

REGISTERED CHARITY NUMBER: 1062823
REGISTERED COMPANY NUMBER: 3266266

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011
FOR
DOWN SYNDROME EDUCATION INTERNATIONAL

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DOWN SYNDROME EDUCATION INTERNATIONAL

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FOR THE YEAR ENDED 31 DECEMBER 2011

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DOWN SYNDROME EDUCATION INTERNATIONAL
REPORT OF THE TRUSTEES
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The Trustees herein present their report together with the consolidated financial statements of the charity, its subsidiary and associated nonprofit for the year ended 31 December 2011

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005)

Chairman's report

Throughout 2011 the charity continued to advance our understanding of Down syndrome and to pioneer more effective teaching approaches. We completed landmark research projects and developed new resources to help parents and educators, reaching record numbers of people around the world via our publications and services. In these respects, 2011 was one of our most successful years. Yet, it was also one of our most difficult.

For some years, the charity has struggled to achieve all that it does within the confines of its revenues. Securing financial viability has been a priority of the expanded and largely new Board of Trustees appointed in early 2010. Last year, we reported an operating surplus in 2010 – something the charity has struggled to do in recent years.

In 2011, we set out to build on these improvements by focusing charitable resources on the research investments that have the greatest impact and by taking a more enterprising approach to the delivery of publications and services. Inevitably, this approach has required the introduction of some new fees and the closure of activities that were unsustainable.

This shift in strategy also necessitated a restructuring, which we set about implementing early in 2011. Unfortunately, these changes, which included compulsory redundancies, were unexpectedly followed by the voluntary departure of two additional members of staff during the summer. This led to the closure of more services and activities than had been originally planned.

Despite these difficulties, we continued to progress vital research studies while also putting in place a strategy designed to ensure that the charity continues to play its unique and valuable role in the lives of many thousands of young people with Down syndrome and their families. This strategy has led to a significant reduction in overheads and lower operating costs from increased outsourcing in 2012, while prioritising activities with the greatest reach and best chance of sustainability.

Scientific research remains central to our mission. The recent completion of the first controlled trials of educational interventions are particularly notable achievements. The results of these studies clearly show the potential of teaching approaches that are better adapted to meet the children's particular needs. The evidence provided by these studies will inform better practice, improving learning and development for many children for years to come.

I would like to thank my fellow Trustees, for their sustained efforts, and our staff who have worked through a challenging time with commitment and determination. I would also like to thank our donors for their generous and continuing support for our work.

Sir Christopher Ball
Chairman, Down Syndrome Education International

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CEO's report

These are undeniably challenging times and 2011 was certainly a difficult year for the charity – one that has involved some difficult decisions, many of which were planned but a few of which were forced upon us by circumstances. It is therefore worth me reporting in some depth on what led to these changes and where the charity is now heading.

Our strategic priorities since 2007

Since 2007, the charity has been focused on two strategic priorities – both central to its mission. Firstly, to reenergise developmental and educational research aimed at near-term breakthroughs in interventions and therapies that improve outcomes for children with Down syndrome. Secondly, to extend the reach of our resources and services to ensure that past, current and future research informs better support for the maximum number of children possible.

For several years prior to 2007, our research had slowed as our focus had leaned towards the dissemination of existing evidence and good guidance to support the increasing numbers of children with Down syndrome offered early intervention and more academic education. Yet, research remained vital for further progress (and remains so today). While research has painted a clearer picture of the nature of the specific learning difficulties experienced by young people with Down syndrome, and while there is broad agreement on therapy and teaching approaches that should alleviate some of these difficulties, there is insufficient evidence to confirm the effectiveness of specific interventions, nor to answer important questions such as optimal age of intervention, duration and intensity.

As a result, the quality of services suffers, and disagreements between service providers offering less and families seeking more provision (for example, of speech and language therapy) remain irresolvable. In current economic circumstances, this leaves some publicly-funded services vulnerable to cuts on grounds of the lack of reliable evidence of effectiveness.

Since it was founded in 1987, Down Syndrome Education International has supported families and professionals in many countries with resources and training services. Since 1996, our web sites and the global expansion of the internet has made delivering widespread support increasingly feasible. Yet, by 2007, we still predominantly reached English-speaking beneficiaries in the more developed world with few of our resources translated and no strategy for reaching the world's poorest and least-served children with Down syndrome. At the same time, even in North America and Western Europe, our resources were not as widely available as they should have been.

In 2008, we changed the charity's name to accord with our international reach and to emphasise our commitment to do better for people with Down syndrome wherever they live. We also established Down Syndrome Education USA, both to better serve clients in North America and to support new research and development project based. And we launched a Global Education Fund to raise funds to support outreach projects in low and middle income countries.

Successes from 2008

We had some early successes. In late 2007, we launched the Sue Buckley Research Appeal, raising funds for new research. Early in 2008, this enabled us to start a new longitudinal study of language, cognition and social development in preschool children with Down syndrome, and to support new PhD projects by contributing to Collaborative Studentships awarded by the UK Economic and Social Research Council. In autumn 2008, we secured funding from the UK Big Lottery Fund to lead the largest ever study (and first major randomised controlled trial) of an educational intervention for children with Down syndrome, working with partners at the University of York. We were also commissioned in 2008 to explore what we could do to support people with Down syndrome and their families living in Ukraine.

In 2009, we launched online stores in the UK and US to better serve European, North American and global clients. We hosted new education conferences around the US, the UK and in Ireland, reaching thousands of families and professionals. We also launched online courses, bringing our training services to the schools and homes of anyone equipped with a computer and an internet connection.

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In 2009, we also launched the beginnings our *See and Learn* programs – resources with step-by-step guidance designed to help families support their children's early development. These encapsulated activities and guidance that had previously only been provided to families attending early years support services in southern England, making them available to families everywhere. Since their launch, over 50,000 people have accessed these resources.

In 2010, we secured funding from the Baily Thomas Charitable Fund for a second controlled trial – to evaluate a computer-based adaptive memory training program. We also secured the support of EVERY (formerly EDB ErgoGroup) for a Corporate Social Responsibility project in partnership with the Ukraine Down Syndrome Organisation and Infopulse, EVERY's local subsidiary. Together we opened a centre in Kyiv, recruited and trained staff, and translated guidance and resources. To date, the centre has supported over 500 families from across Ukraine and is now reaching out to improve the care and education provided the many children with Down syndrome who remain in institutions.

Challenges

Alongside these successes, there have been challenges. The financial crisis has undoubtedly hurt charitable giving in the UK since autumn 2008. Prior to this we had expanded preschool support services in southern England – partly thanks to significant funding from HSBC Bank and also thanks to funding from BBC Children in Need. It is an unfortunate fact of life for charities that winning grants for new projects or expanded services is easier than securing funding for ongoing activities. As corporate funding declined, we failed to secure a continuation of funding from BBC Children in Need in 2010, leaving us with expanded but underfunded services for which charitable funding was difficult to find.

In 2011, with the new UK government's spending review beginning to take effect, the problems facing our local services were compounded by the withdrawal of a contract with Portsmouth City Council for support services to local schools. A second failed attempt to secure further funding from BBC Children in Need in early 2011 required us to act. (In retrospect, we should have done so sooner.) We therefore reluctantly made one of the three members of our service team redundant.

At the same time we were overhauling our print production workshop. We established an in-house workshop in 2000 to produce publications economically in low volumes and (from 2001) to provide employment for adults with Down syndrome. For 10 years, our workshop provided part-time employment for 7 adults with Down syndrome who helped produce tens of thousands of books, DVDs and teaching materials. Three factors led us to review our print production strategy. Firstly, sales of some publications were declining since online editions had been made freely available, reducing revenues. Secondly, the new publications in our pipeline were increasingly complex with the new *See and Learn* packs involving numerous components with differing finishing requirements. To produce these to a higher standard we would have to invest in new equipment. Yet, it was not clear if revenues would be sufficient to justify the investments. Finally, and critically, the marketplace for low-volume digital print has matured and become more competitive than it was when we first begun in-house production, tipping the economic balance in favour of outsourcing.

We therefore decided to close our in-house production workshop and, regrettably, made our production team redundant, including 7 part-time production assistants, and a further two full-time employees.

These were difficult decisions, but they were consistent with our strategy to prioritise new research and maximise the reach of our resources and services.

This was undoubtedly a difficult time for our staff. Following the planned redundancies, in the summer of 2011, the two remaining members of our services team chose to leave voluntarily. This forced us to close early years and schools support services that we had reorganised and planned to support from increased fees. It also forced closure of consulting and training services and the cancellation of conferences in the autumn.

Restructuring

Although the closure of these services with little notice was deeply regrettable, the changes have not compromised the charity's core mission. Indeed, the charity is now better placed to focus more of its resources on new research, and on improving and updating the publications, web sites and training services that so many people value and rely on.

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We continue to offer training and consulting services, and have new services planned for autumn 2012 to support our new reading and language intervention for primary school pupils with Down syndrome. However, the preschool educational groups and school support services that we traditionally provided in southern England remain closed. Similarly, individual assessment and consulting services also remain closed. We do not plan to offer similar services again until it is clear that we can do so on a viable and continuing basis on (at least) a national scale.

The closure of services in southern England in 2011 encouraged us to review our property requirements and earlier in 2012 we moved our UK head office to lower-cost premises in the north of England.

Our priorities, therefore, remain firmly focused on our core activities – scientific research and the dissemination of evidence-based information and guidance nationally and internationally. The restructuring has inevitably been distracting, but we have continued to deliver important new research and develop new publications throughout 2011 and into 2012.

Achievements in 2011

Our achievements over the past year are detailed later in this report, so here I only touch on some of the highlights.

In the autumn we completed our three year study of a reading and language intervention for children with Down syndrome of primary school age (5 to 11 years). The results of this study were published earlier this year in the *Journal of Child Psychology and Psychiatry* (and are discussed further on page 6), presented at the 45th Annual Gatlinburg Conference on Research and Theory in Intellectual and Developmental Disabilities in March, and at the Society of the Scientific Study of Reading Conference in Montreal in July. The findings have also recently been presented at the British Psychology Society's Developmental Psychology conference.

This landmark study found that, on average, children receiving the intervention made more progress on a range of measures than children receiving ordinary teaching. These gains reached statistically significant levels in reading skills and vocabulary learning after only 20 weeks of intervention, and, by the end of the study, 1 in 5 children with Down syndrome achieved word reading scores similar to those expected of typically developing children of the same age.

Overall, we believe that these results are encouraging and suggest that the teaching programme will be beneficial for many children with Down syndrome. The results also support the idea that targeted teaching approaches can deliver important gains for children with Down syndrome – something that makes intuitive sense, but that is still not universally accepted. This evidence should help to encourage change for the better in education systems.

At the same time, these results also point to the need for further research. We would have liked to have seen more evidence of gains in language skills and evidence of gains transferring to wider reading and language skills – not just those directly taught. We can speculate that these effects might emerge more clearly over time. It is also, of course, likely that the program can be further improved.

During 2011, we also completed a controlled trial of a computer-based memory training intervention (see page seven), which we hope will be published shortly. We also continued to support four PhD students in the UK by contributing to ESRC Collaborative Studentships (see page seven).

Our web sites continued to reach more people throughout 2011, with use of Down Syndrome Online trebling since 2008. Overall, in 2011 over 130,000 people in over 170 countries made use of our online resources. Use of our *See and Learn* early teaching programmes continues to grow, helping over 50,000 people in over 100 countries since their launch in 2008. In June, we launched the first two steps of the *See and Learn Speech* series – in UK and US English editions. We were delighted to secure funding to start development of a number teaching programme in the series, but disappointed not to have released further steps in *See and Learn Language and Reading* nor a further three steps in *See and Learn of Speech* – all of which are under development, but delayed following the challenges we experienced in the second half of the year. We are now working to get all of these published in autumn 2012.

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We are hugely grateful to all our kind and generous supporters upon whose support our work depends. I would particularly like to thank Eric Lakin and his team members who raised £14,000 by completing La Marmotte – a notorious one-day cycling event held in the French Alps and involving 174km of cycling over four mountains including over 5,000m of gruelling ascent.

I would also like to thank Caroline and Peregrine Armstrong-Jones, and Meredith and John Shelton, for organising a fantastic dinner at Claridges and raising over £60,000 in support of the Lejeune Clinic for Children with Down Syndrome and Down Syndrome Education International.

As always, I am thankful to our staff and volunteers, and, in particular, the Trustees and Directors who give their time and expertise. I am also grateful to our partners at Universities and Down syndrome organisations around the world with whom we collaborate, and to the many families and children who have participated in research studies during the past year.

Frank Buckley
CEO, Down Syndrome Education International

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Objectives and principal activities

Down Syndrome Education International is an international charity that transforms the lives of young people with Down syndrome by improving understanding of their learning needs and by helping families and professionals to provide effective support and education

Our objective is to improve developmental and educational outcomes for young people with Down syndrome, helping them to lead more independent, productive and fulfilling lives.

The charity is headquartered in the UK and works in close collaboration with an associated nonprofit organisation based in the USA. Many of the charity's publications and services are delivered through a UK-based subsidiary social enterprise company. Our principal activities are scientific research, and information, training and consulting services.

Our scientific research and global services deliver lasting gains for children with Down syndrome in speech and language, reading and literacy, number and maths, memory and cognitive skills, and social development. In 2011, we helped over 130,000 people provide effective support to children with Down syndrome in more than 170 countries.

Research

Our research strategy focuses on human developmental and cognitive research designed to identify interventions that improve speech, language and communication skills, enhance cognitive development, raise levels of achievement in literacy and numeracy, and support effective inclusion.

Our research began over 30 years ago with a project at the University of Portsmouth, UK, that investigated teaching reading to young children with Down syndrome. Since 1987, the charity has conducted and sponsored studies investigating a wide variety of topics relevant to improving developmental and educational outcomes for children with Down syndrome. These include cognitive development, speech, language, reading, numeracy and maths, social and behavioural development and sleep.

Classroom reading and language intervention study

During 2011, we completed a multicentre randomised controlled trial of a reading and language programme for primary school-aged children with Down syndrome in partnership with the Centre for Reading and Language at the University of York, UK, and funded by the UK Big Lottery Fund. The results of this study were published in April in the *Journal of Child Psychology and Psychiatry* (doi:10.1111/j.1469-7610.2012.02557.x). They were also presented at the 45th Annual Gatlinburg Conference on Research and Theory in Intellectual and Developmental Disabilities in March, at the Society of the Scientific Study of Reading Conference in Montreal in July and at the British Psychology Society's Developmental Psychology conference in September, 2012.

The study found that:

- Children receiving the intervention made faster progress on average on a range of measures than children receiving ordinary teaching
- Average gains on four outcome measures reached statistical significance (in other words, they are considered unlikely to have occurred by chance) after 20 weeks of intervention (These were single word reading, letter-sound knowledge, phoneme blending and taught expressive vocabulary, reflecting the skills that were most directly targeted by the intervention)
- Children receiving the intervention gained an average 4.5 words on a standardized reading measure over 20 weeks, compared with an average 2 words for children not receiving the intervention
- By the end of the study, 1 in 5 children with Down syndrome achieved word reading scores similar to the scores expected of typically developing children of the same age (compared to 1 in 10 at the outset)
- Teachers reported that the predictable structure of the intervention led to improved behaviour, attention and engagement in learning.

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- Rates of progress for individual children receiving the teaching programme varied widely with some children making substantial progress quickly and a few children making little or no progress.
- Children who started the programme at a younger age, who had better receptive language skills at the outset, and who received the most intervention sessions made the greatest progress

Overall, the results are encouraging and suggest that the teaching program will be beneficial for many primary (elementary) school children with Down syndrome. The programme will be published in autumn 2012.

The results also point to the need for further research. We would like to have seen more evidence of gains in language skills and evidence of gains transferring to wider reading and language skills (not just those directly taught). We can speculate that these effects might emerge more clearly over time, but this needs to be explored further. It is also likely that the program could be further improved, and it would be informative to be evaluate it in different school systems. A pilot evaluation began in schools in San Antonio, Texas, USA in August 2012.

Memory training study

During 2011, we completed a randomised controlled trial of Cogmed JM – a computer-based adaptive memory training programme that has previously been shown to be effective at improving working memory among children with low working memory and children with Attention Deficit Hyperactivity Disorder. The study was supported by a grant from The Baily Thomas Charitable Fund. We expect to publish the results in autumn 2012.

Support for ESRC Collaborative Studentships

We continued to support students pursuing postgraduate studies of development for young people with Down syndrome. Projects supported in 2011 included:

- a study at the University of Lancaster, UK, investigating the links between oral-motor skills and speech development in children with Down syndrome
- a study at the University of Oxford, UK, investigating attention in children with Down syndrome and the links between attention skills, reading and maths
- a study at the University of Reading, UK, to investigating predictors of early language and speech development in young children with Down syndrome
- a study at the University of Middlesex, UK, investigating the psychological consequences of sleep disturbance in children with Down syndrome

Early years longitudinal study

With funding from The Wates Foundation, we continued a longitudinal study of the development of phonological awareness, phonics and reading skills in preschool children with Down syndrome that aims to develop more effective phonics teaching techniques.

Information services

Our information services provide easy access to reliable, evidence-based information and advice to families, professionals and organisations around the world, helping them to provide effective educational support for children with Down syndrome.

During 2011, we continued to host *Down Syndrome Online*, reaching over 130,000 families, practitioners and researchers in over 170 countries. The web site offers more than 160 articles from past volumes of *Down Syndrome Research and Practice*, and books in the *Down Syndrome Issues and Information Education* and *Adult Living* series.

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We continued to offer the practical guidance and materials in our *See and Learn Language and Reading* programmes online for free download, and published the UK and US English editions of the first two steps of *See and Learn Speech* during the year. We continued to develop further steps in *See and Learn Language and Reading*, *See and Learn Speech*, *See and Learn Memory* and *See and Learn Number*, funded by The Equitable Charitable Trust, The Freemason's Grand Charity, the Garfield Weston Foundation, The John Coates Charitable Trust, the Rayne Foundation and the Big Lottery Fund

Services

In July 2011, we closed our advisory and support service to mainstream primary and secondary schools in Portsmouth, UK, that had previously been funded under a Service Level Agreement with Portsmouth City Council. We also closed early education services in southern England that had previously been funded by Newby Trust, Portsmouth City Council and BBC Children in Need

With support from EVERY, we continued a three year project in partnership with the Ukrainian Down Syndrome Organisation. The project continues to support a new centre in Kyiv offering early intervention and education services, and advice and information to families and professionals throughout the country

Structure and governance

Down Syndrome Education International (DSEI) is a company limited by guarantee, registered in England, number 3266266, and is a UK registered charity, number 1062823

Down Syndrome Education Enterprises CIC (DSEE) is a community interest company, registered in England, number 2413145, that is wholly owned by Down Syndrome Education International

Down Syndrome Education USA (DSEUSA) is a nonprofit organisation, incorporated in California, USA, and exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, EIN 26-2566125. DSEUSA and DSEI share common goals, and collaborate closely under a partnership agreement

Governance

Overall responsibility for the direction and performance of the charity resides with Board of Trustees. The Trustees meet regularly to review strategy, operational progress and financial performance. Members include individuals with a wide range of applicable skills and experience, many of whom are relatives of people with Down syndrome

Governing document

Down Syndrome Education International is governed by a Memorandum of Association dated 7 October 1996, as amended on 20 May 2008.

Recruitment and appointment of Trustees

Trustees are appointed by the existing Board of Trustees. The Board of Trustees recruits new members from among supporters, beneficiaries, service users and other interested persons. The Board aims to maintain a range of skills and experiences from across a variety of industries and professions, and across profit, not-for-profit and public sector organisations

Induction and training of Trustees

New Trustees receive strategic plans, operational plans and budgets, information leaflets, prior meeting minutes and similar materials. New Trustees are also invited to spend time seeing all the charity activities in action and meeting the staff, and to meet families and professionals who use the charity's services

Operational responsibility

Day-to-day operational responsibility is delegated to the CEO

Related parties

Down Syndrome Education International owns Down Syndrome Education Enterprises and has the power to appoint Directors

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Professor Sue Buckley OBE has led the research work of the charity since 1986. One of Sue's daughters has Down syndrome and was employed by Down Syndrome Education Enterprises CIC as a part time Production Assistant. Mr Frank Buckley is Professor Buckley's son. Frank was appointed a Director of Down Syndrome Education Enterprises CIC in October 1996, and served as the Finance and Operations Director and Company Secretary of both Down Syndrome Education International and Down Syndrome Education Enterprises CIC from April 1997. In September 2007, Frank Buckley was appointed CEO of Down Syndrome Education International. Dr Angela Byrne has been employed by the charity since 1997. Dr Byrne married Frank Buckley in April 2003.

Frank Buckley is also the President and CEO of Down Syndrome Education USA.

Kate Allen, Adrian Blomeley, Nicholas Campsie, Louise Dickinson, Maggie Hart, Eric Lakin, Nicholas Lockley, Alison Rayson, Rachael Ross, Bob Sillet and Kieron Smith are all close relatives of young people with Down syndrome who served as Trustees of Down Syndrome Education International at times during 2011. Their families benefited from the charity's services during the year on the same basis, terms and conditions as other families.

Conflict of Interest Policy

Down Syndrome Education International has a robust Conflict of Interest Policy that applies to all Trustees, Directors and staff of Down Syndrome Education International and its associated companies. The policy is reviewed annually.

Public Benefit

The trustees have complied with the duty in Section 4 of the 2006 Charities Act.

Risk management

The Board of Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operation and finances of the charity and are satisfied that systems are in place to manage those risks.

Reference and administrative details

Company number 3266266
Charity number 1062823

Directors

The directors of Down Syndrome Education International are its trustees for the purpose of charity law and the members of the company limited by guarantee. Throughout this report they are collectively referred to as the trustees.

The following individuals served as trustees during the year:

Sir Christopher Ball (Chairman)
Kate Allen (resigned 6 June 2011)
Adrian Blomeley
Nicholas Campsie
Professor John Clibbens
Louise Dickinson (resigned 31 January 2012)
Maggie Hart
Eric Lakin
Nicholas Lockley
Alison Rayson
Rachael Ross (resigned 6 June 2011)
Bob Sillet (resigned 28 June 2012)
Kieron Smith (resigned 26 June 2012)

All trustees served for the full year, except where noted above. None had any beneficial interest in the charity and remuneration of directors is neither paid by the charity nor permitted under its Articles of Association.

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CEO

Frank Buckley

Chief Scientist

Professor Sue Buckley OBE

Senior Statutory Auditor

Mrs Julie Watts

Auditors

Leonard Gold Chartered Accountants, Statutory Auditors
24 Landport Terrace, Portsmouth, PO1 2RG

Bankers

HSBC Bank plc
118 Commercial Road, Portsmouth, PO1 1EP

Registered office

6 Underley Business Centre, Kirkby Lonsdale, Cumbria, LA6 2DY

DOWN SYNDROME EDUCATION INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011

Financial review

During 2011, the Group faced challenges as it responded to lost grants and local government contracts while reorganising print production operations and reducing overheads.

Group income for the year to 31 December 2011 fell by £219,000 (19%) to £930,000 (2010: £1.15 million). Group expenditure fell by £164,000 (15%) to £943,000, including a reduction in staffing costs of £63,000 (15%). The Group operated with a deficit of £13,000 (2010: £42,000 surplus).

During 2012, the Group has continued to restructure and reduce overheads, reflecting strategic priorities and opportunities for property savings.

Going Concern

Like other charities, Down Syndrome Education International continues to feel the impact of challenging economic conditions - particularly in the UK. In response to a more challenging fundraising environment, the Group continues to diversify income sources, grow social enterprise activities and identify opportunities for efficiency improvements. The Board is satisfied that the right strategies and plans are in place to ensure that the Group will continue to operate for the foreseeable future and that it will continue to maximise impact for its beneficiaries.

Restricted funds

Group restricted funds at 31 December 2011 totalled £117,000 (2010: £61,000).

Reserves policy

The Trustees regularly review the free reserves of the charity, which are those unrestricted funds not held in fixed assets, investments, designated for specific purposes or otherwise committed. These reviews encompass the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The Trustees consider the primary purpose trading activities of the charity's subsidiary company within these reviews. The latest review concluded that to allow the charity to be managed efficiently and to provide a buffer for uninterrupted services, free reserves equivalent to at least 3 months' expenditure should be accumulated. The charity's free reserves (being unrestricted funds less fixed assets) at 31 December 2011 were in deficit by £216,000 (2010: deficit of £130,000). The retention of surplus unrestricted funds to rebuild free reserves to meet this requirement within the next 3 years remains a key strategic priority.

Investments

Down Syndrome Education International owns the entire issued share capital of Down Syndrome Education Enterprises CIC of 480,000 ordinary shares of £1 each (2010: 480,000 shares of £1). This programme related investment furthers the development and distribution of specialist publications and materials, and the supply of specialist training and consulting services, in support of the charity's primary social purpose.

Following changes to the subsidiary company's activities (discussed in the annual review), the Board of Trustees has reviewed the valuation of the Down Syndrome Education International's investment in Down Syndrome Education Enterprises CIC. Share capital invested by the charity in the subsidiary since 1992 has funded the development and supply of resources and specialist services to better support education for children with Down syndrome that today serve over 8,000 clients in 80 countries - in pursuit of the charity's primary purposes. However, the charity has recently decided that these services should no longer be subsidised and that in future these services should be operated to both cover their costs and yield contributions to future research. While the subsidiary has operated with surpluses in 2010 and 2011, the trustees do not consider these to be sufficient to support a continued valuation equal to original cost. Furthermore, the subsidiary is undertaking a significant restructuring and change of focus and it is difficult to anticipate the outcome of this with precision. The Board of Trustees has therefore concluded that it is appropriate that the valuation of the charity's investment in its social enterprise subsidiary reflects historical losses and uncertain present circumstances and has therefore concluded that it should be written down by £380,000 to £100,000 in keeping with the subsidiary's net assets.

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Annual Accounts

The trustees present the annual accounts for the year to 31 December 2011.

Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees are responsible for preparing financial statements for each financial year, which give a true and fair view (in accordance with United Kingdom Generally Accepted Accounting Practice) of the state of affairs of the charity and group, and of the surplus or deficit of the charity and group for that period

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees confirm that they have complied with the above requirements in preparing the financial statements

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and that enable them to ensure that the financial statements comply with the Companies Act 2006, the Statement of Recommended Practice: The Charities (Accounts and Reports) Regulations 2011, other current statutory requirements and the governing document. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each Trustee confirms that:

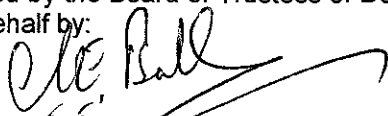
- in so far as the Trustee is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which Down Syndrome Education International's auditors are unaware; and that
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that Down Syndrome Education International's auditors are aware of that information.

This report has been prepared in accordance with the small company regime (Section 419(2)) of the Companies Act 2006.

The maintenance and integrity of Down Syndrome Education International's websites is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees delegate day-to-day management of Down Syndrome Education International to the CEO.

Approved by the Board of Trustees of Down Syndrome Education International on *24 Sep 2012* and signed on its behalf by:



Sir Christopher Ball
Chairman

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DOWN SYNDROME EDUCATION INTERNATIONAL**

We have audited the financial statements of Down Syndrome Educational International Group for the year ended 31 December 2011 on pages 15 to 31. The financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008). (United Kingdom Generally Accepted Accounting Practice applicable for Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of the Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of affairs of the parent charity, its subsidiary undertaking and associated non profit as at 31 December 2011;
- The consolidated statement of financial activities gives a true and fair view of the total incoming resources of the parent charity, its subsidiary undertaking and associated non profit and the movements in the total resources of the group for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DOWN SYNDROME EDUCATION INTERNATIONAL



Mrs Julie Watts (Senior Statutory Auditor)
For and on behalf of Leonard Gold
Statutory Auditor
Chartered Accountants
24 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

Date: 27 September 2012

DOWN SYNDROME EDUCATION INTERNATIONAL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2011

(including income and expenditure account)

	Notes	Unrestricted funds £000	Restricted funds £000	2011 Total funds £000	2010 Total funds £000
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	106	29	135	216
Activities for generating funds	3	<u>201</u>	<u>(3)</u>	<u>198</u>	<u>104</u>
		307	26	333	320
Incoming resources from charitable activities					
Sales of goods and services	4	391	-	391	551
Grants (performance related) and contracts	5	-	206	206	265
Other income		<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>
		391	206	597	829
Total income resources		<u><u>698</u></u>	<u><u>232</u></u>	<u><u>930</u></u>	<u><u>1,149</u></u>
RESOURCES EXPENDED					
Cost of generating funds	6	71	-	71	59
Charitable Activities	7	531	316	847	1,013
Governance costs	8	25	-	25	21
Other resources expended		<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>
Total resources expended		<u><u>627</u></u>	<u><u>316</u></u>	<u><u>943</u></u>	<u><u>1,107</u></u>
NET INCOME FOR THE YEAR		<u><u>71</u></u>	<u><u>(84)</u></u>	<u><u>(13)</u></u>	<u><u>42</u></u>
Transfers		<u>(140)</u>	<u>140</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u><u>(69)</u></u>	<u><u>56</u></u>	<u><u>(13)</u></u>	<u><u>42</u></u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>40</u>	<u>61</u>	<u>101</u>	<u>59</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>(29)</u></u>	<u><u>117</u></u>	<u><u>88</u></u>	<u><u>101</u></u>

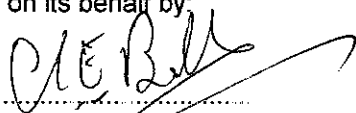
DOWN SYNDROME EDUCATION INTERNATIONAL

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2011

	Notes	Unrestricted funds £000	Restricted funds £000	2011 Total funds £000	2010 Total funds £000
FIXED ASSETS					
Intangible assets	10	20	-	20	27
Tangible assets	11	47	-	47	62
Investments	12	-	-	-	-
		<u>67</u>	<u>-</u>	<u>67</u>	<u>89</u>
CURRENT ASSETS					
Stocks and work-in-progress		66	-	66	67
Debtors	14	114	118	232	149
Cash at bank		5	2	7	62
		<u>185</u>	<u>120</u>	<u>305</u>	<u>278</u>
CREDITORS					
Amounts falling due within one year	15	<u>(281)</u>	<u>(3)</u>	<u>(284)</u>	<u>(263)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(96)</u>	<u>117</u>	<u>21</u>	<u>15</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(29)</u>	<u>117</u>	<u>88</u>	<u>104</u>
CREDITORS					
Amounts falling due after more than one year	15	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3)</u>
NET ASSETS/(LIABILITIES)		<u>(29)</u>	<u>117</u>	<u>88</u>	<u>101</u>
FUNDS					
Restricted funds		-	117	117	61
Unrestricted funds		<u>(29)</u>	<u>-</u>	<u>(29)</u>	<u>40</u>
NET ASSETS/(LIABILITIES)		<u>(29)</u>	<u>117</u>	<u>88</u>	<u>101</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008.)

The financial statements were approved by the Board of Trustees on 24 September 2012 and were signed on its behalf by:



Sir Christopher Ball, Chairman, Board of Trustees



Alison Rayson, Trustee



The notes form part of these financial statements

DOWN SYNDROME EDUCATION INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Unrestricted funds £000	Restricted funds £000	2011 Total funds £000	2010 Total funds £000
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	45	29	74	174
Activities for generating funds	3	<u>212</u>	<u>(3)</u>	<u>209</u>	<u>104</u>
Total incoming resources		257	26	283	278
Incoming resources from charitable activities					
Grants (Performance related) and contracts	5	<u>-</u>	<u>241</u>	<u>241</u>	<u>330</u>
		257	267	524	608
Other incoming resources		<u>28</u>	<u>-</u>	<u>28</u>	<u>24</u>
TOTAL INCOMING RESOURCES		<u>285</u>	<u>267</u>	<u>552</u>	<u>632</u>
RESOURCES EXPENDED					
Costs of generating funds	6	69	-	69	68
Charitable Activities	7	181	316	497	545
Governance costs	8	<u>17</u>	<u>-</u>	<u>17</u>	<u>13</u>
Total resources expended		<u>267</u>	<u>316</u>	<u>583</u>	<u>626</u>
NET INCOMING/(OUTGOING) RESOURCES					
		18	(49)	(31)	6
Transfers		(104)	104	-	-
(Losses) on social investment assets		(278)	(102)	(380)	-
Net movement in funds		<u>(364)</u>	<u>(47)</u>	<u>(411)</u>	<u>6</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>285</u>	<u>162</u>	<u>447</u>	<u>441</u>
TOTAL FUNDS CARRIED FORWARD		<u>(79)</u>	<u>115</u>	<u>36</u>	<u>447</u>

The notes form part of these financial statements

DOWN SYNDROME EDUCATION INTERNATIONAL

BALANCE SHEET
AT 31 DECEMBER 2011

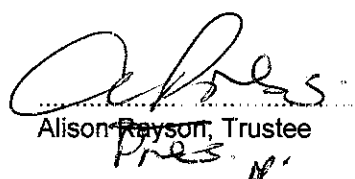
	Notes	Unrestricted funds £000	Restricted funds £000	2011 Total funds £000	2010 Total funds £000
FIXED ASSETS					
Intangible assets	10	1	..	1	1
Tangible assets	11	36	-	36	40
Programme related investments and loans	12	<u>100</u>	<u>-</u>	<u>100</u>	<u>480</u>
		137	-	137	521
CURRENT ASSETS					
Debtors	14	20	118	138	65
Cash at bank		<u>1</u>	<u>-</u>	<u>1</u>	<u>3</u>
		21	118	139	68
CREDITORS					
Amounts falling due within one year	15	(237)	(3)	(240)	(139)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS/(LIABILITIES)		(216)	115	(101)	(71)
TOTAL ASSETS LESS CURRENT LIABILITIES					
		(79)	115	36	450
CREDITORS					
Amounts falling due after more than one year	16	-	-	-	(3)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>(3)</u>
NET ASSETS/(LIABILITIES)		<u>(79)</u>	<u>115</u>	<u>36</u>	<u>447</u>
FUNDS					
Restricted funds	17	-	115	115	162
Unrestricted funds		<u>(79)</u>	<u>-</u>	<u>(79)</u>	<u>285</u>
TOTAL FUNDS		<u>(79)</u>	<u>115</u>	<u>36</u>	<u>447</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008.)

The financial statements were approved by the Board of Trustees on 24 September 2012 and were signed on its behalf by:



.....
Sir Christopher Ball, Chairman, Board of Trustees



.....
Alison Rayson, Trustee

The notes form part of these financial statements

DOWN SYNDROME EDUCATION INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities Act 2011 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

The charity has adjusted the formats from those prescribed by the Companies Act 2006, to include headings that are relevant to its activities, to enable it to show a true and fair view

Basis of consolidation

The financial statements of the Down Syndrome Education International's wholly owned subsidiary Community Interest Company, Down Syndrome Education Enterprises C I C, and the financial statements of Down Syndrome Education USA, are consolidated with the accounts of the parent charity on a line-by-line basis

Down Syndrome Education USA is an independent California Non-profit Public Benefit Corporation, exempted from US Federal income tax under section 501(c)(3) of the Internal Revenue Code. Down Syndrome Education USA is not directly owned by Down Syndrome Education International

Down Syndrome Education International and Down Syndrome Education USA share common goals, and collaborate closely under a strategic partnership agreement to achieve these goals. This partnership includes collaborative strategic and operational planning, fundraising, sales and marketing, services development and delivery

Down Syndrome Education USA markets and sells publications supplied by Down Syndrome Education International's subsidiary company, Down Syndrome Education Enterprises C I C

Down Syndrome Education International supported the initial incorporation and development of Down Syndrome Education USA, and continues to support ongoing operations. Down Syndrome Education International's CEO also serves as CEO and President of Down Syndrome Education USA

Although Down Syndrome Education USA remains an independent entity, through this collaborative partnership, Down Syndrome Education International either does exercise or could exercise significant influence over Down Syndrome Education USA and aspects of both organisations are managed on a unified basis. For accounting purposes, Down Syndrome Education USA is therefore treated as a subsidiary undertaking in keeping with SORP 2005, the Companies Act 2006 and FRS2.

Both organisations achieve substantial benefits for their beneficiaries through this collaborative partnership. The trustees of Down Syndrome Education International consider the preparation of consolidated financial statements that include activities of Down Syndrome Education USA offers our stakeholders a true and fair view of the overall work of the organisation, and its achievements for beneficiaries worldwide

Fund accounting

General funds are unrestricted funds that are available for use at the Trustees' discretion in furtherance of the objectives of the charity

Designated funds are set aside at the discretion of the Trustees for specific purposes. They would otherwise form part of the other unrestricted funds

Restricted and endowment funds are subject to specific restrictions imposed by the donor or by the nature of an appeal

DOWN SYNDROME EDUCATION INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011

Incoming resources

Income, including donations, legacies and investment income, is recognised in the period in which the organisation is entitled to receipt and the amount can be measured with reasonable certainty.

Income is deferred only when the organisation has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable

Grants, including grants for the purchase of fixed assets, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised in full when the charity becomes unconditionally entitled to the grant. Incoming resources from grants the receipt or retention of which depends on explicit performance-related criteria, are accounted for as the charity earns the right to consideration by its performance

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified

Trading income is recognised net of value added tax and trade discounts when receivable

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts

Investment income is included when receivable.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure, inclusive of any VAT which cannot be recovered

Irrecoverable VAT is charged against the category of resources expended for which it was incurred. Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with research, information dissemination and advisory and education services and include both the direct costs and support costs relating to these activities

Costs relating to a particular activity are allocated directly. Staff costs are allocated to activities and projects according to the time spent

Support costs include administrative, accounting and technical support functions and property overheads and have been allocated to activity cost categories on a basis consistent with the use of resources.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements

Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange prevailing at the time of the transaction. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date

Foreign exchange gains and losses are included in the Statement of Financial Activities for the period in which they are incurred.

DOWN SYNDROME EDUCATION INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011

Fixed assets

All fixed assets are valued at original cost or valuation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life as follows:

Audio visual equipment	- 5 years
Computer equipment	- 3 years
Computer software	- 2 years
Printing and print finishing equipment	- 5 years
Other equipment, furniture and fittings	- 5 years
Library books	- 10 years

Stock

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bring each product to its present location and condition, as follows:

- Raw materials, consumables and goods for resale: purchase cost on a first-in, first-out basis
- Work in progress and finished goods: cost of direct materials

Net realisable value is based on estimated selling prices less further costs expected to be incurred to completion and disposal.

Lease and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the Group, are capitalised in the balance sheet and depreciated over their useful lives. The capital element of future obligations under the leases is included as liabilities in the balance sheet. The interest element of the rental obligations is charged to the Statement of Financial Activities over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding. Rentals payable under operating leases are charge in the profit and loss account on a straight line basis over the term.

Research and development

Development expenditure on clearly defined projects whose outcome can be assured with reasonable certainty is capitalised and amortised over the lesser of the expected life of the project or five years.

Amortisation is commenced upon completion of the project, or the completion of identifiable parts thereof. All other research and development expenditure is written off in the year in which it is incurred.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate

2. VOLUNTARY INCOME

Voluntary income includes donations and membership subscriptions receivable from individuals and organisations and non-contractual grants where entitlement is not conditional on the delivery of a specific performance by the charity

GROUP

	2011	2010
	£000	£000
Donations and gifts	64	55
Legacies	-	8
Grants (non-contractual)	<u>71</u>	<u>153</u>
	<u>135</u>	<u>216</u>

DOWN SYNDROME EDUCATION INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011

2. VOLUNTARY INCOME – CHARITY

	2011	2010
	£000	£000
Donations and gifts	45	53
Legacies	-	8
Grants (non-contractual)	<u>29</u>	<u>113</u>
	<u><u>74</u></u>	<u><u>174</u></u>

3. ACTIVITIES FOR GENERATING FUNDS – GROUP

Activities for generating funds are fundraising activities carried out by the charity and its supporters primarily to generate incoming resources which will be used to undertake its charitable activities.

	2011	2010
	£000	£000
Income from fundraising events	195	82
Income from appeals	-	22
Fundraising product sales	<u>3</u>	<u>-</u>
	<u><u>198</u></u>	<u><u>104</u></u>

3. ACTIVITIES FOR GENERATING FUNDS – CHARITY

	2011	2010
	£000	£000
Income from fundraising events	212	82
Income from appeals	<u>(3)</u>	<u>22</u>
	<u><u>209</u></u>	<u><u>104</u></u>

4. PRIMARY PURPOSE SALE OF GOODS AND SERVICES – GROUP

Sales of goods and services include sales of books, DVDs, teaching materials, computer software and invoiced fees for consultancy and training

	2011	2010
	£000	£000
Sales of books and teaching materials	228	215
Consulting, training and conference fees	158	333
Printing and design services	<u>5</u>	<u>3</u>
	<u><u>391</u></u>	<u><u>551</u></u>

5. PERFORMANCE-RELATED GRANT INCOME – GROUP

Performance-related grants are those where the terms of the grant require the performance of a specified service that furthers the objectives of the donor and where payment of the grant receivable is conditional on a specified output being provided by the charity. Performance-related grants receivable in 2011 totalled £206,000 (2010:£265,000)

RESOURCES EXPENDED

6. COSTS OF GENERATING FUNDS – GROUP

	2011	2010
	£000	£000
Fundraising staff salaries and NI	18	36
Fundraising marketing and PR expenses	-	3
Direct costs of events and appeals	31	14
Other fundraising expenses	<u>22</u>	<u>6</u>
	<u><u>71</u></u>	<u><u>59</u></u>

DOWN SYNDROME EDUCATION INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011

6. COSTS OF GENERATING FUNDS – CHARITY

	2011	2010
	£000	£000
Fundraising staff salaries and NI	18	36
Fundraising marketing and PR expenses	-	16
Direct costs of events and appeals	29	8
Other fundraising expenses	<u>22</u>	<u>8</u>
	<u>69</u>	<u>68</u>

7. CHARITABLE ACTIVITIES COSTS - GROUP

	Unrestricted Funds £000	Restricted Funds £000	Total 2011 £000	Totals 2010 £000
Staffing				
Salaries, taxes and pension contributions	181	177	358	422
Other staffing costs	-	1	1	4
	<u>181</u>	<u>178</u>	<u>359</u>	<u>426</u>
Direct project and activities expenses				
Grants and bursaries	30	45	75	56
Other activities operating expenses	28	23	51	74
	<u>58</u>	<u>68</u>	<u>126</u>	<u>130</u>
Costs of primary purposes sales				
Costs of sales of books and teaching materials	93	3	96	129
Costs of consulting, training and conferences	45	5	50	124
Costs of printing and design services	-	-	-	7
	<u>138</u>	<u>8</u>	<u>146</u>	<u>260</u>
Support Costs				
Office supplies, printing and postage	24	2	26	29
Communications and advertising	9	-	9	-
Heat, light, telecoms and IT	59	20	79	66
Banking, finance, insurance and legal	17	14	31	29
Property costs	32	13	45	39
Depreciation and amortisation	11	4	15	34
Other depreciation amortisation	-	9	9	
Loss on disposal	2	-	2	
	<u>154</u>	<u>62</u>	<u>216</u>	<u>197</u>
	<u>531</u>	<u>316</u>	<u>847</u>	<u>1,013</u>

7. GRANT EXPENSES DURING THE YEAR

	2011	2010
	£000	£000
University College London (Research)	2	-
University of York (Research)	43	52
Lejeune Clinic for children with Down Syndrome, London (medical and development care and advice)	30	-
University of York – Research to investigate the interrelationship between oral language and reading in children with Down Syndrome	<u>-</u>	<u>4</u>
	<u>75</u>	<u>56</u>

DOWN SYNDROME EDUCATION INTERNATIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011

7. CHARITABLE ACTIVITIES COSTS - CHARITY

	Unrestricted Funds £000	Restricted Funds £000	Total 2011 £000	Totals 2010 £000
Staffing				
Salaries, taxes and pension contributions	108	177	285	345
Other staffing costs	-	1	1	4
	<u>108</u>	<u>178</u>	<u>286</u>	<u>349</u>
Direct project and activities expenses				
Grants and bursaries	30	45	75	56
Other activities/project expenses	22	31	53	55
	<u>52</u>	<u>76</u>	<u>128</u>	<u>111</u>
Support Costs				
Office supplies, printing and postage	1	2	3	6
Communications and advertising	1	-	1	-
Heat, light, telecoms and IT	11	20	31	36
Banking, finance, insurance and legal	2	14	16	14
Property costs	12	13	25	20
Depreciation and amortisation	(6)	13	7	9
	<u>21</u>	<u>62</u>	<u>83</u>	<u>85</u>
	<u>181</u>	<u>316</u>	<u>497</u>	<u>545</u>

8. GOVERNANCE COSTS – GROUP

	2011 £000	2010 £000
Auditors' remuneration	13	9
Non audit fees	7	5
Other governance expenses	5	7
	<u>25</u>	<u>21</u>

8. GOVERNANCE COSTS – CHARITY

	2011 £000	2010 £000
Auditors' remuneration	12	7
Other governance expenses	5	6
	<u>17</u>	<u>13</u>

DOWN SYNDROME EDUCATION INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011

8. GOVERNANCE COSTS - CHARITY

Governance costs include audit fees, statutory fees and staffing costs attributable to statutory compliance and reporting activities. The split of auditors remuneration is £7,000 for audit fees and £5,000 for other services

9. STAFF COSTS- GROUP

	2011 £000	2010 £000
Wages and Salaries	321	378
Social Security costs	34	40
Other pension costs	4	4
	<u>359</u>	<u>422</u>

The average monthly number of employees during the year was as follows:

2011	2010
<u>15</u>	<u>21</u>

No employee received emoluments exceeding £60,000 during the current year to 31 December 2011 nor in the previous year to 31 December 2010

10. INTANGIBLE ASSETS – GROUP

	Unrestricted Funds £000	Restricted Funds £000	Total 2011 £000	Totals 2010 £000
Cost				
At 1 January 2011	227	-	227	227
Additions	-	-	-	-
At 31 December 2011	<u>227</u>	<u>-</u>	<u>227</u>	<u>227</u>
Amortisation				
At 1 January 2011	200	-	200	192
Charge for year	7	-	7	8
At 31 December 2011	<u>207</u>	<u>-</u>	<u>207</u>	<u>200</u>
Net book value				
At 1 January 2011	<u>27</u>	<u>-</u>	<u>27</u>	<u>35</u>
At 31 December 2011	<u>20</u>	<u>-</u>	<u>20</u>	<u>27</u>

Included within Intangible assets are fully depreciated items with a cost of £187,567 (2010:£187,567)

10. INTANGIBLE ASSETS - CHARITY

	Unrestricted Funds £000	Restricted Funds £000	Total 2011 £000	Totals 2010 £000
Cost				
At 1 January 2011	1	-	1	1
Additions	-	-	-	-
At 31 December 2011	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
Amortisation				
At 1 January 2011	-	-	-	-
Charge for year	-	-	-	-
At 31 December 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value				
At 1 January 2011	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
At 31 December 2011	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

DOWN SYNDROME EDUCATION INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011

11. TANGIBLE ASSETS - GROUP

	Unrestricted Funds £000	Restricted Funds £000	Total 2011 £000	Totals 2010 £000
Cost				
At 1 January 2011	388	35	423	408
Additions	5	-	5	15
Disposals	<u>(243)</u>	<u>-</u>	<u>(243)</u>	<u>-</u>
At 31 December 2011	<u>150</u>	<u>35</u>	<u>185</u>	<u>423</u>
Depreciation				
At 1 January 2011	330	31	361	334
Charge for the year	14	4	18	27
Depreciation on disposals	<u>(241)</u>	<u>-</u>	<u>(241)</u>	<u>-</u>
At 31 December 2011	<u>103</u>	<u>35</u>	<u>138</u>	<u>361</u>
Net book value				
At 1 January 2011	<u>58</u>	<u>4</u>	<u>62</u>	<u>74</u>
At 31 December 2011	<u>47</u>	<u>-</u>	<u>47</u>	<u>62</u>

11. TANGIBLE ASSETS - CHARITY

	Unrestricted Funds £000	Restricted Funds £000	Total 2011 £000	Total 2010 £000
Cost				
At 1 January 2011	109	35	144	135
Additions	4	-	4	9
Disposals	<u>(68)</u>	<u>-</u>	<u>(68)</u>	<u>-</u>
At 31 December 2011	<u>45</u>	<u>35</u>	<u>80</u>	<u>144</u>
Depreciation				
At 1 January 2011	73	31	104	96
Charge for year	3	4	7	8
Depreciation on disposals	<u>(67)</u>	<u>-</u>	<u>(67)</u>	<u>-</u>
At 31 December 2011	<u>9</u>	<u>35</u>	<u>44</u>	<u>104</u>
Net book value				
At 1 January 2011	<u>36</u>	<u>4</u>	<u>40</u>	<u>39</u>
At 31 December 2011	<u>36</u>	<u>-</u>	<u>36</u>	<u>40</u>

11. TANGIBLE FIXED ASSETS - GROUP

	Fixtures and fittings £000	Total £000
Cost		
At 1 January 2011	423	423
Additions	5	5
Disposals	<u>(243)</u>	<u>(243)</u>
At 31 December 2011	<u>185</u>	<u>185</u>
Depreciation		
At 1 January 2011	361	361
Charge for year	18	18
Depreciation on disposals	<u>(241)</u>	<u>(241)</u>
At 31 December 2011	<u>138</u>	<u>138</u>
Net book value		
At 1 January 2011	<u>62</u>	<u>62</u>
At 31 December 2011	<u>47</u>	<u>47</u>

Included within fixed assets are fully depreciated items with a cost of £56,900 (2010: £235,962)

DOWN SYNDROME EDUCATION INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011

11. TANGIBLE ASSETS - CHARITY

	Fixtures and Fittings £000	Totals 2011 £000
Cost		
At 1 January 2011	144	144
Additions	4	4
Disposals	<u>(68)</u>	<u>(68)</u>
At 31 December 2011	<u>80</u>	<u>80</u>
Depreciation		
At 1 January 2011	104	104
Charge for year	7	7
Depreciation on disposals	<u>(67)</u>	<u>(67)</u>
At 31 December 2011	<u>44</u>	<u>44</u>
Net book value		
At 1 January 2011	<u>40</u>	<u>40</u>
At 31 December 2011	<u>36</u>	<u>36</u>

12. PROGRAMME-RELATED INVESTMENTS LOANS

The wholly-owned subsidiary, Down Syndrome Education Enterprises C.I.C, which is incorporated in England and Wales, operates primary-purpose trading activities. Down Syndrome Education International owns the entire issued share capital of 480,000 ordinary shares of £1 each (2010: 480,000 shares £1). The Trustees consider the market value of the shares to be £100,000.

The group or the charity's investments at the balance sheet date in the share capital of companies include the following:

Subsidiary

Down Syndrome Education Enterprises C.I.C

Country of incorporation: England

Nature of business: Sale of books, videos and audio tapes and the organisation of conferences and psychological assessment services in support of Down Syndrome Education International

Class of shares:	%
Ordinary 'A'	holding 100.00

	2011 £	2010 £
Aggregate capital and reserves	103,877	89,903
Profit for the year	<u>13,974</u>	<u>8,254</u>

13. PROFIT OF DOWN SYNDROME EDUCATION USA

As permitted by Section 408 of the Companies Act 2006, the Income and Expenses Account is not presented as part of these financial statements. The surplus for the financial year was £4,000 (2010: £27,000).

DOWN SYNDROME EDUCATION INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP

	2011	2010
	£000	£000
Accounts receivable	141	38
Prepayments	13	20
Taxes reclaimable	19	14
Realisable pledged income and tax claims	<u>59</u>	<u>77</u>
	<u>232</u>	<u>149</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – CHARITY

	2011	2010
	£000	£000
Accounts receivable	117	2
Prepayments	5	11
Sums due from associated organisations	9	22
Realisable pledged income and tax claims	<u>7</u>	<u>30</u>
	<u>138</u>	<u>65</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP

	2011	2010
	£000	£000
Accounts payable	179	55
Accruals	30	75
Payroll liabilities	31	62
Bank loans, overdrafts and credit cards	41	27
Grant commitments	3	43
Sums due to associated organisations	<u>-</u>	<u>1</u>
	<u>284</u>	<u>263</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – CHARITY

	2011	2010
	£000	£000
Accounts payable	136	4
Accruals	9	5
Payroll liabilities	31	60
Bank loans, overdrafts and credit cards	41	27
Grant commitments	3	19
Other creditors	<u>20</u>	<u>24</u>
	<u>240</u>	<u>139</u>

DOWN SYNDROME EDUCATION INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - GROUP

	2011	2010
	£000	£000
Grant commitments	<u>-</u>	<u>3</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – CHARITY

	2011	2010
	£000	£000
Grant commitments	<u>-</u>	<u>3</u>

17. MOVEMENT IN FUNDS – CHARITY

	Balance at 01 01 11	Incoming funds	Outgoing funds	Transfers (to)/from	Balance at 31 12 11
Restricted funds					
Research					
Sue Buckley Research Fund	-	(1)	(5)	6	-
Language intervention trial (Big Lottery Fund)	(11)	123	(104)	-	7
Early years reading study	(1)	9	(9)	1	-
Adaptive memory training trial	9	-	(18)	9	-
	<u>(3)</u>	<u>131</u>	<u>(136)</u>	<u>16</u>	<u>7</u>
Information, Publishing and Training Services					
'Issues and Information' books	71	-	(85)	14	-
'See and Learn' teaching materials	55	23	(53)	-	26
Video production equipment	-	-	(3)	1	-
'See and Learn' number (Big Lottery Fund)	-	25	(13)	-	12
Online information Services	1	-	(18)	19	-
'In Practice' Reading film	24	-	-	-	24
	<u>150</u>	<u>48</u>	<u>(172)</u>	<u>34</u>	<u>62</u>
Education, Consulting and Outreach Services					
'Core' advice and information services	(5)	-	-	5	-
General Consulting Services	-	12	(12)	-	-
General Training Services	-	23	(23)	-	-
'Topics' advice sheets	24	-	-	(6)	18
Early Development Groups	(15)	8	(36)	43	-
Schools support and advice services	(3)	10	(13)	-	-
Ukraine outreach services	(2)	35	(27)	7	5
	<u>(1)</u>	<u>88</u>	<u>(111)</u>	<u>49</u>	<u>23</u>
Other					
Sarah Duffen Centre works (Big Lottery Fund)	10	-	-	-	10
Sarah Duffen Centre works	6	-	1	5	12
	<u>16</u>	<u>-</u>	<u>1</u>	<u>5</u>	<u>22</u>
Total restricted funds	<u>162</u>	<u>267</u>	<u>(418)</u>	<u>104</u>	<u>115</u>
UNRESTRICTED FUNDS					
Designated Funds					
Issues and Information books	48	-	(38)	(10)	-
	<u>48</u>				
General Funds	<u>237</u>	<u>285</u>	<u>(507)</u>	<u>(94)</u>	<u>(79)</u>
Total unrestricted funds	<u>285</u>	<u>285</u>	<u>(545)</u>	<u>(104)</u>	<u>(79)</u>
TOTAL FUNDS	<u>447</u>	<u>552</u>	<u>(963)</u>	<u>-</u>	<u>36</u>

DOWN SYNDROME EDUCATION INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011

17. MOVEMENT IN FUNDS – CHARITY – continued

The restricted and designated funds held by the charity at 31 December 2011 included the funds described below

Language Intervention Trial

This fund is for a randomised controlled trial of a classroom language and reading intervention. This project is funded by the Big Lottery Fund

See and Learn teaching materials

This fund is for the development of materials and software to support and promote effective, targeted early language, speech, number and memory interventions

Reading development video production

This fund is for the production of a film exploring activities and techniques to promote reading development for children with Down syndrome

Topic Sheets

This fund is for the development of topic sheets for parents and professionals on a range of topics covering education, development and social issues from birth to adulthood for people with Down Syndrome and the development of interactive web-based services to provide easy access

Ukraine Down Syndrome Project

This fund is for a project to improve support for people with Down syndrome and their families living in Ukraine

Sarah Duffen Centre Works

This fund is for works to improve facilities at The Sarah Duffen Centre in Portsmouth, including the provision of a new meeting room, two individual assessment rooms and improved toilets, and include funding from the Big Lottery Fund. At 31 December 2011, this work was in progress. In June 2012, the charity relocated to new premises and surrendered its lease of The Sarah Duffen Centre. The premises are now being used by Portsmouth City Council to provide additional classrooms for an adjacent school and community use, including use by a local support group for children with Down syndrome.

18. OBLIGATIONS UNDER LEASES

The following operating lease payments are committed to be paid within one year.

	Land and Buildings	
	2011	2010
	£	£
Expiring: In more than five years	<u>18,110</u>	<u>19,050</u>

LEASE COMMITMENTS

At 31 December 2011, the charity was committed to a lease of The Sarah Duffen Centre expiring in 2037. At 31 December 2011, annual rent payable was £19,050 and subject to 5-yearly rent reviews. The charity surrendered this lease in June 2012. In May 2012, the charity committed to a lease of offices at Underley Business Centre, Kirkby Lonsdale, Cumbria expiring in 2018.

DOWN SYNDROME EDUCATION INTERNATIONAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011

19. TRANSACTIONS WITH RELATED PARTIES

D Halle, a director of Down Syndrome Education USA was paid £15,495 during the year for her services as an employee

£1,648 was reimbursed to trustees during the year ended 31 December 2011 for travel expenses.

There were no trustees' expenses paid for the year ended 31 December 2010

There was no remuneration paid to any of the trustees during the year ended 31 December 2011, nor the year ended 31 December 2010

20. CONTROLLING PARTY

There is no one controlling party of Down Syndrome Education International.

21. POST BALANCE SHEET EVENTS

The financial statements take into consideration events occurring between the balance sheet date and the date of their approval by the Board of Trustees

Disclosures regarding post balance sheet events

Since the year end date the company has moved to new offices in Kirkby Lonsdale, Cumbria, as part of restructuring designed to reduce overheads. Some costs were incurred in 2011 relating to staff redundancies. Further costs were incurred in 2012, following the decision to relocate offices. These totalled £41,463, including £32,089 in relation to the disposal of assets at the old premises and £9,374 in removal and legal expenses. The charity expects to realise savings of around £30,000 p a following the move