



Annual report and financial statements

For the year ended 31 March 2008

The Royal National Institute for Deaf People

RNID •)))

Changing the world for deaf
and hard of hearing people

Contents

- 05 Trustees' report
- 13 Independent auditors' report
- 14 Consolidated statement of financial activities
- 16 Balance sheets
- 18 Consolidated cash flow statement
- 19 Notes to the financial statements
- 37 Acknowledgements

We're RNID, the charity
working to change the
world for the UK's
9 million deaf and
hard of hearing people.

Trustees' report

The Board of Trustees of The Royal National Institute for Deaf People ("RNID") presents its annual report and accounts for the year ended 31 March 2008. These comply with the Companies Act 1985, RNID's governing document and the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities, as revised in March 2005.

Reference and administrative details

RNID is a charitable company limited by guarantee. It is registered as a charity (No.207720 England & Wales and SC038926 Scotland) and a company (No.454169). The address of its registered office is as shown on the back cover of this report and accounts. Details of Trustees, senior executive staff, The Patron, President, Vice-Presidents and principal external advisers are given on page 12.

Our objectives

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

Our vision

Our vision is of a world where deafness or hearing loss do not limit or determine opportunity, and where people value their hearing.

In working towards achievement of that vision our activities revolve around three strategic themes:

- ensuring the rights and opportunities for deaf and hard of hearing people to lead a full life
- promoting hearing health, preventing hearing loss, curing deafness.
- removing the stigma of deafness.

Achievements and performance

This year's objectives and achievements are summarised below. For more information about our work, please read our *Impact Report* on www.rnidimpact.org.uk

We believe that the charitable aims of RNID are, and are carried out, for the public benefit. The main benefits which have arisen during the year from the organisation's aims are those detailed in the section that follows.

Campaigns, information and membership

Our achievements:

Our aim was to ensure that audiology services can meet the Department of Health's 18-week waiting time target. Through our campaigning and lobbying work, most areas meet a six-week target from referral to hearing assessment. However, an 18-week target from referral to fitting a hearing aid is not due to be in place until December 2008. We continue to work to ensure quality of the service is maintained and that this 18-week target is met.

Our aim was to launch a major new integrated programme to ensure that those experiencing tinnitus are aware of the condition and take action to manage it. Our website www.tuneouttinnitus.org.uk launched in July 2008, and has so far been visited by more than 50,000 unique visitors. We also answered 3,497 Tinnitus Helpline enquiries and distributed 50,000 pieces of information. We achieved more than 300 million media opportunities to see information about our tinnitus work.

Our aim was to continue to promote the health benefits that hearing aids can bring. We recruited Miss England, who is profoundly deaf in her right ear, to launch RNID's 'Ear of the Year' awards, encouraging people to look after their hearing. Nearly 50,000 people checked their hearing by calling our telephone hearing check. We generated more than 48 million media opportunities to see the hearing check number and campaign messages.

Our aim was to make safer listening a widely understood health issue among 16-30 year olds. We distributed more than 95,000 pairs of earplugs at festivals, club nights and other events. Our website www.dontlosethemusic.com has had more than 26,000 page views per month and we sent out 1,700 eNewsletters per month, promoting safer listening messages. We have worked directly with a wide variety of nightclubs to raise awareness of earplugs and tinnitus among clubbers.

Employment, training and skills

Our achievements:

Our aim was to work with clients who are long-term unemployed or on Incapacity Benefit. We delivered advice and guidance to 796 new jobseekers, 42% of whom had additional needs. 148 job seekers secured employment and 71% were still in work after three months.

Trustees' report

Our aim was to improve access for deaf and hard of hearing people by delivering deaf awareness or start to sign training to employers and service providers. More than 6,500 individuals have received our training, helping to improve accessibility in all types of organisations both in the public and private sector. We introduced Training Access Points allowing individuals the facility to easily access training and held 25 events throughout the UK.

Typetalk and communication services

Our achievements:

Our aim was to increase access to communication support for deaf and hard of hearing people. We continue to work with the Access to Communication in English (ACE) coalition to push the government towards improved access to and availability of language service professionals (LSPs). Further progress is dependent on accessing sustainable funding streams. In continuing to build a training infrastructure, we trained 13 people to become assessors and supported seven deaf people through courses to assist them in delivering more high level BSL courses in the future across England and Wales.

Our aim was to drive forward innovation in the delivery of the RNID Typetalk service. Three leading software packages were fully tested to investigate whether re-voicing conversations, using automatic speech recognition, could be used as an alternative to Relay Assistants typing. The results showed that the accuracy was still considerably below the 98% target currently achieved. Further development, and investment by BT, will be needed before a switch to this exciting new technology can be considered, therefore we are continuing with the current methods.

Specialist care

Our achievements:

Our aim was to develop and implement a user involvement strategy for deaf people with mental health or learning disabilities. Our service users are now involved in recruitment to all Care Service management posts and feedback has been positive from both service users and candidates.

Our aim was to develop a service plan in partnership with the Scottish Government to address the gaps in mental health service provision for deaf people in Scotland. We have secured funding from the Scottish Government, established a multi-agency steering group and appointed researchers to develop the basis

for this new service. Its launch has been delayed by the need to secure approval from the Ethics and Research and Development Committees.

Health and community equipment

Our achievements:

Our aim was to ensure that we end the postcode lottery in cochlear implant services across the UK. We have been actively involved in NICE consultation about the availability of cochlear implants and to ensure they are routinely available to adults and children who could clinically benefit from them and wish to have one. Our commissioning guidance has helped inform commissioners on the benefits of the procedure and how they can be best commissioned.

Research, product development and sales

Our achievements:

Our aim was to deliver improved and more diverse communication solutions for deaf and hard of hearing people. We have developed TalkByText, a family of award-winning software products to allow real time, character by character text conversations between PCs, and with existing textphones. It is also possible to use the software with RNID's Typetalk service. The Business Edition has been successfully launched and a version for use on home PCs will become available to buy during 2008.

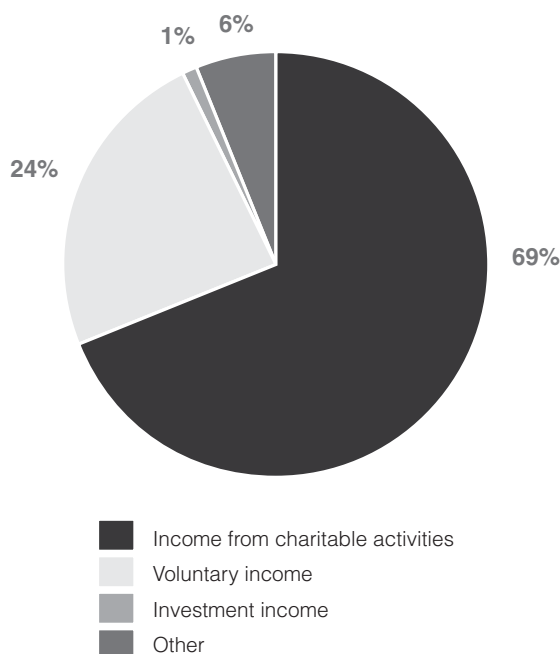
Our aim was to ensure new therapies and medical devices are developed to restore and protect hearing and cure tinnitus. More than £800,000 was awarded to our research programme which attracted more than 30 quality research proposals and four major new research projects have begun. 14 companies worked closely with us to better understand the opportunities of hearing research, with new drugs for tinnitus and protection from loud noise entering the early stages of clinical trials.

Financial review and results for the year

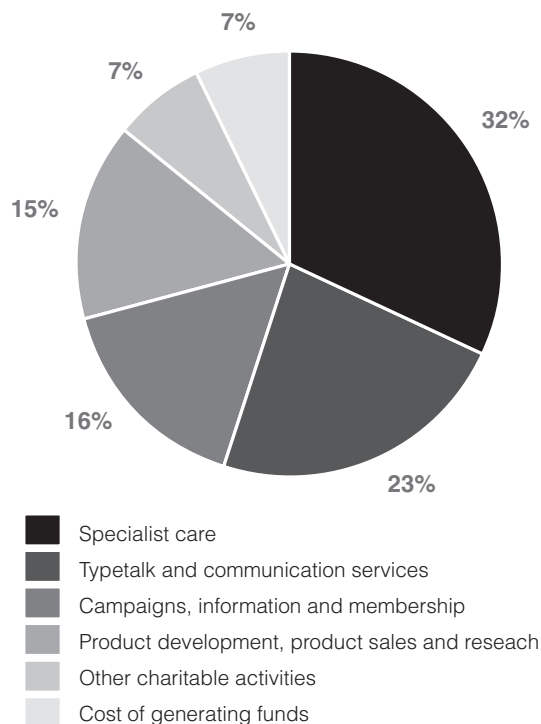
RNID continues to be financially sound thanks to the support of our members, donors and partners. This year has seen our incoming resources grow to £49.8m compared with £49.3m the previous year. This small increase was primarily due to a gain realised on property sales offset by a drop in legacy income and a decrease in income associated with a number of specifically funded projects which came to an end during the year. The two residential care home properties which were disposed of were Richardson House in Blackburn and Ferndale Road in Hove and these disposals resulted in a gain of £2.6m.

Trustees' report

Total incoming resources – £49.8m



Total expenditure – £45.8m



Specifically funded projects coming to an end also had an impact on our overall expenditure, which was £45.9m compared with £49.4m in the previous year. Of this, £42.5m was spent on charitable activities, with the remaining £3.4m on fundraising and other costs related to generating funds.

This income and expenditure, coupled with realised gains on investments of £0.1m, has resulted in an operating surplus of £4.1m for the year.

After taking into account unrealised losses on investments and actuarial gains in relation to our pension scheme, total fund balances increased by £4.5m to £16.8m.

Tangible fixed assets as at 31 March 2008 totalled £8.7m in comparison to £9.8m as at 31 March 2007. The main reason for this reduction is due to property sales.

The debtors balance as at 31 March 2008 was £5.6m in comparison to £7.2m as at 31 March 2007. This was as a result of lower balances of accrued legacy income at the end of the financial year, and also a significant reduction in trade debtors reflecting the focus that there has been during the financial year in improving our debt management and cash collection.

Creditors falling due within one year reduced from £5.8m as at 31 March 2007 to £4.6m as at 31 March 2008. RNID implemented a new supplier payments system which has increased the speed and efficiency at which suppliers are paid and has reduced the level of accrued expenditure at the end of the financial year.

Reserves policy

Free reserves available for use by RNID exclude restricted funds and the tangible fixed assets held as unrestricted funds. Free reserves also exclude any deficit reported on the pension scheme.

As a matter of policy, each year the Trustees review the value of the reserves required to be held in investments, cash and cash equivalents that are not restricted to any particular purpose. We also consider RNID's exposure to the risk of any significant loss of income or unforeseen cost. With income, the major risk is of a drop in voluntary income, in particular caused by an economic/stock market downturn or other factors leading to both declining legacy values and reduced donations. As a result of this review, the Trustees believe that the appropriate target for free reserves is a range of between £4.75m and £6.25m (unchanged from previous year).

Trustees' report

Free reserves excluding the pensions reserve:

	2008	2007
	£'000	£'000
Total unrestricted funds	16,783	15,513
Less: Unrestricted tangible fixed assets	(8,545)	(8,851)
Add long-term liabilities (see note 16)	-	47
	8,238	6,709
Represented by:		
- investments	4,641	6,337
- current assets	7,465	6,005
- current liabilities	(3,868)	(5,633)
	8,238	6,709

At the year-end, and excluding the deficit currently being reported on the pension scheme, free reserves were £2.0m above the top of the target range.

A financial deficit of £0.7m has been budgeted for the year to 31 March 2009, with the intention of reducing the level of free reserves. RNID is currently undertaking a strategic review. As part of this process, we will be developing our financial strategy and reviewing future spending plans.

Risk management and internal control

The Trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks RNID faces, prioritising them in terms of potential impact and likelihood of occurrence and then identifying and implementing ways of mitigating them.

The following risks have been identified as the most significant the organisation faces:

- Financial sustainability – We recognise that maintaining income levels is essential to RNID's financial sustainability. To manage this risk we pursue diverse income generating strategies, have considered the level of risk associated with our various income streams and identified steps that we need to take to maintain and grow income levels.

- Maximising support for deaf and hard of hearing people – We recognise the need to understand and respond to other organisations working with deaf and hard of hearing people. Failing to respond to other organisations has the potential to result in loss of income, profile, contracts and credibility. We have also recognised that our campaigning strategy needs to be clear about the needs of deaf and hard of hearing people whose cause may not be competitive against other charitable causes.
- Recruitment and retention of staff – We recognise that we need to recruit and retain suitable staff in key positions. To manage this risk we aim to be an organisation where employees enjoy a sense of fulfilment and where they feel supported and developed. We support equal opportunities, holding both the Investor in People standard and the Disability symbol and are committed to the training, career development and promotion of all employees.
- Investment in infrastructure – We recognise that we need to maintain an infrastructure and support systems that are fit for purpose. To manage this risk we aim to continually invest in our systems and infrastructure in the context of organisational priorities and financial constraints.

The Trustees have reviewed the adequacy of RNID's current internal controls and the costs of operating particular controls relative to the benefits. Procedures have been established for reporting failings immediately to appropriate levels of management and to the Board of Trustees.

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the executive management and the Board of Trustees. A programme of internal audits is in place, derived from a comprehensive risk assessment.

The internal control systems are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- a strategic plan and annual budget approved by the Trustees
- regular consideration by the Trustees of financial results, variances from budgets and non-financial performance indicators
- delegation of day-to-day management authority and segregation of duties

Trustees' report

- the identification and management of specific key risks.

Investment policy and performance

RNID's investment objective for its financial assets is to maximise long-term total return with appropriate attention to risk management and our likely liquidity requirements.

The following asset allocation targets have been set by the Board in relation to the proportion of the portfolio to be invested in each asset class:

Equities	57.5% - 62.5%
Fixed income	17.5% - 22.5%
Cash	17.5% - 22.5%

The Board of Trustees has set the Fund Manager a series of additional limitations on the way the portfolio is managed, as follows:

- Exposure to overseas assets should not exceed 25% of the value of the portfolio.
- Fixed income assets should have a minimum rating of AA.
- Fixed income assets should have a maturity of three years or less.

RNID does not restrict its fund managers to any particular category of investment. However, it expects and encourages the fund managers to take social, environmental and ethical considerations into account when assessing the suitability of investments and when exercising the rights attached to RNID's investments. This delegation is to be exercised within the framework provided by the Board's Ethical Policy. The Board has an Investment Committee which reviews fund manager performance on a regular basis.

The Board of Trustees has set a performance benchmark, against which the Fund Manager will be assessed, based on the following proportions:

FTSE All-Share Index	60%
FTA British Gov. All Stocks Index	20%
7-Day LIBID	20%

The total return for the year ending 31 March 2008 was 2.9%.

Grant-making policy

RNID awards social, medical and technical research grants to stimulate the development of innovative

treatments and services that will benefit deaf and hard of hearing people or those with tinnitus. We make other smaller grants to increase the numbers of trained research staff. We award grants to leading universities or technology-led small businesses – typically over a three-year period. We publicise our annual call for proposals based on varying annual themes. Proposals are subject to expert review and ranked. RNID makes the final decision on each award on the basis of expert advice, policy priorities and budget. Payments are usually made annually and progress is reviewed regularly.

Employees, volunteers and members

RNID aims to be an organisation where employees enjoy a sense of fulfilment and where they feel supported and developed. Employees are kept fully informed about RNID's strategy and objectives, as well as day-to-day news and events. Regular information about the organisation is available through meetings, briefings and RNID's intranet, e-connect. All employees are encouraged to give their suggestions and views on performance and strategy.

RNID supports equal opportunities, holding both the Investor in People standard and the Disability symbol. We follow a policy of recruitment and promotion on the basis of aptitude and ability without discrimination. We pursue both the employment of disabled people and the continued employment and retraining of employees who become disabled while employed by the organisation.

RNID is committed to the training, career development and promotion of all employees. An individual's career development is assessed with an annual appraisal and 1-1s. Training programmes are provided to meet any ongoing needs, with the aim of developing employees for both their current and their future roles. RNID particularly seeks to encourage deaf and hard of hearing employees to play an active role in developing both the organisation and themselves, with specific training courses to meet this need. At the end of the financial year, 18% (2007: 23%) of our staff had a disability or a hearing loss.

RNID recognises the invaluable work which all volunteers do on our behalf and the part they play in contributing to the achievement of our shared objectives. There are approximately 2,000 volunteers working for RNID.

RNID would also like to thank all our 38,117 members for their support and commitment.

Trustees' report

Pensions

RNID operates a funded pension scheme that has both defined-benefit and defined-contribution sections. The defined-benefit section was closed to new entrants at 1 October 2001. The annually calculated notional surplus or deficit on the funding of the scheme is shown in the financial statements as the 'pensions reserve' and is deducted from unrestricted funds in the balance sheet.

A detailed actuarial calculation was carried out at 31 March 2006. Following this, a revised funding plan was agreed with the members and with the pension scheme trustees. This funding plan includes revised contribution rates for both members and RNID and | a deficit-reduction payment that is expected to eliminate the deficit by 2022. Further details are included in note 17.

An actuarial valuation carried out at 31 March 2008 shows the market value of the assets of the scheme to be £36.0m and the present value of the liabilities £39.8m.

The net deficit on the scheme of £3.7m is a statement of the transient situation at 31 March 2008 and the Trustees recognise that this can swing markedly in response to market factors and the actuarial assumptions made.

Future plans

We believe that RNID has a sound financial basis on which to build for the future. We continue to strengthen RNID's campaigning and research activities, and to develop existing services yet further to reach and help even more deaf and hard of hearing people. New key objectives for this are set out above under the heading of achievements and performance.

Structure, governance and management

RNID is governed by its Memorandum and Articles of Association adopted on 14 May 1948 and last amended on 26 October 2007.

The Board of Trustees is responsible for the overall governance of RNID. Trustees are either elected or co-opted and the total number of Trustees may not exceed 12. Eight Trustees are elected directly by members of RNID. Of these eight, three seats are reserved for Trustees elected respectively by members resident in Wales, Northern Ireland and Scotland. Four seats are allocated to co-opted Trustees who are not elected but appointed by RNID's Board of Trustees. All Trustees are appointed for a term, not exceeding three years, at the end of which they must retire but are then eligible for reappointment (either by election or by

being co-opted). Trustees are not normally eligible to serve for more than two terms in total.

Effective partnership between Trustees and staff continues to contribute significantly to our success. To ensure that Trustees' roles and responsibilities are carried out effectively, each has portfolio interests which require an understanding of and a responsibility for specific aspects of RNID's work. Trustees are required to meet at least five times a year. These meetings include the AGM and four quarterly Board meetings where Trustees review strategy and performance, and set operating plans and budgets. New Trustees receive an induction pack containing detailed information about RNID, how it is organised and its work. They are then invited to spend time with the Executive Directors and to familiarise themselves with RNID's activities to prepare themselves for effective and informed decision making.

Trustees are encouraged to attend training sessions to develop their knowledge and skills. The Board delegates certain powers in connection with the management and administration of RNID as set out below. This delegation is controlled by requiring regular reporting back to the Board, ensuring that all decisions made under delegated powers can be ratified by the full Board in due course.

Audit Committee

The Audit Committee comprises Trustees and other advisers. All Committee members are independent of management and free of any relationship that, in the opinion of the Board of Trustees, would interfere with their exercise of independent judgement. The Audit Committee meets quarterly and is responsible for reviewing the charity's risk assessment, risk management and internal control. It advises the Board of Trustees on the appropriate level of free reserves.

Investment Committee

The Investment Committee comprises Trustees and is charged with reviewing the strategy, policy and management of the investment portfolio held by RNID and advising the Board of Trustees accordingly. It also ensures proper procedures are in place to manage cash resources prudently and to maximise income from liquid resources while maintaining sufficient funds to meet daily cash requirements.

Trustees' report

Advisory groups

RNID has established advisory groups in Wales, Scotland and Northern Ireland. Each group comprises representatives elected by members of RNID who are resident in the relevant country and a number of co-opted members. The composition of the groups reflects national agendas and it is intended that at least half of the representatives will be deaf or hard of hearing. Each advisory group is tasked with long-term planning for their country and advises the Board of Trustees on local priorities and issues.

Chief Executive

The Chief Executive is responsible for the day-to-day management of RNID's affairs and for implementing policies agreed by the Board of Trustees. The Chief Executive is assisted by a group of executives and senior managers.

Group structure

RNID has a wholly owned subsidiary, RNID Activities Limited, which carries out non-charitable trading activities to raise funds for RNID. During the financial year, it made an operating profit of £1,057 (2007: £31,480), all of which, as taxable profits, was donated to RNID under gift aid.

Statement of Trustees' responsibilities

The Trustees are responsible for their annual report and for the preparation of financial statements for each financial year, in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of RNID's incoming resources and the application of those resources during the year and of the state of affairs as at the end of the financial year. In preparing these financial statements, the Trustees are required to:

- ensure that suitable accounting policies are established and applied consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards and statement of recommended accounting practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that RNID will continue to operate.

The Trustees have overall responsibility for ensuring that RNID has appropriate systems and controls, financial and otherwise. The Trustees are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of RNID and enable us to ensure that the financial statements comply with the Companies Act 1985.

The Trustees are also responsible for safeguarding the assets of RNID and for their proper application as required by charity law, and hence for taking reasonable steps to prevent and detect fraud and other irregularities, and to provide reasonable assurance that:

- RNID is operating efficiently and effectively;
- all assets are safeguarded against unauthorised use or disposition and are properly applied;
- proper records are maintained, and financial information used within RNID, or for publication, is reliable;
- RNID complies with relevant laws and regulations;
- RNID has paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the charity should undertake.

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

So far as each of the trustees at the date of this report is aware, there is no relevant audit information of which the charity's auditors are unaware. Each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Trustees' report

Board of Trustees

During the year, the members of the Board and their attendance records were as follows:

Gerald Corbett, Chairman
(from 26 October 2007) (100%)

James Strachan, Chairman
(to 26 October 2007) (100%)

Peter Cruttenden, Honorary Treasurer,
Vice Chairman (100%)

The Rt Hon Malcolm Bruce MP (60%)

Caroline Cousin (100%)

Colin Gowdy (100%)

Prof Mathew Holley (from 26 October 2007) (100%)

Dr Judith Langfield (100%)

Malcolm McAlpine (100%)

Jeff McWhinney (80%)

Enid Rowlands (100%)

HRH The Countess of Wessex (40%)

Vanessa Whitehouse (100%)

Patron

HRH The Duke of Edinburgh KG, KT

President

The Rt Hon Lord Ashley of Stoke CH

Vice Presidents

Jack Shapiro

James Strachan

Lady Tumim OBE

Audit Committee

Peter Cruttenden, Chairman

Jack Climpson

Caroline Cousin

Vanessa Whitehouse

Investment Committee

Peter Cruttenden, Chairman

Colin Gowdy

Malcolm McAlpine

Executive Officers (as at 30 July 2008)

Chief Executive

Jackie Ballard

Director of Communications

Brian Lamb OBE

Director of Development

Ellie Gray

Director of Finance and Company Secretary

Paul Breckell

Director of Human Resources

Vicky Hemming

Director of Services

Mike Adamson

Director of Technology and Enterprise

Dr Mark Downs

Principal professional advisers

Solicitors

Bates, Wells and Braithwaite
2-6 Cannon Street
London EC4M 6YH

Bankers

The Royal Bank of Scotland plc
280 Bishopsgate
London EC2M 4RB

External auditors

Horwath Clark Whitehill LLP
St Bride's House, 10 Salisbury Square
London EC4Y 8EH

Investment managers

BlackRock Investment Management (UK) Limited
33 King William Street
London EC4R 9AS

By order of the Board of Trustees



Gerald Corbett

The Royal National Institute for Deaf People
19-23 Featherstone Street
London EC1Y 8SL
30 July 2008

Independent auditors' report

We have audited the group and parent company financial statements of The Royal National Institute for Deaf People for the year ended 31 March 2008 (the "financial statements") which comprise the consolidated statement of financial activities, the group and charity balance sheets, the consolidated cash flow statement and the related notes numbered 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the Trustees and auditors

The responsibilities of the Trustees, who are also the company's directors for the purposes of company law, for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements. In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the other information contained with the Annual Report and Financial Statements and consider whether it is consistent with the audited financial statements. This other information comprises only the Acknowledgements. We consider the implications for our report if we become aware of any apparent

misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

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

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

Unqualified opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the group as at 31 March 2008 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP

Chartered Accountants and Registered Auditors

30 July 2008

St Bride's House
10 Salisbury Square
London EC4Y 8EH

Consolidated statement of financial activities
(incorporating an income and expenditure account)

For the year ended 31 March 2008

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2008 £'000	Total Funds 2007 £'000
Incoming resources from generated funds					
Voluntary Income					
Donations, gifts and unrestricted grants		3,545	163	3,708	3,676
Legacies		8,115	-	8,115	9,451
Activities for generating fund:					
Weekly Lottery		234	-	234	135
RNID Activities Limited	9	62	-	62	123
Other incoming resources		38	-	38	70
Investment & other income	2	446	115	561	279
Incoming resources from charitable activities					
Grants		45	5,273	5,318	6,721
Campaigns, information and membership		870	-	870	1,052
Employment, training and skills		804	-	804	649
Typetalk and communication services		3,036	5,349	8,385	8,712
Specialist care		13,387	-	13,387	12,997
Health and community equipment		630	-	630	653
Research, product development and sales		5,118	-	5,118	4,818
Other incoming resources					
Gain on disposal of fixed assets	10	268	2,338	2,606	-
Total incoming resources		36,598	13,238	49,836	49,336
Resources expended					
Cost of generating fund:					
Fundraising costs		3,196	-	3,196	3,394
RNID Activities Limited		61	-	61	92
Investment Management Fees		21	-	21	5
		3,278	-	3,278	3,491
Net incoming resources available for charitable application		33,320	13,238	46,558	45,845

The notes on pages 19 to 36 form part of these financial statements.

Consolidated statement of financial activities
(incorporating an income and expenditure account)

For the year ended 31 March 2008

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2008 £'000	Total Funds 2007 £'000
Charitable activities					
Campaigns, information and membership		4,445	2,944	7,389	10,090
Employment, training & skills		1,395	490	1,885	2,430
Typetalk and communication services		3,489	7,249	10,738	11,094
Specialist care		14,371	297	14,668	14,749
Health and community equipment		1,030	103	1,133	1,256
Research, product development and sales		6,496	156	6,652	6,179
Total charitable activity cost		31,226	11,239	42,465	45,798
Governance costs		123	-	123	78
Total resources expended	4	34,627	11,239	45,866	49,367
Net incoming/(outgoing) resources before investment gains/(losses)	3	1,971	1,999	3,970	(31)
Realised gains on investments		124	-	124	153
Surplus for the year		2,095	1,999	4,094	122
Other recognised gains and losses					
Unrealised (loss)/gains on investments		(301)	-	(301)	38
Actuarial gains on defined benefits pension scheme		754	-	754	2,480
Net movement in funds		2,548	1,999	4,547	2,640
Balances brought forward		10,487	1,752	12,239	9,599
Balances carried forward at end of year		13,035	3,751	16,786	12,239

The notes on pages 19 to 36 form part of these financial statements.

Balance sheets as at
31 March 2008

	Note	Group		Charity	
		2008 £'000	2007 £'000	2008 £'000	2007 £'000
Fixed assets					
Tangible assets	10	8,703	9,833	8,703	9,833
Investments	11	4,641	6,337	4,641	6,337
		13,344	16,170	13,344	16,170
Current assets					
Stocks	12	554	616	554	616
Debtors	13	5,577	7,171	5,564	7,15
Cash at bank and short term deposits		5,654	-	5,657	-
		11,785	7,787	11,775	7,766
Creditors					
Amounts falling due within one year	14	4,595	5,769	4,586	5,751
Bank overdrafts and short term borrowings		-	876	-	904
		7,190	1,142	7,189	1,111
Net current assets		7,190	1,142	7,189	1,111
Total assets less current liabilities		20,534	17,312	20,533	17,281
Creditors					
Amounts falling due after more than one year	15	-	47	-	47
Net assets excluding pension liability		20,534	17,265	20,533	17,234
Defined benefit pension scheme liability	17	3,748	5,026	3,748	5,026
Net assets including pension liability		16,786	12,239	16,785	12,208

The notes on pages 19 to 36 form part of these financial statements.

Balance sheets as at
31 March 2008

	Note	Group		Charity	
		2008 £'000	2007 £'000	2008 £'000	2007 £'000
The funds of the charity					
Restricted income funds	18	3,751	1,752	3,751	1,752
Unrestricted income funds		16,783	15,513	16,782	15,482
Pension reserve		(3,748)	(5,026)	(3,748)	(5,026)
Total unrestricted funds after pension liability		13,035	10,487	13,034	10,456
Total charity funds		16,786	12,239	16,785	12,208

These financial statements were approved by the Board of Trustees on 30 July 2008



Gerald Corbett
Chairman



Peter Cruttenden
Honorary Treasurer

The notes on pages 19 to 36 form part of these financial statements.

Consolidated cash flow statement
For the year ended 31 March 2008

	Note	2008 £'000	2007 £'000
Net cash inflow from operating activities	20	1,972	234
Returns on investments and servicing of finance			
Interest paid		(29)	(47)
Interest received		255	135
Dividends received		178	144
Net cash inflow from returns on investments and servicing of finance		404	232
Capital expenditure and financial investment			
Purchase of property		(47)	(99)
Purchase of other tangible fixed assets		(665)	(710)
Sales of property and other tangible fixed assets		3,488	38
Purchase of fixed asset investments		(2,217)	(1,893)
Sale of fixed asset investments		3,736	2,398
Cash inflow/(outflow) for capital expenditure and financial investment		4,295	(266)
Net cash inflow before financing		6,671	200
Financing			
Capital element of finance lease and hire purchase rental payments		(141)	(141)
Repayment of loan		-	(115)
Net cash outflow from financing		(141)	(256)
Increase/(decrease) in cash	21	6,530	(56)

The notes on pages 19 to 36 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2008

1. Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards.

In preparing the financial statements RNID complies with the "Accounting and Reporting by Charities" Statement of Recommended Practice (SORP) issued in February 2005 and the Companies Act 1985.

The group financial statements consolidate the accounts of the charity and its subsidiary trading company. As provided by s.230 of the Companies Act 1985, no separate income and expenditure account is presented for the charity. The charity's surplus for the financial year of £4,094,000 (2007 surplus £122,000) is the same as the group result as the subsidiary's profits are remitted to the charity under gift aid regulations.

Incoming resources

Donations, gifts and legacies are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable certainty. For residuary and reversionary legacies, entitlement is established once the charity has been notified of an impending distribution.

Grant income is included when the relevant conditions for the grant have been met.

All other income is accounted for on an accrual basis.

Resources expended

All resources expended are accounted for on an accrual basis. Charitable activities includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been apportioned as a percentage of staff employed on the relevant service. Governance costs are those associated with constitutional and statutory requirements. Support costs include the central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Tangible fixed assets

All assets costing more than £1,000 are capitalised.

All purchased assets are recorded at cost.

All gifted assets are valued at date of receipt.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets on a straight-line basis over their expected useful lives at the following annual rates:

Freehold and long leasehold properties	at least 2%
Improvements to freehold and long leasehold properties	4%
Short leasehold properties	over lease term
Fixtures, fittings and furniture	20%
Computer equipment	33.3%
Other equipment	20%
Motor vehicles	20%

No depreciation is provided on freehold land.

Investments

Investments are recorded in the balance sheet at their market value at the Balance Sheet date.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal.

Finance leases

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the SoFA over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Operating leases

Rentals paid under operating leases are charged to the SoFA on a straight-line basis over the lease term.

Pension costs

The defined benefit pension scheme current service costs, together with the scheme interest cost less the expected return on the scheme assets for the year, are charged to the SoFA within staff costs. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses.

The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

Contributions to the defined contribution scheme are charged to the SoFA in the period in which they are made.

Grants payable

Grants payable are included in the period when any relevant conditions are met by the receiving entity.

Payment of later instalments of a grant usually require satisfactory progress reports from the project. Where further progress reports are not required, the future costs are accrued. Grants authorised but unpaid at the balance sheet date are shown as commitments in Note 6 where conditions remain.

Liabilities

Liabilities are recognised when RNID has an obligation to make payment to a third party.

Notes to the accounts (continued)
For the year ended 31 March 2008

2. Investment and other income

	2008	2007
	£'000	£'000
Income from listed investments – UK	178	144
Interest received – bank	134	5
Interest received – investments	121	130
Defined benefit pension scheme net interest	128	-
	561	279

The defined benefit net interest represents the difference between the expected return on the fair value of the pension scheme assets partially offset by the interest costs on the defined benefit pension scheme obligations.

3. Net incoming/(outgoing) resources for the year

This is stated after charging:	2008	2007
	£'000	£'000
Interest payable:		
– bank loans and overdrafts wholly repayable within five years	29	47
Depreciation	969	1,085
Payments under operating leases:		
– land and buildings	759	914
– other	448	386
Auditors' remuneration :		
– audit	56	53
– other services	38	18

Notes to the accounts (continued)
For the year ended 31 March 2008

4. Analysis of total resources expended

	Direct costs		Support Costs		Total 2008 £'000	Total 2007 £'000
	Staff £'000	Others £'000	Staff £'000	Others £'000		
Cost of generating funds:						
Fundraising costs	1,455	1,485	137	119	3,196	3,394
RNID Activities Limited	-	61	-	-	61	92
Investment management fees	-	21	-	-	21	5
	1,455	1,567	137	119	3,278	3,491
Charitable expenditure:						
Campaigns, information and membership	3,713	2,962	384	330	7,389	10,090
Employment, training and skills	1,018	650	125	92	1,885	2,430
Typetalk and communication services	6,577	3,105	709	347	10,738	11,094
Specialist care	9,347	2,887	1,310	1,124	14,668	14,749
Health and community equipment	687	306	84	56	1,133	1,256
Research, product development, and sales	1,623	4,714	183	132	6,652	6,179
	22,965	14,624	2,795	2,081	42,465	45,798
Governance costs:	40	83	-	-	123	78
Total resources expended	24,460	16,274	2,932	2,200	45,866	49,367

Notes to the accounts (continued)
For the year ended 31 March 2008

5. Support cost

Basis of allocation: by staff number

	Management	Finance	Information Systems	Human Resources	Total
	£'000	£'000	£'000	£'000	£'000
Fund raising	10	88	53	105	256
Campaigns, information and membership	28	268	150	268	714
Employment, training and skills	9	80	49	79	217
Typetalk and communication services	77	639	121	219	1,056
Specialist care	95	840	511	987	2,433
Health and community equipment	6	53	33	49	141
Research, product development and sales	13	117	72	113	315
Total RNID	238	2,085	989	1,820	5,132

6. Grants paid

The aggregate amount of grants made during the year ended 31 March 2008, analysed by recipient were:

Analysis	Institution	Total amount £'000
Medical research into hearing loss	University of Washington	145
	University College London	101
	University of Sheffield	101
	Wayne State University	50
	University of Kansas Medical Centre	50
	Raboud University Nijmegen Centre	48
	The Bionic Ear Institute	28
	University of Antwerp	25
	The University of Western Australia	23
	University of York	23

6. Grants paid (continued)

	University of Oxford	22
	University of Sussex	12
	Guys & St Thomas NHS Foundation	10
	Other	3
		<u>641</u>
Welfare, education and training for deaf and hard of hearing people		
	University College London	34
	Other	10
		<u>44</u>
Total		<u>685</u>

In addition to the above, the charity has a commitment for future grants totalling £799,014 which have been awarded subject to satisfactory reviews during the course of the project being funded.

7. Employees

	2008	2007
	£'000	£'000
Staff costs consist of:		
Wages and salaries	24,220	24,894
Social security costs	1,973	1,983
Pension costs	1,199	1,138
	<u>27,392</u>	<u>28,015</u>

The above figures include temporary and agency staff employed by RNID at a cost of £1,026,814 (2007: £1,854,660)

	2008	2007
The average monthly number of employees during the year was made up as follows:		
Fundraising	41	43
Campaigns, information and membership	115	136
Employment, training and skills	37	53
Typetalk and communication services	317	370

Notes to the accounts (continued)
For the year ended 31 March 2008

Specialist care	392	435
Health and community equipment	25	30
Product development, product sales and research	54	54
Finance, human resources, information technology and administration	62	69
	1,043	1,190

The average monthly number of employees on full time equivalent basis during the year was:

	946	1,041
--	------------	-------

No. of employees receiving gross salaries in the range:

£70,001 to £80,000	3	5
£80,001 to £90,000	2	1
£90,001 to £100,000	-	-
£100,001 to £110,000	-	1

One of these employees (2007: 3) is in the defined benefit pension scheme, and four (2007: 2) in the defined contribution pension scheme. Contributions in the pension year for the provision of the defined contribution scheme was £20,920, in respect of 4 employees (2007: 2).

During the year there was a change in the Chief Executive and Executive Director of Finance of RNID. As a result of these changes none of the individuals that held these roles during the year received a gross salary over the financial year, which totalled over £60,000 and salaries received are therefore not disclosed in the table above.

As at 31 March 2008 the Chief Executive of RNID was the highest paid member of staff, receiving an annual salary of £120,000 and was a member of the defined contribution pension scheme.

8. Trustees' remuneration

None of the members of the Board of Trustees received any remuneration during this year or last year. During the year, seven Trustees (2007: four) received reimbursements of non-private travel and subsistence expenditure amounting to £7,837 (2007: £4,561).

9. Subsidiary company

RNID owns 100% of the issued share capital of trading company RNID Activities Limited. The company's investment in RNID Activities Limited is £2.

RNID Activities Limited is a trading subsidiary of the charity handling fundraising events, retailing Christmas cards and other similar products. As it is a wholly owned subsidiary, related party transactions between RNID Activities Limited and RNID are exempt from disclosure.

RNID Activities Limited turnover for the year ended 31 March 2008 was £62,211 (2007: £123,246) cost of sales was £53,628 (2007: £75,764); Administration expenses were £7,955 (2007: £16,001); investment income was £429 (2007: Nil), which left an operating profit of £1,057 (2007: £31,480) which was gift aided to RNID. Profit retained for the year was Nil (2007: Nil).

Notes to the accounts (continued)
For the year ended 31 March 2008

10. Tangible assets

Group and charity

	Freehold	Long leasehold	Short leasehold	TOTAL Property	Fixtures, fittings & furniture	Computer equipment	Other equipment	Motor vehicles	Total other	Grand total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost										
At 1 April 2007	10,099	122	2,606	12,827	3,163	4,033	2,133	173	9,502	22,329
Additions	47	-	-	47	165	488	12	-	665	712
Disposals	(1,127)	-	-	(1,127)	(23)	(39)	(7)	(83)	(152)	(1,279)
At 31 March 2008	<u>9,019</u>	<u>122</u>	<u>2,606</u>	<u>11,747</u>	<u>3,305</u>	<u>4,482</u>	<u>2,138</u>	<u>90</u>	<u>10,015</u>	<u>21,762</u>
Depreciation										
At 1 April 2007	2,107	8	2,397	4,512	2,421	3,451	1,939	173	7,984	12,496
Charge for year	164	1	103	268	231	410	60	-	701	969
Disposals	(261)	-	-	(261)	(20)	(38)	(4)	(83)	(145)	(406)
At 31 March 2008	<u>2,010</u>	<u>9</u>	<u>2,500</u>	<u>4,519</u>	<u>2,632</u>	<u>3,823</u>	<u>1,995</u>	<u>90</u>	<u>8,540</u>	<u>13,059</u>
Net Book Value										
At 31 March 2008	<u>7,009</u>	<u>113</u>	<u>106</u>	<u>7,228</u>	<u>673</u>	<u>659</u>	<u>143</u>	<u>-</u>	<u>1,475</u>	<u>8,703</u>
At 31 March 2007	<u>7,992</u>	<u>114</u>	<u>209</u>	<u>8,315</u>	<u>742</u>	<u>582</u>	<u>194</u>	<u>-</u>	<u>1,518</u>	<u>9,833</u>

The net book value of tangible fixed assets includes an amount of £192 (2007: £56,293) in respect of assets held under finance leases and hire purchase contracts. Total depreciation charged on these assets during the year amounted to £54,100 (2007: £122,908).

RNID commissions valuations of its major freehold and leasehold properties on a regular basis. The charity's major properties were revalued at 31 March 2007 by an external professional valuer. This valuation indicated that the market value of the properties on an existing use basis was higher than their net book value.

The Freehold property disposals in the year relate to the sale of two residential care homes, Richardson House and Ferndale Road and resulted in realised gains of £2,338,000 and £268,000 respectively.

Notes to the accounts (continued)
For the year ended 31 March 2008

11. Fixed asset investments

	2008	2007
	£'000	£'000
Value of investment portfolio at 1 April 2007	6,337	6,637
Net monies disinvested	(1,543)	(496)
Management fee charged to capital	24	5
Realised gains on investments	124	153
Unrealised (loss)/gain on investments	(301)	38
	<hr/>	
Market value at 31 March 2008	4,641	6,337
	<hr/>	
Represented by:		
Listed securities:		
UK equity funds	2,859	2,667
UK corporate funds	887	1,711
Cash fund	895	1,959
	<hr/>	
	4,641	6,337
	<hr/>	

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

	2008	2007
	£'000	£'000
Charishare	2,747	2,360
MLIM Institutional Liquidity Fund	892	1,959
Euro Inv Bank	360	-
	<hr/>	

12. Stocks

Group and charity

	2008	2007
	£'000	£'000
Equipment and publications	554	616
	<hr/>	

The replacement cost of stock is not materially different from that stated above.

Notes to the accounts (continued)
For the year ended 31 March 2008

13. Debtors

	Group		Charity	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Trade debtors	4,298	4,861	4,292	4,856
Other debtors	52	162	45	155
Prepayments and accrued income	1,227	2,148	1,227	2,139
	5,577	7,171	5,564	7,150
Included above are amounts receivable after more than one year:				
Loans to local deaf societies	5	10	5	10

14. Creditors: amounts falling due within one year

	Group		Charity	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Trade creditors	877	821	877	808
Other taxes and social security costs	566	578	566	578
Other creditors	1,151	1,366	1,150	1,366
Obligations under finance leases and hire purchase contracts	47	141	47	141
Accruals	1,150	2,138	1,147	2,134
Deferred income	804	725	799	724
	4,595	5,769	4,586	5,751

Notes to the accounts (continued)
For the year ended 31 March 2008

15. Creditors: amounts falling due after more than one year

Group and charity

	2008	2007
	£'000	£'000
Obligations under finance leases and hire purchase contracts	-	47
	<u>-</u>	<u>47</u>

Contingent liabilities:

RNID has provided indemnities of approximately £350,000 in respect of legacies that have been received, but there is the possibility of future claims against these estates. It is not expected that any material liabilities will arise and no provisions have been made.

16. Analysis of group net assets between funds

	Unrestricted funds	Restricted funds	Total funds 2008	Total funds 2007
	£'000	£'000	£'000	£'000
Fund balances at 31 March 2008 are represented by:				
Tangible fixed assets	8,545	158	8,703	9,833
Investments	4,641	-	4,641	6,337
Current assets	7,465	4,320	11,785	7,787
Current liabilities	(3,868)	(727)	(4,595)	(6,645)
Long-term liabilities	-	-	-	(47)
Pension reserve	(3,748)	-	(3,748)	(5,026)
Total net assets	<u>13,035</u>	<u>3,751</u>	<u>16,786</u>	<u>12,239</u>

17. Pension

RNID operates a funded pension scheme in the UK. The scheme has both defined benefit and defined contribution sections. For the purposes of these financial statements an FRS 17 actuarial valuation was carried out at 31 March 2008 by a qualified independent actuary.

a) The amounts recognised in the balance sheet are as follows:

	2008	2007
	£'000	£'000
Present value of funded obligations	(39,782)	(41,201)
Fair value of plan assets	36,034	36,175
	<hr/>	<hr/>
Deficit	(3,748)	(5,026)
	<hr/>	<hr/>
Amounts in the balance sheet		
Liabilities	(3,748)	(5,026)
Assets	-	-
	<hr/>	<hr/>
Net liability	(3,748)	(5,026)

b) Changes in the present value of the defined benefit obligation are as follows:

	2008	2007
	£'000	£'000
Opening defined benefit obligation	41,201	41,205
Contributions by employees	266	255
Service cost	509	798
Interest cost	2,125	1,998
Actuarial loss	(4,171)	(2,904)
Benefits paid	(490)	(714)
Increase in Defined Contribution Section liabilities	342	563
	<hr/>	<hr/>
Defined benefit obligation at end of year	39,782	41,201

Notes to the accounts (continued)
For the year ended 31 March 2008

c) Changes in the fair value of the scheme assets
are as follows:

	2008	2007
	£'000	£'000
Opening fair value of scheme assets	36,175	33,715
Expected return	2,253	1,974
Actuarial gain	(3,417)	(424)
Contributions by employer	905	806
Contributions by employees	266	255
Benefits paid	(490)	(714)
Increase in Defined Contribution Section assets	342	563
	36,034	36,175

d) The amounts included within the Statement of Financial Activities
are as follows:

	2008	2007
	£'000	£'000
Current service cost	(509)	(798)
Expected return on scheme assets	2,253	1,974
Interest on pension liabilities	(2,125)	(1,998)
Total amount charged within net incoming/(outgoing) resources	(381)	(822)
Actuarial gains and losses	754	2,480
Total amount charged to the Statement of Financial Activities	373	1,658

RNID's best estimate of expected contributions to its defined benefit pension plans in the year commencing 1 April 2008 is £886,000.

Notes to the accounts (continued)
For the year ended 31 March 2008

e) The major categories of scheme assets as a percentage of total Schemes assets are as follows:

	2008	2007
Equities	48%	50%
Bonds	43%	42%
Insured Annuities	2%	2%
Cash	1%	1%
Defined Contribution Scheme	6%	5%

The assumptions used in determining the overall expected return of the assets of the scheme have been set having regard to yields available on government bonds, corporate bonds, bank base rates and incorporating appropriate risk margins where appropriate.

	2008	2007
	£'000	£'000
The actual return on the scheme assets in the year	(1,164)	1550

f) Principal assumptions at the balance sheet date (expressed as weighted averages) were:

	2008	2007
Discount rate at 31 March	6.50%	5.40%
Expected return on scheme assets at 31 March		
Rate of increase in salaries	4.65%	4.35%
Rate of increase of pensions in payment	-	-
Rate of increase of pensions in deferment	3.40%	3.10%
Inflation assumption	3.40%	3.10%
Assumes life expectations on retirements age 65:		
Retiring today – males	22.0	19.0
Retiring today – females	24.9	22.0
Retiring in 20 years – males	23.1	19.9
Retiring in 20 years – females	24.9	22.8

Notes to the accounts (continued)
For the year ended 31 March 2008

g) The amounts for the current and previous periods are as follows:

	2008	2007	2006	2005	2004
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(39,782)	(41,201)	(41,205)	(37,621)	(31,490)
Scheme assets	36,034	36,175	33,715	28,053	24,230
Surplus/(deficit)	(3,748)	(5,026)	(7,490)	(9,568)	(7,260)
Experience adjustments on scheme liabilities	(4,171)	(2,904)	(561)	3,769	3,371
Experience adjustments on scheme assets	(3,417)	(424)	2,843	1,475	2,419

The cumulative amount of actuarial net gains recognised in the Statement of Financial Activities is £5,855,000.

18. Restricted funds

Group and charity	Balance 1 April 2007 £'000	Incoming resources £'000	Expenditure, gains, losses and transfers £'000	Balance 31 March 2008 £'000
Richardson Trust	716	2,453	(142)	3,027
RNID Typetalk	266	5,349	(5,457)	158
Biomedical Research	-	60	-	60
Schools Inclusion North Wales	70	-	(63)	7
Helpline Appeal	275	-	(275)	-
Other	425	5,376	(5,302)	499
Totals	1,752	13,238	(11,239)	3,751

The Richardson Trust is restricted to providing accommodation for deaf and hard of hearing people in the north of England.

RNID Typetalk activities are fully funded by British Telecommunications plc, helping to provide access to the telephone network for deaf and hard of hearing people.

The Biomedical Research fund represents a grant received to finance three PhD students for one year.

The schools inclusion fund represents monies received which have been spent on the education of deaf children in North Wales.

The helpline appeal was monies received as a result of an individual giving direct mail appeal to help support the RNID helpline, which was fully spent in 2008.

Included within "Other" are 43 restricted funds with no individual fund having an opening or closing balance greater than £50,000.

Notes to the accounts (continued)
For the year ended 31 March 2008

19. Commitments under operating leases

Group and charity

As at 31 March 2008, RNID had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings £'000	2008 Other £'000	Land and buildings £'000	2007 Other £'000
Operating leases which expire:				
Within 1 year	287	82	251	50
In 2-5 years	261	222	282	279
After 5 years	235	-	235	-
	783	304	768	329

20. Reconciliation of net incoming/(outgoing) resources to net cash inflow from operating activities

	2008 £'000	2007 £'000
Net incoming/(outgoing) resources for the year	3,970	(31)
Interest paid	29	47
Interest received	(255)	(135)
Dividends received	(178)	(144)
	3,566	(263)
Depreciation charge for year	969	1,085
Surplus on sale of fixed assets	(2,615)	(32)
Decrease/(Increase) in stocks	62	(124)
Decrease/(Increase) in debtors	1,594	(1,859)
(Decrease)/Increase in creditors	(1,080)	1,411
Pensions Reserve funding deficit movements	(524)	16
Net cash (outflow)/inflow from operating activities	1,972	234

21. Reconciliation of net cash flow to movement in net funds/debt

	2008	2007
	£'000	£'000
(Decrease)/increase in cash in the year	6,530	(56)
Cash outflow from decrease in lease financing	141	141
Change in net funds resulting from cashflow	6,671	85
Debt repaid	-	115
Other	-	(14)
Movement in net funds in the year	6,671	186
Net debt at 1 April 2007	(1,064)	(1,250)
Net funds/(debt) at 31 March 2008	5,607	(1,064)

22. Analysis of changes in net funds

	At 1 April 2007 £'000	Cash flows £'000	At 31 March 2008 £'000
Cash at bank and in hand	(876)	6,530	5,654
Finance leases	(188)	141	(47)
Total	(1,064)	6,671	(5,607)

23. Corporation tax

No corporation tax is payable as the charity is able to make full use of exemptions available to charities.

Acknowledgements

We are grateful to the following funders who have generously given the following grants and donations during the financial year.

	2008 £		2008 £
Big Lottery Fund		Scottish Executive – Scottish Borders Hear to Help	40,000
Northern Ireland Outreach Volunteer Project	69,870	Sperrin Lakeland Trust – Hearing Aid Therapist	36,520
Berkshire Volunteer Information Officer	50,209	NHSSB – Peer Support and Mentoring	35,374
South West Outreach Information Project	47,670	Scottish Executive – Scottish Youth Forum	30,000
Outreach Information Officer 2 – Wales	44,692	WCVA – Active Community	30,000
Tinnitus Outreach – North West	41,937	DHSSPS – Northern Ireland Core Costs	28,025
Volunteer Resource Adviser – Scotland	38,448	Knockbracken Healthcare Park – South and East Belfast Rehab	27,293
Outreach Information Officer – Northumberland	38,107	Ulster Community Hospitals Trust – Ulster Community Support Worker	12,336
Volunteer Resource Adviser – Northern Ireland	36,386	Western Health and Social Care Trust – Outreach Development Worker	10,800
Community Support Worker 2 – Rotherham	21,919	London Councils – Volunteering Project	10,666
Hear to Help – Wales	13,093	North and West Belfast – Community Support Worker	7,695
Outreach Information Officer – West Midlands	1,569	Department of Trade, Enterprise and Investment – Not Just Lip Service	6,873
Statutory		Southern Health & Social Care Trust	5,000
Department for Children, School and Families – Early Learning Support	1,380,000	Kingston Borough Council – Hearing Aid Therapist	3,000
National Assembly of Wales – BSL Futures	774,394	Co-financing	
Future Builders – Mental Health Project	110,000	Learning and Skills Council – East of England Norfolk	113,015
V – Volunteering Project	80,662	London Councils – Disabled Parents	107,302
National Assembly of Wales – Section 64	63,000	Citizens Advice Bureau – Citizens Advice Northern Ireland	59,165
Scottish Executive – Mental Health & Deafness Research	40,000		

Acknowledgements

	2008 £		2008 £
European			
European Social Fund	620,608	Philip & Marjorie Robinson's Charitable Trust	5,000
Trusts			
Royal Air Force Benevolent Fund	150,000	H B Allen Charitable Trust	5,000
Freemasons Grand Charity	60,000	The Edith Murphy Foundation	5,000
Garfield Weston Foundation	50,000	Constance Travis Charitable Trust	5,000
The UPS Foundation	47,745	North British Hotel Trust	5,000
John and Lucille Van Geest Foundation	27,208	Batchworth Trust	5,000
E J Rigby No2 Settlement	24,864	Albert Hunt Trust	5,000
City Bridge Trust	22,500	29th May 1961 Charitable Trust	5,000
BBC Children in Need	11,000	The Persula Foundation	5,000
Miss M A Ward & Jean L Ward Trusts	10,000	Corporate	
The Nora and Olive Brewer Memorial Trust	8,171	Barclays Bank	37,117
The Moffat Charitable Trust	7,500	Standard Life Employee Services Ltd	15,000
Redfern Charitable Trust	6,500	Pro Audio Schweiz	15,000
Sir Samuel Scott of Yews Trust	5,000	Sennheiser	5,000
The Sir James Knott Trust	5,000	<p>Many other organisations, trusts, estates and individuals have given generously during the year and we are very grateful to all our supporters. This funding enables us to continue our work providing benefits to deaf and hard of hearing people.</p>	
Sharegift (The Orr Mackintosh Foundation)	5,000		
Myristica Trust	5,000		



Llywodraeth Cynulliad Cymru
Welsh Assembly Government



Leading learning and skills



ARIENNIR GAN Y LOTERI
LOTTERY FUNDED



EUROPEAN UNION
European Social Fund

We're RNID, the charity working to change the world for the UK's 9 million deaf and hard of hearing people.

There are a number of ways
to support us. To find out more:

Go to

www.rnid.org.uk

Contact our Information Line

Telephone 0808 808 0123

Textphone 0808 808 9000

Or write to us

informationline@rnid.org.uk

19-23 Featherstone Street
London EC1Y 8SL

Fax 020 7296 8199



50% recycled
When you have finished with
this report please recycle it

RNID •)))