

# SENSE ANNUAL REPORT & ACCOUNTS 2011



**sense**  
for deafblind people



# CHIEF EXECUTIVE'S STATEMENT

## SENSE, THE NATIONAL DEAFBLIND AND RUBELLA ASSOCIATION COUNCIL'S ANNUAL REPORT AND ACCOUNTS.

Members of Council have pleasure in presenting their report together with the audited accounts of the company for the year ended 31 March 2011.

### Building on Success

The last two years have been a time of transition for Sense. We restructured and have therefore spent time recruiting and supporting staff into their new roles. The external environment has become more challenging with policy changes in public finance and welfare benefits. This has led to the five year strategy being revised and updated to keep pace with developments.

The Community Hubs are in place and we have grown our Children's and Adult services, whilst maintaining quality standards in residential services. We have continued to develop forums as one way of continuing to engage with stakeholders. This is an area we will develop further.

The External Affairs and Knowledge Group is now established. Fundraising had a successful year, despite the difficult times and we are grateful to all our supporters who ran, swam, climbed and donated. Trading faced a particularly tough environment, but our shops continue to offer profits and our staff, volunteers and donors have ensured we had funds to continue our work. Information and advice continues to expand and we look forward to the installation of the new data-base to support this further. Research has also grown. We are working alongside Universities and colleagues to explore research at different 'life stages'

The Legal Services Team is established and provides much valued support to staff and families. This is particularly important at a time when many families are struggling to find services for their children. The Public Policy Team has worked with the deafblind community, other charities and other groups to lobby, campaign and influence public policy, with 2010-11 being our most active year to date. We celebrated the tenth anniversary of the Deafblind Guidance, which including taking a birthday cake to Downing Street.

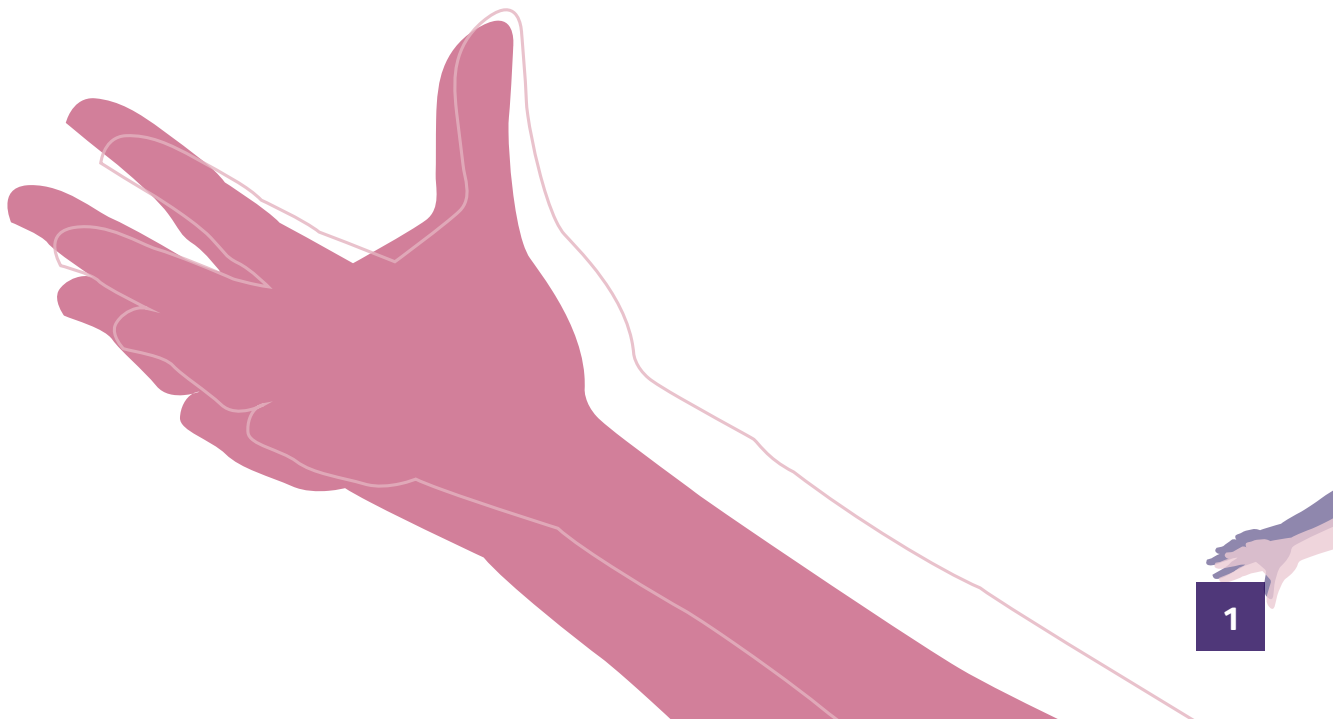
Sense looks forward to 2011/12 and beyond. We will continue to develop and improve quality and have established key performance indicators to ensure our approach is evidence based. We are also committed to developing more innovative and responsive services.

Finally I am taking the opportunity to thank friends and colleagues for another year of support. We couldn't do it without you.

Gillian Morbey OBE  
Chief Executive

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# WHO SENSE HELPS AND HOW

## The people that need our support

- 356,000 people in the UK have significant hearing and sight impairment, 132,000 of whom are severely deafblind
- Many also have other additional disabilities and/or learning and other difficulties
- Within 20 years the number of UK people with severe deafblindness will rise by 86 %
- The scale of the challenge globally is also great. Sense International is supporting deafblind people in four main areas around the world.

## Sense services and support

Sense is a charity that benefits children and adults who are deafblind. Specialist information, advice and services are provided to deafblind people, their families, carers and the professionals who work with them. People who have sensory impairments with additional disabilities are also supported. Services are available and are funded through charitable donations, grants and statutory fees.

## Our structure

Operations	Policy & Rights	External Affairs & Knowledge
<p><b>Community Services</b> and <b>Children’s Services</b></p> <p>Including: assessments and support during transition; intervenor/communicator guide services; holiday &amp; activity schemes; supported living assistance; support groups and forums; behaviour support; education, incl. schools liaison and statementing support; training and work placement.</p> <p><b>Residential services</b> tailored to individual needs.</p>	<p>Quality Assurance</p> <p>International relations and Corporate Affairs</p>	<p>Information, Advice and Research</p> <p>Communications and Public Awareness</p> <p>Fundraising and Trading** (<i>incl. charity shops whose profits are donated to Sense</i>)</p> <p>Public Policy</p> <p>Legal Services</p>

## What drives us

Vision	Purpose	Values that guide all that we do
A world in which all deafblind children and adults can be full and active members of society.	In partnership with deafblind people, their families, carers and professionals to ensure access for all to advice, opportunities and support.	<p><b>An individual's worth</b> – embracing diversity and responding to individual need</p> <p><b>Self-determination</b> – promoting the rights of individuals and providing support for this where necessary</p> <p><b>Personal fulfilment</b> – promoting opportunities for all individuals to develop and achieve their potential</p> <p><b>Openness and honesty</b> – our interactions will be transparent, open to scrutiny and built on trust and accountability</p> <p><b>Learning and improving</b> – continuously improving the quality of what we do by consulting and reflecting on our actions.</p>



# THE SENSE GROUP

## The Sense group

<b>ENGLAND, WALES &amp; NORTHERN IRELAND*</b> The main corporate services for these countries are managed by Sense's registered office, in London.			<b>SCOTLAND</b>	<b>INTERNATIONAL</b>
<b>Sense</b> Sense's service operations in England are managed in eleven community hub areas. Support and service areas include: children & families; adults; older people; campaigns and awareness. We operate in conjunction with a diverse range of agencies and professionals.	<b>Sense Cymru</b> Services include: communicator guides & intervenors; children & adults outreach services; training.	<b>Sense N. Ireland</b> Services include: a residential home; a day service; and a pre-school nursery	<b>Sense Scotland**</b> Work with children and adults, including providing communication support to identify peoples' aspirations and how they want to live their lives.	<b>Sense International**</b> Work in Asia, Latin America, Eastern Europe and Africa, in conjunction with partner organisations, to develop deafblind programmes and build capacity to ensure their sustainability.

\* Sense is the trading name for Sense, the National Deafblind and Rubella Association, and is a registered charity and company limited by guarantee, governed by its memorandum and articles of association. It is the corporate trustee of the Royal School for Deaf Children (Birmingham) and the Coventry Society for the Blind.\*\* The school is a registered charity, governed by its trust deed, and has been granted a linking order permitting its activities to be reported on within Sense's report.

\*\* Registered as separate charitable companies governed by their own memorandum and articles of association and with their own board of trustees.

## Children and families

Children born with vision and hearing impairments – and often other disabilities to cope with – need skilled help from a wide range of professionals. Sense specialists provide vital early support to deafblind children, their families and the professionals who work with them. We promote effective multi-agency working, carry out assessments, and develop individual programmes that will help each child to reach their full potential. We also work closely with government and other agencies to ensure that the needs of deafblind children are fully taken account of.

## Adults

Sense believes that each individual should be able to choose the lifestyle and support that is right for them. Our specialist services enable deafblind people to live as independently as possible, offering a range of housing, educational and leisure opportunities to suit each particular individual.

## Campaigns and awareness

Sense strives to increase understanding of deafblindness among service providers, opinion formers and others – and campaigns vigorously for improved rights and access for deafblind people to the wider community. This year we generated extensive media coverage that achieved over 37 million ‘opportunities to see’ our work and our website had over 300,000 visits. Sense’s growing new media activity included; over 2,000 people now part of Sense on Facebook; and we have over 1,000 followers on Twitter.

## Older people

More and more people are experiencing combined sight and hearing difficulties as they get older. Sense provides support, information and training to enable older people to live as independently as possible – overcoming barriers and combating the isolation that many experience. This includes providing communicator guide schemes in some parts of the country and working with local authorities to help them provide such schemes themselves. Sense has also been campaigning strongly to ensure that the needs of older people with combined hearing and sight loss are included in the Government’s strategy for and ageing society. The strategy now mentions the needs of people with communication support needs and Sense has a place on the Steering Group for the strategy.

## Support network

Sense supports families, giving them a voice and enabling them to share information and offer much-needed support to each other. There are currently 11 established Sense branches. Most are local groups providing invaluable mutual support between families, while the Hearing and Sight Impaired branch operates nationally and offers mutual support to adults with acquired deafblindness.



## Some of our operational successes

<b>High service quality rating</b>	By March 2011, 100% of Sense's 59 registered residential and community services had been rated either 'good' or 'excellent' by the Care Quality Commission, this is a continuation of the excellent quality standards we delivered in 2010
<b>Supporting deafblind people locally</b>	Over 700 adults were supported by our community based staff. We also provided 170 children and adults with regular one-to-one community support services, including Intervenor Services for children and adults with congenital deafblindness, and Communicator Guide Services for adults with acquired deafblindness.
<b>Specialist children's teams</b>	These provided support to over 800 children, young people and their families
<b>Accommodation support</b>	We provided places in specialist residential services to 277 deafblind adults, and provided 24 hour staff support to a further 26 adults living in their own homes – often referred to as supported living services.
<b>Chances to get away and meet</b>	Our national holidays programme supported 118 deafblind children and adults to go away on 28 different holidays, made possible by 160 holiday volunteers. Alongside our branches, we have increased the number of Deafblind Forums and other groups led by deafblind people that we support in different parts of the country to eight.
<b>Specialist day services</b>	These were provided to 170 adults who live with their families or in residential services provided by other organisations.

## The Sense group includes a number of separate organisations.

Sense, the trading name for Sense, The National Deafblind and Rubella Association, is a registered charity and company limited by guarantee. It is governed by its Memorandum and Articles of Association. Sense works primarily in England, Wales and Northern Ireland. It is the corporate trustee of the Royal School for Deaf Children (Birmingham) and Coventry Society for the Blind. It is the sole member of Sense Scotland and Sense International, and holds 100% of the issued share capital of Helping Sense Limited.

Sense Scotland is registered in Scotland as a company with charitable purposes. It is governed by its own Memorandum and Articles of Association.

Sense International is also a separately registered company and charity, governed by its Memorandum and Articles of Association. It works on a global basis, pressing for change and supporting partner organisations in India, Latin America, Eastern Europe and East Africa.

Helping Sense Limited is Sense's trading company. It is governed by its own Memorandum and Articles of Association and its main activity is the sale of new goods through Sense's charity shops. The profits from its activities are donated to Sense.

The Royal School for Deaf Children (Birmingham) is a registered charity. The Charity Commission granted a linking order permitting its activities to be reported on within Sense's report without the need to file its own separate annual report and accounts. It is governed by its trust deed.

Coventry Society for the Blind is a charity and company governed by its Memorandum and Articles of Association.

This is the consolidated annual report and accounts for all the Sense organisations. Unless otherwise stated, each of them publishes their own annual report and accounts which describe their activities and finances in more detail.



# OUR PLANS FOR THE FUTURE

## Sense

In last year's report we outlined a number of objectives. Here we report back on progress in these areas.

### Major objectives for 2010-11 included:

1. Complete a detailed review of all residential services and agree any changes needed to better align our current homes to the needs of people we expect to support in future.
  - This work is on-going with Sense continuing to build on our outstanding quality rating. We undertook a considerable capital spend on improving the physical quality of our homes and this work continues apace.
2. Each hub will establish a plan for local involvement and engagement.
  - Sense has established 11 local Community Hubs and this has been combined with increases in our investment in engagement work, which saw Sense involved in research and support for forums.
3. Establish specific plans for Sense Cymru and Sense Northern Ireland.
  - Sense has submitted a bid to the Welsh Assembly for continued support and have committed to extensive funding of development in Cymru over the next three years. In Northern Ireland Sense continues to develop substantial expansion plans and we are currently looking at options for new accommodation for day services and other activities
4. Establish the Research and Development team and plan a programme of initial research that will have a noticeable and measurable impact on deafblind people.
  - A Head of Research was appointed and the research team is undertaking three research projects, supporting internal research and commissioning five external research projects to be carried out by Universities. The projects cover the developmental issues deafblind people face across from childhood to old age. We are expecting impact in the areas of: identifying and meeting the needs of older people who are deafblind in residential care; improved staff development; the ability to assess the learning environment for deafblind children; developing joint attention between child and

parent: self perception following a diagnosis of Usher syndrome; decision making around residential care or community-based support for older deafblind people; and the opportunities to use and develop social haptic communication.

5. Focus on new business development and cost effectiveness in trading.
  - During 2010 Sense's Retail Operation continued to develop its existing non core areas of business, in an effort to gain a greater balance between core second hand hanging stock and new product. Success was seen, but within a very challenging retail environment this will only be maintained by continuing to review product and retail strategy. Growing from 2010 into the years ahead it is vital that new income streams are explored and developed if appropriate, while all the time looking to ensure a maximization of cost effectiveness and productivity.
6. Deliver successful new fundraising events to attract a new group of supporters.
  - Fundraising raised 10.72 million in 2010/11 – an increase of nearly £1m from 2009/10 and is our highest income to date. Again we are not resting on this success and we have revisited our strategy to ensure we build on the strong base we have.

## Major Objectives for 2011/12.

1. We will continue to develop Community Services, offering more flexible and responsive support services to more people.
2. We will maintain the quality standards in our Residential Services and continue to work with local authorities and health care trusts to ensure we achieve fee levels that are both efficient and effective.
3. We will continue to reach more children and families, offering support and advice through vital periods of family life
4. Our Trading services will review its activities and continue to find innovative ways to bring in vital funds for Sense, whilst offering high levels of service to our customers
5. Fundraising will progress further in their five year target to increase our charitable income
6. We will advance our research projects and disseminate results for the benefit of all stakeholders concerned with deafblindness.
7. We will finish the implementation of our enhanced information and advice services
8. We will continue to develop and find creative ways to engage with deafblind people and their families.

## Sense Scotland

### Major objectives for 2010-11 included:

1. Our 25th Anniversary fell in 2010. The Trustees were keen to celebrate this wonderful milestone and to mark the occasion we planned to launch our 12 year old specially commissioned whisky.
  - As planned the 25th Anniversary was held in November 2010, with over £4,000 raised from a lunch and the special malt whisky launched.
2. The Big Lottery Fund Life Transitions Programme awarded funding over five years to support older children through the transitional period into adulthood. Planning and early development for this project started in 2009 but it did not fully become operational until 2010. We planned to identify the most appropriate approaches to transition and work with individuals in order to set up group activities – such as friendship and consultation groups, and arts and outdoor activities. We had plans to assess young people, support their communication needs and develop relationships. Learning from this project will be offered to other organisations.
  - One Giant Leap is a five year project that launched in November 2010, although the Project Co-ordinator was appointed a few months prior to this in order to liaise with young people, their families and schools. The project is designed as a youth group for 14-25 year olds and supports young disabled people leading up to leaving school and for three years beyond this. We now have over thirty young people as members of the group, and around fifteen regularly attend at any one time on Monday and Thursday evenings and Saturday mornings.
3. We planned for The Helen Keller International award to be launched in 2010 and exhibited in 2011.
  - The 9th Helen Keller International Award competition was launched in 2010 and the exhibition of selected works took place at Glasgow Caledonian University from 9 – 26 May 2011. The exhibition this year included an inspiring range of paintings, sculptures and multi-media artworks, selected from entries from across the world. The Judges for the 9th Award were Francis McKee, Director of CCA; Monica Callaghan, Head of Education, Hunterian Museum & Gallery; and artist, John Shankie.
4. We planned to open new housing support services in Glasgow and a new children's respite centre in Argyll and Bute.
  - A new housing support service providing individual flats to 12 tenants was officially opened by the Scottish patron, the Duchess of Sutherland, at the end of 2010. The new children's respite centre, in an excellent new build provided by Argyll and Bute Council, commenced services in April 2010.

They are supported by four paid staff and up to fifteen volunteers, from a range of backgrounds. It is an exciting, dynamic project that offers activities as diverse as art, music, football, table tennis, cooking, walks, gardening and storytelling. But mostly it is a chance for young people to meet, get together with friends and have fun. Running in parallel with the group is a research project that is gathering up the stories and experiences of these young people as they move from school into adulthood. We are aiming to find out what makes a good transition and to share our experiences with the Scottish Government, schools, families and organisations across Scotland.

5. We aimed to continue to developing charity shops, to increase net profit so we can reinvest in innovative services as well as increasing the charity's profile. A minimum of two further shops were planned to be opened.
  - In late 2010/2011 we opened new shops in Paisley, Greenock and Falkirk. These are on a rent free, short term lease, basis. Whilst this reduces overheads we need to respond flexibly, at times closing shops at short notice and relocating to new premises where possible.
6. The Trustees introduced 'dashboard reporting' last year and we aimed to further refine this in order to provide key performance indicator reporting.
  - Key Performance Indicators covering a range of activities including finance performance, fundraising performance and quality of care support are now regularly reported to the senior management and board of trustees.

## Major Objectives for 2011/12.

Our strategic plan for 2011/2012 is based on five overarching themes aimed at improving the quality of the services we provide and the way in which we monitor and evidence our performance. We have also tried to link our own strategic objectives with the national outcomes outlined by the Scottish Government in its ten year National Performance Framework.

Our five strategic intentions are:

1. We will support and develop positive health for service users and staff.
2. We will develop opportunities for service users, families and staff.
3. We will work in partnership with service users, families and staff to influence, drive forward and respond to change.
4. We will actively promote a culture of high standards and quality.
5. We will promote an efficient and effective organisation at all levels.

The plan is based on key priority areas and clear targets that are aimed at ensuring the organisation, its staff, service users and families are able to continue to benefit and grow from the support and services provided.

Our ultimate aim is to respond flexibly to the challenges ahead, take clear steps to minimise any risks and to build on the current strengths of the organisation.

## Sense International

### Key Achievements in 2011/12

- In East Africa we continued to build the capacity of seven organisations in Kenya and Uganda, which has enabled them to provide community-based services to 329 deafblind and multi-sensory impaired children. We have also provided training to over 3,900 family members.
- After two years of lobbying by deafblind people, their families and Sense International the Peruvian parliament voted to recognise deafblindness as a unique disability. We have since participated in a working group, alongside other professionals from special schools and institutions, and supported by the Peruvian Congress and the National Council for the Integration of Persons with Disabilities, to develop the rules of this new legislation.
- In Latin America our regional programme, delivered in partnership with Perkins International, is now supporting over 150 schools in Bolivia, Brazil, Colombia, Peru and Mexico to provide specialised education services to over 2,800 deafblind and multi-sensory impaired children.
- In Bangladesh, our newest country programme, we are now reaching over 200 deafblind and multi-sensory impaired children and adults, and the need for appropriate needs-based support and education for deafblind people is being recognised amongst other NGOs and government officials.
- In India we have been invited to help draft a new disability law for people with disabilities, helping us to ensure that the rights of deafblind people are recognised. Our Regional Learning Centres and their partners are now reaching over 1,500 deafblind people.

- Working in partnership with four maternity units in the Romanian cities of Bucharest, Oradea and Timisoara, we have facilitated the hearing screening of 7,515 babies and the visual testing of 2,082 babies, and are continuing to work with a range of professionals as well as children's parents to develop an effective referral pathway so that children receive the very best support in their early years.

### Major Objectives for 2011/12.

- We will continue to ensure better availability of, and access to specialised and/or inclusive education and health services for all deafblind children, and extend specialist training for parents and professionals.
- We will work to strengthen representative organisations and encourage the development of networks of deafblind people and their families.
- We will strengthen our links with national and local legislative bodies to ensure deafblindness is included in discussions on social, educational and health policy.
- We will continue to develop clear organisational structures, performance measures and planning systems which support our future as a global organisation.

We will formalise and strengthen links with key organisations to build on existing initiatives and expertise, to ensure compatibility of purpose, avoid duplication of efforts and resources and achieve a wider impact.

# Sense

## Sense Working in partnership

Sense works with a wide range of partner organisations. Here are some examples at a local, national and international level:

- We have been successful in bidding for contracted support work in the North of England, alongside Action for Blind People.
- We have commissioned five external research projects with universities.
- We have been working in partnership with UK charities, including RNIB, RNID, Guide Dogs and Leonard Cheshire, to respond to Government White Papers
- Sense International continues to work with a range of partners in the countries it works in. For example, in Nairobi, we work with Nairobi Family Services to support parents of deafblind children to meet together for advice and to gain mutual support.
- In Romania our early intervention programme has been taken on by existing paediatric medical staff in their work.

# GOVERNANCE AND INTERNAL CONTROL

## Structure of Governance

Council can elect up to sixteen members of Council and appoint a further ten by co-option. Trustees are elected by the AGM and serve for four years before standing down. They are available for re-election immediately if they have not served for more than eight years consecutively.

The Chairman is elected by Trustees and also serves a four-year term of office. Council meets four times a year and Trustees are expected to attend all Council meetings.

Sense has an open and fair policy on Trustee recruitment, seeking individuals who can help us achieve our aims. All elections to Council are managed by Council Members.

## Statement of Council's responsibilities

The Council are responsible for preparing the Report of Council and the audited financial statements in accordance with applicable law and regulations.

Company law requires Council to prepare audited financial statements for each financial year. Under that law Council have elected to prepare the audited financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law Council must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these audited financial statements, Council are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

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

## **Public Benefit**

Council has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning its future activities. In particular, Council has considered how planned activities will contribute to the aims and objectives it has set. Sense is a membership organisation and we are proud of our long record of bring public benefit through a range of activities.

## **Audit information**

So far as each trustee is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware. Relevant information is defined as "information needed by the Charitable Company's auditors in connection with preparing their report".

Each trustee has taken all steps (such as making enquiries of other trustees and the auditors and any other steps required by the trustee's duty to exercise due care, skill and diligence) that he/she ought to have taken in his/her duty as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

## **Committees**

Council is supported in its work by a number of Sub-Committees: Audit, Finance, Remuneration and Nominations Committees. Council appoints members onto these Sub-Committees and received regular reports from them on their work. Terms of Reference for each of these Committees were updated during 2010/11.

The Finance Committee's main purpose is to provide information to Council on all matters relating to the financial health of the organisation. It comprises of not less than two trustees, in addition to the Chair, appointed annually. The Chair of the Finance Committee is appointed annually and is usually the Honorary Treasurer. Ex-officio co-opted members may be proposed who, in the opinion of the Committee, bring relevant financial expertise. The Chief Executive, Group Director of Finance and Resources and Director of Finance of Sense are ex-officio members.

The Audit Committee has the role of managing the charity's relationships with its external and internal auditors and reports to Council on the satisfactory performance of the auditors. For 2010/11 membership of the Audit Committee was identical to that of the Finance Committee. The Chief Executive, Group Director of Finance and Resources and Director of Finance of Sense are ex-officio members.

The Remuneration Committee's role is to ensure that both Sense's remuneration strategy for senior staff is transparent, fair and effective. Its voting membership will not exceed five with a quorum of three. The Chair and Treasurer of Sense are ex-officio voting members and at least two of the additional voting members are trustees of the charity. A fifth independent member with relevant expertise may also be appointed should the committee feel this is necessary.

The Nominations Committee responsibilities include the recruitment and induction of new trustees to ensure an effective Board succession strategy, and to ensure a balanced board with a broad range of specific and generic skills to support the work of Sense.

The Chief Executive is responsible for the overall management of all aspects of Sense activities. Supporting him / her is the Executive Team.

Membership of the Executive Team includes three group directors and three functional directors.

For detailed information on the specific governance arrangements and processes for Sense Scotland and Sense International, please see their respective Annual Reports and Accounts.

## Internal Financial Control

Council has overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. The systems of internal control are designed to provide reasonable assurance against material misstatement or loss. They include:

- A five year strategic plan and an annual budget approved by Council. A number of matters are specifically reserved for Council's approval.
- Regular consideration by Council of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews.
- The development of policy documents covering all major strategic and operational activities. These are reviewed with appropriate regularity and consultation.
- The Finance Committee considers investment strategy and monitors investment performance.
- Internal audit reviews the whole system of internal controls and has unrestricted access to all books, records and explanations if required. The independence of the Head of Internal Audit is assured and set out in an Internal Audit Charter, with direct access to Council via the Honorary Treasurer and the Audit Committee, who receive all internal audit reports.

## Identification and management of risks

Council has delegated day-to-day responsibility for the management of risks to the Chief Executive. The Finance Committee is responsible for overseeing the establishment and maintenance of good practice in this area and for reporting on it to Council at each of its regular meetings.

A formal risk management process has been developed to assess business risks and implement risk management strategies. Management is responsible for the identification and assessment of risk and reporting on its work to the Finance Committee and Audit Committee. Management is also responsible for developing risk mitigation strategies and controls and implementing action to minimise or reduce risk to acceptable levels. The Executive Team leads this process by selecting the most significant risks for inclusion in the Corporate Risk Report and monitoring them, receiving reports at its monthly face to face meetings.

Risk identification and assessment processes have been embedded within the normal operating activities of managers throughout Sense as part of the operational plan process. This ensures that key risks are regularly reviewed, monitored and reported on. The following key potential risk areas have featured on the Corporate Risk Report for 2010/11, with some notes about how we have mitigated these risks:

- **Risk** – Organisational Terms and Conditions Review costs more than planned.  
**Controls** Steering Group to assess all potential financial impacts
- **Risk** – Pension Deficit.  
**Controls** – the establishment of a Pensions Working Party to consider options and develop plans
- **Risk** – Fee Levels.  
**Controls** – The establishment of a Working Party and the development of budgetary plans to ensure we can prove all Sense’s services are value for money.
- **Risk** – Inadequate workforce.  
**Controls** – Monthly monitoring of turnover rates, stability indices, staff vacancy levels by geographical area. Review of Organisational Terms and Conditions against professional sector expectations and competitor packages.

# FINANCIAL REVIEW 2010/11

The serious financial downturn the country is going through continues to affect us on a number of fronts. Services delivered under contract are being scrutinised by our statutory funders looking for the cost reductions they need to balance their own books; our shops and fundraising teams are under considerable pressure to achieve their charitable income targets, from a nation whose own financial resources are severely squeezed.

We are also in a consolidation period following what was probably Sense's most significant restructure of all time where there was hardly a single activity that wasn't affected.

Despite all this we can claim a string of successes during the year. We have developed and grown our community services income considerably and increased the statutory funding we receive from these activities. We have controlled vacancy levels in residential homes, filling them where we could and mitigating costs where we couldn't, and our investment in legacy promotion in previous years continues to produce legacy donations that exceeded targets. Coupled with the strong financial controls we have exercised over income and expenditure our bottom line, before the decreased pension scheme deficit, resulted in an unbudgeted surplus.

## Expenditure

Expenditure on our charitable activities in 2010/11 was £64.8m. It represented an increase of £2.2m on the previous year and was the highest sum we have ever been able to afford in a single year.

Most of our contracted expenditure is working with adults and relates to the provision of residential and community based services.

We spent £2.7m (£2.3m 2010) working with children and families and £1.3m (£1.4m 2010) working with older people.

Work on campaigning and raising awareness cost £1.3m (£819k 2010), publicity costs were £589k (£582k 2010) and on quality improvements and staff development we spent £502k (£555k 2010).

Governance costs of £63k were £6k less than last year.

## Income

Total income amounted to £82.3m an increase of £1.3m over the previous year.

This year Sense had a reduction in fees and allowances, paid by statutory authorities, which raised £57.2m in total. This reduction did not see Sense working with less people, but we have had significant pressure placed on our fee income as funding cuts take hold, however, Sense has maintained the highest quality standards whilst working hard to reduce the cost of our services. This income is linked to agreed contracts and Sense provides services in line with our agreements with Health Authorities, Primary Care Trusts, Local Authorities and individuals.

Total fundraised income reached £10.7m representing an increase of £1m on the previous year which reflects the success we have seen in legacy income and general fundraising activities. Alongside legacy income we also benefit from involvement in events, such as the Virgin London Marathon.

Income from our shops reached £11.4m, an increase of £0.2m over the previous year.

In accordance with Financial Reporting Standard 17 'Retirement benefits' (FRS17) the results of the defined benefit superannuation scheme valuation are included in these accounts. Partly as a result of changes in actuarial assumptions, and partly due to changes in the LPFA scheme, the scheme value increased by £8.9m and decreased the overall liability to £6.5m. Every three years the scheme's actuaries calculate how much we need to pay into the scheme for each of the ensuing three years in order to eliminate the deficit and to ensure that sufficient funds are available to meet pension payments when they become payable. We ensure these payments are made. We closed our defined benefit superannuation scheme to new entrants in 2003 and replaced it with a defined contribution scheme.

The Statement of Financial Activities before we included the FRS17 deficit resulted in a positive net movement in funds for the year of £3.86m. The superannuation scheme increased this by £9.7m resulting in an overall positive net movement in funds of £13.59m.

Throughout the year we have exercised strong control over our finances and ensured that expenditure was budgeted, affordable and within our income.

## Reserves

The policy for unrestricted reserves is reviewed each year by the Finance Committee. They ensure that the target they set will be capable of:

- providing sufficient working capital for budgeted operational commitments
- funding responsive action in the event of a significant financial downturn
- managing the rehabilitation of the people who use our services in the event of closure of the organisation.

In setting the target, the Committee takes account of any risks that might impact on the level of reserves required. They include:

- time needed to implement operational response to any significant reductions in income
- dependence on and reliability of individual income streams
- robustness of the internal reporting and response methods
- potential for variation in cash flow forecasts.

The target level for unrestricted cash reserves has been calculated as the equivalent of 9 weeks' expenditure. At 31 March 2011 the sum needed was £13.6m. On the same date, the actual level of cash reserves in the unrestricted funds was £13.6m. This is equivalent to approximately 9 weeks expenditure. The policy on restricted funds is to separately record donations, grants and other sources of fundraising where restrictions are imposed that are narrower than the Charity's overall objectives.

## Investment strategy

### Investment aims

The aims of non-cash investments are to preserve their current value at a level at least in line with inflation, and to provide an income better than the level that could be obtained from cash investments.

Cash will be invested to maximise return whilst meeting agreed risk appetite and future cash needs.

### Risk appetite

We recognise that investments cannot be risk free if we are to achieve our stated investment aims but we have an appetite only for low risk investments.

We have no appetite for derivatives or hedges.

### Ethical investments

Sense wishes to avoid unethical investments that are in conflict with its charitable objectives.

## Employees

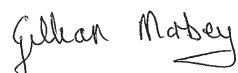
Sense has adopted a formal Equal Opportunities Policy. The policy is reviewed regularly and all employees are welcome to make suggestions for improvements. Over the last 12 months we have adopted a diversity strategy and implemented a new diversity board that is chaired by the Chief Executive and will include staff representatives from the BME and disability communities.

Employees are kept fully informed of all factors affecting the performance of the association and any other matters likely to be of concern to them as employees through written and face to face staff briefings, our intranet and newsletters. This includes notes on decisions and discussions of both the Executive Team and Council. Employees are encouraged to present their suggestions and views at regular one to one meetings with their line managers and through implementation of a grievance procedure and whistleblowing policy.

## Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of Council and signed on its behalf



G Morbey OBE  
Secretary

20th September 2011

## Council members

### **Council members, showing changes during year 2010 -11**

John Crabtree OBE, Chairman

Richard Monaghan, Treasurer (resigned September 2010)

Alan Jones, Treasurer (resigned March 2011)

Hugh Gareth Jones MBE JP, Treasurer (appointed March 2011)

Liz Booth (elected October 2010)

Ian Harley

Jim McManus (co-opted by Sense NI)

Dave Pearson (elected October 2010)

Carol Pollington (to December 2010)

David Reeves (elected October 2010)

Roy Staines

Duncan Tannahill (co-opted by Sense Scotland)

Sue Turner (co-opted by Sense Forum)

Oliver Walder

Gillian Wood

Council was very saddened to learn of the death of Carol Pollington during the year, her dedication to and support of Sense was inspirational and Carol is greatly missed

### **Sense Scotland and Sense International have their own boards of Trustees:**

## Sense Scotland

### **Trustees**

Roy Cox, Chairman

Neil Farquharson, Vice Chairman

Douglas Smart, Treasurer

David Newton

Marian McArdle (resigned September 2010)

Duncan Tannahill

Isabel Allan

Norman Ritchie

Usman Rehman

## Sense International

Jeremy Charles, Chairman

Catherine Cross Vice Chairman

Pankaj Shah, Treasurer

Sue Turner

Sunil Sheth

Denis Tinsley

Robin Heber Percy

# INDEPENDENT AUDITORS' REPORT

## to the Members and Trustees of Sense, The National Deafblind and Rubella Association

We have audited the financial statements of Sense, The National Deafblind and Rubella Association for the year ended 31 March 2011 which comprise Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the Trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with Regulation 30 of The Charities (Accounts and Reports) Regulations 2008 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.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material

inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011, and of the group's incoming resources and application of resources, including its income and expenditure and 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 and the Charities Act 1993.

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

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, 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; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*AR Blackwell*

Anthony Blackwell (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors  
Leeds. September 2011

PricewaterhouseCoopers LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2011

	Note	General Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2011 £	Total 2010 £
<b>Incoming resources</b>							
<i>Incoming resources from generated funds</i>							
Fundraising income		6,360,283	594,668	1,204,299	-	<b>8,159,250</b>	7,253,710
Legacies receivable		2,544,813	-	13,000	-	<b>2,557,813</b>	2,530,623
Fundraising grants receivable	1	134,311	-	1,018,000	-	<b>1,152,311</b>	1,051,754
Shops income		11,371,710	-	-	-	<b>11,371,710</b>	11,228,728
Investment income	2	177,629	-	-	-	<b>177,629</b>	57,404
Other income	3	469,165	27,722	10,201	-	<b>507,088</b>	433,606
<i>Incoming resources from charitable activities</i>							
Fees and allowances		56,812,779	-	363,882	-	<b>57,176,661</b>	57,443,281
Statutory grants receivable	1	638,244	-	450,844	-	<b>1,089,088</b>	865,346
Net gain on disposal of fixed assets	5	69,492	-	-	-	<b>69,492</b>	156,902
<b>Total incoming resources</b>		<b>78,578,426</b>	<b>622,390</b>	<b>3,060,226</b>	-	<b>82,261,042</b>	<b>81,021,354</b>
<b>Resources expended</b>							
<b>Cost of generating funds:</b>							
Fundraising costs		3,126,245	559,803	10,718	-	<b>3,696,766</b>	4,556,147
Shops costs		10,215,177	94,629	-	-	<b>10,309,806</b>	10,008,844
Total cost of generating funds		<b>13,341,422</b>	<b>654,432</b>	<b>10,718</b>	-	<b>14,006,572</b>	<b>14,564,991</b>

**Charitable activities:**

Work with adults	36,474,280	376,953	639,351	8,623	37,499,207	37,467,864
Work with children	2,336,066	31,024	329,194	-	2,696,284	2,324,816
Work with older people	1,244,960	15,820	21,787	-	<b>1,282,567</b>	1,407,420
Work in Scotland	18,458,209	91,919	1,003,064	-	<b>19,553,192</b>	18,295,729
International work	395,198	-	1,002,449	-	<b>1,397,647</b>	1,061,995
Campaigns and awareness	1,140,542	71,495	62,131	-	<b>1,274,168</b>	819,282
Publicity	580,465	4,360	3,898	-	<b>588,723</b>	581,666
Quality and staff development	482,873	3,937	15,704	-	<b>502,514</b>	555,008
<b>Governance</b>	4	63,314	-	-	<b>63,314</b>	68,879
<b>Total resources expended</b>	61,175,907	595,508	3,077,578	8,623	<b>64,857,616</b>	62,582,659
<b>Total resources expended</b>	74,517,329	1,249,940	3,088,296	8,623	<b>78,864,188</b>	77,147,650
<b>Net incoming resources/(resources expended) before transfers</b>	4,061,097	(627,550)	(28,070)	(8,623)	<b>3,396,854</b>	3,873,704
Transfers between funds	17	(5,242,349)	41,519	-	-	-
<b>Net incoming resources/(resources expended) before revaluations</b>	(1,181,252)	4,573,280	13,449	(8,623)	<b>3,396,854</b>	3,873,704
Gains and losses on revaluation and disposal of fixed assets	5	462,212	-	-	<b>462,212</b>	556
Actuarial gain/(loss) on defined benefit pension scheme	9	9,652,000	-	-	<b>9,652,000</b>	(10,206,000)
<b>Net movements in funds</b>	8,932,960	4,573,280	13,449	(8,623)	<b>13,511,066</b>	(6,331,740)
Fund balances brought forward at 1 April 2010	9,291,872	5,092,756	7,196,631	464,639	<b>22,045,898</b>	28,377,638
Fund balances carried forward at 31 March 2011	17,18	<b>18,224,832</b>	<b>9,666,036</b>	<b>7,210,080</b>	<b>456,016</b>	<b>35,556,964</b>
						<b>22,045,898</b>

The notes on pages 33 to 56 form part of these accounts.

The group has no other recognised gains and losses other than those included in the results above, and, therefore, no separate statement of total recognised gains and losses has been presented.

All incoming resources and resources expended are derived from continuing activities.

Registered no. 1825301

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2011

	Note	31 March 2011 £	31 March 2010 £
<b>Fixed assets</b>			
Tangible assets	11	20,926,923	21,466,071
Investments	12	4,539,874	5,654
		<b>25,466,797</b>	21,471,725
<b>Current assets</b>			
Stocks of goods for resale		190,227	81,846
Debtors	13	6,231,427	6,356,112
Cash at bank and in hand		15,833,722	15,871,135
		<b>22,255,376</b>	22,309,093
<b>Creditors (amounts falling due within one year)</b>	14	<b>(4,849,214)</b>	(5,426,831)
Net current assets		<b>17,406,162</b>	16,882,262
<b>Total assets less current liabilities</b>		<b>42,872,959</b>	38,353,987
<b>Creditors (amounts falling due after more than one year)</b>	15	<b>(822,995)</b>	(934,089)
<b>Net assets excluding pension liability</b>		<b>42,049,964</b>	37,419,898
<b>Defined benefit pension scheme liability</b>	9	<b>(6,493,000)</b>	(15,374,000)
<b>Net assets including pension liability</b>		<b>35,556,964</b>	22,045,898
<b>Funds and Reserves</b>			
Restricted funds	17,18	7,210,080	7,196,631
Endowment fund	17,18	456,016	464,639
Unrestricted funds			
General fund (including pension reserve of £6,493,000 adverse (2010: £15,374,000 adverse))		18,224,832	9,291,872
Designated funds	17,18	9,666,036	5,092,756
Total unrestricted funds		27,890,868	14,384,628
<b>Total funds and reserves</b>		<b>35,556,964</b>	22,045,898

The notes on pages 33 to 56 form part of these accounts.



**H Gareth Jones MBE JP**

Treasurer

Approved by Council on 20th September 2011

Registered no. 1825301

## COMPANY BALANCE SHEET AS AT 31 MARCH 2011

	Note	31 March 2011 £	31 March 2010 £
<b>Fixed assets</b>			
Tangible assets	11	14,540,135	14,955,226
Investments	12	4,568,192	33,972
		<b>19,108,327</b>	14,989,198
<b>Current assets</b>			
Stocks of goods for resale		190,227	81,846
Debtors	13	4,024,294	4,044,071
Cash at bank and in hand		12,018,318	13,567,562
		<b>16,232,839</b>	17,693,479
<b>Creditors (amounts falling due within one year)</b>	14	<b>(4,078,548)</b>	(4,334,092)
<b>Net current assets</b>		<b>12,154,291</b>	13,359,387
<b>Total assets less current liabilities</b>		<b>31,262,618</b>	28,348,585
<b>Creditors (amounts falling due after more than one year)</b>	15	<b>(45,000)</b>	(106,643)
<b>Net assets</b>		<b>31,217,618</b>	28,241,942
<b>Funds and Reserves</b>			
Restricted funds	17,18	4,576,432	4,872,173
Endowment fund	17,18	456,016	464,639
Unrestricted funds			
General fund	17,18	22,042,162	22,880,024
Designated funds	17,18	4,143,008	25,106
<b>Total funds and reserves</b>		<b>31,217,618</b>	28,241,942

The notes on pages 33 to 56 form part of these accounts.



**H Gareth Jones MBE JP**

Treasurer

Approved by Council on 20th September 2011

## CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
Income of continuing operations	<b>82,013,921</b>	80,807,048
Total expenditure of continuing operations	<b>(78,223,016)</b>	(76,722,443)
Operating surplus	<b>3,790,905</b>	4,084,605
Income from fixed asset investments	<b>97,716</b>	-
Gain on disposal of tangible fixed assets	<b>69,492</b>	156,902
Interest receivable and similar income	<b>79,913</b>	57,404
Interest payable and similar charges	<b>(62,172)</b>	(30,207)
Other finance charge	<b>(579,000)</b>	(395,000)
Net income for the year	<b>3,396,854</b>	3,873,704

The consolidated summary income and expenditure account is presented in order to ensure compliance with the Companies Act 2006.

A detailed analysis of income and expenditure by source is provided in the consolidated statement of financial activities. All incoming resources and resources expended are derived from continuing activities.

The consolidated summary income and expenditure account is derived from the statement of financial activities which, together with the notes to the accounts on pages 27 to 45 provides full information on the movements during the year on all the Association's funds.

The notes on pages 33 to 56 form part of these accounts.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
<b>Net cash inflow from operating activities</b>	22	<b>5,222,430</b>	4,228,735
<b>Returns on investment and servicing of finance</b>			
Investment income received		<b>177,629</b>	57,404
Interest paid		<b>(50,307)</b>	(13,189)
Interest element of finance lease payments		<b>(11,865)</b>	(17,018)
		<b>115,457</b>	27,197
<b>Capital expenditure</b>			
Purchase of investments		<b>(4,072,008)</b>	(3,002)
Purchase of tangible fixed assets		<b>(1,232,156)</b>	(1,606,052)
Sale of tangible fixed assets		<b>108,636</b>	1,012,731
		<b>(5,195,528)</b>	(596,323)
<b>Financing</b>			
Bank and other loans repaid		<b>(98,826)</b>	(70,667)
Capital element of finance lease payments		<b>(80,946)</b>	(165,034)
		<b>(179,772)</b>	(235,701)
<b>(Decrease)/increase in cash</b>	23,24	<b>(37,413)</b>	3,423,908

The notes on pages 33 to 56 form part of these accounts.

## Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments at market value and in accordance with applicable UK accounting standards, the Charities Act 1993, the Companies Act 2006 and the Statement of Recommended Practice (SORP 2005), "Accounting and Reporting by Charities".

The figures contained in the consolidated financial statements relate to all activities both national and international and include those of the charity and its wholly owned charitable subsidiaries: The Royal School for Deaf Children (Birmingham), Sense Scotland, Sense International, Coventry Society for the Blind together with the results of Helping Sense Limited, its wholly owned non-charitable subsidiary. The undertakings are consolidated, excluding all inter-company transactions and balances, from the date of acquisition or formation, on a line by line basis.

## Incoming resources and recognition

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Fees and allowances receivable for residential care and similar services are accounted for in the period in which the service is provided. Shop income represents goods supplied to customers at invoiced amounts and is recognised when the economic risks and rewards are transferred to the third party. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. Grants are recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Grants received in advance with donor imposed conditions that specify the time period in which the expenditure of resources can take place are accounted for as deferred income and recognised as a liability.

## Fundraising income

Voluntary income is accounted for when received. Non-cash donations, other than goods donated for sale through our shops, are stated at an estimate of their value to the Charity.

## Resources expended

All expenditure, including any irrecoverable VAT, is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. The cost of generating funds for voluntary income is the cost of organising fund raising events and activities and the cost of operating the charity's shops. The costs of charitable activities include all expenditure directly relating to the objects of the charity. Support costs have been apportioned to the relevant charitable activity on the basis of salary costs incurred.

## Governance costs

Governance costs include internal and external audit, strategic costs and Trustees' expenses.

## Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Using the following methods, depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful economic lives at the following annual rates:

In equal annual instalments:

Freehold buildings	-	2%
Short leasehold properties and long leasehold improvements	-	over the remaining life of the lease
Furniture, fixtures and fittings	-	12.5% - 25%
Motor vehicles	-	25%

Freehold land is not depreciated.

Individual fixed assets costing £500 or more are capitalised at cost.

## Leases

Assets acquired under finance leases are included under tangible fixed assets in the balance sheet and depreciated as indicated above. The related liability for the capital element is included in creditors and the interest element, which is calculated on the basis of the amount of borrowing outstanding, is charged to the statement of financial activities in the period to which it relates.

Operating lease rentals are charged to the statement of financial activities in equal amounts over the term of the lease.

## Stocks

Stocks are stated at the lower of cost and net realisable value and consist of collection bags for donated goods and new goods bought for resale, cost is determined on a first-in, first-out basis.

## Recognition of Liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

## Group pension costs

Pension costs are accounted for in accordance with FRS17 in respect of the London Pension Funds Authority Superannuation Scheme, a defined benefit pension scheme. As a result the regular service cost of providing retirement benefits to employees, the full cost or gain of providing amendments to benefits in respect of past service, income representing the expected return on assets of the fund and a cost representing the interest on the liabilities are charged to the statement of financial activities in the year.

Differences between actual and expected returns on assets during the year, together with differences arising from changes in assumptions underlying the present value of scheme liabilities and experience gains and losses arising on scheme liabilities are also recognised in the statement of financial activities.

The difference between the market value of assets and the present value of liabilities is shown as a net liability on the balance sheet.

The group also operates a defined contribution scheme for all other staff. Contributions are charged to the statement of financial activities in the period in which they are payable.

### **Company pension costs**

The company is a participating employer in a defined benefit pension scheme covering the majority of its employees who contribute to a pension scheme. The contributions payable by the company are accounted for as if the scheme were a defined contribution scheme.

### **Fixed assets – securities**

The quoted securities are valued at market value based on the Stock Exchange Daily Official list or similar recognised market value. Realised and unrealised gains and losses on sale or revaluation of investments are taken to the statement of financial activities in the period in which they arise.

### **Fixed assets – subsidiary undertakings**

Investments in subsidiary undertakings are stated at cost, but are written down to their realisable value if it is considered that there has been a permanent diminution in their value.

### **Fund Accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific instructions imposed by the donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Endowment funds represent those assets which must be held permanently by the charity, principally properties. Any capital gains or losses arising form part of the fund. Depreciation of the properties is charged against the fund.

Investment income and gains are allocated to the appropriate fund.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### 1 Grants receivable

#### Sense – Statutory Grants receivable

	2011 £	2010 £
Cambridgeshire County Council	<b>18,500</b>	30,900
Cambridgeshire County Council	<b>49,121</b>	800
Carmarthenshire County Council	<b>8,000</b>	-
Cornwall County Council	<b>58,132</b>	21,774
Department of Health Section 64 Grant – Deafblind Forums	-	38,621
Department of Health towards Older Persons Partnership	<b>51,794</b>	48,254
Derbyshire County Council	-	9,900
Gwynedd And Ynys Mons	<b>2,101</b>	2,101
Homefirst nursery Placements	-	24,353
Lincolnshire County Council	<b>146,278</b>	145,550
Newtown Abbey (Surestart)	<b>42,432</b>	-
Norfolk County Council (SA Funds)	<b>15,175</b>	9,825
Northern Ireland Housing Executive	<b>26,138</b>	26,138
Peterborough City Council Supporting People Grant	<b>17,300</b>	30,784
Powys – supporting people	<b>12,988</b>	12,924
Rotherham County Council	<b>27,006</b>	-
Skills for Care (towards staff training)	<b>23,380</b>	51,931
South Gloucestershire Children's Services Grant	<b>2,929</b>	2,929
Suffolk Social Services (Fixed Payment)	<b>63,864</b>	8,685
Suffolk Supporting People Grant (Core)	<b>9,691</b>	-
Suffolk Supporting People Grant (Flexi)	<b>44,829</b>	49,548
Western Health And Social Care Trust	<b>15,190</b>	15,300
carried forward	<b>634,848</b>	530,317

**Sense, The National Deafblind and Rubella Association**  
**Council's report and accounts for the year ended 31 March 2011**

	2011 £	2010 £
brought forward	<b>634,848</b>	530,317

**Sense Scotland – Statutory Grants receivable**

Scottish Government (Malawi Project)	<b>111,594</b>	-
Scottish Local Authorities and Health Boards (towards services)	<b>20,724</b>	26,924
Scottish Executive (Children, Young People & Social Care Group Unified Vol. Sector Fund)	<b>66,785</b>	66,785
Tayside NHS	<b>5,350</b>	15,968
NHS Greater Glasgow (Innovation projects)	<b>160,923</b>	159,329
Glasgow City Council (Threads)	<b>9,933</b>	5,000
Scottish Executive (Malawi Project)	-	-
<b>Other statutory grants</b>	<b>78,931</b>	61,023
<b>Total Statutory grants received</b>	<b>1,089,088</b>	865,346

**Sense – Charitable Grants receivable**

Department of Health Grant (Towards Deafblind Direct)	-	39,690
Department of Health Grant (Rubella Project)	<b>50,731</b>	50,952
Northern Ireland DHSS (towards Services in Northern Ireland – Core Grant)	<b>25,038</b>	25,038
Northern Ireland DHSS NVQ Funding	<b>8,740</b>	11,640
Welsh National Assembly (towards Organisational Development – Core Grant)	<b>94,000</b>	92,000
carried forward	<b>178,509</b>	219,320

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	2011 £	2010 £
brought forward	<b>178,509</b>	219,320

**Sense Scotland – Charitable Grants receivable**

Big Lottery Fund	-	1,000
Big Lottery Fund (One Giant Leap)	<b>55,148</b>	-
Big Lottery Fund (Reaching Out)	<b>96,580</b>	83,731
Creative Scotland (National Lottery Grant) – Arts	<b>45,000</b>	-
Path to Health	<b>13,200</b>	13,200
Scottish Arts Council (National Lottery Grant)	-	7,736
Scottish Arts Council (National Lottery Grant) – Music	<b>13,650</b>	-
Scottish Arts Council (National Lottery Grant) – Flexible Funds for Art	<b>50,000</b>	50,000

**Sense International – Charitable Grants receivable**

Department for International Development (Developing a sustainable infrastructure for the inclusion of deafblind people in Bangladesh)	<b>83,132</b>	31,060
European Commission Europe Aid Co-operation Office (Developing a sustainable infrastructure for the integration of deafblind people in India)	<b>113,880</b>	113,880
European Commission Europe Aid Co-operation Office (Developing model services and a sustainable infrastructure for the integration of deafblind people in Peru)	<b>200,379</b>	3,923
European Commission Europe Aid Co-operation Office (Promoting Access to education for deafblind and multi-sensory impaired children in Tanzania)	<b>21,496</b>	35,741
Bid Lottery Fund (promoting the Social Inclusion of Deafblind people in Latin America)	<b>107,218</b>	105,308
States of Jersey Overseas Aid Committee	<b>17,796</b>	-
European Commission Europe Aid Co-operation Office (Promoting Access to education for deafblind and multi-sensory impaired children in East Africa)	<b>155,536</b>	-
Others	<b>787</b>	386,855
<b>Total Charitable Grants receivable</b>	<b>1,152,311</b>	1,051,754

All grants given for a specific purpose have been expended entirely on that purpose.

## 2 Investment income

	2011 £	2010 £
Bank interest	<b>79,913</b>	57,404
Dividends	<b>97,716</b>	-
	<b>177,629</b>	57,404

## 3 Other income

Other income is mainly derived from rental of accommodation, training and consultancy provided to other organisations and charities mainly concerned with sensory impairment.

## 4 Expenditure

	Direct costs £	Support costs £	2011 £	2010 £
Fundraising	3,225,899	470,867	<b>3,696,766</b>	4,556,147
Trading	10,162,160	147,646	<b>10,309,806</b>	10,008,844
Work with adults	32,715,205	4,784,002	<b>37,499,207</b>	37,467,864
Work with children	2,463,120	233,164	<b>2,696,284</b>	2,324,816
Work with older people	1,118,316	164,251	<b>1,282,567</b>	1,407,420
Campaigning and awareness raising	1,131,167	143,001	<b>1,274,168</b>	819,282
Publicity	529,639	59,084	<b>588,723</b>	581,666
Quality and staff development	449,056	53,458	<b>502,514</b>	555,008
Work in Scotland	18,777,414	775,778	<b>19,553,192</b>	18,295,729
International work	1,284,384	113,263	<b>1,397,647</b>	1,061,995
Governance	63,314	0	<b>63,314</b>	68,879
	71,919,674	6,944,514	<b>78,864,188</b>	77,147,650

## Analysis of support costs apportioned

	Facilities £	Management £	Human Resources £	Finance and IT £	Communications £	2011 £	2010 £
Fundraising	13,467	240,644	64,690	137,626	14,440	<b>470,867</b>	128,604
Trading	-	16,717	122,579	8,350	-	<b>147,646</b>	323,157
Work with adults	416,234	403,687	1,999,410	1,518,364	446,307	<b>4,784,002</b>	3,069,159
Work with children	20,287	19,675	97,448	74,002	21,752	<b>233,164</b>	149,586
Work with older people	14,291	13,860	68,646	52,131	15,323	<b>164,251</b>	105,375
Campaigning and awareness raising	12,442	12,067	59,765	45,386	13,341	<b>143,001</b>	63,606
Publicity	5,141	4,986	24,693	18,752	5,512	<b>59,084</b>	36,371
Quality and staff development	4,651	4,511	22,342	16,967	4,987	<b>53,458</b>	72,607
Work in Scotland	-	404,249	169,602	201,927	-	<b>775,778</b>	734,462
International work	-	84,296	-	28,967	-	<b>113,263</b>	190,826
	486,513	1,204,692	2,629,175	2,102,472	521,662	<b>6,944,514</b>	4,873,753

Support costs have been apportioned on the basis of salary costs.

## Analysis of governance costs

	2011 £	2010 £
Internal audit	<b>6,671</b>	6,547
External audit fees	<b>39,950</b>	38,305
Strategic management costs	<b>6,500</b>	6,500
Trustees' expenses	<b>10,193</b>	17,527
	<b>63,314</b>	68,879

## 5 Gains/(losses) on tangible fixed assets and investments

	2011 £	2010 £
Net gain on sale of tangible fixed assets stated as incoming resources	<b>69,492</b>	156,902
Unrealised (loss)/gain on revaluation of listed investments	<b>462,212</b>	556

## 6 Net movement in funds

The net movement in funds is stated after charging:

	2011 £	2010 £
Auditors' remuneration – audit services	<b>39,950</b>	38,305
Depreciation		
- owned assets	<b>1,675,572</b>	1,606,434
- finance leased assets	<b>56,588</b>	115,593
Operating lease rentals	<b>3,390,419</b>	3,416,112
Interest payable on bank loans	<b>50,307</b>	13,189
Interest payable on finance leases	<b>11,865</b>	17,018
Other finance charge – pension scheme	<b>579,000</b>	395,000

## 7 Employees' remuneration

	2011 £	2010 £
Wages and salaries	<b>48,591,273</b>	48,040,165
Social security costs	<b>3,773,228</b>	3,776,295
Other pension costs	<b>1,794,776</b>	912,497
Agency labour	<b>1,688,264</b>	1,635,400
	<b>55,847,541</b>	54,364,357

The average number of persons employed by the charity was 3,264 (2010: 3,233). No employees (2010: 3) earned between £60,001 and £70,000, 3 employees (2010: 3) earned between £70,001 and £80,000, 4 employees (2010: 4) earned between £80,001 and £90,000, no employees (2010: 3) earned between £90,001 and £100,000, 2 employees earned between £100,001 and £110,000 (2010: 0), 1 employee earned between £110,001 and £120,000 (2010: 0), and no employees (2010: 1) earned between £120,001 and £130,000.

## Disabled employee note

Sense is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The group gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

## Employee involvement

Sense systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the group plays a major role in maintaining our success. Sense encourages the involvement of employee's by means of staff forums, which at present are being enhanced and re-launched across all parts of the group. Sense also runs a number of Diversity Groups with staff representing minority groups meeting to assist and advise Sense on overcoming issues that such groups of staff may face.

## 8 Remuneration of members of council

As required by the Charities Act, members of Council received no remuneration. Members of Council received £10,193 (2010: £17,527) in respect of reimbursement of expenses incurred.

## 9 Pensions

The Charity participates in the London Pension Funds Authority Superannuation Scheme (LPFA) providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the participating employers, being mainly invested in equity investments and Government Securities. The most recent triennial valuation was as at 31 March 2010. For the period to 31 March 2012 contributions to the pension scheme are at the rate of 17.2% of pensionable salaries.

## Financial assumptions

The financial assumptions used to calculate the Scheme liabilities under FRS17 were as follows:

	At 31 March 2011 % pa	At 31 March 2010 % pa
Rate of inflation – RPI	3.5	3.9
Rate of inflation – CPI	2.7	n/a
Rate of increase in salaries	4.5	5.4
Rate of increase for pensions in payment	2.7	3.9
Discount rate	5.5	5.5

The assumed life expectations from age 65 were as follows:

	<b>2011 Years</b>	2010 Years
Retiring today		
- Men	<b>20.5</b>	19.6
- Women	<b>23.8</b>	22.5
Retiring in 20 years		
- Men	<b>22.5</b>	20.7
- Women	<b>25.6</b>	23.6

### Scheme assets and expected rate of return

The assets in respect of the membership of Sense and the expected rates of return were:

	<b>Long-term return expected at 31 March 2011 %</b>	<b>Value at 31 March 2011 £'000</b>	Long-term return expected at 31 March 2010 %	Value at 31 March 2010 £'000
Equities	<b>7.4</b>	<b>18,588</b>	7.5	17,364
Target return funds	<b>4.5</b>	<b>3,233</b>	4.5	2,481
Alternative assets	<b>6.4</b>	<b>3,771</b>	6.5	3,473
Other bonds	<b>5.5</b>	<b>539</b>	5.5	248
Cash	<b>3.0</b>	<b>808</b>	3.0	1,240
	<b>6.7</b>	<b>26,939</b>	6.8	24,806

The equity investments and bonds which are held in plan assets are quoted and are valued at the current bid price.

The following amounts at 31 March 2011 were measured in accordance with the requirements of FRS 17:

	<b>2011 Years</b>	2010 Years
Total market value of assets	<b>26,939</b>	24,806
Present value of Scheme liabilities	<b>(33,432)</b>	(40,180)
<b>Net pension liability</b>	<b>(6,493)</b>	(15,374)

### Reconciliation of present value of scheme liabilities

	2011 £'000	2010 £'000
1 April 2010	40,180	23,868
Current service cost	1,384	663
Curtailments	24	47
Interest cost	2,276	1,604
Benefits paid	(1,046)	(883)
Contributions by members	342	374
Actuarial (gain)/loss	(9,728)	14,507
<b>31 March 2011</b>	<b>33,432</b>	<b>40,180</b>

The following table sets out the impact of a change in the discount rates on the Total Obligation and Projected Service Cost along with a +/- 1 year age rating adjustment to the mortality assumption.

### Sensitivity analysis of scheme liabilities

	£'000	£'000	£'000
Adjustment to discount rate	+0.1 %	0 %	-0.1 %
Present value of total obligation	32,592	33,432	34,296
Projected service cost	959	996	1,034
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	32,296	33,432	34,568
Projected service cost	951	996	1,041

### Reconciliation of fair value of scheme assets

	2011 £'000	2010 £'000
1 April 2010	24,806	18,493
Expected return on scheme assets	1,697	1,209
Contributions by members	342	374
Contributions by the employer	1,216	1,312
Actuarial gain/(loss)	(76)	4,301
Benefits paid	(1,046)	(883)
<b>31 March 2011</b>	<b>26,939</b>	<b>24,806</b>

The following components of the pensions charge have been recognised in the statement of financial activities in the year to 31 March 2011:

	2011 £'000	2010 £'000
<b><i>Amounts charged to the statement of financial activities:</i></b>		
Current service cost	1,384	663
Past service cost	-	-
Curtailment and Settlements	24	47
	<b>1,408</b>	<b>710</b>
<b><i>Other finance (income)/cost:</i></b>		
Interest cost	2,276	1,604
Expected return on assets	(1,697)	(1,209)
<b>Net charge to other finance cost/(income)</b>	<b>579</b>	<b>395</b>
<b>Total statement of financial activities charge</b>	<b>1,987</b>	<b>1,105</b>
<b><i>Actuarial gain/(loss) recognised:</i></b>		
Actual return less expected return on pension scheme assets	(76)	4,301
Experience (gain)/loss on pension scheme liabilities 2,345	10	
Gain from the change in pension increase policy 4,356	-	
Change in financial assumptions underlying the present value of the scheme liabilities	3,027	(14,517)
<b>Total actuarial gain/(loss) recognised</b>	<b>9,652</b>	<b>(10,206)</b>

## History of experience gains and losses

	2011	2010	2009	2008	2007
<b>Defined benefit obligation (£'000)</b>	<b>(33,432)</b>	(40,180)	(23,868)	(24,766)	(28,327)
<b>Plan assets (£'000)</b>	<b>26,939</b>	24,806	18,493	21,880	21,793
<b>Deficit (£'000)</b>	<b>(6,493)</b>	(15,374)	(5,375)	(2,886)	(6,534)
<b>(Gain)/loss on scheme assets:</b>					
Amount (£'000)	<b>(76)</b>	4,301	(6,089)	(2,086)	186
% of Scheme assets at end of year- <b>0.3%</b>	17.3%	-32.9%	-9.5%	0.9%	
<b>Experience (gain)/loss on scheme liabilities:</b>					
Amount (£'000)	<b>2,345</b>	10	997	882	(5)
% of Scheme liabilities at end of year	<b>7.0%</b>	0%	4.2%	3.6%	0.0%
<b>Total actuarial (gain)/ loss recognised:</b>					
Amount (£'000)	<b>9,652</b>	10,206	2,784	(3,634)	(2,531)
% of Scheme liabilities at end of year	<b>28.9%</b>	25.4%	11.7%	(14.7%)	(8.9%)

The contributions payable by Sense (the company) to the LPFA are accounted for as if the scheme were a defined contribution scheme, as Sense (the Company) is unable to identify its share of the underlying assets and liabilities in the scheme.

In addition, Sense has 15 staff members in the Department of Education and Science Teachers' Pension Scheme (TPS). The TPS is a multi-employer pension scheme and the company is unable to identify its share of the underlying (notional) assets and liabilities of the scheme; accordingly, the company has also accounted for the contributions to this scheme as if it was a defined contribution scheme.

## 10 Company Statement of Financial Activities

As permitted by section 408 of the Companies Act 2006, and by paragraph 397 of the Statement of Recommended Practice 2005, the Company's statement of financial activities has not been included within these financial statements. The company's gross income for the year was £56,718,996 (2010 £57,455,197) and its net incoming resources for the year were £2,513,464 (2010: £2,316,312).

The company made an unrealised gain on investments of £462,212 (2010: £556). The company's net increase in funds was £2,975,676 (2010: £2,316,868).

## 11 Tangible assets

Group	Freehold property £	Long leasehold improvements £	Short leasehold improvements £	Furniture, fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 April 2010	15,619,776	4,433,880	743,975	8,055,736	3,374,282	32,227,649
Additions	3,000	30,576	28,694	782,205	387,681	1,232,156
Disposals	(31,081)	-	-	(146,212)	(380,569)	(557,862)
<b>At 31 March 2011</b>	<b>15,591,695</b>	<b>4,464,456</b>	<b>772,669</b>	<b>8,691,729</b>	<b>3,381,394</b>	<b>32,901,943</b>
<b>Depreciation</b>						
At 1 April 2010	1,614,995	323,340	452,800	6,061,029	2,309,414	10,761,578
Charge for the year	275,144	77,691	50,783	850,884	477,658	1,732,160
Disposals	(6,265)	-	-	(141,389)	(371,064)	(518,718)
<b>At 31 March 2011</b>	<b>1,883,874</b>	<b>401,031</b>	<b>503,583</b>	<b>6,770,524</b>	<b>2,416,008</b>	<b>11,975,020</b>
<b>Net book amounts</b>						
<b>At 31 March 2011</b>	<b>13,707,821</b>	<b>4,063,425</b>	<b>269,086</b>	<b>1,921,205</b>	<b>965,386</b>	<b>20,926,923</b>
At 31 March 2010	14,004,781	4,110,540	291,175	1,994,707	1,064,868	21,466,071

Fixed assets include assets acquired under finance leases. The gross book value of these assets is £226,352 (2010: £446,322), the net book value is £32,045 (2010: £115,304).

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<b>Company</b>	Freehold property £	Long leasehold improve- ments £	Short leasehold improve- ments £	Furniture, fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 April 2010	9,325,529	3,856,542	737,108	7,376,190	3,177,393	24,472,762
Additions	3,000	30,576	28,694	762,522	314,573	1,139,365
Disposals	(31,081)	-	-	(112,754)	(355,569)	(499,404)
<b>At 31 March 2011</b>	<b>9,297,448</b>	<b>3,887,118</b>	<b>765,802</b>	<b>8,025,958</b>	<b>3,136,397</b>	<b>25,112,723</b>
<b>Depreciation</b>						
At 1 April 2010	1,305,591	128,096	446,943	5,493,598	2,143,308	9,517,536
Charge for the year	149,259	61,705	49,773	796,884	457,691	1,515,312
Disposals	(6,265)	-	-	(107,931)	(346,064)	(460,260)
<b>31 March 2011</b>	<b>1,448,585</b>	<b>189,801</b>	<b>496,716</b>	<b>6,182,551</b>	<b>2,254,935</b>	<b>10,572,588</b>
<b>Net book amounts</b>						
<b>At 31 March 2011</b>	<b>7,848,863</b>	<b>3,697,317</b>	<b>269,086</b>	<b>1,843,407</b>	<b>881,462</b>	<b>14,540,135</b>
At 31 March 2010	8,019,938	3,728,446	290,165	1,882,592	1,034,085	14,955,226

Fixed assets include assets acquired under finance leases. The gross book value of these assets is £226,352 (2010: £446,322), the net book value is £32,045 (2010: £115,304).

## 12 Investments

Group	2011 £	2010 £
Fixed asset investments:		
Listed in UK (at market value)	<b>4,539,874</b>	5,654

Movements in the value of fixed asset investments listed in the UK can be explained as follows:

	2011 £	2010 £
Opening market value	<b>5,654</b>	414
Transfer current assets	-	1,682
Purchases of investments	<b>4,072,008</b>	3,002
Unrealised gain/(loss) on investments held	<b>462,212</b>	556
Closing market value	<b>4,539,874</b>	5,654

Quoted securities are represented by:

	2011 £	2010 £
UK Equity shares and funds	<b>714</b>	-
UK Investment trusts and unit trusts	<b>4,539,160</b>	5,654
	<b>4,539,874</b>	5,654

The quoted securities include Alpha CIF for Endowments, income units, representing 99.9% of the portfolio.

Company	2011 £	2010 £
Fixed asset investments:		
Listed in UK (at market value)	<b>4,538,192</b>	3,972
Paid up shares: 100% holding in Helping Sense Limited	<b>30,000</b>	30,000
	<b>4,568,192</b>	33,972

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Movements in the market value of fixed asset investments listed in the UK can be explained as follows:

	<b>2011</b>	2010
	<b>£</b>	£
Opening market value	<b>3,972</b>	414
Purchase of investments	<b>4,072,008</b>	3,002
Unrealised gain on investments held	<b>462,212</b>	556
<b>At 31 March 2011</b>	<b>4,538,192</b>	3,972

Sense owns 100% of the ordinary share capital of its subsidiary company Helping Sense Limited. Helping Sense Limited is incorporated in England and Wales and exists to raise funds for the charity Sense, the National Deafblind and Rubella Association. There is no readily available market value for the company and accordingly it is accounted for at cost.

Quoted securities are represented by:

	<b>2011</b>	2010
	<b>£</b>	£
UK Equity shares and funds	<b>714</b>	-
UK Investment trusts and unit trusts	<b>4,537,478</b>	3,972
	<b>4,538,192</b>	3,972

The quoted securities include Alpha CIF for Endowments, income units, representing 99.9% of the portfolio.

## **13 Debtors**

<b>Group</b>	<b>2011</b>	2010
	<b>£</b>	£
Trade debtors	<b>3,994,665</b>	4,403,168
Taxation recoverable	<b>123,669</b>	95,464
Other debtors	<b>497,714</b>	211,254
Prepayments	<b>1,615,379</b>	1,646,226
	<b>6,231,427</b>	6,356,112

No amounts included above fall due after more than one year.

<b>Company</b>	<b>2011</b>	2010
	£	£
Trade debtors	<b>1,690,958</b>	1,998,693
Amounts owed by group undertakings	<b>228,065</b>	200,045
Taxation recoverable	<b>123,669</b>	95,464
Other debtors	<b>424,468</b>	155,739
Prepayments	<b>1,557,134</b>	1,594,130
	<b>4,024,294</b>	4,044,071

No amounts included above fall due after more than one year.

## 14 Creditors (amounts falling due within one year)

<b>Group</b>	<b>2011</b>	2010
	£	£
Bank loans (note 15)	<b>42,451</b>	39,987
Other loans	<b>16,000</b>	36,653
Obligations under finance lease contracts (note 15)	<b>30,457</b>	80,946
Trade creditors	<b>1,072,635</b>	960,180
Taxation and social security	<b>1,054,951</b>	1,015,951
Accruals and other creditors	<b>2,581,468</b>	3,022,942
Deferred income	<b>51,252</b>	270,172
	<b>4,849,214</b>	5,426,831

<b>Company</b>	<b>2011</b>	2010
	£	£
Other loans	<b>9,000</b>	12,652
Obligations under finance lease contracts (note 15)	<b>30,457</b>	80,946
Trade creditors	<b>1,068,022</b>	959,752
Taxation and social security	<b>750,981</b>	688,711
Accruals and other creditors	<b>2,220,088</b>	2,592,031
	<b>4,078,548</b>	4,334,092

## 15 Creditors (amounts falling due after more than one year)

Group	2011 £	2010 £
Bank loans	<b>777,995</b>	820,446
Other loans	<b>45,000</b>	83,186
Obligations under finance lease contracts	-	30,457
	<b>822,995</b>	<b>934,089</b>

Company	2011 £	2010 £
Other loans	<b>45,000</b>	76,186
Obligations under finance lease contracts	-	30,457
	<b>45,000</b>	<b>106,643</b>

The bank loan is in respect of 43 Middlesex Street, Glasgow which was provided by HBOS who have first charge on the property. The loan is payable in equal instalments over 20 years and the interest charge is fixed at 1 % over base rate. The other loans are interest free.

The bank loan repayments for the group fall due as follows:

	2011 £	2010 £
Within one year	<b>42,451</b>	39,987
Between one and two years	<b>42,451</b>	42,451
Between two and five years	<b>197,629</b>	143,705
Over five years	<b>537,915</b>	634,290
	<b>820,446</b>	<b>860,433</b>

At 31 March 2011 the Charity had obligations under finance leases as set out below:

<b>Group and Company</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Amounts payable:		
Within one year	<b>30,457</b>	80,946
In two to five years	-	30,457
	<b>30,457</b>	111,403

## **16 Share capital**

The charity has no share capital. The liability of the members is limited by guarantee. The members have undertaken to contribute such amount not exceeding one pound each as may be required in the event of the Charity being wound up.

## 17 Movements in funds

Group	Balance at 1 April 2010 £	Income, gains, losses and transfers in £	Resources expended and transfers out £	Balance at 31 March 2011 £
<b>General</b>				
Total general	9,291,872	89,401,658	80,468,698	<b>18,224,832</b>
Designated				
Working with adults	(13,475)	3,642,444	456,798	<b>3,172,171</b>
Working with children	28,728	219,455	29,688	<b>218,495</b>
Working with older people	-	-	-	-
Campaigns and publicity	-	786,034	178,692	<b>607,342</b>
Quality, training and staff development	9,853	135,147	-	<b>145,000</b>
Work in Scotland	5,067,650	1,084,746	629,368	<b>5,523,028</b>
Total designated	5,092,756	5,867,826	1,294,546	<b>9,666,036</b>
<b>Restricted</b>				
Working with adults	4,265,875	309,259	843,552	<b>3,731,582</b>
Working with children	470,948	560,535	315,048	<b>716,435</b>
Working with older people	137,407	2,025	11,795	<b>127,637</b>
Campaigns & awareness	(2,835)	15,000	12,165	-
Quality, training and staff development	778	-	-	<b>778</b>
Work in Scotland	2,105,433	1,303,815	1,003,064	<b>2,406,184</b>
International work	219,025	1,010,888	1,002,449	<b>227,464</b>
Total restricted	7,196,631	3,201,522	3,188,073	<b>7,210,080</b>
<b>Endowment</b>				
Working with adults	464,639	-	8,623	<b>456,016</b>
Total endowment	464,639	-	8,623	<b>456,016</b>
<b>Total funds</b>	<b>22,045,898</b>	<b>98,471,006</b>	<b>84,959,940</b>	<b>35,556,964</b>

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<b>Company</b>	Balance at 1 April 2010 £	Income, gains, losses and transfers in £	Resources expended and transfers out £	<b>Balance at 31 March 2011 £</b>
<b>General</b>				
Total general	22,880,024	57,064,917	57,902,779	<b>22,042,162</b>
Designated				
Working with adults	(13,475)	3,642,444	456,798	<b>3,172,171</b>
Working with children	28,728	219,455	29,688	<b>218,495</b>
Working with older people	-	-	-	-
Campaigns and publicity	-	786,034	178,692	<b>607,342</b>
Quality, training and staff development	9,853	135,147	-	<b>145,000</b>
Total designated	25,106	4,783,080	665,178	<b>4,143,008</b>
Restricted				
Working with adults	4,265,875	309,259	843,552	<b>3,731,582</b>
Working with children	470,948	560,535	315,048	<b>716,435</b>
Working with older people	137,407	2,025	11,795	<b>127,637</b>
Campaigns & awareness	(2,835)	15,000	12,165	-
Quality, training and staff development	778	-	-	<b>778</b>
Total restricted	4,872,173	886,819	1,182,560	<b>4,576,432</b>
<b>Endowment</b>				
Working with adults	464,639	-	8,623	<b>456,016</b>
Total endowment	464,639	-	8,623	<b>456,016</b>
Total funds	28,241,942	62,734,816	59,759,140	<b>31,217,618</b>

### Unrestricted funds

Unrestricted funds are held for the general purposes of the charity as set out in its governing document.

### Designated funds

Designated funds are unrestricted funds that the charity has earmarked for particular projects and uses in the future. Major examples are Asset Replacement funds and Cyclical Maintenance funds, which are created for the future maintenance, repair or replacement of property, equipment, vehicles and other assets necessary for the continuance of the charity's work. Funds are transferred from unrestricted funds when particular projects are set up.

## Restricted funds

Restricted funds are funds held by the charity for particular applications, specified by the donor, within the charity's objectives, and can only be applied to those particular purposes. The restrictions may apply to income or capital or both. Many of the restricted funds are generated through Asset or Project targeted appeals.

## Endowment funds

The Endowment fund is a restricted fund held as a capital fund for the charity's benefit. In 2003 the Charity Commission gave its approval for Sense to relocate from its endowed property known as the Princess Royal Centre in Birmingham to other property in the area and to charge the costs of doing so to the Endowment fund.

## 18 Analysis of net assets between fund balances

Net assets at 31 March 2011 were analysed between the funds as follows:

Group	General £	Designated £	Restricted £	Endowment £	Total £
Tangible fixed assets	10,590,164	5,409,363	4,471,380	456,016	<b>20,926,923</b>
Investments	4,539,874	-	-	-	<b>4,539,874</b>
Net current assets	10,410,789	4,256,673	2,738,700	-	<b>17,406,162</b>
Long term liabilities	(822,995)	-	-	-	<b>(822,995)</b>
Pension liability	(6,493,000)	-	-	-	<b>(6,493,000)</b>
Total	18,224,832	9,666,036	7,210,080	456,016	<b>35,556,964</b>

Company	General £	Designated £	Restricted £	Endowment £	Total £
Tangible fixed assets	10,829,076	-	3,255,043	456,016	<b>14,540,135</b>
Investments	4,568,192	-	-	-	<b>4,568,192</b>
Net current assets	6,689,894	4,143,008	1,321,389	-	<b>12,154,291</b>
Long term liabilities	(45,000)	-	-	-	<b>(45,000)</b>
Total	22,042,162	4,143,008	4,576,432	456,016	<b>31,217,618</b>

## 19 Capital commitments

Capital expenditure authorised and contracted for but not provided for amounted to £Nil (2010: £100,000).

## 20 Contingent liability

Contingent liabilities of £1,196,000 (2010: £1,196,000) exist relating to grants received from the Department of Health and Leeds Healthcare towards the development of 12 Hyde Close, Barnet; 138 Bradford Road, Leeds; 509 Leeds and Bradford Road, Leeds, which may be repayable in certain circumstances. Sense, Sense Scotland and Helping Sense Limited are members of a group VAT registration. Under the Value Added Tax Act 1983, all the members of a VAT group are jointly and severally liable for any tax due during the period of their membership.

## 21 Operating lease commitments

At 31 March 2011 the Charity had annual commitments under non-cancellable operating leases as set out below:

Group	2011		2010	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	<b>363,695</b>	<b>17,066</b>	209,875	11,464
In two to five years	<b>1,203,617</b>	<b>71,349</b>	1,165,689	47,729
After five years	<b>1,407,354</b>	-	1,535,305	965
	<b>2,974,666</b>	<b>88,415</b>	2,910,869	60,158

Company	2011		2010	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	<b>259,451</b>	<b>6,079</b>	144,150	2,141
In two to five years	<b>1,055,137</b>	<b>71,349</b>	1,025,375	47,729
After five years	<b>1,310,729</b>	-	1,442,730	965
	<b>2,625,317</b>	<b>77,428</b>	2,612,255	50,835

## 22 Reconciliation of net incoming resources to net cash inflow from operating activities

	2011 £	2010 £
Net incoming resources before revaluation	3,396,854	3,873,704
Difference between pension charge and cash contributions	771,000	(207,000)
Investment income received	(177,629)	(57,404)
Interest paid	62,172	30,207
Depreciation	1,732,160	1,722,027
(Profit) on sale of tangible fixed assets	(69,492)	(156,902)
(Increase)/decrease in stocks	(108,381)	(7,693)
Decrease/(increase) in debtors	124,685	(233,496)
(Decrease)/increase in creditors	(508,939)	(734,708)
<b>Net cash inflow from operating activities</b>	<b>5,222,430</b>	<b>4,228,735</b>

## 23 Reconciliation of net cash flow to movement in net liquid resources

	2011 £	2010 £
<b>(Decrease)/increase in cash in the year</b>	<b>(37,413)</b>	<b>3,423,908</b>
Cash outflow/(inflow) from loans and lease financing	179,772	235,701
Current asset investments	-	(1,682)
<b>Changes resulting from cash flows</b>	<b>142,359</b>	<b>3,657,927</b>
Net liquid resources at 1 April 2010	14,779,460	11,121,533
<b>Net liquid resources at 31 March 2011</b>	<b>14,921,819</b>	<b>14,779,460</b>

## 24 Analysis of changes in net liquid resources

	At 1 April 2009 £	Cash flows £	Other changes £	At 31 March 2010 £
Cash at bank and in hand	15,871,135	(37,413)	-	<b>15,833,722</b>
Debt due within one year	(76,640)	98,826	(80,637)	<b>(58,451)</b>
Debt due after one year	(903,632)	-	80,637	<b>(822,995)</b>
Finance leases	(111,403)	80,946	-	<b>(30,457)</b>
	14,779,460	142,359	-	<b>14,921,819</b>

## 25 Subsidiary Companies

The charity controls three charitable company subsidiaries – Sense Scotland (registered in Scotland), Sense International (registered in England) and Coventry Society for the Blind (registered in England). The subsidiaries have similar aims and objectives to the parent charity. All activities have been consolidated on a line by line basis into the statement of financial activities.

A summary of the results of the subsidiaries for the year ended 31 March 2011 are shown below:

<b>Sense Scotland</b>	<b>2011</b> £	2010 £
Incoming resources	<b>22,862,354</b>	21,763,004
Resources expended	<b>(21,627,070)</b>	(20,410,571)
Net movement in funds	<b>1,235,284</b>	1,352,433
Assets	<b>11,618,464</b>	10,543,056
Liabilities	<b>(1,546,299)</b>	(1,706,175)
Funds	<b>10,072,165</b>	8,836,881

## Sense International

	2011 £	2010 £
Incoming resources	<b>1,806,492</b>	1,419,960
Resources expended	<b>(1,386,750)</b>	(1,422,547)
Net movement in funds	<b>419,742</b>	(2,587)
Assets	<b>997,082</b>	712,664
Liabilities	<b>(236,901)</b>	(372,225)
Funds	<b>760,181</b>	340,439

## Coventry Society for the Blind

	2011 £	2010 £
Incoming resources	<b>6,536</b>	14,140
Resources expended	<b>(7,172)</b>	(13,594)
Net movement in funds	<b>(636)</b>	546
Assets	<b>27,576</b>	42,466
Liabilities	<b>(27,576)</b>	(41,830)
Funds	-	636

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The charity also owns the whole of the issued share capital of Helping Sense Limited, a company registered in England. The subsidiary is used for non primary purpose trading activities, namely the support of shop sales of new goods and the organisation of fundraising activities. The total net profit is gifted to the charity.

A summary of the results of the subsidiary for the year ended 31 March 2011 is shown below:

<b>Helping Sense Limited</b>	<b>2011</b>	2010
	<b>£</b>	<b>£</b>
Turnover	<b>1,584,376</b>	1,121,673
Cost of Sales	<b>(367,517)</b>	(202,426)
Gross Profit	<b>1,216,859</b>	919,247
Operating Expenses	<b>(1,033,319)</b>	(777,753)
Net Profit	<b>183,540</b>	141,494
Assets	<b>215,540</b>	173,444
Liabilities	<b>(185,540)</b>	(143,444)
Net assets	<b>30,000</b>	30,000

# MAJOR SUPPORTERS

Council is indebted to all donors for their support, both financial and otherwise, without which it would not have been possible to achieve all that we did. Substantial donations have been received from the following:

## Sense

Awareness  
The Ballinger Charitable Trust  
Barclays  
The Peter Barker-Mill Memorial Charity  
Baron Davenport's Charity Trust  
Misses Barrie Charitable Trust  
The Bartle Family Charitable Trust  
BBC Children in Need  
The Blair Foundation  
The Blatchington Court Trust  
The Boltini Trust  
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The Sovereign Health Care C.T.  
The Spear Charitable Trust  
The Geoff and Fiona Squire Foundation  
The Miss Doreen Stanford Trust  
The Peter Storrs Trust  
Joseph Strong Frazer Trust  
The Tanner Trust  
The Connie & Albert Taylor Charitable Trust  
The Annie Tranmer Charitable Trust  
The Constance Travis Charitable Trust  
TruckEast  
Turner Media Group  
The Douglas Turner Trust

Vision Charity  
The Garfield Weston Foundation  
The Whirlwind Charitable Trust  
Wildnet Group  
Wilmington Trust  
Wragge & Co LLP  
The Grantham Yorke Trust

### **Sense International**

The Sylvia Adams Charitable Trust  
Advent  
Base2stay  
Big Lottery Fund  
Bupa  
BNP Paribas Securities Services  
Dalyan Foundation  
Department for International Development  
Evan Cornish Foundation  
European Union  
First International Group  
Jersey Overseas Aid Commission  
Stanley Thomas Johnson Foundation  
The Beatrice Laing Trust  
Medicor Foundation  
Stavros Niarchos Foundation  
Northern Trust  
Penson Financial Services  
The Rowan Charitable Trust  
Thames River Capital  
The James Tudor Foundation  
Vitol Charitable Foundation  
Zurich Community Trust

### **Sense Scotland**

Creative Scotland  
Jennie S Gordon Memorial Foundation  
Lintel Trust  
Northwood Charitable Trust  
Paths for All Partnership  
Scottish Natural Heritage  
The Annie Jack Memorial Trust  
The Big Lottery Fund  
The R S Macdonald Charitable Trust  
Widowers' Children's Home Trust  
The Gannochy Trust  
Radio Clyde Cash for Kids  
People's Postcode Lottery Trust  
Esmee Fairbairn Foundation  
Halcrow Foundation

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Charity number 289868

Company number 1825301

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P Cheer, Group Director of Operations  
S Osborne, Group Director of External Affairs and Knowledge  
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