
- Dr Miriam Stoppard OBE
- James Strachan
- Stephen Hill OBE

## Principal professional advisors

### Solicitors

Wilson Solicitors LLP  
Alexandra House  
St John's Street  
Salisbury SP1 2SB

Bates Wells Braithwaite  
10 Queen St Place  
London EC4R 1BE

### Independent auditors

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

### Bankers

Lloyds Banking Group  
4th Floor  
25 Gresham Street  
London EC2V 7HN

### Investment managers

Smith & Williamson  
25 Moorgate  
London EC2R 6AY

## Management

### Employees and volunteers

We aim to be an organisation where employees feel fulfilled, supported and developed. Employees are kept fully informed about our strategy and objectives, as well as day-to-day news and events. Regular information about the organisation is available through meetings, briefings and our intranet site – The Loop. All employees are encouraged to give their suggestions and views on performance and strategy. We create a variety of opportunities for staff to feed back, including an annual satisfaction survey.

Joint consultation is an essential feature of our employee-relations policies.

We have a Staff Council that provides a way for employees, through their representatives, to contribute to the continuous improvement of the organisation and its working environment.

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

We are committed to the training, career development and promotion of all employees. We assess an individual's career development with an annual appraisal and regular one-to-one meetings. We provide training programmes to meet any ongoing needs, with the aim of developing employees for both their current and potential roles. We particularly seek to encourage employees with hearing loss to play an active role in developing both the organisation and themselves, with specific training courses to meet this need. At the end of the financial year, 20.2%

(2016: 21.4%) of our staff were disabled or had hearing loss.

We recognise the invaluable work that our members and volunteers do on our behalf and the part they play in contributing to the achievement of our shared objectives. 1,400 dedicated volunteers (55% are deaf or have hearing loss) are actively involved in supporting our work in all kinds of ways: they campaign and fundraise, provide hearing aid support and befriending services for people with hearing loss, use their creative skills to support people with hearing loss and additional needs, get involved in art activities at our Educational Day Service in Bath, and work in our offices across the UK, supporting diverse teams.

We thank all our members, campaigners and donors for contributing their time and energy to supporting ongoing campaigns and fundraising activities.

### Remuneration policy

Our skilled and dedicated members of staff are vital to providing our wide-ranging services; from our high-quality care homes, to campaigning for equality or providing assistive technology.

We are a complex organisation with over 800 employees across the UK. It is important that we are able to attract and retain people with the right skills, talents and knowledge, so we can run the Charity as efficiently and effectively as possible.

In order to maintain fairness and transparency, we have a pay and reward strategy that defines the framework and policy for staff pay. The policy defines a pay structure in which job roles are placed within pay bands. We adhere to the requirements of the UK government's National Living Wage.

On 1 April 2016, a charity-wide, annual pay award of 1.0% was given to all staff. No individual performance bonuses are paid.

Following the introduction of a new pay structure, which came into effect on 1 April 2016, a job evaluation process has been undertaken to benchmark our roles against similar-sized charities and the wider labour market. This will continue to be completed at regular intervals.

### Senior management pay

The Chief Executive's salary is reviewed every year by the Board of Trustees. They take

into account performance, benchmarking, inflationary factors where appropriate, and due consideration of the Charity's overall financial position.

The Executive Directors' pay is determined in accordance with the staff pay framework and policy. A separate pay band determines the pay range for the Executive Directors and the level of individual pay within that band is set by the Chief Executive. There is a remuneration advisory group established, incorporating external advisors who support the Chief Executive in overseeing and setting Executive Director pay.

Further details of employee remuneration are disclosed in Note 11 to the accounts.

# Statement of Trustees' responsibilities

The Trustees (who are also directors of Action on Hearing Loss for the purposes of company law) are responsible for preparing the *Trustees' Annual Report* (including the 'Strategic Report') and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law, the Trustees have prepared the Financial Statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law, the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing these Financial Statements, the Trustees 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 (2015);
- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards, comprising FRS 102, 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group, and enable them to ensure that the Financial Statements comply with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware
- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of 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.

By order of the Board of Trustees, the *Annual Report* (incorporating the 'Strategic Report') has been approved by the Board of Trustees and signed on its behalf by:



John Morgan  
Chairman  
9 November 2017

# Independent Auditors' Report

## Independent auditors' report to the members and Trustees of The Royal National Institute for Deaf People

### Report on the Financial Statements

#### Our opinion

In our opinion, The Royal National Institute for Deaf People's Group Financial Statements and parent charitable company Financial Statements (the "Financial Statements"):

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2017 and of the Group's incoming resources and application of resources, including its income and expenditure and of the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### What we have audited

The Financial Statements, included within the *Annual Report and Financial Statements* (the "Annual Report"), comprise:

- the consolidated and Charity balance sheets as at 31 March 2017;

- the consolidated statement of financial activities (incorporating an income and expenditure account) for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Financial Statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### Opinion on other matters 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*, including the 'Strategic Report', for

the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and

- the 'Strategic Report' and the *Trustees' Annual Report* have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the 'Strategic Report' and the *Trustees' Annual Report*. We have nothing to report in this respect.

### Other matters on which we are required to report by exception

#### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company Financial Statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### Responsibilities for the Financial Statements and the audit

#### Our responsibilities and those of the Trustees

As explained more fully in the Statement of Trustees' responsibilities, 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) ("ISAs (UK and Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members and Trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### What an audit of Financial Statements involves

We conducted our audit in accordance with ISAs (UK and Ireland). 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 Group's and the parent 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.

We primarily focus our work in these areas by assessing the Trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the Financial Statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the *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 misstatements or inconsistencies we consider the implications for our report.

With respect to the 'Strategic Report' and the *Trustees' Annual Report*, we consider whether those reports include the disclosures required by applicable legal requirements.

*Jill Halford*

Jill Halford (Senior Statutory Auditor)  
for and on behalf of  
PricewaterhouseCoopers LLP  
Chartered Accountants and  
Statutory Auditors  
London

22 November 2017



**Akinola watering the garden at the Huguenot Place care home**



**Financial**  
Statements

## Consolidated statement of financial activities for the year ended 31 March 2017 (incorporating an income and expenditure account)

Company number: 454169

	Note	Unrestricted funds (£'000)	Restricted funds (£'000)	Total funds 2017 (£'000)	Total funds 2016 (£'000)
<b>Income from:</b>					
Donations and legacies	5	12,253	336	<b>12,589</b>	13,244
Income from charitable activities:					
Support and Care	5	20,959	1,034	<b>21,993</b>	20,772
Technology and Treatments	5	1,008	518	<b>1,526</b>	814
Equality	5	3,176	321	<b>3,497</b>	2,854
Other trading activities	5	571	-	<b>571</b>	548
Investments	5	117	-	<b>117</b>	148
<b>Total income</b>		<b>38,084</b>	<b>2,209</b>	<b>40,293</b>	<b>38,380</b>
<b>Expenditure on raising funds</b>	7	<b>4,263</b>	-	<b>4,263</b>	4,183
<b>Net income available for charitable application</b>		<b>33,821</b>	<b>2,209</b>	<b>36,030</b>	<b>34,197</b>
<b>Cost of charitable activities:</b>					
Support and Care	7	27,212	1,138	<b>28,350</b>	25,258
Technology and Treatments	7	2,968	771	<b>3,739</b>	3,510
Equality	7	5,529	366	<b>5,895</b>	5,905
<b>Total</b>		<b>35,709</b>	<b>2,275</b>	<b>37,984</b>	<b>34,673</b>
<b>Total expenditure</b>		<b>39,972</b>	<b>2,275</b>	<b>42,247</b>	<b>38,856</b>

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the Consolidated Statement of Financial Activities (SoFA). Results for the year ended 31 March 2016 are shown in corresponding Notes to the Financial Statements.

## Consolidated statement of financial activities for the year ended 31 March 2017 (continued)

Company number: 454169

	Note	Unrestricted funds (£'000)	Restricted funds (£'000)	Total funds 2017 (£'000)	Total funds 2016 (£'000)
<b>Total net investment gain/(loss)</b>		<b>382</b>	-	<b>382</b>	(113)
Net (expenditure)		(1,506)	(66)	<b>(1,572)</b>	(589)
Net actuarial gain/(loss) on pensions	22	(2,604)	-	<b>(2,604)</b>	5,054
<b>Net movement in funds</b>		<b>(4,110)</b>	<b>(66)</b>	<b>(4,176)</b>	4,465
<b>Reconciliation of funds:</b>					
Funds brought forward at 1 April 2016		12,566	2,394	<b>14,960</b>	10,495
<b>Funds carried forward at 31 March 2017</b>		<b>8,456</b>	<b>2,328</b>	<b>10,784</b>	<b>14,960</b>
<b>Reconciliation of funds:</b>					
Funds brought forward at 1 April 2015		8,190	2,305	<b>10,495</b>	12,020
<b>Funds carried forward at 31 March 2016</b>		<b>12,566</b>	<b>2,394</b>	<b>14,960</b>	<b>10,495</b>

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the Consolidated Statement of Financial Activities (SoFA). Results for the year ended 31 March 2016 are shown in corresponding Notes to the Financial Statements.

## Consolidated and Charity balance sheet (as at 31 March 2017)

Company number: 454169

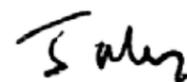
	Note	Group		Charity	
		2017 (£'000)	2016 (£'000)	2017 (£'000)	2016 (£'000)
<b>Fixed assets</b>					
Intangible fixed assets	14	1,150	866	1,150	866
Tangible fixed assets	15	15,936	11,823	15,936	11,823
Investments	16	2,380	3,387	2,380	3,387
		<b>19,466</b>	<b>16,076</b>	<b>19,466</b>	<b>16,076</b>
<b>Current assets</b>					
Stocks	17	403	457	403	457
Debtors	18	7,767	6,822	7,769	6,838
Short-term deposits		12	1,112	12	1,112
Cash at bank and in hand		572	1,871	555	1,847
		<b>8,754</b>	<b>10,262</b>	<b>8,739</b>	<b>10,254</b>
<b>Current liabilities</b>					
Creditors falling due within one year	19a	5,149	3,997	5,134	3,989
		<b>3,605</b>	<b>6,265</b>	<b>3,605</b>	<b>6,265</b>
<b>Liabilities</b>					
Amounts falling due after more than one year	19b	3,018	-	3,018	-
		<b>20,053</b>	<b>22,341</b>	<b>20,053</b>	<b>22,341</b>
<b>Total assets less total liabilities (excluding pension liability)</b>					
Defined benefit pension scheme liability	22	9,269	7,381	9,269	7,381
		<b>10,784</b>	<b>14,960</b>	<b>10,784</b>	<b>14,960</b>
<b>Net assets including pension liability</b>					

## Consolidated and Charity balance sheet (as at 31 March 2017)

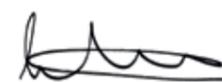
Company number: 454169

	Note	Group		Charity	
		2017 (£'000)	2016 (£'000)	2017 (£'000)	2016 (£'000)
<b>The funds of the Charity</b>					
Endowment funds	24	68	68	68	68
Restricted income funds	24	2,260	2,326	2,260	2,326
		<b>2,328</b>	<b>2,394</b>	<b>2,328</b>	<b>2,394</b>
<b>Unrestricted income funds</b>					
Unrestricted income funds excluding pension liability		20,410	18,573	20,410	18,573
Designated fund	24	2	1,263	2	1,263
Revaluation reserve		331	111	331	111
Pension reserve		(9,269)	(7,381)	(9,269)	(7,381)
Loan		(3,018)	-	(3,018)	-
		<b>8,456</b>	<b>12,566</b>	<b>8,456</b>	<b>12,566</b>
<b>Total unrestricted income funds</b>					
		<b>10,784</b>	<b>14,960</b>	<b>10,784</b>	<b>14,960</b>
<b>Total funds</b>					

The Financial Statements were approved by the Board of Trustees and authorised for issue on 9 November 2017 and signed on their behalf by:



John Morgan  
Chairman



Eric Roux  
Honorary Treasurer

The Notes on pages 79-111 form part of these Financial Statements.

# Consolidated statement of cash flows for the year ended 31 March 2017

Company number: 454169

	Note	2017 (£'000)	2016 (£'000)
<b>Cash flows from operating activities:</b>			
Net cash generated from/used in operating activities	26	1,144	(606)
<b>Cash flows from investing activities:</b>			
Interest received		33	77
Dividends received		84	71
Proceeds from sale of tangible fixed assets		-	17
Purchase of intangibles		(194)	(16)
Purchase of intangible assets under construction		(151)	(128)
Purchase of property assets under construction		(1,037)	(6,694)
Purchase of property		(3,358)	(67)
Purchase of other tangible fixed assets		(145)	(285)
Purchase of other under construction tangible assets		(66)	-
Purchase of investments		(1,056)	(808)
Sale of investments		2,445	810
<b>Net cash used in investing activities</b>		<b>(3,445)</b>	<b>(7,023)</b>
<b>Cash flows from financing activities:</b>			
Interest paid		(98)	(12)
<b>Net cash used in financing activities</b>		<b>(98)</b>	<b>(12)</b>
<b>Decrease in cash and cash equivalents in the reporting year</b>	26	<b>(2,399)</b>	<b>(7,641)</b>
Cash and cash equivalents at the beginning of the year		2,983	10,624
Decrease in cash and cash equivalents in the year		(2,399)	(7,641)
<b>Cash and cash equivalents at the end of the year</b>		<b>584</b>	<b>2,983</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		572	1,871
Other deposits		12	1,112
<b>Cash and cash equivalents</b>	26	<b>584</b>	<b>2,983</b>

The Notes on pages 79-111 form part of these Financial Statements.

# Notes to the Financial Statements

## Note 1. General Information

Action on Hearing Loss is the largest charity representing the 11 million people with hearing loss in the UK.

The Charity is a private company limited by guarantee without share capital and is incorporated and based in the UK, number 454169.

Action on Hearing Loss is a registered charity in England and Wales (207720) and Scotland (SCO38926).

The address of its registered office is 1-3 Highbury Station Road, London N1 1SE.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

## Note 2. Statement of compliance

The Financial Statements are prepared under the historical cost convention, modified to include the revaluation of investments to fair value, and in accordance with applicable accounting standards in the United Kingdom. These are the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities 2015' and Financial Reporting Standard (FRS) 102, together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Charity has adapted the Companies Act formats to reflect the SORP 2015 and the special nature of the Charity's activities.

In preparing the Financial Statements, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the SORP 2015 the following disclosures were required.

1. SORP 2015 states that legacy income should be recognised; when entitlement is confirmed, it is probable the benefit will flow to the Charity and the income can be reliably measured. Action on Hearing Loss has therefore decided to act in a prudent manner and only recognise legacy income on the earlier of the final legacy accounts being issued, or cash being received, to ensure income can be reliably measured.
2. FRS 102 requires that net realised and unrealised investment gains and losses be presented in arriving at net income.

## Note 3. Accounting policies

These consolidated and Charity Financial Statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

## Going concern

The Charity's five-year plan projects increased charitable expenditure with a small surplus for the next three years with free reserves within the reserves policy range. There are no uncertainties about the Charity's ability to continue. The Charity is a public benefit entity.

The accounting policies have been applied consistently throughout the Financial Statements and the prior year.

The Financial Statements are drawn up on the going concern basis which assumes Action on Hearing Loss will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements. Action on Hearing Loss relies on income from statutory authorities as well as voluntary fundraising for its current and future commitments and operates on that basis. The Group's forecasts, taking account of possible changes in performance, show that the Group is expected to operate within the limits of its current facilities. The Board considers Action on Hearing Loss's current and forecast cash resources to be sufficient to cover the working capital requirements of the Charity at least to November 2018, which is 12 months from the date of signing the Financial Statements, and required by FRS 102.

On the assumption that the Charity continues to perform activities as planned, there are no uncertainties about the Charity's ability to continue, and the Trustees have continued to adopt the going concern basis in preparing the Financial Statements.

### Basis of consolidation

The Financial Statements consolidate the results of the Charity and its wholly owned subsidiary RNID Activities Ltd on a line by line basis. A separate Statement of Financial Activities (SoFA) and Income and Expenditure Account for the Charity itself is not presented as allowed by section 408 of the Companies Act 2006.

The Charity's deficit for the financial year of £1,572,000 (2016: deficit of £589,000) is the same as the Group result as the subsidiary's profits are remitted to the Charity under Gift Aid regulations.

### Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Charity has taken advantage of the following exemptions:

1. from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these Financial Statements, includes the Charity's cash flows;
2. from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures.

### Income

Income is accrued and included in the SoFA when the Group is entitled to the income, receipt can be quantified and is probable and they are deferred when they relate to future accounting periods.

### Donations

General donations, gifts, donations from fundraising events, trusts and corporate income and direct marketing income are accounted for on a received basis, except sponsorship income from events, which is recognised when the event takes place. Gift Aid receivable is included when claimable.

### Legacies

Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received.

For residuary legacies, the Charity has decided to act in a prudent manner and only recognise

legacy income on the earlier of the final legacy accounts being issued, or cash being received, to ensure income can be reliably measured.

When the criteria for income recognition have not been met, then the legacy is treated as a contingent asset (see Note 20).

### Contractual

Where contracts contain the right to receive periodic payments, these receipts are recognised when they fall due and on completion of the Charity's contractual obligations for the period. Income is accrued if the Charity is entitled to the income.

### Grant income

Income from grants is credited to the SoFA. It is recognised when the Charity has entitlement to the funds, any performance conditions have been met, it is probable the income will be received and the amount can be measured reliably. If the grant relates to a specific future time period it will be deferred.

### Trading activity

Income from trading activities is credited to the SoFA when received or receivable, whichever is earlier, unless it relates to a specific future period, in which case it is deferred. Income from lotteries is recognised when the draw is made. Income received in advance for future lotteries is deferred until the draw takes place. Trading income from the gift catalogue is recognised when invoiced or received, depending on the customer. All other income is accounted for on an accruals basis.

### Government grants

Action on Hearing Loss received government grants that were performance-related grants. Performance-related grants are recognised in income under "charitable objectives".

Income from performance-related government grants is recognised when the Charity has entitlement to the funds, any performance conditions have been met, it is probable the income will be received and the amount can be measured reliably and is not deferred.

The nature of these grants is disclosed in Note 24. There were no unfulfilled conditions or special criteria.

Other forms of government assistance from which the Charity has directly benefited are Access to Work payments, local authority payments for local service agreements, and Care and Support contracts.

### Donated services and facilities

On receipt, donated professional services and donated facilities are recognised on their commercial value when this can be quantified.

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

A valuation of volunteer time given to the Charity is not recorded in the Financial Statements.

### Expenditure and irrecoverable VAT

Expenditure is accounted for on an accruals basis in the period in which they are incurred. Expenditure on raising funds includes the costs incurred in raising donation income, legacy income, grant income and income from trading activities, including apportioned support costs.

Expenditure on charitable activities comprises the costs incurred on charitable activities including the apportioned support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## Allocation of expenditure

Expenditure is allocated to the particular activity to which the cost relates. When expenditure relates to more than one area of activity, the costs are allocated to each of the activities based on estimated staff time.

## Governance costs

Governance costs are the costs associated with constitutional and statutory requirements and with the strategic management of the Charity's activities.

## Grant commitments

Grants are generally made to organisations to facilitate research into hearing loss and tinnitus. Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. The grants are accounted for where either the Trustees have agreed to pay the grant without condition or up to the point at which the conditions have been fulfilled. The key condition is a regular review by the Charity, and this can be on a six-month or 12-month basis, as specified in the grant award letter.

## Taxation

The activities of the Charity and its charitable subsidiary are exempt from corporation taxation under section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation's charitable primary objectives, if these profits are applied solely for charitable purposes. The trading subsidiary does not generally pay UK corporation tax because its policy is to pay taxable profits as Gift Aid to the Charity.

## Intangible assets

Intangible assets are stated at cost, less accumulated amortisation. The Group only capitalises items costing more than £5,000,

unless the asset cost is below this value but is part of a larger project where the value would be more than £5,000 in total, then it is capitalised.

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful life as follows:

Intangible asset	Duration
Software (Costs associated with maintaining computer software are recognised as an expense as incurred.)	5 years

Intangible assets are subject to review for impairment when there is an indication of a reduction in their carrying value.

## Tangible assets

Tangible assets are stated at cost, less accumulated depreciation. The Group only capitalises items costing more than £5,000, unless the asset cost is below this value but part of a larger project where the value would be more than £5,000 in total, then it is capitalised.

Depreciation is provided so as to write-off the cost of fixed assets on a straight-line basis over their expected useful lives, as follows:

Tangible asset	Duration
Freehold land and buildings	Not depreciated (land) or 50 years (buildings)
Improvements to freehold and long-leasehold properties	25 years
Leasehold properties	50 years or lease period if shorter
Fixtures, fittings, furniture and other equipment	5 years
Computer equipment	5 years

## Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity that the Trustees decided at their discretion to set aside for the new head office building that was purchased. Restricted funds are funds that the donor has specified to be solely used for particular areas of the Charity's work.

The endowment funds are permanently endowed and their purpose is to relieve the charitable needs of people who are deaf or have hearing loss, who may suffer from any other illness or permanent conditions with a preference for older people.

## Pension costs

The Charity operates three funded pension schemes in the UK (the "Scheme"). One Scheme has both defined benefit and defined contribution sections and the others just have defined contribution sections.

The current service cost of the Charity's defined pension scheme is charged to the SoFA.

The Charity operates a defined benefit plan for certain employees. A defined benefit plan defines the benefit that the employees will receive on retirement, usually dependent on certain factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

A full actuarial valuation of the Scheme was carried out at 31 March 2017 by a qualified independent actuary, based on membership data as at 31 March 2015, but amended to take account of material movements during the year.

Assets under construction are not depreciated and comprise expenditure on the purchase or creation of intangible and tangible assets not brought into use at the balance sheet date. Transfers are made from assets under construction to the relevant category of tangible and intangible asset when the asset is brought into use.

Tangible assets are subject to review for impairment when there is an indication of a reduction in their carrying value.

## Leased assets

Payments under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

## Investments

Listed investments are held at fair value which is their bid price basis. Gains and losses are recognised in the SoFA. Realised gains and losses are calculated as the difference between disposal proceeds and the opening market value of the investment, or cost if purchased during the year. Unrealised gains and losses represent the movement in market value during the year.

Investments in subsidiaries are recorded at cost in the Charity's balance sheet.

## Stocks

Stock is valued at the lower of cost and fair value less costs, to sell using an average cost calculation.

## Cash and cash equivalents

Cash and cash equivalents includes cash in hand, and deposits held with banks.

Actuarial gains and losses are recognised on the face of the SoFA as net actuarial gain or loss on pensions.

The defined benefit obligation is calculated using the independent actuary's valuation model, which forms a representation of the future benefit payments of the Scheme, which are then discounted to the valuation date. Annually, the Charity engages independent actuaries to calculate the obligation.

The present value is determined by discounting the estimated future payments using market yields on the Merrill Lynch UK AA corporate bond yield curve at a duration of 18 years as at 31 March 2017 and a discount rate of 2.7% per annum.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

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

The Group operates two defined contribution plans for its employees. A defined contribution plan is a pension plan under which the employees and the Group pay fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as an expense on the SoFA when they are due. Amounts not paid are shown as outstanding in the balance sheet.

The assets of the plan are held separately from the Group in independently administered funds.

### Short-term employee benefits

Short-term benefits, including holiday pay and other non-monetary benefits, are recognised as an expense in the period in which the service is received.

### Foreign currency

Foreign currency transactions are recorded at the exchange rate at the time of the transaction. Foreign currency balances are translated into sterling at the exchange rate at the balance sheet date. Resulting gains or losses are included in the SoFA.

### Contingencies

Contingent assets are disclosed in the Financial Statements when an inflow of economic benefit is probable. The only contingent asset of the Group relates to legacies (Note 20).

### Financial instruments

The Group has financial assets and financial liabilities of a kind that qualify as basic. These are initially recognised at transaction value and subsequently measured at their settlement value.

The Group has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

### Related party transactions

The Group discloses transactions between the Charity and related parties, including its subsidiary undertaking RNID Activities Ltd. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Trustees, separate disclosure is necessary to understand the effect of the transactions on the Group Financial Statements (Note 27).

### Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

#### 1. Legacy income

The Charity has elected to continue recognising residual legacy income on receipt of final estate accounts, or when cash has been received, when entitlement conditions have been met, due to the nature of underlying assets and liabilities and the time that may elapse between probate and closure, and other contingencies that can contest the estate.

#### 2. Defined benefit pension scheme

The Charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, asset valuations and the discount rate on corporate bonds. Our pension actuary estimates these factors in determining the net pension asset in the balance sheet. The assumptions reflect historical experience and current trends.

#### 3. Short-term compensated absences

FRS 102 requires the cost of short-term compensated absences to be recognised when the employees render the service that increases their entitlement. At the end of the

financial year, actual holiday to be carried into the following year was determined. This was reviewed together with salary costs per employee, to determine the value of any holiday pay accrual.

#### 4. Stock provision

Stock is provided for based on a review of old and slow moving items. As stock is written-off throughout the year, there is no stock provision needed at 31 March 2017 (2016: nil).

#### 5. Provision for doubtful debts

Trade debtors and other receivables are recognised at their transaction value, less any provision for doubtful debts. The provision for doubtful debts is based on a review of aged items, by type of debt, which takes account of credit control activities to collect the amounts outstanding, including any indications that debt will not be fully recovered.

#### 6. Assets under construction

The new head office that the Charity moved into on 2 May 2017 is shown under assets under construction rather than freehold as it was not practically completed until 13 April 2017.

#### 7. Public benefit entity combinations

Where a combination involving public benefit entities is in substance a gift at nil or nominal consideration, any excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain in the SoFA.

## Note 4. Consolidated statement of financial activities for the year ended 31 March 2016 (incorporating an income and expenditure account)

	Unrestricted funds 2016 (£'000)	Restricted funds 2016 (£'000)	Total funds 2016 (£'000)
<b>Income from:</b>			
Donations and legacies	12,876	368	<b>13,244</b>
Income from charitable activities:			
Support and Care	19,414	1,358	<b>20,772</b>
Technology and Treatments	391	423	<b>814</b>
Equality	2,481	373	<b>2,854</b>
Other trading activities	548	-	<b>548</b>
Investments	148	-	<b>148</b>
<b>Total income</b>	<b>35,858</b>	<b>2,522</b>	<b>38,380</b>
<b>Expenditure on raising funds</b>	<b>4,183</b>	<b>-</b>	<b>4,183</b>
<b>Net income available for charitable application</b>	<b>31,675</b>	<b>2,522</b>	<b>34,197</b>
<b>Cost of charitable activities</b>			
Support and Care	23,858	1,400	<b>25,258</b>
Technology and Treatments	2,822	688	<b>3,510</b>
Equality	5,560	345	<b>5,905</b>
<b>Total</b>	<b>32,240</b>	<b>2,433</b>	<b>34,673</b>
<b>Total expenditure</b>	<b>36,423</b>	<b>2,433</b>	<b>38,856</b>
Net realised investment loss	(44)	-	<b>(44)</b>
Net unrealised investment loss	(69)	-	<b>(69)</b>
<b>Total net investment loss</b>	<b>(113)</b>	<b>-</b>	<b>(113)</b>
Net expenditure	(678)	89	<b>(589)</b>
Net actuarial gain on pensions	5,054	-	<b>5,054</b>
<b>Net movement in funds</b>	<b>4,376</b>	<b>89</b>	<b>4,465</b>
<b>Reconciliation of funds:</b>			
Funds brought forward	8,190	2,305	<b>10,495</b>
<b>Funds carried forward</b>	<b>12,566</b>	<b>2,394</b>	<b>14,960</b>

## Note 5. Income

	2017 (£'000)	2016 (£'000)
<b>Donations and legacies</b>		
Gifts	3,182	4,089
Legacies	9,407	9,155
	<b>12,589</b>	<b>13,244</b>

The income from donations and legacies was £12.6m (2016: £13.2m) of which £12.3m was unrestricted (2016: £12.9m) and £336,000 was restricted (2016: £368,000).

	Unrestricted funds 2017 (£'000)	Unrestricted funds 2016 (£'000)
<b>Income from trading activities</b>		
Weekly lottery	380	451
RNID Activities Ltd	10	24
Other income	181	73
	<b>571</b>	<b>548</b>

	Unrestricted funds 2017 (£'000)	Restricted funds 2017 (£'000)	Total funds 2017 (£'000)	Unrestricted funds 2016 (£'000)	Restricted funds 2016 (£'000)	Total funds 2016 (£'000)
<b>Income from charitable activities</b>						
Support and Care	20,959	1,034	<b>21,993</b>	19,414	1,358	<b>20,772</b>
Technology and Treatments	1,008	518	<b>1,526</b>	391	423	<b>814</b>
Equality	3,176	321	<b>3,497</b>	2,481	373	<b>2,854</b>
	<b>25,143</b>	<b>1,873</b>	<b>27,016</b>	<b>22,286</b>	<b>2,154</b>	<b>24,440</b>

	Unrestricted funds 2017 (£'000)	Unrestricted funds 2016 (£'000)
<b>Investment income</b>		
Dividend income from listed investments - UK	84	77
Bank interest received on current account and money on deposit	8	47
Bank interest received from investment company	25	24
	<b>117</b>	<b>148</b>

## Note 6. Related undertakings

The summary financial performance of the subsidiary alone is:

	2017 (£'000)	2016 (£'000)
<b>RNID Activities Ltd</b>		
Turnover	10.0	24.3
Cost of sales	(0.5)	(0.6)
Interest receivable	0.0	0.2
<b>Gross profit</b>	<b>9.5</b>	<b>23.9</b>
Administrative expenses	(9.2)	(8.4)
<b>Net profit</b>	<b>0.3</b>	<b>15.6</b>
Amount Gift Aided to the Charity	(0.3)	(15.6)
<b>Retained in subsidiary</b>	<b>-</b>	<b>-</b>
<b>The assets and liabilities of the subsidiary were:</b>		
Current assets	17.7	27.5
Current liabilities	(17.3)	(27.1)
<b>Total net assets</b>	<b>0.4</b>	<b>0.4</b>
<b>Aggregate share capital and reserves</b>	<b>0.4</b>	<b>0.4</b>

The wholly owned trading subsidiary RNID Activities Ltd is incorporated in the United Kingdom (company number 913439) and pays all of its profits by bank transfer to the Charity under the Gift Aid scheme through a deed of covenant.

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

The year end of RNID Activities Ltd is 31 March 2017. The only related party transactions between Action on Hearing Loss and RNID Activities Ltd is the management recharge of £2,538 (2016: £3,431).

Sound Advantage Ltd (02437205), Action on Hearing Loss Ltd (07566245) and The Hearing Research Trust Ltd (07146209) are wholly owned, dormant subsidiaries, and have therefore not been consolidated.

## Note 7. Expenditure

	Direct costs (£'000)		Support costs (£'000)		Total (£'000)	
	Staff	Other	Staff	Other	2017	2016
<b>Expenditure on raising funds from trading activities</b>						
Fundraising costs	1,808	2,082	165	180	<b>4,235</b>	4,153
RNID Activities Limited	-	10	-	-	<b>10</b>	9
Investment management fees	-	18	-	-	<b>18</b>	21
	<b>1,808</b>	<b>2,110</b>	<b>165</b>	<b>180</b>	<b>4,263</b>	4,183
<b>Charitable activities</b>						
Support and Care	15,951	6,224	2,991	3,184	<b>28,350</b>	25,258
Technology and Treatments	907	2,595	113	124	<b>3,739</b>	3,510
Equality	2,206	3,070	295	324	<b>5,895</b>	5,905
	<b>19,064</b>	<b>11,889</b>	<b>3,399</b>	<b>3,632</b>	<b>37,984</b>	34,673
<b>Total resources expended</b>	<b>20,872</b>	<b>13,999</b>	<b>3,564</b>	<b>3,812</b>	<b>42,247</b>	38,856

Expenditure on charitable activities was £38.0m (2016: £34.7m) of which £35.7m was from unrestricted funds (2016: £32.2m) and £2.3m was from restricted funds (2016: £2.5m).

## Note 8. Support costs

	Corporate and Management (£'000)	Finance and Strategy directorate (£'000)	Information systems (£'000)	People, Learning and Development (£'000)	Risk and Legal (£'000)	Property (£'000)	Governance (£'000)	Total 2017 (£'000)
<b>2017</b>								
Fundraising	44	59	48	77	18	94	5	<b>345</b>
Support and Care	760	1,081	883	1,394	319	1,640	98	<b>6,175</b>
Technology and Treatments	30	41	33	53	12	64	4	<b>237</b>
Equality	79	106	87	137	31	169	10	<b>619</b>
<b>Total</b>	<b>913</b>	<b>1,287</b>	<b>1,051</b>	<b>1,661</b>	<b>380</b>	<b>1,967</b>	<b>117</b>	<b>7,376</b>

Support costs were apportioned to activities on the basis of staff numbers in each of the departments supporting the various activities. Governance costs included within support costs are apportioned on the same basis.

## Note 8. Support costs (continued)

	Corporate and Management (£'000)	Finance and Strategy directorate (£'000)	Information systems (£'000)	People, Learning and Development (£'000)	Risk and Legal (£'000)	Property (£'000)	Governance (£'000)	Total 2016 (£'000)
<b>2016</b>								
Fundraising	52	60	56	76	25	87	5	<b>361</b>
Support and Care	844	981	911	1,249	401	1,418	77	<b>5,881</b>
Technology and Treatments	29	33	31	42	14	48	3	<b>200</b>
Equality	83	97	90	124	40	140	7	<b>581</b>
<b>Total</b>	<b>1,008</b>	<b>1,171</b>	<b>1,088</b>	<b>1,491</b>	<b>480</b>	<b>1,693</b>	<b>92</b>	<b>7,023</b>

## Note 9. Net expenditure for the year

	2017 (£'000)	2016 (£'000)
<b>This is stated after charging/(crediting):</b>		
Interest payable:		
Bank interest, bank loans and overdrafts wholly repayable within five years	98	12
Depreciation/Amortisation charge for the year	534	523
Loss/(Profit) on disposal of fixed assets	20	(1)
Payments under operating leases:		
Land and buildings	978	853
Vehicles and equipment	286	295
Loss on foreign exchange	11	4
Auditors' remuneration:		
Statutory audit fee	88	61
Other non-audit fee - grant return audit	2	2
Tax advisory services	9	9

The audit fees inclusive of VAT were £105k at year end (2016: £73k).

## Note 10. Grants payable

The aggregate amount of grants made during the year ended 31 March 2017, analysed by recipient was:

## Medical research into hearing loss

Institution	Number of grants 2017	2017 (£'000)	2016 (£'000)
University College London	25	498	468
King's College London	9	145	111
MRC Institute of Hearing Research	4	122	123
Newcastle University	4	101	99
Pragma Therapeutics	2	99	54
University of Sheffield	5	83	54
University of Sussex	3	73	25
Washington State University	3	70	43
Imperial College London	1	60	-
Purdue University	2	52	53
Acies Bio	1	50	100
Otomagnetics	1	46	96
University of Manchester	4	38	-
Radboud University Medical Center	1	27	55
Nottingham University	5	27	25
Massachusetts Eye and Ear Infirmary	1	27	-
University of Indiana	1	24	49
University of Manchester	2	24	49
Johns Hopkins University Central Lockbox	4	21	23
University of Strathclyde	1	12	2
University of Southampton	1	12	24
The Bionics University of Australia	2	10	5
Cardiff University	1	5	4
University of Melbourne	1	5	54
University of Miami	1	5	-
State University of Iowa	1	5	-
University of Keele	1	2	2
Glasgow University	1	2	-
University of York	1	2	-
Washington University in St Louis	-	-	48
University of Leicester	-	-	25
Oregon Health and Science University	-	-	5
Universidad DeGranada	-	-	5
Universitat Pompeu Fabra	-	-	5
University of Bristol	-	-	4
Sheffield Teaching Hospitals NHS Trust	-	-	2
University of Cambridge	-	-	2
British Society of Audiology	-	-	1
	<b>89</b>	<b>1,647</b>	<b>1,615</b>

## Note 10. Grants payable (continued)

### Welfare, education and training for deaf and hard of hearing people

Institution	Number of grants 2017	2017 (£'000)	2016 (£'000)
University College London	1	33	10
The Ear Foundation	1	7	6
	<b>2</b>	<b>40</b>	<b>16</b>

### Medical research into hearing loss (individual grants)

Individual grants	Number of grants, 2017	2017 (£'000)	2016 (£'000)
Association for Research in Otolaryngology Conference Bursary Award	11	8	14
	<b>11</b>	<b>8</b>	<b>14</b>
<b>Total grants</b>	<b>102</b>	<b>1,695</b>	<b>1,645</b>

Of the total grant funding made during the year, £1.65m related to biomedical research projects.

In addition to the above, the Charity expects to fund future grants totalling £2.55m, which have been awarded subject to satisfactory reviews during the course of the project being funded. These have not been provided for in Action on Hearing Loss's Financial Statements.

The expenditure for grants sits mainly within the 'Technology and Treatments' line for charitable expenditure within the SoFA.

## Note 11. Employees and Trustees

### Employees

Staff costs consist of:	2017 (£'000)	2016 (£'000)
Wages and salaries	21,594	18,905
Social security costs	1,622	1,440
Pension costs	643	593
	<b>23,859</b>	<b>20,938</b>

In 2016, employer contributions to the defined benefit pension scheme of £938k were included in the pensions costs disclosure.

Total redundancy costs of £80,433 were paid during the year (2016: £90,098). These amounts were paid through the payroll and charged to redundancy expenditure. There were £10,000 accrued costs at the year end (2016: nil).

The average headcount of employees, analysed by function, was:	2017 (Number)	2016 (Number)
Support and Care	690	618
Technology and Treatments	26	21
Equality	68	61
Fundraising and Marketing	38	38
Finance, Human Resources, Information Technology and administration	71	63
	<b>893</b>	<b>801</b>
<b>The average monthly number of employees on full-time equivalent basis during the year was:</b>	<b>788</b>	<b>697</b>

The number of employees whose remuneration was over £60,000 (excluding employer pension contributions) fell within the following bands:	2017 (Number)	2016 (Number)
£60,001 to £70,000	3	1
£70,001 to £80,000	1	1
£80,001 to £90,000	-	1
£90,001 to £100,000	3	2
£100,001 to £110,000	1	-
£110,001 to £120,000	1	1

None of these employees (2016: nil) are in the defined benefit pension scheme, and all (2016: 6) are in the defined contribution pension scheme. Contributions in the pension year to the defined contribution scheme were £51,837, in respect of all employees (2016: 6 with contributions of £44,072).

## Note 11. Employees and Trustees (continued)

	Inc. pension contributions		Excl. pension contributions	
	2017 (£'000)	2016 (£'000)	2017 (£'000)	2016 (£'000)
<b>Remuneration and benefits for the Chief Executive Officer and other Key Management Personnel</b>				
Chief Executive Officer	129	127	119	118
Other Executive Officers	404	395	380	371
<b>Key Management Personnel</b>	<b>533</b>	<b>522</b>	<b>499</b>	<b>489</b>

Key Management Personnel is defined as members of the Executive Board. There were five Executive Officers in post in the year (2016: 5).

### Trustees

None of the members of the Board of Trustees received any remuneration during this year (2016: £nil). During the year, 13 Trustees (2016: 11) received reimbursements of non-private travel and subsistence expenditure amounting to £5,238 (2016: £5,237). The value of expenses waived was not material.

No Charity Trustee received payment for professional or other services supplied to the Charity (2016: £nil).

Total donations in the year from Trustees amounted to £nil (2016: £2,945).

## Note 12. Government grants

Income from government grants comprises performance-related grants made by various government bodies to fund the Charity's three main objectives.

See Note 24 for more information on the amount and source of these grants.

## Note 13. Corporation taxation

The Charity is exempt from tax on income and gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

## Note 14. Intangible fixed assets – Group and Charity

	Computer software (£'000)	Assets under construction (£'000)	Total (£'000)
<b>Cost</b>			
At the beginning of the year	2,467	569	<b>3,036</b>
Additions	194	151	<b>345</b>
Disposals	(92)	-	<b>(92)</b>
Transfer	98	(98)	-
Reclassification of assets	98	-	<b>98</b>
<b>At the end of the year</b>	<b>2,765</b>	<b>622</b>	<b>3,387</b>
<b>Accumulated amortisation</b>			
At the beginning of the year	2,170	-	<b>2,170</b>
Charge for year	156	-	<b>156</b>
Disposals	(72)	-	<b>(72)</b>
Reclassification of assets	(17)	-	<b>(17)</b>
<b>At the end of the year</b>	<b>2,237</b>	<b>-</b>	<b>2,237</b>
<b>Net book value at 31 March 2017</b>	<b>528</b>	<b>622</b>	<b>1,150</b>
<b>Net book value at 31 March 2016</b>	<b>297</b>	<b>569</b>	<b>866</b>

The amortisation on the useful economic life of these intangible assets is the same as it would have been under tangible assets in the previous financial year, five years.

Assets under construction are not amortised and comprise expenditure on the purchase or creation of intangible assets not brought into use at the balance sheet date. Transfers are made from assets under construction to the relevant category of intangible asset when the asset is brought into use.

Within intangible assets are computer software under construction with a cost of £0.6m (2016: £0.6m).

Reclassification of assets is between intangible and tangible computer assets due to an error in classification last year, now rectified.

## Note 15. Tangible fixed assets – Group and Charity

Cost	(£'000)	Freehold	Long leasehold	Short leasehold	Assets under construction	Total property	Fixtures, fittings & furniture	Computer equipment	Other equipment	Motor vehicles	Assets under construction	Total other	Grand total
At 1 April 2016		7,183	242	161	6,694	<b>14,280</b>	2,790	1,536	798	-	-	<b>5,124</b>	<b>19,404</b>
Additions		3,357	-	1	1,037	<b>4,395</b>	95	40	-	8	66	<b>209</b>	<b>4,604</b>
Disposals		-	-	-	-	-	(329)	(95)	(34)	-	-	<b>(458)</b>	<b>(458)</b>
Reclassification of assets		-	-	-	-	-	1	(98)	-	-	-	<b>(97)</b>	<b>(97)</b>
<b>At 31 March 2017</b>		<b>10,540</b>	<b>242</b>	<b>162</b>	<b>7,731</b>	<b>18,675</b>	<b>2,557</b>	<b>1,383</b>	<b>764</b>	<b>8</b>	<b>66</b>	<b>4,778</b>	<b>23,453</b>
<b>Accumulated depreciation</b>													
At 1 April 2016		2,707	63	72	-	<b>2,842</b>	2,728	1,213	798	-	-	<b>4,739</b>	<b>7,581</b>
Charge for year		224	7	27	-	<b>258</b>	68	51	-	1	-	<b>120</b>	<b>378</b>
Disposals		-	-	-	-	-	(329)	(95)	(34)	-	-	<b>(458)</b>	<b>(458)</b>
Reclassification of assets		-	-	-	-	-	(1)	17	-	-	-	<b>16</b>	<b>16</b>
<b>At 31 March 2017</b>		<b>2,931</b>	<b>70</b>	<b>99</b>	<b>-</b>	<b>3,100</b>	<b>2,466</b>	<b>1,186</b>	<b>764</b>	<b>1</b>	<b>-</b>	<b>4,417</b>	<b>7,517</b>
<b>Net book value</b>													
<b>At 31 March 2017</b>		<b>7,609</b>	<b>172</b>	<b>63</b>	<b>7,731</b>	<b>15,575</b>	<b>91</b>	<b>197</b>	<b>-</b>	<b>7</b>	<b>66</b>	<b>361</b>	<b>15,936</b>
<b>At 31 March 2016</b>		<b>4,476</b>	<b>179</b>	<b>89</b>	<b>6,694</b>	<b>11,438</b>	<b>62</b>	<b>323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>385</b>	<b>11,823</b>

Assets under construction are not depreciated and comprise expenditure on the purchase or creation of tangible assets not brought into use at the balance sheet date. Transfers are made from assets under construction to the relevant category of tangible asset when the asset is brought into use.

Within tangible assets are computer equipment under construction with a cost of £66k (2016: £nil) and property with a cost of £7.73m (2016: £6.69m).

The property under construction relates mainly to the acquisition of a new head office, which the Charity moved to on 2 May 2017.

For this year's current Financial Statements it is therefore still shown in assets under construction as it was not practically completed until 13 April 2017.

On 4 May 2016, the Charity completed the property purchase and transfer of adult services at Westgate on Sea. This ensured that 49 vulnerable adults were able to remain in their homes, which had been threatened with closure. A mortgage of £3.2m payable over 25 years, was secured to purchase five properties, with repayments funded from the transferred services.

After the year end, the Charity has put in place a £3.0m revolving credit facility that is secured over the new head office.

Reclassification of assets is between intangible and tangible computer assets due to an error in classification last year, now rectified.

## Note 16. Investments – Group and Charity

	2017 (£'000)	2016 (£'000)
Fair value of investment portfolio at 1 April	3,387	3,502
Additions	1,056	808
Disposals	(2,445)	(810)
Realised gain/(loss) on investments	28	(44)
Unrealised gain/(loss) on investments	354	(69)
	<b>2,380</b>	<b>3,387</b>
<b>Represented by:</b>		
Listed securities:		
Direct UK equities	402	767
Direct overseas equities	499	598
UK corporate bonds	218	423
UK government bonds	144	190
UK equity funds	178	229
Overseas equity funds	420	506
UK property funds	126	264
Infrastructure	220	223
Multi-asset funds	173	187
<b>Total</b>	<b>2,380</b>	<b>3,387</b>
<b>Cost at 31 March 2017</b>	<b>2,049</b>	<b>3,276</b>

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

	2017 (£'000)	2016 (£'000)
Cash	67	197
BlackRock UK Property	68	223

## Note 17. Stocks – Group and Charity

	2017 (£'000)	2016 (£'000)
Equipment and publications	403	457

## Note 18. Debtors

	Group		Charity	
	2017 (£'000)	2016 (£,000)	2017 (£'000)	2016 (£,000)
Trade debtors	4,999	4,613	4,999	4,610
Amounts owed by subsidiary undertaking	-	-	-	16
Other debtors	157	133	159	136
Prepayments and accrued income	2,611	2,076	2,611	2,076
	<b>7,767</b>	<b>6,822</b>	<b>7,769</b>	<b>6,838</b>

## Note 19. Creditors

### (a) Amounts falling due within one year

	Group		Charity	
	2017 (£'000)	2016 (£'000)	2017 (£'000)	2016 (£'000)
Trade creditors	1,050	1,263	1,050	1,263
Accruals for grants payable	1,001	314	1,001	314
Taxation and social security	408	373	408	373
Loan	82	-	82	-
Other creditors	193	203	188	200
Accruals	2,103	1,283	2,093	1,278
Deferred income	312	561	312	561
	<b>5,149</b>	<b>3,997</b>	<b>5,134</b>	<b>3,989</b>
Deferred income at the beginning of the year	561	350	561	350
Amount released to income earned from charitable activities	(486)	(289)	(486)	(289)
Amount deferred in year	237	500	237	500
<b>Deferred income at the end of the year</b>	<b>312</b>	<b>561</b>	<b>312</b>	<b>561</b>

### (b) Amounts falling due after one year

	Group		Charity	
	2017 (£'000)	2016 (£'000)	2017 (£'000)	2016 (£'000)
Net obligations under bank loan is as follows:				
between one and two years	85	-	85	-
between two and five years	372	-	372	-
over five years	2,561	-	2,561	-
	<b>3,018</b>	<b>-</b>	<b>3,018</b>	<b>-</b>

Amounts falling due after one year relates to a mortgage of £3.2m payable over 25 years, commencing 4 May 2016, to purchase five properties and to enable the transfer of adult services in Westgate on Sea.

The mortgage is secured over the five properties and two other properties.

At 31 March 2017, the amount owing on the loan is £3.018m (2016: £nil) in total. Interest is charged at base rate (at 31 March 2017: 0.25%) plus 3%.

## Note 20. Contingent assets – legacies

The Trustees have been notified that the Charity is a beneficiary of a number of estates for which the amounts to be paid to the Charity have not yet been confirmed. In view of the uncertainty over the amounts that may be received, the Trustees have concluded that the conditions for recognition of these legacies have not yet been met and accordingly these legacies are not reflected in these Financial Statements. Provisional estimates indicate a potential value of these legacies of £4.7m (2016: £4.8m)

## Note 21. Analysis of group net assets between funds

### Fund balances at 31 March 2017 are represented by:

	Unrestricted funds (£'000)	Restricted funds (£'000)	Endowment funds (£'000)	Total funds 2017 (£'000)
Intangible fixed assets	1,150	-	-	1,150
Tangible fixed assets	14,370	1,566	-	15,936
Investments	2,312	-	68	2,380
Current assets	8,015	739	-	8,754
Current liabilities	(5,104)	(45)	-	(5,149)
Long-term liabilities	(3,018)	-	-	(3,018)
Pension liability	(9,269)	-	-	(9,269)
<b>Group net assets</b>	<b>8,456</b>	<b>2,260</b>	<b>68</b>	<b>10,784</b>

### Fund balances at 31 March 2016 are represented by:

	Unrestricted funds (£'000)	Restricted funds (£'000)	Endowment funds (£'000)	Total funds 2016 (£'000)
Intangible fixed assets	866	-	-	866
Tangible fixed assets	10,221	1,602	-	11,823
Investments	3,319	-	68	3,387
Current assets	9,537	725	-	10,262
Current liabilities	(3,996)	(1)	-	(3,997)
Pension liability	(7,381)	-	-	(7,381)
<b>Group net assets</b>	<b>12,566</b>	<b>2,326</b>	<b>68</b>	<b>14,960</b>

## Note 22. Pension

### Group and Charity

Action on Hearing Loss operates a funded pension scheme in the UK (the “Scheme”). The Scheme has both defined benefit and defined contribution sections, although the defined contribution section is relatively small. Pension benefits in the defined benefit section are related to the members’ final salary at retirement (or earlier if they leave the Scheme before retirement) and their length of service.

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

There is also another defined contribution scheme administered by a different company.

The amount recognised in the SoFA is as follows:

Note	2017 (£'000)	2016 (£'000)
Defined benefit scheme		
Current service cost	-	-
Defined contribution schemes	643	593
<b>Total charge in operating profit</b>	<b>643</b>	<b>593</b>
Defined benefit scheme		
Net interest expense	249	413
<b>Total charge</b>	<b>892</b>	<b>1,006</b>

### 1. Defined benefit scheme

The pension cost that would have been charged to operating surplus under FRS 102 for the year amounts to £241,000 (2016 pension cost: £262,000). This charge is equal to the contributions of £241,000 (2016: £262,000) paid by Action on Hearing Loss in respect of the defined contribution section of the Scheme.

Contributions to the Scheme for the year beginning 1 April 2017 are expected to be £993,120, plus contributions to the defined contributions scheme. Except where stated otherwise, the remainder of the FRS 102 pensions Note relates only to the defined benefit section of the Scheme.

A full actuarial valuation of the Scheme was carried out at 31 March 2017 by a qualified independent actuary, based on membership data as at 31 March 2015, but amended to take account of material movements during the year.

## Note 22. Pension (continued)

The plan is administered by independent Trustees, who are responsible for ensuring that the plan is sufficiently funded to meet current and future obligations. The Charity has agreed with the Trustees to make additional contributions to reduce the funding deficit where necessary.

The funding plan is a schedule of 12-monthly deficit reduction payments, which started in 2009, designed to eliminate the deficit by September 2030.

The annual pension deficit funding was £965,136 in the financial year to 31 March 2017. The next triennial valuation is on 31 March 2018. Judgement is required in a number of areas, including inflation, mortality rates and the selection of appropriate discount rates.

### The major assumptions used by the actuary were (in nominal terms) as follows:

	2017	2016
Discount rate at 31 March	2.7%	3.6%
Inflation assumption	3.4%	3.0%
Future LPI pension increases	3.4%	3.0%
Revaluation in deferment	3.4%	3.0%

### Assumed life expectations on retirements at age 65:

	2017	2016
Retiring today - females	24.0	24.2
Retiring today - males	21.8	21.8
Retiring in 20 years - females	25.5	26.2
Retiring in 20 years - males	23.2	23.5

	Assets (£'000)	Liabilities (£'000)	Total (£'000)
<b>Reconciliation of scheme assets and liabilities</b>			
As at 1 April 2016	57,690	(65,071)	(7,381)
Benefits paid	(1,971)	1,971	-
Employer contributions	965	-	965
Interest income/(expense)	2,059	(2,308)	(249)
Remeasurement gains	-	(13,063)	(13,063)
Return on plan assets	10,459	-	10,459
<b>Total charge</b>	<b>69,202</b>	<b>(78,471)</b>	<b>(9,269)</b>

	2017 (£'000)	2016 (£'000)
Net interest expense	249	413
<b>Total charge</b>	<b>249</b>	<b>413</b>

No amounts (2016: nil) were included in the cost of assets.

The fair value of the Scheme's assets, which are not intended to be realised in the short-term and may be subject to significant change before they are realised, and the present value of the Scheme's liabilities, which are delivered for cash flow projections over long periods and thus inherently uncertain, were:

	Value at 2017 (£'000)	Value at 2016 (£'000)
<b>Reconciliation of scheme assets and liabilities</b>		
Equity and property	18,619	18,439
Fixed interest	28,851	25,192
Index linked gilts	10,293	5,709
Insured annuities	674	662
Cash	2,691	2,094
Other	8,074	5,594
<b>Fair value of scheme assets</b>	<b>69,202</b>	<b>57,690</b>

The plan assets do not include any of the Charity's financial instruments, nor is any property occupied by any Group entity.

	2017 (£'000)	2016 (£'000)
<b>The return on the plan assets was:</b>		
Interest income	2,059	1,903
Return on plan assets less interest income	10,459	(1,314)
<b>Total return on plan assets</b>	<b>12,518</b>	<b>589</b>

## 2. Defined contribution scheme

The Charity provides two defined contribution schemes for its employees, although one is now closed to new entrants.

	2017 (£'000)	2016 (£'000)
<b>The amount recognised as an expense for the defined contribution schemes was:</b>		
Current year contributions	643	593

## Note 23. Financial instruments

The Group has the following financial instruments:	2017 (£'000)	2016 (£'000)
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	4,999	4,613
Other debtors	157	133
Investments in short-term deposits	12	1,112
	<b>5,168</b>	<b>5,858</b>
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	1,050	1,263
Other creditors	193	203
Long-term loan – current	82	-
Long-term loan – non-current	3,018	-
	<b>4,343</b>	<b>1,466</b>

## Note 24. Group/Charity statement of funds – restricted and endowment funds

### 1. Designated funds

	Balance, 1 April 2016 (£'000)	Income (£'000)	Expenditure (£'000)	Balance, 31 March 2017 (£'000)
Property purchase fund	1,263	-	(1,261)	<b>2</b>
<b>Total designated – Group and Charity</b>	<b>1,263</b>	<b>-</b>	<b>(1,261)</b>	<b>2</b>

Property purchase fund: The purpose of this fund was to purchase a new building as the head office of Action on Hearing Loss was sold on 24 March 2014.

A new head office property was purchased on 16 August 2015, building and fit-out works were completed on 13 April 2017, and moved into on 2 May 2017.

### 2. Restricted funds

Restricted	Balance, 1 April 2016 (£'000)	Income (£'000)	Expenditure (£'000)	Balance, 31 March 2017 (£'000)
The Bath Charity	1,602	-	(36)	<b>1,566</b>
Moving On/On the Move*	30	145	(110)	<b>65</b>
In Touch*	32	111	(92)	<b>51</b>
Glasgow Integrated Sensory Services*	45	34	(30)	<b>49</b>
Legacy restricted to South Wales	40	48	(40)	<b>48</b>
Restricted to investigation into genetic causes of deafness	25	25	(13)	<b>37</b>
Harlow Trust Fund	34	-	(1)	<b>33</b>
Manchester Hear to Help*	12	35	(20)	<b>27</b>
Grants restricted to use in Scotland	22	-	-	<b>22</b>
Hear to Meet in Kirklees*	15	32	(29)	<b>18</b>
Employment programme for people who are deaf or have hearing loss in Glasgow*	10	8	-	<b>18</b>
Tayside integrated sensory services*	31	28	(43)	<b>16</b>
Hear to Care*	14	68	(74)	<b>8</b>
NI Employability Programme*	2	104	(104)	<b>2</b>
Isle of Wight Befriending	17	-	(16)	<b>1</b>
Hear to Meet Wales*	75	18	(93)	<b>-</b>
Legacy restricted to Tinnitus Research	71	-	(71)	<b>-</b>
Equality & Inclusion*	32	44	(76)	<b>-</b>
Hear to Help Wales*	31	9	(40)	<b>-</b>
Pathway to Lipreading Scotland*	16	-	(16)	<b>-</b>
Restricted to Identifying ways to improve therapies to regrow hair cells	16	-	(16)	<b>-</b>
Leicester Ageing Together*	15	42	(57)	<b>-</b>
Ayrshire and Aaron Integrated Sensory Services*	7	6	(13)	<b>-</b>
SHSCT Hear to Help*	3	-	(3)	<b>-</b>
Tinnitus Service Northern Ireland*	2	-	(2)	<b>-</b>
Hear to Help Leeds*	2	-	(2)	<b>-</b>
Provision of sensory services Northern Ireland*	1	-	(1)	<b>-</b>
Legacy restricted to Wolverhampton	-	67	-	<b>67</b>
Royal British Legion Hear to Help England	-	50	-	<b>50</b>
Legacy restricted to the Isle of Wight	-	30	-	<b>30</b>
Managing hearing loss in Devon & Cornwall	-	50	(26)	<b>24</b>
Sensory services in Ayrshire*	-	51	(28)	<b>23</b>
Research into improving the understanding and diagnosis of auditory processing disorder (APD)	-	26	(13)	<b>13</b>
Hear to Help Lewisham	-	13	-	<b>13</b>
Northumberland volunteers*	-	65	(54)	<b>11</b>
Ageing Better	-	13	(3)	<b>10</b>
Live Well with Hearing Loss*	-	159	(159)	<b>-</b>
Online Today Project*	-	156	(156)	<b>-</b>
Biomedical research	-	115	(115)	<b>-</b>
Research into the pharmacological manipulation of neuronal oscillations in tinnitus: bridging the therapeutic gap	-	100	(100)	<b>-</b>
Other restricted funds	124	557	(623)	<b>58</b>

\* Government-funded

## Note 24. Group/Charity statement of funds – restricted and endowment funds (continued)

### 2. Restricted funds (continued)

	Balance, 1 April 2016 (£'000)	Income (£'000)	Expenditure (£'000)	Balance, 31 March 2017 (£'000)
<b>Restricted funds</b>	2,326	2,209	(2,275)	<b>2,260</b>
<b>Endowed</b>				
The Wennington Charity	68	-	-	<b>68</b>
<b>Endowed funds</b>	68	-	-	<b>68</b>
<b>Total Restricted funds</b>	<b>2,394</b>	<b>2,209</b>	<b>(2,275)</b>	<b>2,328</b>

\* Government-funded

The purposes of these funds is explained on pages 106-109.

- The **Bath Charity** is restricted to providing relief for the charitable needs of people who are deaf or have hearing loss by the provision of services.
- **On the Move** provides funding for improving the health, wellbeing and life skills of, and increasing access to information and services for people who are deaf or have hearing loss. The project works with other agencies to provide information and advice in provision of healthcare, social care, education, training, employment and leisure. It will also fund delivery of a programme of accredited training courses, develop a user forum, support work placements and encourage peer support within central Scotland.
- The **In Touch** project aims to help people who are deaf or have hearing loss across Northern Ireland and will specifically target those people living in the community and in residential accommodation.
- **Glasgow Integrated Sensory Services** support people with sensory impairment living in the Greater Glasgow and Clyde area by strengthening existing structures, introducing additional support services such as Hear to Help, and by raising awareness and the profile of sensory impairment in the region.
- A legacy restricted to funding in **South Wales**.
- This fund is restricted to investigation into **genetic causes of deafness**.
- **The Harlow Trust** provides funding for people who are deaf or have hearing loss to participate in financial qualification courses.
- **Manchester Hear to Help** is a volunteer-led service that provides hearing aid support on a one-to-one basis and in drop-in settings in communities across Manchester.
- General donations restricted to use in **Scotland**.

- **Hear to Meet in Kirklees** is funded by Kirklees Council and is supporting older people with hearing loss and those at risk of isolation and experiencing loneliness overcome the barriers of social exclusion. We are doing this through delivering befriending and information activities, such as drop-in sessions, to build confidence and aid accessibility to community services. We are working with other agencies and charities in order to extend our reach.
- To provide funding in **Glasgow** for improving the health, wellbeing and life skills of, and increasing access to information and services, for people who are deaf or have hearing loss. The project works with other agencies to provide information and advice in provision of healthcare, social care, education, training, employment and leisure. It will also fund delivery of a programme of accredited training courses, develop a user forum, support work placements and encourage peer support within central Scotland.
- **Tayside integrated sensory services** support people with sensory impairment living in the Tayside area by strengthening existing structures, introducing support services such as Hear to Help, and by raising awareness and the profile of sensory impairment in the area.
- **Hear to Care** aims to improve the long-term care and support for older people in care settings.
- **NI Employability Programme** supports people with hearing loss across Northern Ireland to enter employment.
- **Isle of Wight Befriending Service** supports those made isolated through hearing loss and other long-term conditions, using staff and volunteers, by providing practical support and advice, building a mutually supportive relationship to build confidence and develop existing services.
- **Hear to Meet Wales** supports older people with hearing loss and those at risk of experiencing loneliness to overcome the barriers of social exclusion by providing a mutually supportive relationship to build confidence and aid accessibility to community services.
- A legacy restricted to **Tinnitus Research**.
- **Equality and inclusion** funding provides people with sensory loss with training and support to improve their confidence and skills and to share their personal experiences of using everyday services relating to health, housing and social services.
- **Hear to Help Wales** is a volunteer-led service that provides hearing aid support on a one-to-one basis and in drop-in settings in communities across Wales.
- **Pathway to Lipreading Scotland**, under the direction of **the Scottish Lipreading Strategy Group**, aims to understand existing evidence, triggers and best timing to access lipreading classes and develop a multi-agency pathway to lipreading classes.
- Restricted to **Identifying ways to improve therapies to regrow hair cells**.
- **Leicester Ageing Together** is a peer-to-peer information and support project for older people who are deaf or have hearing loss in the Leicester area. Supported by a project co-ordinator, volunteers will support older people with information, advice, and the long-term management of their hearing aids and hearing loss, and provide opportunities for people to come together and share information and experiences.

- **Ayrshire and Arran Integrated Sensory Services** are delivered in partnership with RNIB and support people with sensory impairment living in the Ayrshire and Arran area, by strengthening existing structures, introducing additional support services such as Hear to Help, and raising awareness and the profile of sensory impairment in the region.
- **SHSCT Hear to Help** provides hearing aid support on a one-to-one basis and in drop-in settings across the Southern Health and Social Care Trust area.
- **Tinnitus Service Northern Ireland** aims to run Tinnitus courses across Northern Ireland, enabling people to understand how to cope with and manage their condition.
- **Hear to Help Leeds** is a volunteer-led service that provides hearing aid support on a one-to-one basis and in drop-in settings in Leeds. It also provides information on hearing equipment and other services available for local people with hearing loss.
- To support people with **sensory impairment living in Northern Ireland** by strengthening existing structures, introducing additional support services such as Hear to Help, and raising awareness and the profile of sensory impairment in the region.
- A legacy restricted to the **Wolverhampton** area.
- **Royal British Legion Hear to Help England** is to help serving and ex-service personnel, to help them feel less isolated, increase their confidence and improve their communication with others.
- A legacy restricted to the **Isle of Wight**.
- **Funding for Devon and Cornwall** to help people with hearing loss improve their confidence and knowledge on how to better manage their hearing loss.
- Funding to support people with **sensory impairment living in the Ayrshire and Arran area** by strengthening existing structures, introducing additional support services such as Hear to Help, and raising awareness and the profile of sensory impairment in the region.
- Funding to be used towards research into **Improving the understanding and diagnosis of auditory processing disorder (APD)**.
- **Hear to Help Lewisham** is a volunteer-led service that provides hearing aid support on a one-to-one basis and in drop-in settings in the Lewisham area. It also provides information on hearing equipment and other services available for local people with hearing loss.
- **Northumberland Information Volunteering Project** is led by a Regional Volunteer Manager and a team of volunteers. It provides information to help people who are deaf or have hearing loss, their families and professionals working with them in the community.
- **Connect Hackney – Ageing Better** is a programme that aims to reduce and prevent the isolation of older people (aged 50+).
- **Live Well with Hearing Loss** focuses on supporting people with hearing loss or who are deaf with assistive equipment (doorbells, phones, personal listeners, etc) in their own homes and also in community hub locations. The project aims to work closely with social services departments so as to offer equipment and support to people once they have been assessed by social services.

- The **Online Today** project enables people with sensory loss to gain the basic skills and confidence to use technology and get online.
- General funding for **Biomedical research**.
- Funding towards research into pharmacological manipulation of **neuronal oscillations in tinnitus**: bridging the therapeutic gap.
- **The Wennington Charity Endowment Fund** is to relieve the needs of people who are deaf or have hearing loss with any other illness or permanent condition, focusing on older people.
- **Other restricted funds** comprises 63 restricted funds providing income in support of Action on Hearing Loss activities.

## Note 25. Capital and other commitments

### Group and Charity

	2017 (£'000)	2016 (£'000)
Contracts for future capital expenditure not provided in the Financial Statements – property, plant and equipment	543	22

As of 31 March 2017, Action on Hearing Loss had a total value of minimum future lease payments as set out below:

	2017 (£'000)	2016 (£'000)
<b>Payments due</b>		
Within one year	1,025	950
Between one and five years	768	782
After five years	-	291
	<b>1,793</b>	<b>2,023</b>

## Note 26. Notes to the cash flow statement

	2017 (£'000)	2016 (£'000)
Net expenditure for the reporting year (as per the statement of financial activities)	(1,572)	(589)
<b>Adjustments for:</b>		
Depreciation charge for the year on tangible assets	378	365
Amortisation charge for intangible assets	156	158
(Gains)/Losses on investments	(382)	113
Interest paid	98	12
Interest/dividend received	(117)	(148)
Loss/(Profit) on disposal of intangible/tangible assets	20	(1)
Decrease/(Increase) in stock	54	131
Increase in debtors	(945)	(866)
Increase in creditors	1,152	744
Increase in non-current long-term loan	3,018	-
Pensions reserve funding deficit movements	(716)	(525)
<b>Net cash generated from/used in operating activities</b>	<b>1,144</b>	<b>(606)</b>

	At 1 April 2016 (£'000)	Cash flows	At 31 March 2017 (£'000)
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand	1,871	(1,299)	<b>572</b>
Short-term deposits	1,112	(1,100)	<b>12</b>
<b>Total cash and cash equivalents</b>	<b>2,983</b>	<b>(2,399)</b>	<b>584</b>

## Note 27. Related party transactions

Expenses reimbursed to Trustees and the remuneration of the Key Management Personnel of the Charity are disclosed in Note 11 and transactions by the Charity with its defined benefit pension scheme are set out in Note 22. There were no other transactions during the year that come within the definition of 'related party transactions' in FRS 102.

John Morgan is Chief Executive of Morgan Sindall Group PLC, and was appointed as Chairman of the Board of Trustees on 1 January 2017. The Charity engaged Morgan Lovell, a subsidiary of Morgan Sindall Group PLC, to complete the refurbishment of the new head office on 15 February 2016. This engagement was in place before John Morgan was involved with Action on Hearing Loss and he had no influence over the contract, which was on commercial terms. For full disclosure, £1,151,773 was paid to Morgan Lovell in the 2016-17 financial year.

Paul Breckell is Chief Executive of the Charity and is also a Trustee of Roffey Park Institute Limited. The Charity used the services of the Roffey Park Institute Limited, totalling £2,143 (2015-16: £3,130).

Liz Tait is a Charity Trustee and is also a Trustee and Chair of the Institute of Fundraising. There was £10,365 for agency fees, training and attendance at conferences (2015-16: £355).

Richard Jones CBE is a Charity Trustee and was also a Trustee and Chair of Audit at Scope, which he retired from on 25 November 2016. There was £1,059 for room and facilities hire (2015-16: £664).

The only related party transactions between Action on Hearing Loss and RNID Activities Ltd is the management recharge of £2,538 (2015-16: £3,431).

During 2016-17, Trustees and Key Management Personnel did not raise any funds through fundraising activities (2015-16: £2,945).

## Note 28. Company

Other than the transactions disclosed above, the Company's other related party transactions were with the wholly owned subsidiary and are disclosed in Note 6 and Note 27.

## Note 29. Events after the reporting period

On 2 May 2017, the Charity moved to a new head office, following the purchase of a smaller property in August 2015. As of 24 May 2017, no further rent or other obligations exist in relation to the former head office of 19-23 Featherstone Street, London. The head office purchase and move was funded from the designated fund, created from the sale of the Featherstone Street building in March 2014.

The United Kingdom initiated Article 50 of the Lisbon Treaty on 29 March 2017, which formally notified the European Union of its intention to leave. There will be at least a two-year window to negotiate the exit from the European Union. Risks and opportunities arising from this are being proactively identified and managed through the Risk Committee. At the time of signing the Financial Statements, it is too early to determine with any certainty what the exit from the European Union will mean for the Charity or our beneficiaries.

# Acknowledgements

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

## Big Lottery Fund

Royal Society for Blind – Leicester Ageing Together

Hear to Meet – Wales

In Touch Project – Northern Ireland

Moving On – Scotland

Reaching Communities ‘North East Rural Volunteer Outreach Project’ – Northumberland

Accelerating Ideas ‘Hear to Inform and Connect’ – National

Awards for All ‘Sensory Equipment’ – England

Reaching Communities ‘Hear to Inform and Support’ – Devon and Cornwall

## Statutory

Welsh Government – Live Well With Hearing Loss

Local Government & Communities Directorate

Equality Human Rights and Third Sector Division – Hear for Welfare

South Ayrshire Council – Ayrshire & Arran Hear to Help

Perth & Kinross Council – Provision of sensory services

Middleborough Council – Deaf Centre

Wales Hear to Help – Powys Teaching Health Board

Belfast Health & Social Care Trust (BHSCT) – Hear to Help

Department for the Economy (DfE) – Specialist Employment Programme

Department of Health – Hear to Care

Department of Health, Northern Ireland – Core Grant

Disability Employment Services (DES) – Specialist Employment Programme

Dundee Community Regeneration Fund – Lochee-Tayside Hear to Help

Doncaster Deaf Trust – Employment Services Wales – Employment Services Scotland

Health & Social Care Board (HSCB) – Tinnitus Service

Kirklees Council – Kirklees Hear to Meet

Northern Health & Social Care Trust (NHSCT) – Hear to Help

Royal National Institute for the Blind (RNIB) – Online Today

South Eastern Health & Social Care Trust (SEHSCT) – Hear to Help Service

Southern Health & Social Care Trust (SHSCT) – Hear to Help

Glasgow Third Sector Transformation Fund – Glasgow Hear to Help

Western Health & Social Care Trust (WHSCT) – Sensory Support Services

## European Fund

European Social Fund (ESF) – Specialist Employment Programme

## Trusts

The Barbour Foundation – Hear to Help North of Tyne

The Charles Wolfson Charitable Trust – Biomedical Research

The Clapp Family Charitable Trust

Constance Travis Charitable Trust – Biomedical Research

The Edith Murphy Foundation – Biomedical Research

The Eveson Charitable Trust – Birmingham Hear to Help

The Frederick Arthur Alford Charitable Trust – Biomedical Research

Gerald Micklem Trust – Southampton Project

The Galanthus Trust – Biomedical Research

Haberdasher’s Benevolent Charity – Hear to Help Bexley

Lord and Lady Lurgan Trust – NI Information and Advice Service

The Liz and Terry Bramall Foundation – Manchester Hear to Help

Masonic Charitable Foundation – Biomedical Research

Merchant Taylors’ Consolidated Charities for the Infirm – Hear to Help Lewisham

The Nora and Olive Brewer Memorial Trust

The Norman Family Charitable Trust – Devon & Cornwall Project

Philip and Marjorie Robinson Charitable Trust – Biomedical Research

The Robertson Trust – Tayside Hear to Help

Royal British Legion – Hear to Help Projects in England

ShareGift

Esme Mitchell Trust – Information Service

Ardbarron Trust – Information Service

## Corporate

Boots Hearingcare

Phonak

GN ReSound

Next Plc

Belfast International Airport

Northern Ireland Electricity

Ulster Bank

Bombardier

Santander

## Major Gifts

Melanie and Stephen Edge

Dr Roger Allport

Mr and Mrs John Walton

Dr Susan Wilson

Jeff Horne

Dr Jones

CHK Charities Limited

We remember with deep gratitude the 435 donors who left gifts to us in their wills in 2016-17. Every legacy gift is truly appreciated.

Many other organisations, trusts and individuals have given generously during the year and we are very grateful to all our supporters.

This funding enables us to continue our vital work for people who are deaf or have hearing loss or tinnitus.



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NATIONAL  
LOTTERY FUNDED**

**NATIONAL  
LOTTERY FUNDED**



**My research is bringing us one step closer to developing a technique that can be used in clinics to identify children, and even babies, who are struggling to hear with their cochlear implants. The funding I have received from Action on Hearing Loss has enabled me to pursue this exciting and vital area of research which I hope will have a real impact on the quality of life of many young children.**

Faizah Mustaq, PhD Student, National Institute for Health Research Nottingham Biomedical Research Centre, University of Nottingham.



# How can we help each other?

## How we can help you:

Hearing loss affects over 11 million people in the UK. By 2035, it'll be one-fifth of us. It could affect you or someone that you know. We have a wide range of services that can help.



### Information, resources and advice

Take a look at our website to find out about what we do, access more information through our online and printed resources – or visit our forums where you can share ideas with, and gain support from, other people who have hearing loss and/or tinnitus.

[actiononhearingloss.org.uk](http://actiononhearingloss.org.uk)

### Training, consultations and work-based assessments

Our Deaf Awareness training, Start to Sign training and work-based assessments help ensure that the workplace and public places are accessible for people who are deaf or have hearing loss.

For more information:

☎ 0333 240 5658 📠 0161 276 2316  
✉ [access.solutions@hearingloss.org.uk](mailto:access.solutions@hearingloss.org.uk)

### Products and equipment

We have a range of products designed to make life easier, safer and more enjoyable. There are hundreds of clever devices to help you maintain your independence and carry on doing all the things you love. Visit our online shop:

[actiononhearingloss.org.uk/shop](http://actiononhearingloss.org.uk/shop)  
☎ 03330 144 525 📠 03330 144 530  
✉ [solutions@hearingloss.org.uk](mailto:solutions@hearingloss.org.uk)



### Information Line

You can contact us for information by calling our free helpline on 0808 808 0123 or textphone 0808 808 9000. It's a great place to start if you want practical information on any aspect of deafness, hearing loss or tinnitus; or to find out more about what we do, or how we can help you or your friends or family.

## How you can help us:

We can't do what we do without our brilliant volunteers and donations. Join our cause and help us to achieve even more in 2017-18.



### Volunteer

Our 1,400 volunteers bring skills, experience, energy, enthusiasm and commitment to Action on Hearing Loss, and volunteering can make a difference in your life too, letting you meet new people and learn new skills. To find out more about volunteering, please email [volunteering@hearingloss.org.uk](mailto:volunteering@hearingloss.org.uk)

### Become a member



Join us today! Become a member and stay connected. For just £12.50 a year you will receive our award-winning members' magazine, sent directly to your door four times a year. Packed with the latest news and stories of real-life experiences, it gives you the opportunity to pick up some great tips and advice. What's more, we provide regular reviews of hearing loss products to suit your needs, and give you the chance to find out about upcoming accessible events near you. You'll even receive a discount on our product catalogue and online shop.

For more information, and to sign up to be a member, visit our website [actiononhearingloss.org.uk/membership](http://actiononhearingloss.org.uk/membership)

### Campaign



Campaign with us to make things better for people who are deaf or have hearing loss or tinnitus, and encourage others to value their hearing. We speak to politicians, public services, fellow charities, businesses and the general public, so we can make a difference to people's lives. Visit the campaign pages on our website to read more about what we're doing and how to get involved, or to sign up to receive our campaign updates.

[actiononhearingloss.org.uk/campaign](http://actiononhearingloss.org.uk/campaign)

## Raise funds for us

Whether you have 10 minutes or 10 days, if you want to go it alone or as part of a group, if your venue is your home, school or place of work, there are countless ways you can do your part and help those confronting deafness, tinnitus and hearing loss. We love finding new and different ways to raise money. So, if you are bursting with ideas and want to come up with your own event or challenge – then go for it! We have Regional Fundraising Managers throughout the UK who would be delighted to help you every step of the way.

As well as organising your own fundraising event, why not nominate us as your business or community group's Charity of the Year? You could even share your birthday or anniversary with us and take part in celebration giving. Or simply adopt a collection tin and place it somewhere local.

For more information, or to register your interest, email [community@hearingloss.org.uk](mailto:community@hearingloss.org.uk)

### Donate now



You can make a one-off donation or set up a regular direct debit at [actiononhearingloss.org.uk/donate](http://actiononhearingloss.org.uk/donate)



**My cochlear implant has transformed my life – and my family’s life – in ways I never thought possible.**

Steve, golf enthusiast and cochlear implant user



**Action on Hearing Loss** (formerly RNID) is the largest UK charity helping people who are confronting deafness, tinnitus and hearing loss.

We give support and care, develop technology and treatments, and campaign for equality.

We rely on donations to continue our vital work.

To find out more, visit **[actiononhearingloss.org.uk](http://actiononhearingloss.org.uk)**

### **Contact our free, confidential Information Line:**

Telephone 0808 808 0123

Textphone 0808 808 9000

SMS 0780 000 0360

(standard text message rates apply)

Email [information@hearingloss.org.uk](mailto:information@hearingloss.org.uk)

### **Join us**

 Action on Hearing Loss

 @ActionOnHearing

**Front cover image:** Victor from London South East College attending a Deaf Awareness training session

Action on Hearing Loss is the trading name of The Royal National Institute for Deaf People.  
A registered charity in England and Wales (207720) and Scotland (SC038926). A1416/1117