

The Hearing Research Trust

known as

Deafness Research UK

Annual Report and Accounts

for the year ended

31<sup>st</sup> July 2009

Charity Registration No: 326915

Company Registration No: 1927658



# The Hearing Research Trust known as Deafness Research UK Trustees' Report

The Trustees and Directors of the charitable company present their report along with the financial statements of the charity for the year ended 31<sup>st</sup> July 2009. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles, applicable law and the requirements of the Statement of Recommended Practice 2005: Accounting and Reporting by Charities.

## Reference and Administrative details

<b>Official Name of Charity:</b>	Hearing Research Trust
<b>Working Name of Charity:</b>	Deafness Research UK
<b>Previously known as:</b>	Defeating Deafness Hearing and Speech Trust
<b>Charity Registration No:</b>	326915
<b>Company Registration No:</b>	1927658
<b>Registered Office:</b>	330/332 Gray's Inn Road London WC1X 8EE

### Directors and Trustees:

David Livermore OBE (Chairman)	Re-elected 2006
Jane Ashley (Vice Chairman)	Re-elected 2008
Professor Jonathan Ashmore FRS	Re-elected 2008
Philip Champ	Elected 2008
Robin Evans (Treasurer)	Elected 2007
Richard Farrell	Re-elected 2007
Piers Howard Hoare-Temple	Re-elected 2008
John Graham FRCS	Elected 2007
Mike Granatt CB FCIPR	Elected 2007
Peter Lord	Re-elected 2006
Anthony Markson	Elected 2008
Professor David Moore	Re-elected 2007
Dr Ivan Tucker OBE	Elected 2009
Juliet Waller (Secretary)	Re-elected 2008

**Chief Executive:** Vivienne Michael

**Bankers:** Barclays Bank Plc  
27 Soho Square  
London  
W1A 4WA

**Auditors:** Knox Cropper  
Chartered Accountants  
8/9 Well Court  
London  
EC4M 9DN

# The Hearing Research Trust known as Deafness Research UK Trustees' Report (continued)

## Structure, Governance and Management

### **CONSTITUTION**

Deafness Research UK (The Hearing Research Trust) was established on 1<sup>st</sup> July 1985 to encourage and support medical research to improve the quality of life for people suffering from hearing loss and related conditions. It is a company limited by guarantee (each member having a liability of £1) and a registered charity constituted under a Memorandum and Articles of Association.

### **GOVERNANCE AND MANAGEMENT**

The charity is governed by a Board of Trustees (the Management Committee) which meets quarterly. Trustees (Members of the Trust) are also the Directors of the charitable company. Trustees are appointed by the Board and serve for three years after which period they may put themselves up for re-election at the Annual General Meeting as prescribed in the Articles of Association. Officers are appointed by the Board and elected annually. The Articles provide for a minimum of six to a maximum of 30 trustees. At its quarterly meetings, the Board agrees the broad strategy and activities of the charity, considering grant making, information, communications and fundraising activities, investment and reserves policies and risk management.

The Board undertakes a regular skills audit to ensure that the Board has the necessary range of experience and expertise. Currently the Board provides the charity with expertise in hearing research and treatment, knowledge of the deaf community and other deafness charities, personal experience and understanding of deafness, knowledge of the media and business, legal and financial experience and expertise. New trustees are identified through appropriate networks such as the scientific and medical communities. The induction process for any new trustee comprises initial meetings with the Chairman, existing trustees and the Chief Executive. The trustees' induction pack comprises a range of background information on the charity's history and recent activities and includes a copy of the Memorandum and Articles of Association, the minutes of recent Board meetings, the last three years' Report and Accounts and a copy of the Charity Commission's guidance, "The Essential Trustee: What you need to know". On-going training is provided as required through meetings and away days.

A Research Sub-Committee has been appointed by the Board to make recommendations regarding research grants. The Sub-Committee, which is currently made up of the Chief Research Adviser and three trustees, one of whom has specialist research expertise, meets quarterly to consider applications and the progress of on-going grants. It is advised by the charity's panel of expert Research Advisers who advise on research strategy and, supported by external reviewers, monitor existing grants and assess grant applications using a system of peer review. Advisers serve for a maximum of five years and, this year, the charity appointed an additional adviser specifically to advise on tinnitus research.

As a member of the Association of Medical Research Charities (AMRC), Deafness Research UK complies with the Association's standards and guidance on best practice with regard to peer review. Members of the Research Panel serve for a maximum period of five years and do not participate in reviews of applications in which they may have an interest. Applications are assessed and grants monitored using an agreed comments framework and scoring system. Full details of the charity's research strategy and peer review process are available from the Deafness Research UK office and on the charity's website.

The charity is grateful to its advisers who voluntarily give their time and expertise to help ensure that the research funded is not only of the highest quality but is genuinely helping further the charity's fundamental objective – improving the prevention, diagnosis and treatment of hearing impairment.

The Chief Executive (CEO) reports to the Board and is responsible for the day to day management of the charity. As at 1st August 2008 the charity employed 11 full-time and 3 part-time staff.

# The Hearing Research Trust known as Deafness Research UK Trustees' Report (continued)

At 31st July 2009 there were 10 full-time and 2 part-time staff made up of the CEO, 5 staff reporting to a Director of Development, a Senior Information Officer, a New Media Manager, a Research Development Manager, a Research Communications Manager and an Office Manager.

The significance of the charity's work is acknowledged in the support that it receives from its Royal Patron, HRH, the Duke of York KCVO ADC, its distinguished President, Lord Ashley of Stoke CH, and Vice Presidents. These are honorary appointments.

## **RISK MANAGEMENT**

The trustees are committed to a regular review of the major strategic, business and operational risks which the charity faces with a view to ensuring that appropriate systems and procedures are in place to minimise these risks. The charity's risk log was considered and endorsed by trustees in July 2009.

## Objectives and Activities

The Trustees can confirm that, in reviewing the Charity's aims and objectives and in planning future activities, they have referred to the Charity Commission's general guidance on public benefit.

Deafness Research UK exists to secure radical improvements in the prevention, diagnosis and treatment of all forms of hearing and listening impairment. Ultimately, the charity seeks to find cures for these distressing and neglected disabilities. It is the only national charity in the UK dedicated to this work.

The charity aims to:

- support high quality medical research which meets the needs of those living with deafness and other hearing problems such as tinnitus
- disseminate research findings so that advances in research are translated into genuine improvements in medical practice and healthcare for hearing impaired people
- offer information and advice based on the most up-to-date and reliable evidence available
- increase public understanding of how hearing works and the value of research into deafness and related conditions such as tinnitus
- raise awareness of deafness and other hearing difficulties as serious disabilities and the need to find new treatments and technologies.

Deafness Research UK is committed to achieving its objectives by:

- understanding and responding to the needs of hearing-impaired people and anyone with concerns about medical issues relating to deafness and other hearing problems
- working with scientific and medical researchers to apply the highest standards and ensure that the most effective use is made of research talents for the benefit of hearing impaired people
- evaluating the effectiveness of all aspects of this work.

Operationally Deafness Research UK is concentrating on achieving its objectives by:

- *making grants for peer-reviewed research at UK universities and hospitals.*

# The Hearing Research Trust known as Deafness Research UK Trustees' Report (continued)

The charity's research strategy and grant-making policy is determined by trustees advised by the charity's Research Advisory Panel and informed by the views of those affected by hearing impairment. The programme aims to make a unique contribution, adding value by providing funding not available from other sources and focussing on projects within units recognised as contributing strategically to the good of deafness research within the UK. Underlying principles are excellence, timeliness and originality of science, relevance to prevention, diagnosis, treatment or cure and clearly defined impact on those affected.

The charity has a particular interest in contributing to the sustainability of deafness research in the UK. By developing the research of talented young investigators, it aims to build UK hearing research capacity and ensure that high quality research will continue to be undertaken here in the future. The charity also aims to provide support to shorter term projects which make a strategic contribution to UK hearing research and, where appropriate, to develop nationwide funding programmes reflecting expertise in the UK and specific objectives of relevance to hearing impaired people. The charity is also keen to give support in the form of agreed funding packages to recognised centres of excellence where there is an exceptional opportunity to further the cause of deafness research in the UK. Where appropriate, the charity seeks to build partnerships with other funding and research organisations and to promote networks and dialogue between disciplines in order to maximise the effectiveness of its funding.

Grants are largely response mode and the charity's grant-making policies and procedures are widely publicised via its website, at research centres and scientific meetings. Applications submitted in the agreed format are accepted at any time and generally considered at quarterly Research Sub-Committee and Board meetings. However, the charity is mindful of the value of flexibility and rapid response where this can be achieved without compromising the principles of peer review and best practice and, where there is an exceptional case to be made, smaller awards may be approved under a process of Chairman's Action. Progress and final reports are required for all awards and are reviewed by research advisers and reported to trustees. All projects and research posts including postgraduate studentships are funded on an annual basis and continuation funding is dependent upon receipt of progress reports approved by the relevant research advisers. The terms and conditions attached to Deafness Research UK grants are available from the charity's office and on its website.

In practice, grants are concentrated on the following priority areas: fundamental molecular, cellular and developmental research leading ultimately to prevention and medical treatments for hearing loss; early detection of deafness and hearing rehabilitation programmes; causes and treatment of otitis media with effusion (OME) or "glue ear"; genetics of deafness; improving benefit from hearing aids and cochlear implants; central auditory processing and the causes and treatment of tinnitus.

Grants are available for pilot and feasibility studies; one-, two- and occasionally three-year projects; postgraduate studentships; equipment and infrastructure; travel; vacation scholarships for undergraduates and scientific meetings.

- *providing information and advice on hearing impairment, its prevention, diagnosis and treatment.*

The charity aims to offer up-to-date, objective, evidence-based information on hearing problems through its Information Service which was originally piloted following research which showed that the need for information on medical issues relating to hearing impairment was not being met by existing services. The service is available through the charity's website and free telephone helpline which give access to a wide range of literature, one to one support and, where necessary, an appropriate, specialist opinion. It is supported by an expert panel of Communications Advisers who assist in the development of information materials and with responses to more complex enquiries.

- *increasing understanding and awareness of how hearing works, deafness research, the seriousness of deafness as a disability and the need to find new treatments and technologies.*

# The Hearing Research Trust known as Deafness Research UK Trustees' Report (continued)

The charity's Communications strategy aims to achieve this through a programme of media campaigns, public materials, events and outreach programmes focussing on key messages, carefully focussed on priority target audiences and employing creative ideas to maximise impact. The strategy is supported by the charity's expert Communications Advisers who advise on and assist with media activities, events and the development of materials.

- *raising funds to support all of the above activities.*

Deafness Research UK relies on voluntary contributions from individuals, community groups, companies, charitable trusts and other grant-making bodies. Grant-making trusts have always been a particularly important source of funding but the charity recognises that broadening out the charity's funding base is essential to ensure growth and long-term stability and the charity's fundraising strategy reflects this, with emphasis currently on developing corporate partnerships, major donor giving, legacy marketing and public fundraising through direct marketing and related activities.

The strategy is kept under regular review by the Board of trustees through consideration of monthly, quarterly and annual management and strategic reports and plans and away days for trustees, advisers and staff.

## Action for Tinnitus Research

Since January 2008 Deafness Research UK has been the sole trustee of the charity Action for Tinnitus Research (ATR) (Registered Charity No.1078378) under a uniting direction order under Section 96 (6) of the Charities Act 1993.

ATR was established in the belief that treatments for tinnitus would only be found by providing support for effective research and the link benefits tinnitus sufferers by creating a single dedicated national research effort to better understand the debilitating condition of tinnitus and work towards finding a cure.

## Achievements and Performance

### **RESEARCH GRANTS**

The charity's research programme continued with over £820,500 paid out in grants, an 8% increase on 2007/08. New awards this year totalled £680,291. These included four new studentships including the 4th Deafness Research UK UCL Ear Institute Studentship, six small project grants and two large project grants, two equipment grants and two travel awards. The charity sponsored four scientific meetings and awarded four prizes for young scientists including three Vacation Scholarships and the Pauline Ashley Prize.

More information on the 2008/09 research grants programme can be found at Appendix A to this Report.

### **INFORMATION AND COMMUNICATIONS**

During the year, Information Service staff attended a number of community events, performances of the Bionic Ear Show and a Meet the Scientists event in October 2008 distributing information materials and offering a hearing screening service using portable screeners supplied by Specsavers. The screening service proved popular and many cases of potential hearing loss were identified, particularly among older people. In total around 7,000 leaflets and factsheets were distributed by the Service at events and in response to enquires. Deafness and tinnitus information Bulletins were also sent to the charity's supporter database during the year and the 2008 Annual Review was circulated to approximately 2,500 people and organisations.

In January 2009, the charity launched a campaign to raise parents' awareness of middle ear infections and glue ear in children. Funded by an educational grant from GlaxoSmithKline, 120,000 copies of a new leaflet, *Ear Infections and glue ear in children*, were circulated to 6,000 GP surgeries.

# The Hearing Research Trust known as Deafness Research UK Trustees' Report (continued)

The leaflet detailed the signs and symptoms that parents should look out for as well as strategies for coping with these worrying conditions. Market research indicated that the leaflet was well received with 100% of those responding rating it easy to understand and informative. Over the three-months of the campaign, the Information Service experienced an eight-fold increase in enquiries about ear infections and glue ear compared with the previous year.

There were over 424,000 page views on the website [www.deafnessresearch.org.uk](http://www.deafnessresearch.org.uk) during the year, a 14% increase over the previous year.

The Action for Tinnitus Research website was merged with the main Deafness Research UK site and the tinnitus section of the main site was revamped to incorporate the Action for Tinnitus Research brand. During the year, there were over 49,000 page views in this section.

There were over 200 new subscribers to the charity's bi-monthly e-bulletin *Soundbite* this year, a 95% increase in new readers on the previous year. By the end of the year, including previous subscribers to the ATR e-bulletin, there were 6,456 e-bulletin subscribers.

To mark National Tinnitus Week in February, the charity set up a blog ([deafnessresearchuk.blogspot.com](http://deafnessresearchuk.blogspot.com)) for three Deafness Research UK supporters to talk frankly about how they cope with their tinnitus on a daily basis. During the week, the blog received 389 visits. Although we are no longer adding to the blog, it still receives several visits a day: to date there have been 1,767 visits and 14 comments, all positive

In 2008 the charity established a Tinnitus Advisory Panel to contribute ideas for campaigning, comment on text for information materials and contribute to the charity's tinnitus research programme. Made up of lay members and health professionals, the Panel held its inaugural meeting this year and Panel members have commented on the text for the new edition of the *Managing Tinnitus* leaflet, supported the tinnitus blog and commented on numerous research applications.

Once again, questionnaires on hearing loss and tinnitus were circulated to supporters and published on the website. These attracted a high response, adding significantly to the effectiveness of our materials and campaigning.

Two new members joined the charity's expert Communications and Information Advisory Panel during the year, Lena Batra and Jo Blaquière, both of whom are hearing therapists at the Royal National Throat, Nose and Ear Hospital in London.

Following the success of the charity's partnership with Hear Here!, an initiative launched in 2008 by the Royal Philharmonic Society and Classic FM, a joint Deafness Research UK/Hear Here! campaign was launched in April 2009. The LISTEN.Hear campaign was designed to make people think twice about the way they listen to music and take steps to listen safely. Journalists, mainly from the music and arts world, attended the launch event in April at the UCL Ear Institute which included tours by researchers and new technology to demonstrate the effects of hearing loss and tinnitus created especially for Deafness Research UK. A leaflet of safe listening tips for music lovers based on Deafness Research UK information was published and made available on the Hear Here! website ([www.hearhere.org.uk](http://www.hearhere.org.uk)) which also contained links to the charity's website. The Deafness Research UK site was partially re-designed to reflect issues raised by the campaign.

This year, for the first time, the charity joined forces with UCL's Deafness, Cognition and Language Research Centre (DCAL), to run a unique competition in which young deaf people were asked to write about ways in which research might change things for deaf people by 2019. *It's my future* was promoted via its own dedicated website, [www.itsmyfuture.info](http://www.itsmyfuture.info) and a postal and email campaign of leaflets to all UK deaf schools, mainstream schools on the database of the British Association of Teachers of the Deaf (BATOD), local deaf community organisations and local authorities listed on the BATOD database.

# The Hearing Research Trust known as Deafness Research UK Trustees' Report (continued)

The judging panel, chaired by the Rt Hon Malcolm Bruce MP, chair of the All Party Parliamentary Group on Deafness, selected one winner and two runners-up in the 12-14 age group and one winner and one runner-up in the 15-19 age group. The winning entries covered a range of research ideas including making cochlear implants waterproof, gene therapy, more extensive subtitling and giving all new buildings loop systems. Winners were presented with their prizes by Rosie Cooper MP at an award ceremony at the House of Commons during Deaf Awareness Week in May. The competition achieved extensive media coverage and has helped to strengthen the charity's links with the Deaf community, inform future research strategy and build links for political lobbying on deaf-related issues.

During the year, the charity issued over 60 press releases including case studies and research stories on stem cell research and gene therapy achieving over 20 media exclusives and a total media reach in excess of 16,800,000 - a three fold increase on the preceding year.

Deafness Research UK was short-listed in two categories in the 2009 AMRC Science Communications Awards. The charity was voted runner up in the "Science Reportage in an Annual Review" category and was highly commended in the "Patient and Public Involvement" category for our Tinnitus Survey.

We continued to upgrade our IT infrastructure. A new server was installed during the year to enhance the charity's computer network.

## **Monitoring Achievement**

Deafness Research UK recognises the importance of ongoing monitoring and evaluation if it is to maintain the quality of the Information Service, reflect need and achieve its information and communications aims. Data on the following is collected, reported and analysed on a monthly basis:

- the number of enquiries received from individuals and organisations
- different methods used to access the service
- the level of assistance required
- response times
- enquiry topics
- website visits
- the most popular web pages and factsheets

All individual enquirers are asked to complete a feedback form to measure satisfaction and last year 10% of people took the time to complete this. As in previous years, feedback was overwhelmingly positive with the top score 'Very satisfied' being the most common (42%). The average satisfaction rating was 4 out of 5

Regular monitoring of Communications activity includes monthly reporting of press releases, diary notices and letters to the media. The success of media activity is tracked and analysed on a monthly basis using press cuttings and reports of broadcast coverage received. Circulation figures are used to calculate the resulting media reach.

## **FUNDRAISING**

The economic downturn has presented charities with enormous challenges. Despite this, and a significant degree of change within the fundraising department, the charity achieved an income total of £1.43m, just short of the £1.5m target.

Grant-making trusts have always been an important source of income for the charity and, despite the unfavourable economic climate, the charity was able to significantly increase its income from this source through better relationship building and more effective funding proposals, combined with better identification of prospects and improved targeting and tailoring of approaches.

# The Hearing Research Trust known as Deafness Research UK Trustees' Report (continued)

A dedicated Corporate Partnerships Manager was recruited in early September and despite the difficult economic climate and very low awareness of the charity brand, progress was made in establishing corporate relationships which can be built upon over the coming years, particularly amongst the hearing instrument companies. New payroll giving, phone recycling and regional mailing programmes were started and the charity partnered the multinational energy and refining giant ConocoPhillips for their UK Year of the Ear. The charity's original income target for corporate fundraising was comfortably exceeded with the majority of this funding being secured from GlaxoSmithKline.

Income from Community and Events fundraising increased significantly over the previous year largely thanks to an exceptional closing down gift of almost £22,000 from the Newcastle and District Hard of Hearing Club. Over £15,000 was raised from nine runners in the London Marathon, a significant increase over 2008. Towards the latter part of the year, restructuring of the fundraising department enabled the charity to create a full-time Community and Events post with a view to securing further growth in the coming year.

Thanks largely to better messaging and targeting, income from individual donors showed a steady increase with income from direct marketing increasing by 30% and income from committed givers increasing by 21%. In Memoriam giving also rose and an exceptional gift of £10K boosted this income stream even further.

Legacies contributed significantly to income during the year, with income from this source more than doubling over the previous year. This once again reinforces the importance placed on individual giving and legacy marketing in previous years although, as in the past, the majority of legacies were received from unknown individuals. Routine communication with solicitors was introduced with a view to finding out more about the derivation of legacies in this category and informing future legacy marketing activity.

The charity's income was made up as follows: Legacies 47%; Grant-making trusts 24%; Direct Marketing 6%; Big Lottery Fund 1%; Major Donors 3% and Corporate 6%. Other income sources (committed giving, events, community fundraising, Gift Aid and in memoriam gifts) accounted for 9% of income. Investment and trading income accounted for 4% of the total.

## **Monitoring Achievement**

The success of fundraising activities is analysed on a monthly basis through detailed reports on all income streams.

Data collected on trust fundraising includes actual figures against targets for the number of appeals issued, response rates and average donation levels as well as the number of new trusts identified.

Data on direct marketing activity includes analyses of individuals mailed, response rates and average donation levels as well as the cost and return on investment.

## Financial Review

The income target of £1,500,000 set for the year was only narrowly missed with total income of £1,433,597 received. This represented a 14% increase over 2007/08.

The level of charitable activity in the year increased by 10% compared to last year, with £1,201,625 spent on charitable activity including the governance of the charity. £820,531 was paid in research grants, 8% up on 2007/08.

The cost of generating funds was £319,527. This represents 22% of total income and means that approximately £4.50p was raised for every £1 spent.

# The Hearing Research Trust known as Deafness Research UK Trustees' Report (continued)

## **INVESTMENT POLICY**

The charity's investment policy is reviewed annually at a full Board meeting. This year, the trustees endorsed their previous policy that investment decisions should be taken with a view to maximising total return at an acceptable level of risk and without compromising the availability of designated and restricted funds which must be available for the purposes originally intended as and when they are required.

They have agreed that, for the foreseeable future, cash-based investments and Common Investment Funds offer the charity a sufficient level of diversification and are appropriate for the charity's circumstances.

Cash is invested in the London Money Market and in the COIF Charities Deposit Fund (CDF), a Fund designed to enable charities to obtain, even on small amounts of money, the higher rates usually only obtained on large sums in the London Money Market.

Funds, originally valued at £210,000, are invested in the COIF Charities Investment Fund, a fund set up to offer equity investment to charities which do not have sufficient cash for investment to justify retaining a dedicated investment manager

## **RESERVES**

Deafness Research UK must ensure its long term sustainability, viability and success and, in determining the charity's reserves policy, trustees have taken into account the current economic conditions and the risks to key funding sources as well as the charity's core financial responsibilities. The trustees have agreed to maintain unrestricted reserves of at least four months and no more than six months of normal operating expenditure.

At the year end, the unrestricted fund balance carried forward was £328,301, just over six months of operating expenditure.

The charity's trustees have produced this policy statement in accordance with Charity Commission best practice guidelines. This policy will be reviewed regularly, and as a minimum annually, by all trustees at a full Board meeting.

## Plans for the Future

Our strategy for the next three years can be summarised as follows:

- **High impact research**
- **Better healthcare and support**
- **Reducing risk**

## **RESEARCH**

Economic uncertainty is likely to remain the dominant feature of the forthcoming year and we believe that, given this environment, our priority for 2009/10 must be to focus on maintaining our unique core activity. We know that the charity is valued by the UK research community as a supporter of young scientists, a provider of faster, smaller grants and top-up funding for high quality visionary research and hot projects. The increasing competition for research funds means that, in the short term, our UK research grants programme is likely to be more important than ever.

# The Hearing Research Trust known as Deafness Research UK Trustees' Report (continued)

Following a review of our research strategy in 2008/09, we are aiming to do this by supporting excellent UK-based research that can't be funded from other sources; helping maximise the effectiveness of UK research; increasing the amount of clinical and translational research being undertaken in the UK; building the capacity of UK hearing research by attracting and cultivating the best researchers; giving stakeholders a greater say in the research agenda and influencing others to fund research.

The charity's links with the research community and our knowledge of UK hearing research mean that we can make an important strategic contribution to research, mapping research gaps and identifying opportunities for maximum gain, helping stimulate collaboration and maximize effectiveness by bringing researchers together and contributing to the effective dissemination of research findings. We believe it is the right time to step up activity in these areas.

In the past, the charity has perhaps been perceived as being closer and more responsive to the needs of the research community than to the needs of our ultimate beneficiaries, hearing impaired people themselves. We aim to address this by giving greater emphasis in all we do to our role as the voice of hearing impaired people and our ultimate aim of improving health care and related services.

Our research grants programme will place greater emphasis on clinical and translational research and further consideration will be given to inviting applications in key areas and commissioning projects to meet specific funding opportunities and reflect public concern. Internally, there will also be better dialogue between our research and fundraising teams.

We will address the need to make more effective use of our limited in-house research resources by balancing our flexible, reactive "open door" policy on applications with a realistic triage process that takes account of lay understanding and appeal.

We will give lay people more input into our research and information programmes and greater opportunity for feedback through lay advisory panels.

Over the coming year our tactics and main activities will include:

- Maintaining a competitive peer-reviewed grants programme for UK research and working strategically to maximise the benefit of funds
- Encouraging and developing centres of excellence for collaborative and translational research at key locations around the UK
- Undertaking a comprehensive evaluation of the impact of our past research programmes
- Bringing hearing researchers together and consulting with the research community to establish the status of research, identify gaps and determine productive new lines of research
- Stimulating collaborative working and research/clinical exchange by expanding our programme of meetings and seminars
- Contributing to the effective dissemination of research findings through further development of our website, publications and database
- Mapping UK clinical hearing research and developing links with clinical research networks
- Identifying and increasing support for research close to commercial exploitation
- Introducing a competitive annual funding round for studentship grants in targeted areas of research
- Focussing funds on scientists in the early and key stages of their careers
- Exerting a leadership role to bring together organisations with an interest in research
- Influencing government, research councils, industry and others to increase spending on hearing research

# The Hearing Research Trust known as Deafness Research UK Trustees' Report (continued)

## **INFORMATION AND COMMUNICATIONS**

Through our information, communications and related activities, we aim to ensure that research findings are used to attain the highest possible standards of treatment, care and support for those disabled by deafness and related conditions, that those affected are supported so that they are better able to access the healthcare they need and that the needs of those with deafness and related conditions are represented and reflected in the development and delivery of health services and care.

We aim to continue to expand our information and advisory services and to develop new means of reaching those affected and at risk, in particular those at risk and marginalised, disadvantaged and socially excluded groups. This will involve greater use of new technology, more interactive methods of communication and public outreach activities.

High priority will be given to reaching health professionals through closer working with the health and related services, a tactic which will enable us to maximize our impact on patient care, extend our reach, raise our reputation and profile and create a new potential income stream.

By consulting regularly with people with deafness and related conditions, we aim to identify healthcare provision and policy issues that need to be addressed, to influence public opinion, policy and service provision and achieve awareness, understanding and higher standards of care.

We will continue to work with the media and explore opportunities within the community to raise awareness of the impact of deafness and related conditions, to ensure that the views of those with deafness and related conditions are understood, that research findings and medical advances are reported and to help reduce the risk of deafness and related conditions for those vulnerable now and in the future.

The medium/ longer term aim will be to ensure that the charity is recognized as the UK's foremost authority on hearing research and health and that we enjoy a significantly higher awareness rating and profile than is presently the case, helping deliver sustainable growth and enabling us to increase significantly the support we offer UK research, including the more basic research.

## **FUNDRAISING**

The trustees are committed to ensuring that the charity's fundraising reflects the organisation's potential, the need for innovative, pioneering research and the translation of this work into the highest possible standards of treatment, care and support for those disabled by deafness and related hearing conditions.

The primary objective for 2009/10 is to continue to diversify and develop sustainable income to reduce the charity's dependence on legacies and other high risk, exceptional funding sources.

**The Annual Review, which gives more information about the charity's activities, is available free of charge from the Deafness Research UK office and the charity's website.**

# The Hearing Research Trust known as Deafness Research UK

## Trustees' Report (continued)

### Statement of Trustees' Responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the incoming resources, including the net income of the charity for the year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees confirm that they have taken appropriate steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information. As far as the trustees are aware, there is no relevant audit information which has not been disclosed to the auditors.

#### **AUDITORS**

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Messrs. Knox Cropper as auditors will be put to the Annual General Meeting.

#### **BY ORDER OF THE BOARD**



**Secretary**

# The Hearing Research Trust known as Deafness Research UK

## Trustees' Report (continued) Appendix A

### RESEARCH GRANTS 2008/09

#### UCL Ear Institute programme

In line with its aim of offering agreed programmes of support to recognised centres of excellence where there is an exceptional opportunity to further the cause of deafness research in the UK, the charity continued its programme of support for the UCL Ear Institute. Further awards were made in 2008/09 to support the fourth four-year postgraduate studentship which was taken up in the 2008/09 academic year and a third research fellowship which is to be taken up in 2009/10.

#### Fostering young research talent

The charity has continued to do this during the year through:

#### Postgraduate studentships

- A three-year studentship, to be supervised by Dr Abigail Tucker at Kings College London. The project will investigate a mouse model of congenital conductive hearing loss which is associated with defects in the formation of the outer and middle ears during development that prevent sound being conducted successfully to the inner ear. Very few animal models exist for study of congenital hearing loss so this work in a new mouse model will provide essential information about how defects in the middle ear arise during development. The ultimate goal is to rescue the genetic defect and prevent hearing loss. It is hoped that any success from the rescue studies could be followed up in human patients in the future and lead to the prevention of deafness.
- Two years studentship funding to Professor Oliver Hanemann at the Peninsula Medical School in Plymouth, to investigate the role of brain tumours causing deafness in children and adults, and the development of therapies using a cell culture model. The research will use a human acoustic neuroma in vitro model to identify how and why the tumours grow and eventually lead to hearing damage, and to test drug-based therapies designed to alleviate the problem.

The charity launched a new studentship funding scheme in July 2009, which will guarantee funding for three PhD students of the highest calibre in deafness research, with one award to be made in tinnitus research. The studentship awards will be made in January 2010 and the research will commence in the 2010/2011 academic year.

#### The Pauline Ashley Prize

Established in memory of the charity's founder, Lady Pauline Ashley, this annual prize is awarded to enable scientists near the beginning of their career in hearing research to gain experience overseas. The charity's judges look for clear evidence of promise and achievement by the applicant, a UK base in a first rate laboratory, a visit overseas with a focussed plan to test a clear hypothesis in a first rate environment and the likelihood that knowledge gained overseas will be brought back to the UK to benefit British science.

This year the Prize was awarded to Nick Leach, a third year Deafness Research UK student working with Professor Andrew King at the University of Oxford. Nick will travel to Dr Shihab Shamma's laboratory at the University of Maryland to study the neurotransmitter acetylcholine and its effect on the brain's ability to learn and re-learn behaviour.

#### Vacation scholarships

Three undergraduate student placements were awarded to the laboratories of Professor Guy Richardson, University of Sussex and to Dr Jonathan Gale and Dr Ifat Yasin at the UCL Ear Institute.

The following new projects were supported during the year:

# The Hearing Research Trust known as Deafness Research UK

## Trustees' Report (continued)

### Appendix A

#### Short projects

- One year's funding was awarded to Dr Sally Dawson at the UCL Ear Institute to carry out a project on investigating the response of sensory cells in the cochlea to environmental stress. The aim of the project is to bring protection from age-related hearing loss a step closer by investigating the role of a gene called Caprin-1 in the response to severe stress, such as noise and toxins. The team will manipulate the amount of this gene that is present in the hair cells, delivering the gene to hair cells using a virus to see if they become better able to survive damage that we know can kill the cells.
- A small project grant awarded to Dr Albert Basson at Kings College London to carry out research on a new group of genes that are involved in inner ear development, with the aim of providing a better understanding of the genetic mechanisms that control ear development. One gene, called TBX1 is deleted in a syndrome called Velocardiofacial syndrome (VCFS), also called DiGeorge syndrome in which most affected patients have some form of hearing loss and about 10% have inner ear defects. Even though most patients have the same genetic defect, the severity of their condition varies greatly, suggesting that other genes outside the deleted region may enhance or modify the disease. This project will investigate a new group of genes called Sprouty genes to test whether inner ear development is more severely affected in *Tbx1* mutant mice when they also lose Sprouty gene function.
- A small project grant awarded to Dr Martine Hamann at the University of Leicester to investigate whether a molecule that is important for hearing is also involved in tinnitus. Dr Hamann will investigate the cause of the abnormal activity observed in the dorsal cochlear nucleus, a specific part of the hearing pathway, following loud noise exposure. A potential candidate is a noise-induced change in behaviour of potassium ions, which flows across the cell membrane through specific potassium 'channels' enabling nerve cells to send signals to each other.
- A small project grant to Dr Pauline Phelan at the University of Kent to investigate the hearing organ in the fruit fly *Drosophila melanogaster*. The eight month study will aim to find out whether the 'gap junction' – a type of channel that connects cells together and is vital for mammalian hearing – is present in the fruit fly 'cochlea' and, if so, whether gap-junctions are important for fruit fly hearing. Mutations in gap-junction genes are known to be responsible for around 80% of hereditary sensorineural deafness, so finding gap-junctions in the fruit fly ear would give researchers the chance to apply the powerful tools already developed to manipulate fly genes to tackling deafness.
- A small grant to Professor Ian Williamson at the University of Southampton and Professor Mark Haggard, University of Cambridge to investigate trends in presentations to general practice in relation to otitis media in children and to examine the relationship to socio-economic group. The study will also look at recurrent otitis media which is of particular concern because of its burden on children, parents and the NHS- and to analyse if some groups are unfairly disadvantaged by health messages discouraging use of antibiotics/seeing a doctor. Otitis Media is extremely common in children, and is the commonest reason for prescribing antibiotics and also performing surgery in childhood. It is anticipated that the research will lead to better understanding of the present burden of otitis media, and optimise the best GP and public health strategies.

#### Long term projects

- An 18-month award to Dr Jennifer Linden and Dr Bjorn Christianson of the UCL Ear Institute to carry out research into tinnitus. Their project aims to investigate the relationship between the physiological characteristics of the secondary auditory pathway and the perception of tinnitus. It will explore how the various forms of early activity in the nervous system interact with each other in order to develop into chronic tinnitus and use this knowledge to look at ways of disrupting the progression of tinnitus in its earliest stages, preventing it from becoming a recurrent, chronic condition.

# The Hearing Research Trust known as Deafness Research UK

## Trustees' Report (continued) Appendix A

During the year funding was agreed to enable the following projects to continue:

- 'Positive Support in the lives of deaf children and their families' is in the final stages of a four-year study being carried out in collaboration with the University of Manchester and University College London. Funded by the National Lottery through the Big Lottery Fund, this £500,311 project aimed to support the development of deaf children by exploring how different interventions such as provision of hearing aids, the role of the family, education and health services can affect the development of individual children and help them reach their full potential in life. The researchers developed a valuable set of measurement instruments in the form of family questionnaires, which were completed by 105 families and results analysed. These families have provided the research team with information on their children's language, communication, play and social behaviour and motor and physical development. The team has also collected data from professionals who were nominated by parents as good providers of support to themselves and their child. Amongst other findings, the study found that the use of sign support in the early months and years did not impede the development of spoken language as has sometimes been suggested and that there is an association between earlier identification of hearing loss within the first six months and improved developmental performance. The researchers also found that parents preferred professional support aimed at enabling them to work effectively with their child rather than direct work by the professional with their child. These and other findings from the study will do a great deal to help improve services for deaf children and their families in the future.
- A three-year project led by Professor Brian Moore of Cambridge University to develop and evaluate clinically applicable tests of auditory function. Tests of auditory performance are used in the clinic to diagnose hearing loss, quantify its severity, and provide guidelines for selecting and fitting hearing aids. Many tests developed in the laboratory have not found widespread use in clinical practice. It may be that technically difficult to generate the sounds required to perform the test; the test may be too time-consuming or The test may require extensive practice to achieve stable and reliable results. This projects is developing and evaluate several tests that would provide useful diagnostic information and would be simple and quick enough to use in clinical practice. All tests will run on a personal computer with a good-quality sound card, so implementation in the clinic will be straightforward.
- A three-year study led by Dr David Furness of Keele University to investigate the role of cells called fibrocytes in age-related hearing loss. The project aims to develop ways of preventing loss of these cells using a stem cell or cell replacement therapy. The researchers believe that the fibrocytes protect the cells of hearing, the hair cells, from toxic imbalances that could lead to hair-cell death and this has been supported by the first year of work which showed that the fibrocytes start to degenerate before the hair cells in a mouse model of hearing loss. They have now been able to grow cells that could be used as a source of replacement cells and the primary objective of the final year of the project is to develop a transplantation technique to inject the cells into the inner ear. If successful this would be a big step towards a therapeutic treatment for some forms of age related hearing loss.
- A two-year study by Margaret Tait which uses video analysis to compare the communication skills of very young profoundly deaf children who have two cochlear implants with those of children with one implant. The newborn hearing screening programme means that methods of assessing the value of bilateral implantation in very young profoundly deaf children are vitally important and this study has shown that it is possible to assess the early communication skills of these children and to evaluate the impact of bilateral compared with unilateral implantation on the development of these skills. The results of the study support the provision of bilateral implantation.

# The Hearing Research Trust known as Deafness Research UK

## Trustees' Report (continued) Appendix A

### **Bridging and consumables**

Grants were continued to support:

- Professor Andrew Forge's research programme at the UCL Ear Institute. The programme covers the underlying mechanisms leading to hearing impairment, in particular the process of sensory hair cell death and the potential for therapeutic intervention.

### **Equipment and infrastructure**

Grants were agreed for:

- Equipment to support research by Dr Walter Marcotti at the University of Sheffield on unravelling the kinetic properties of single calcium channels in mammalian cochlear inner hair cells (IHCs). Despite the importance of calcium channels in the sound transduction process, very little is known about their basic characteristics in mammals, mainly because of experimental difficulties. The study will improve, at a molecular level, basic understanding of how individual calcium channels in mammalian IHCs operate under near physiological conditions.
- Equipment to at the South of England Cochlear Implant Centre which will support research and treatment of a condition known as Auditory Neuropathy in which the inner ear or cochlea seems to receive sounds normally but the hearing nerve itself may not process sound as it should. The condition is thought to affect up to one in 10 profoundly deaf children.

### **Travel awards**

Once again, the charity awarded scholarships to enable young researchers to attend important international meetings or to travel for collaborative research projects. Support was provided for ten young scientists to attend the annual Association for Research in Otorhinolaryngology (ARO) meeting in Baltimore, Maryland and for four scientists to attend the biennial International Conference on Implantable Auditory Prostheses in California. Funding was also provided for three UK scientists to attend other major international conferences.

### **Scientific Meetings**

During the year funding was agreed to support the 2009 Ted Evans lecture at the BSA Short papers meeting on Experimental Studies of Hearing and Deafness. The charity established this annual lecture in 2004 in honour of Professor Ted Evans who co-ordinated this meeting until his retirement. Each year the sponsorship from Deafness Research UK enables the organisers to invite a top International Researcher to give the plenary lecture at the meeting. This year Professor Birger Kollmeier of the Carl von Ossietzky University, Oldenburg gave a talk entitled *Auditory Models in Audiology: Challenges and limits*.

Funding was provided to Dr Anna Middleton to support the production of a DVD of a workshop for lay d/Deaf and hard of hearing people and health professionals with clinical and academic experience in the deafness and genetics, *Deafness and genetics: What do deaf people want?* Even though there are likely to be several thousand deaf and hard of hearing people within the catchment for each genetics service in the UK, referrals are received from less than 5 such adults per service per year. The workshop explored research which aimed to understand why this is.

In March, the charity held a groundbreaking children's audiology forum *Recent advances in paediatric audiology* (RAPA). The meeting, which was supported by an educational grant from GlaxoSmithKline, brought together for the first time the four major topics of permanent deafness, otitis media, tinnitus and balance problems in children and was themed around the challenges in taking research into practice.

# The Hearing Research Trust known as Deafness Research UK

## Trustees' Report (continued) Appendix A

An international audience of professionals including audiologists, speech and language therapists and researchers attended the talks, which were part of the Newborn Hearing Screening Programme (NHSP) annual conference. Dr Anne Mackie, Director of National Screening Programmes for the National Screening Committee introduced the meeting with a brief retrospective of the effect of universal hearing screening, acknowledging the role played by Deafness Research UK's in the introduction of the screening programme through its support of the original laboratory research, the clinical studies that led to the development of this technology and the publication of the guidelines for hospitals to use the new test.

Other speakers included Professor Adrian Davis, Director of the NHS Newborn Hearing Screening Programme, who spoke about the global impact of hearing impairment in children, Professor Christie Yoshinaga-Itano (Boulder, USA) who summarised a recent longitudinal study on language and cognitive development in hearing impaired children identified very early compared to later identification and Professor Mark Haggard (Cambridge, UK) speaking on otitis media presented what he termed a 'causal cascade' of factors, beginning with winter viruses and leading to the developmental impact of hearing impairment due to middle ear effusion. Dr Maroeska Rovers (Utrecht, NL) presented a meta-analysis of clinical trials in acute otitis media showing that antibiotics can be justifiably prescribed for some children (e.g. the under-2s) despite the threat of resistance, Linda Luxon (London, UK) presented a concise and accessible introduction to balance problems in children centred around the causes and the clinical framework that should be used to assess the children and Richard Tyler (Iowa City, USA) spoke about the under-researched problem of tinnitus in children. It is hoped that this meeting will become an annual event to mark National Knowledge Week for Hearing.

### **Monitoring Achievement**

Final reports suitable for review by the charity's expert advisers are a requirement of all Deafness Research UK grants and, for those awards of more than one year's duration, annual reports are required. Site visits are undertaken as appropriate.

During the year, 14 progress reports were received on ongoing projects and studentships, one on an equipment grant, 10 on travel awards and schemes, three on meeting sponsorship and four on vacation scholarships. Final reports were received on the following projects:

- *Professor Dorothy Bishop, University of Oxford: The nature of Central Auditory Processing Disorder in children*

This three-year studentship aimed to shed light on a controversial disorder that affects up to 10% of children in the UK. Auditory Processing Disorder (APD) is a diagnosis sometimes given to children who seem to have trouble with listening, especially in noisy situations, despite having normal hearing when tested by an audiologist. Typically, children diagnosed with APD will have difficulty with tasks like identifying or discriminating between different sounds. The assumption is that, while the ear and the nerve that sends signals on towards the brain are intact, later stages of auditory processing contain some degree of abnormality, resulting in problems developing normal language and literacy skills. However, there is controversy both about the definition of APD and also about its cause. Piers Dawes studied records from children who had been referred to a specialist APD clinic to find out which symptoms occurred in these children compared to similar children without a diagnosis of APD, which other conditions were present that might have bearing on their ability to process sounds, and to shed light on possible causes of the disorder. Results from 89 children seen at Great Ormond Street Hospital, 32 of whom were diagnosed with APD, were analysed for the study. No difference was found between the APD and non-APD groups in the occurrence of a range of symptoms such as difficulty with spoken instructions, reading spelling and poor concentration. Nor was there any difference between groups in the number of children with additional conditions like autism and attention deficit hyperactivity disorder.

# The Hearing Research Trust known as Deafness Research UK

## Trustees' Report (continued) Appendix A

- *Dr Lindsay St Claire, University of Bristol: The impact of blind caffeine withdrawal and abstinence on tinnitus*

Tinnitus sufferers are often advised to avoid coffee and other drinks and foodstuffs containing caffeine and this two-year research project set out to investigate whether that advice is justified. The study recruited caffeine consumers who suffer from tinnitus and who were willing to give up caffeine-containing products during the trial. They were assigned randomly to different experimental conditions. The conditions were designed so that the participants received caffeine on some days, but not on others, but did not know which days were which. Participants were required to complete a tinnitus questionnaire three times during the study, and to keep a very brief record of their tinnitus symptoms each day. The study found no evidence to justify caffeine abstinence as a therapy to alleviate tinnitus but concluded that the acute effects of caffeine withdrawal might actually add to the burden of tinnitus.

- *Professor Mark Haggard, MRC Multi-Centre Otitis Media Study Group: Extending the value of the TARGET studies*

The aim of this two-year project grant was to maximise use of the data collected during the Trial of Alternative Regimens in Glue Ear Treatment (TARGET) clinical trials, previously funded by the charity. This phase of research involved analysing the relative ability of children to benefit from surgery to insert grommets or remove their adenoids. Currently the decision to operate is based largely on the child's degree of hearing impairment; however there has been little direct evidence that this is most appropriate measure. Four main conclusions emerged from these analyses, showing firstly that only the less severely affected children are likely to complete a clinical trial if in the control group, making it harder to estimate how the degree of impairment affects benefit. Secondly, that benefit depends somewhat on the location of the treatment centre within the UK. Thirdly, that figures from abroad cannot straightforwardly predict UK figures, and finally, the study has found that combining clinical information makes a useful predictor of benefit. The findings are being incorporated into a software support tool that should make clinical decisions more systematic, uniform and geared toward ability to benefit.

- *Professor Bencie Woll, Deafness Cognition and Language Research Centre: Processing visual prosody of speech and sign*

This was a three-year studentship which aimed to explain the type of visual cues present at the boundaries in British Sign Language (BSL) and in visually perceived spoken language – for example, between sentences – and to assess whether these boundaries can be seen by different groups and used for sentence segmentation. Results showed that the type of cues present are very similar to those observed in other sign languages such as American Sign Language (ASL) such as head nods and an overall change in facial expression. Native signers of BSL, ASL, Swedish Sign Language and hearing non-signers took part in the study, which went on to find out that all groups could use the cues effectively. The findings underline the importance of visual cues when segmenting sign language in general and suggests future research into the type of cues present at different boundaries (depending on whether they coincide with the end of a sentence or not) and in different types of signing (such as conversational signing). The student, Jordan Fenlon, started a post-doc at DCAL with the BSL Corpus Project in February 2009.

- *Dr Sharon Thomas, MRC Institute of Hearing Research, Nottingham: The role of accent variation in speechreading training*

Seeing someone's face when they are talking can dramatically improve human hearing of speech sounds in quiet and noisy environments. The aim of this three-year studentship was to help deaf and hard of hearing people to get the best out of speechreading as an aid to communication by examining whether training is beneficial. Despite the fact that the visual appearance of speech varies considerably across different talkers, for example because of different accents, we are highly adept at extracting its invariant properties. The study tested participants with normal hearing and vision on a range of training regimes that used accents highly familiar (Nottingham) and less familiar (Glasgow) to the participants. Overall there were two key findings.

# The Hearing Research Trust known as Deafness Research UK

## Trustees' Report (continued)

### **Appendix A**

First, it was apparent from the results that exposure to, and familiarisation with, the Glaswegian accent was insufficient to reduce accent effects on performance for the majority of the participants.

Second, the ability to utilise contextual cues has a greater influence on performance than an observer's ability to encode the articulatory cues provided by a talker. All participants' performance was aided by context and repetition, suggesting these repair strategies should be useful to the average speechreader in an everyday environment.

**A full list of research grants agreed during the year and summaries of all progress reports received during the year are available on the charity's website or free of charge from the Deafness Research UK office.**

# The Hearing Research Trust known as Deafness Research UK

## Independent Auditors' Report to the Members of the Hearing Research Trust

The report is issued in respect of an audit carried out under Section 43 of the Charities Act 1993 as amended.

We have audited the financial statements of the Hearing Research Trust for the year ended 31<sup>st</sup> July 2009 on pages 22 to 32 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Trustees as a body, in accordance with Section 43 of the Charities Act 1993. Our audit work has been undertaken, so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trustees as a body, for our audit work, for this report or for the opinion we have formed.

### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

The Trustees' (who are also the directors of the company for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the Trust's financial statements give a true and fair view as set out in the Statement of Trustees' Responsibilities on page 20.

We have been appointed as auditors under Section 43 of the Charities Act 1993 as amended and report in accordance with regulations made under Section 44 of that Act.

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 relevant financial reporting framework and are properly prepared in accordance with the Companies Act 2006.

In addition we report to you if, in our opinion, the charity has not kept sufficient accounting records or if the statement of accounts does not accord with those records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

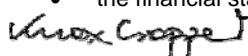
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that 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.

### **OPINION**

In our opinion

- the financial statements give a true and fair view of the Charity's affairs as at 31st July 2009 and of its incoming resources and resources expended, including its income and expenditure for the year then ended; have been properly prepared in accordance with the United Kingdom Generally Accepted Practice; and
- the financial statements have been prepared in accordance with the Companies Act 2006.



### **KNOX CROPPER**

Chartered Accountants  
Registered Auditors  
8/9 Well Court  
London EC4M 9DN

The Hearing Research Trust known as  
Deafness Research UK

Statement of Financial Activities  
For The Year Ended 31<sup>st</sup> July 2009

	Notes	Un- restricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2009 £	Total Funds 2008 £
<b>INCOMING RESOURCES</b>						
Incoming Resources from						
Generated Funds:						
Voluntary Income						
		190,734	30,000	490,281	711,015	718,049
		665,459	-	-	665,459	306,844
		5,970	-	-	5,970	520
	3	41,136	-	10,017	51,153	120,367
		-	-	-	-	113,743
		<b>903,299</b>	<b>30,000</b>	<b>500,298</b>	<b>1,433,597</b>	<b>1,259,523</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating Voluntary						
	5	319,527	-	-	319,527	292,264
	4	207,830	163,571	798,322	1,169,723	1,071,550
	5	31,902	-	-	31,902	21,983
	5	<b>559,259</b>	<b>163,571</b>	<b>798,322</b>	<b>1,521,152</b>	<b>1,385,797</b>
		344,040	(133,571)	(298,024)	(87,555)	(126,274)
	18	(208,839)	208,889	(50)	-	-
		135,201	75,318	(298,074)	(87,555)	(126,274)
<b>(Loss)/Gain on Revaluation of Investments</b>						
	8	(23,509)	-	-	(23,509)	(33,419)
		111,692	75,318	(298,074)	(111,064)	(159,693)
		216,609	905,807	909,077	2,031,493	2,191,186
		<b>£328,301</b>	<b>£981,125</b>	<b>£611,003</b>	<b>£1,920,429</b>	<b>£2,031,493</b>

None of the Charity's activities were acquired or discontinued during the above two financial years.

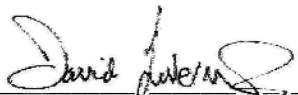
There were no recognised gains or losses other than those stated above.

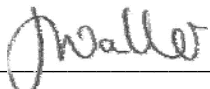
The Hearing Research Trust known as  
Deafness Research UK

Balance Sheet  
As At 31<sup>st</sup> July 2009

	Notes	2009		2008	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	7		15,469		19,860
Investments	8		157,287		180,796
<b>CURRENT ASSETS</b>					
Debtors	9	29,312		27,703	
Cash at bank and in Hand	10	1,921,116		1,965,971	
		<u>1,950,428</u>		<u>1,993,674</u>	
Creditors : Amounts falling due within one year	11	<u>(202,755)</u>		<u>(162,837)</u>	
<b>NET CURRENT ASSETS</b>			1,747,673		1,830,837
<b>TOTAL NET ASSETS</b>			<u>£1,920,429</u>		<u>£2,031,493</u>
Represented by:					
<b>FUNDS</b>					
Unrestricted Fund			328,301		216,609
Restricted Fund	19		611,003		909,077
Designated Fund	20		<u>981,125</u>		<u>905,807</u>
			<u>£1,920,429</u>		<u>£2,031,493</u>

The accounts were approved by the Directors on the 5<sup>th</sup> November 2009

  
\_\_\_\_\_  
(Chairman) Mr David Livermore OBE

  
\_\_\_\_\_  
(Secretary) Mrs Juliet Waller

# The Hearing Research Trust known as Deafness Research UK

## Notes to the Accounts For The Year Ended 31<sup>st</sup> July 2009

### 1. ACCOUNTING POLICIES

(a) **Basis of Preparation**

These Financial Statements have been prepared under the historical cost convention, subject to the inclusion of investments at market value, in accordance with applicable Accounting Standards and in accordance with Statement of Recommended Practice (Accounting and Reporting by Charities) issued by the Charity Commissioners in March 2005 and the Companies Act 1985.

(b) **Research Grants**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the trust.

(c) **Tangible Fixed Assets and Depreciation**

All assets costing more than £500 were capitalised and all assets are valued at historic cost. Depreciation of fixed assets is calculated on cost at rates estimated to write off the assets, by equal instalments, over their expected working lives. Fixtures and fittings and office equipment are written off over four years.

(d) **Income**

Research funding income is recognised in the year in which the charity receives a written commitment from the funder. Research funding is deferred only when the charity has to fulfil conditions before becoming entitled to it or the donor has specified that the income has to be spent in a future period.

All other incoming resources 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 accuracy.

(e) **Value Added Tax**

The Charity is not registered for VAT and accordingly, where applicable, all costs and expenditure incurred are inclusive of VAT.

(f) **Cashflow Statement**

The Charity has not prepared a Cash Flow Statement for the year as required by the Financial Reporting Standard No.1 because the Charity has relied on the exemption available for small undertakings.

(g) **Allocation of Support Costs**

Support costs have been allocated between charitable activities and governance. Support costs relating to charitable activities have been apportioned based on a weighted salary percentage basis. The apportionment of overhead and support costs is analysed in note 6.

The Hearing Research Trust known as  
Deafness Research UK

Notes to the Accounts  
For The Year Ended 31<sup>st</sup> July 2009

1. **ACCOUNTING POLICIES (continued)**

- (h) **Costs of Generating Voluntary Income**  
The cost of generating voluntary income includes fundraising costs and a proportion of support costs.
- (i) **Charitable Activities**  
Costs of charitable activities include research grants, Information and Communications Activities and an apportionment of support costs as shown in note 6.
- (j) **Governance Costs**  
Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit together with an apportionment of support costs.
- (k) **Fixed Asset Investments**  
Investments are stated at market value as at the balance sheet date. The statement of financial activities included the net gains and losses arising on revaluation and disposals throughout the year.
- (l) **Realised Gains and Losses**  
All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).
- (m) **Funds**  
Unrestricted funds are those funds which can be used at the Trustees' discretion. Restricted Funds are funds whose purposes have been restricted by the donor. Designated funds are unrestricted funds, which have been earmarked by the Trustees for particular purposes.
- (n) **Donated Facilities**  
Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost.

The Hearing Research Trust known as  
Deafness Research UK

Notes to the Accounts  
For The Year Ended 31<sup>st</sup> July 2009 (continued)

<b>2..</b>	<b>RETAINED SURPLUS</b>	<b>2009</b>	<b>2008</b>			
		£	£			
	The retained surplus is stated after charging:					
	Depreciation	10,389	14,760			
	Auditors' Remuneration for other services	-	823			
	Auditors' Remuneration in respect of audit	3,600	3,000			
	Auditors' Remuneration for accountancy services	1,818	1,926			
	Staff Costs (See note 7)	477,161	385,933			
		<u>477,161</u>	<u>385,933</u>			
<b>3.</b>	<b>INVESTMENT INCOME</b>					
	Dividends	7,684	7,232			
	Bank Deposit Interest	43,469	113,135			
		<u>£51,153</u>	<u>£120,367</u>			
<b>4.</b>	<b>ANALYSIS OF CHARITABLE ACTIVITIES</b>					
		<b>Direct Costs</b>	<b>Grants Payable</b>	<b>Support Costs</b>	<b>2009</b>	<b>2008</b>
		£	£	£	£	£
	Research Grants	84,617	820,531	10,578	915,726	829,658
	Information & Communications	234,628	-	19,370	253,998	241,892
		<u>£319,245</u>	<u>£820,531</u>	<u>£29,948</u>	<u>£1,169,724</u>	<u>£1,071,550</u>

The Hearing Research Trust known as  
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Notes to the Accounts  
For The Year Ended 31<sup>st</sup> July 2009 (continued)

5.

	Research Grants	Information & Communications	Costs of Generating Voluntary Income	Governance	2009	2008
	£	£	£	£	£	£
<b>DIRECTLY INCURRED</b>						
Grants Payable (Note 21)	820,531	-	-	-	820,531	758,952
Payroll	81,405	153,084	193,378	22,653	450,520	361,280
Other Staff Costs	498	3,496	25,909	-	29,903	32,513
Professional Fees	-	47,795	41,074	15	88,884	70,146
Printing Costs	49	11,102	13,975	-	25,126	46,800
Postage	-	9,706	7,024	-	16,730	28,436
Office and General Costs	1,612	7,427	9,338	228	18,605	20,612
Costs of Meetings	1,053	2,017	4,346	545	7,961	6,273
	905,148	234,627	295,044	23,441	1,458,260	1,325,012
<b>SUPPORT COSTS</b>						
Payroll	4,910	8,992	11,365	1,373	26,640	24,654
Other Staff Costs	21	39	49	6	115	0
Computer Costs	1,563	2,861	3,616	437	8,477	6,605
Auditors' Fees	-	-	-	5,503	5,503	5,749
Professional Fees	1,113	2,038	2,576	311	6,038	4,615
Printing Costs	34	62	78	9	183	199
Postage	145	266	337	41	789	774
Office and General Costs	850	1,557	1,968	238	4,613	3,321
Costs of Meetings	27	49	61	7	144	108
Depreciation	1,915	3,507	4,432	536	10,390	14,760
	10,578	19,371	24,482	8,461	62,892	60,785
<b>TOTAL</b>	<b>£915,726</b>	<b>£253,998</b>	<b>£319,526</b>	<b>£31,902</b>	<b>£1,521,152</b>	<b>1,385,797</b>

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Notes to the Accounts  
For The Year Ended 31<sup>st</sup> July 2009 (continued)

6. **STAFF COSTS**

	<b>2009</b>	<b>2008</b>
	£	£
Salaries and Wages	430,785	351,233
Social Security Costs	46,376	34,700
	£477,161	£385,933

During the year, the average number of staff was 14 (2008: 13)  
One employee earned between £60,000 and £70,000 during the year.

7. **FIXED ASSETS**

**Cost:**

Balance at 1<sup>st</sup> August 2008

Additions

Disposals

Balance at 31<sup>st</sup> July 2009

**Depreciation:**

Balance at 1<sup>st</sup> August 2008

Charge for the year

Disposals

Balance at 31<sup>st</sup> July 2009

**Net Book Value:**

As at 31<sup>st</sup> July 2009

As at 31<sup>st</sup> July 2008

**Office  
Equipment**  
£

59,040

5,998

(1,795)

63,243

39,180

10,389

(1,795)

47,774

£15,469

£19,860

8. **INVESTMENTS**

	<b>2009</b>	<b>2008</b>
	£	£
Market Value at 1 <sup>st</sup> August 2008	180,796	214,215
Loss on Investments	(23,509)	(33,419)
Market Value at 31 <sup>st</sup> July 2009	£157,287	£180,796
Investment at Cost	£210,000	£210,000

The Loss on the investments referred to above do not arise from sales of investments but occur as result of an increase or decrease in market value at the year end. The investments comprise holdings in the Charities Official Investment Fund Income Units.

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Notes to the Accounts  
For The Year Ended 31<sup>st</sup> July 2009 (continued)

	<b>2009</b>	<b>2008</b>
	£	£
<b>9. DEBTORS AND PREPAYMENTS</b>		
Income Tax Recoverable	3,128	7,674
Prepayments	690	3,466
Sundry Debtors	25,494	16,563
	<u>£29,312</u>	<u>£27,703</u>
<b>10. CASH AT BANK AND IN HAND</b>		
Cash and Bank	397,967	42,822
COIF Deposit Fund	1,523,149	1,023,149
Money Market Balances	-	900,000
	<u>£1,921,116</u>	<u>£1,965,971</u>
<b>11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Social Security and Other Taxes	11,169	8,978
Other Creditors	18,960	20,433
Research Grants (Note 12)	172,626	133,426
	<u>£202,755</u>	<u>£162,837</u>
<b>12. RESEARCH GRANT CREDITORS</b>		
Opening Creditors at 1 <sup>st</sup> August 2008	133,426	134,877
Payments due in the year	820,531	758,952
Payments made	(781,332)	(760,403)
	<u>£172,625</u>	<u>£133,426</u>
Closing Creditors at 31st July 2009	<u>£172,625</u>	<u>£133,426</u>
Commitments are payable as follows:		
Within one year	172,625	133,426
After more than one year	-	-
	<u>£172,625</u>	<u>£133,426</u>

**13. TAXATION**

Deafness Research UK is a registered charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered by section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The Hearing Research Trust known as  
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Notes to the Accounts  
For The Year Ended 31<sup>st</sup> July 2009 (continued)

14. **CAPITAL COMMITMENTS**

There were no capital commitments at 31<sup>st</sup> July 2009 (2008: £ Nil).

15. **CONTINGENT LIABILITIES**

There were no contingent liabilities at 31<sup>st</sup> July 2009 (2008: £ Nil).

16. **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total Funds</b>
	£	£	£	£
Tangible Fixed Assets	-	-	15,469	15,469
Investments	-	-	157,287	157,287
Debtors	-	-	29,312	29,312
Creditors	(39,287)	(133,338)	(30,130)	(202,755)
Bank	1,020,412	744,341	156,363	1,921,116
	<u>£981,125</u>	<u>£611,003</u>	<u>£328,301</u>	<u>£1,920,429</u>

17. **PAYMENTS TO TRUSTEES**

Two trustees received travel expenses from the charity during the year to a total of £545.  
No trustee received any remuneration from the charity.

18. **FUNDS AND FUND TRANSFERS**

The Restricted and Designated Research Funds are largely ring-fenced for specific research projects approved after peer-review by the charity's expert advisers and Board of trustees. These projects are mostly ongoing and involve salary commitments, conditional upon satisfactory progress of the project. At the year end these balances made up £1,196,612 of the total Restricted and Designated Fund balances of £1,592,128

Movements between funds are generally made up of transfers from Unrestricted to Designated Funds to support research approved by the Trustees. If funds are no longer required for research, these sums, which are generally quite small, are transferred from Designated to Unrestricted Funds, such transfers also being approved by the Trustees. With the donor's consent, small sums may also be released from Restricted Funds if no longer required.

In principle, the charity recognises the desirability of earmarking funds needed to see projects to completion. However, free funds are rarely sufficient to support all the worthy and urgent applications received and, in practice, when grants are made from general funds, with the exception of postgraduate studentships, the charity adopts a policy of supporting two- and three- year projects by earmarking funds only one year at a time. At the year end the charity had no conditional commitments to on-going projects.

The Hearing Research Trust known as  
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Notes to the Accounts  
For The Year Ended 31<sup>st</sup> July 2009 (continued)

19. RESTRICTED FUNDS

	Research Grants	Information Service	Bionic Ear	Action for Tinnitus Research	Other Restricted Funds	Total
	£	£	£	£	£	£
Balance b/f	809,309	600	2,774	96,394	-	909,077
Income Big Lottery Fund	19,450	-	-	-	-	19,450
Income Other Sources	352,084	50,659	46	71,059	7,000	480,848
Expenditure Big Lottery Fund	(19,450)	-	-	-	-	(19,450)
Expenditure Other Sources	(649,950)	(63,759)	(2,820)	(62,164)	(179)	(778,872)
Transfers	10,057	12,500	-	(22,607)	-	(50)
Balance c/f	<u>£521,500</u>	<u>£-</u>	<u>£-</u>	<u>£82,682</u>	<u>£6,821</u>	<u>£611,003</u>

During the year the charity received £19,450 from the National Lottery through the Big Lottery Fund representing the last year of a four-year research grant worth £500,311, all of which has been paid to the grant-holders. The charity's Information Service was supported through restricted donations totalling £50,659 from grant-making trusts.

The Action for Tinnitus Research (ATR) Fund was transferred when the charity became sole trustee of ATR in January 2008. Income is received from ATR supporters and expenditure is restricted to the objectives of ATR

Other Restricted Funds were received in support of the *Recent advances in paediatric audiology* meeting held in March.

20. DESIGNATED FUNDS

	Research Grants	Other Designated Funds	Total
	£	£	£
Balance b/f	449,534	456,273	905,807
Income	30,000	-	30,000
Expenditure	(163,571)	-	(163,571)
Transfers	359,149	(150,260)	208,889
Balance c/f	<u>£675,112</u>	<u>£306,013</u>	<u>£981,125</u>

Following the receipt of an exceptional legacy and related donation in 2006/07, the trustees established a designated fund, the Carr Fund, to enable the charity to safeguard the charity's future by creating more sustainable funding sources and invest in research of particular urgency or public concern. As at 31<sup>st</sup> July 2009, this Fund stood at £306,013.

The Hearing Research Trust known as  
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Notes to the Accounts  
For The Year Ended 31<sup>st</sup> July 2009 (continued)

21. GRANTS PAYABLE

		<b>2009</b>
		<b>£</b>
	UCL Ear Institute Programme	282,735
Professor John Bamford	University of Manchester	87,654
Dr Sally Dawson	UCL Ear Institute	79,689
Professor Brian Moore	University of Cambridge	46,313
Dr Marcelo Rivolta	University of Sheffield	46,091
Dr David Furness	University of Keele	38,079
Dr Lindsay St Claire	University of Bristol	32,999
Dr Roberta Donato	UCL Ear Institute	29,911
Dr Margaret Tait	Nottingham Paediatric Cochlear Implant Programme	21,854
Professor Andrew King	University of Oxford	18,799
Professor Ian Forsythe	University of Leicester	18,315
Professor Ray Meddis	University of Essex	15,969
Dr Michael Evans	University of Keele	14,636
Professor Quentin Summerfield	University of York	13,235
Dr Martine Hamann	University of Leicester	13,132
Dr Walter Marcotti	University of Sheffield	9,251
Professor Andrew Forge	UCL Ear Institute	8,914
Professor David McAlpine	UCL Ear Institute	6,987
Mr Simon Freeman	Wythenshawe Hospital, Manchester	6,942
ARO Travel Fellowship Scheme	ARO Travel Fellowship Scheme	4,950
Professor Bencie Woll	University College London	3,752
Professor Mark Haggard	University of Cambridge	3,055
Professor Stuart Rosen	University College London	3,000
Dr Nigel Cooper	University of Keele	2,880
Dr Mark Bailey	University of Glasgow	2,484
Professor Ian Williamson	University of Southampton	2,390
Dr Ifat Yasin	UCL Ear Institute	1,520
Professor Guy Richardson	University of Sussex	1,440
Dr Jonathan Gale	UCL Ear Institute	1,330
Dr Sharon Thomas	MRC, Institute of Hearing Research, Nottingham	1,242
		819,548
	Grant payments under £1,000	986
<b>Total grants payable</b>		<b>820,534</b>