



Annual Report and Financial Statements

For the year ended 31 December 2014

Canine Partners for Independence
(a company limited by guarantee)

Charity Commission Registered No. 803680
Office of the Scottish Charity Regulator Registered No. SC039050
Company Registration No. 02516146

| Contents | Page |
|-----------------------------------|-------------|
| Governance | 3 |
| Administrative Information | 4 |
| Trustees' Annual Report: | |
| i) Chairman's Review | 5 |
| ii) Annual Report | 6 |
| iii) Strategic Report | 9 |
| Auditors' Report | 19 |
| Statement of Financial Activities | 21 |
| Balance Sheet | 22 |
| Cash Flow Statement | 23 |
| Notes to the Accounts | 25 |

Governance

| | | |
|------------------------|--|---|
| Patron | HRH The Duke of Gloucester KG GCVO | |
| Vice Patrons | The Dowager Countess of Clarendon DL Lady Kindersley Mr Roger Jefcoate CBE DL | |
| Vice Presidents | Baroness Tanni Grey-Thompson DBE Ms Elisabeth Ormerod BVMS MRCVS | |
| Trustees Council | Mr Mark Richardson MCICM (Chairman) Mr David Filmer (Vice Chairman) Mr John Barwick MBE FRSA (Honorary Treasurer) Mr Simon Clare BSc EdM FInstPet Dr Clive Elwood MA Vet MB MSc PhD MRCVS Mrs Amanda Farren Mr Jon Flint Mrs Claire Graham Mrs Karen Mercer (retired 24 April 2014) Capt. David Newberry MSc RN Mrs Nicky Pendleton DipCOT MSc (Rehab) MBAOT Lady Suzetta Rankin Mrs Jackie Staunton FCIPD Mrs Gillian Taylor MRCVS Ms Debra Whittingham | |
| Senior Management Team | Chief Executive Director of Operations Director of Fundraising, Marketing & Communications Director of Finance, HR & Company Secretary | Mr Andy Cook MA (Cantab) Mr David Bailey Ms Fiona Healey-Hutchinson MinstF Mr Clive Murray |
| Bankers | Lloyds plc 4 West Street Havant Hampshire PO9 1PE | |
| Auditors | Moore Stephens (South) LLP City Gates 2-4 Southgate Chichester West Sussex PO19 8DJ | |

Canine Partners for Independence

Administrative Information

Constitution

“Canine Partners for Independence” is a company limited by guarantee and a registered charity, governed by its Memorandum and Articles of Association; company registration number 2516146. The Charity is registered with the Charity Commission; number 803680 and the Office of the Scottish Charity Regulator; number SC039050.

Directors and Trustees

The directors of the charitable company (“the Charity”) are its Trustees for the purposes of charity law and throughout this report are collectively referred to as “the Trustees”. As set out in the Articles of Association, the Charity is governed by a Council of not less than seven and no more than 30 elected Trustees. The Chairman of the Council is elected by the Council, along with its other key officers. The Council has the power to appoint additional Trustees and to fill vacancies. Any Trustee so appointed shall formally retire at the next Annual General Meeting and shall, with Trustees retiring by rotation, be eligible for re-election. Trustees serving during the year and since the year end are listed at page 3.

Trustee Induction and Training

New Trustees undergo an induction programme to introduce them to the Charity, their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Council decision-making process, the Business Plan and recent financial performance of the Charity. During the induction programme they meet key employees for a detailed briefing. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their respective roles, and to participate in events that are run by the Charity.

Chief Executive

The Trustees delegate day to day management of the Charity to the Chief Executive, Mr Andy Cook MA (Cantab).

Registered Office and Southern Training Centre

Canine Partners
Mill Lane
Heyshott
Midhurst
West Sussex GU29 0ED

Tel: 08456.580.480
Fax: 08456.580.481
E-Mail: info@caninepartners.org.uk
Website: www.caninepartners.org.uk

Trustees Annual Report

Chairman's Review

I reported last year on how the Charity had set new records and broken many boundaries, and I am delighted to be able to report once again that we have grown operationally and made significant progress towards achieving the goals set out in our five year plan. Charities of all sizes depend hugely on the support of their volunteers and donors. I would like to pay tribute to our loyal supporters who have worked tirelessly to make possible all that was achieved in 2014 and to express my gratitude to all our donors for their generosity, many of whom will have made personal sacrifices to give what they can! As ever, our staff have been fantastic, often going the extra mile to help and support our partners, both new and old. For many of our partners being responsible for a dog is a new experience, but sadly being faced with a new challenge is not and their courage and determination is a constant reminder of the importance of our work to change people's lives by giving them a measure of the independence that most of us take for granted.

2014 saw significant progress being made with the construction of our Midlands Centre at Fields Farm near Loughborough. Phase 1, The Training & Education Centre was completed in August and we were honoured and delighted to receive a visit from our Patron, His Royal Highness The Duke of Gloucester, to observe our progress. His Royal Highness had the opportunity to see the new centre at first hand and to meet many partners and volunteers. For the staff it was confirmation that Canine Partners really had arrived in the Midlands!

Operationally we achieved a record 79 partnerships in 2014, of these 48 came from our Southern Centre and a very pleasing 31 from our Midlands Centre. We ended the year with 305 partnerships nationwide, bringing the total number of partnerships created since the Charity was founded in 1990 to 530.

As ever, we are extremely grateful for all the help and support that we receive from our corporate sponsors, charitable foundations and trusts. Individual donors, supported by regional fundraising committees and community groups have made a magnificent contribution not just financially, but in so many different ways. I would particularly like to express my thanks to the magnificent fundraisers in the Midlands, whose enthusiasm and generosity have played a major part in establishing the Midlands Centre.

All that has been achieved would not have been possible without our loyal staff and volunteers and I am extremely grateful to them and my fellow trustees for their unstinting support. Next year will be a landmark year for Canine Partners, as 2015 sees us celebrating our 25th anniversary, and whilst we will enjoy reflecting on what has been achieved over the last 25 years, it is to the future that we will be looking with optimism and enthusiasm to meet the challenge of changing people's lives.

W Mark Richardson, Chairman

Canine Partners for Independence

Annual Report

Structure Governance and Management

1. The Trustees are pleased to present the Charity's Annual Report and Financial Statements for the year ended 31 December 2014. Legal and administrative information set out on pages 3 & 4, forms part of this report. The Financial Statements comply with current statutory requirements, the Memorandum and Articles of Association and the "Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities".

2. Canine Partners is registered as a charity with both the Charity Commission and the Office of the Scottish Charity Regulator and is a company limited by guarantee, not having any share capital. Whilst being registered as Canine Partners for Independence, the Charity operates under the working title of "Canine Partners".

3. Objects of the Charity are "to purchase, breed, or otherwise acquire to train and educate dogs to be provided, to give efficient and safe assistance to persons with disabilities, to further train and educate for their own benefit, Disabled Persons in the proper and safe use of such dogs and to provide such additional services and facilities for the relief of Disabled Persons as the Association from time to time deems fit and also to work with individuals, or in institutions, as part of pet facilitated therapy programmes."

4. Organisation. The Council of Trustees, currently 14 members, meets every two months, to administer the Charity. A sub-committee of Trustees has been appointed to monitor financial performance on a regular, on-going basis. Day to day management of business is delegated to the Chief Executive, to operate within budgets and guidelines approved by the Trustees. The Charity operates from its Southern Centre/ Head Office at Heyshott, near Midhurst, West Sussex, and from its new Midlands Centre at Fields Farm, near Osgathorpe, Leicestershire.

5. Related Parties. The Charity has no relationship with any other party. Canine Partners is a fully accredited member of Assistance Dogs UK, Assistance Dogs Europe and Assistance Dogs International. Canine Partners is also an associate member of COBSEO, The Confederation of Service Charities.

6. Investment Powers. Under the Memorandum and Articles of Association, the Charity has the power to make investments, from time to time, such as the Trustees see fit.

Mission Statement

7. The mission of Canine Partners is to assist people with disabilities to enjoy a greater independence and a better quality of life and, where possible, to help them into re-education and employment, by the provision of specially trained dogs, whose well-being is also a key consideration.

The Role of the Charity and Public Benefit

8. Canine Partners is committed to improving the quality of life and independence of people with substantial physical disabilities, the majority of whom use a wheelchair. This is done

Canine Partners for Independence

through the provision of highly trained “assistance dogs”, which are carefully selected and specially trained to carry out any number of specialised assistive tasks to increase the independence of their allocated human partners. These tasks may be difficult, painful or impossible for their partners to perform themselves. Tasks include opening and shutting doors, unloading washing machines and tumble dryers, helping people to undress, picking up dropped items, pressing buttons and switches and getting help in an emergency. The dogs also offer strong emotional support both to the partner and to family members, thereby providing additional evidence of the value of dogs in a therapeutic role – increasing confidence and self-esteem, bringing companionship, a sense of security and increased opportunities for social interaction. In this context the Trustees have taken into consideration the aims in respect of Public Benefit.

We have referred to the guidance contained in the Charity Commission’s general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Background

9. Demand. More than 1.2 million people in the UK use a wheelchair, and a significant number of these could benefit from a canine partner. With a current annual output of significantly less than this, there is a clear need for Canine Partners to expand its operations over the coming years, in order to meet the potential demand.

10. Medical Conditions. Conditions which are commonly encountered in our day to day work include:

Multiple Sclerosis; Cerebral Palsy; Paraplegia/Tetraplegia/Quadriplegia; Spinal Injuries; Head Injuries; Strokes; Brittle Bones Disease; Osteo/Rheumatoid/Juvenile Arthritis; Amputations/Loss of limbs; Spina Bifida; Parkinson’s Disease; Myalgic Encephalitis; Muscular dystrophy; Spinal Muscular Atrophy; Thalidomide survivors; Polio.

11. Financial Benefits. A canine partner often reduces the need for a carer which not only increases self-esteem and independence but also reduces care-costs.

12. Managing the Need. Since the first canine partner was placed in 1994, a total of 530 partnerships have been created with disabled people, of which 305 are currently in partnership, allowing for retirement and deaths over the years. There is a substantial list of applicants, with over 700 disabled people having made initial enquiries about the Charity’s services in 2014, and over 150 having submitted full applications. The average waiting time is approximately 15 months, including processing of medical information, the delay being caused by higher demand than can currently be met. Our Southern Centre, in Heyshott, West Sussex, together with our initial start-up facilities in the Midlands, at Fields Farm near Loughborough, currently have the combined potential to create 80 partnerships a year.

13. Assessment of Applicants. All applications pass through a rigorous assessment process, including home visits, detailed medical reports, assessment days, interviews and

Canine Partners for Independence

questionnaires. The Charity acknowledges the input from a whole range of healthcare professionals in this process, including our own network of trained occupational therapists.

14. **Training of Dogs.** Puppies are normally acquired into the programme at about seven or eight weeks old and receive early socialisation and training with volunteer families ("puppy parents"). Dogs are selected from breeders, from other assistance dog organisations, from the Charity's own budding breeding programme and sometimes from rescue shelters. Puppy parents attend weekly training classes with their dogs, supervised by a Canine Partners trainer, at one of the Charity's puppy satellite groups around the UK. Regular one-to-one training sessions also take place in the puppy parent's home. At the end of this period, the dogs enter full time advanced training at either of the Charity's two main centres, where they are matched to a partner and trained for their specific needs, which takes 4-6 months depending upon the exact tasks that are required.

15. **Partnership & Aftercare.** Partners attend training courses with their allocated dog, at the Charity's training Centres or in their own home, after which they will receive a qualification assessment to ensure consistency of standards. Aftercare support is provided by the Charity, both from headquarters and from a member of the Canine Partners national network of aftercare assistants. Aftercare support continues for the whole working life of the partnership.

16. **Standards.** Canine Partners is a fully accredited member of Assistance Dogs International, Assistance Dogs Europe and Assistance Dogs UK and surpasses all prescribed standards.

17. **Management.** To enable the above operation to be managed effectively, the Charity has a rolling 3 year business plan which is reviewed annually.

Organisation and Management Structure

18. The Council currently consists of 14 Trustees, with considerable and varied skills and experience.

19. The structure of the Charity's staff is based around three main activities:

1. Operations, combining:
 - i) puppy supply and training;
 - ii) advanced training;
 - iii) applications;
 - iv) aftercare;
2. Fundraising, Marketing & Communications
3. Finance, Facilities & HR

20. The above main activities are supported by networks of staff and volunteers, based both at the Charity's headquarters in West Sussex, its new second training Centre in the Midlands, its rented offices in Stirling and Essex and out across other regions of the UK via its 15 satellite groups.

Canine Partners for Independence

Objectives and Activities

21. The strategic aims and objectives of the Charity, as published in the Business Plan, are:

- i) to increase the output of new partnerships by 10, year on year, finances permitting;
- ii) to invest in the capability for steady growth – in the provision of puppies, in the flow of trained dogs and prepared partners, in staff trained and premises adapted to the Charity's need;
- iii) to develop new Centres strategically located around the country thereby reducing travel and increasing accessibility for applicants and partners;
- iv) to broaden the Charity's fundraising base and increase public awareness;
- v) to collaborate with other charities who share a common interest in assisting people with disabilities;
- vi) to grow the Charity's income and invest in future expansion.

Strategic Report

22. Achievements and Performance. The Charity has made substantial progress in 2014 against targets which were detailed in last year's Annual Report & Financial Statements (2013). Key areas have been:

- i) To create a record number of new partnerships. 2014 saw the creation of 79 new partnerships, which is more than in any previous year, thereby exceeding the target of 75 that we had set ourselves. This is a very satisfactory result, and falls directly in line with our mission. Particularly noteworthy is the fact that 31 of these partnerships were produced at our new Midlands Centre, with our growing team based there. The remaining 48 partnerships were produced from our fully operational Southern Centre. It is pleasing to see an ever-increasing number of disabled people's lives being transformed by our dogs.

Partnerships created from 2005-2014 are as follows:

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------|------|------|------|------|------|------|------|------|------|
| 12 | 20 | 26 | 40 | 40 | 39 | 44 | 59 | 67 | 79 |

- ii) To further increase numbers of established working partnerships across the UK. Having surpassed the 250 working partnership milestone in 2013, we were delighted to increase numbers of established working partnerships to over 300 during 2014. This means there are now considerably more disabled people living their daily lives with a canine partner by their side than at any previous time in the Charity's history.

Canine Partners for Independence

Current operational partnership figures, which allow for retirements and sadly deaths, are as follows:

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------|------|------|------|------|------|------|------|------|------|
| 84 | 96 | 108 | 120 | 137 | 164 | 188 | 221 | 254 | 305 |

- iii) To increase numbers of puppies in our puppy-training programme. We were disappointed not to achieve our target of increasing numbers of puppies in our training programme to 130 during 2014, with puppy numbers hovering around the 115 mark for most of the year. We addressed this by bolstering our puppy supply team in 2014 with the creation of the new post of Puppy Breeding & Supply Supervisor.
- iv) To open a fifteenth puppy satellite group. In line with our business plan, we opened a fifteenth puppy satellite group in the fourth quarter of 2014. This is located in Derby.
- v) To establish a Midlands Centre Fundraising Appeal Committee. We succeeded in establishing a Fundraising Appeal Committee for the further development of our new Midlands Centre. We are indebted to Clive Richards OBE for his generous support and for agreeing to act as Appeal Chairman and also to Her Grace The Duchess of Rutland for allowing us to use Belvoir Castle as a stunning backdrop for the launch of the Appeal. We are extremely grateful to all our donors for their tremendous generosity in supporting our Appeal in 2014, and make special mention of the Henry Smith Charity, the Wolfson Foundation and the Clothworkers' Foundation. We are also indebted to numerous other trusts and individuals too many to mention by name.
- vi) To complete the development of the Training & Education Centre in the Midlands. Having successfully secured sufficient funding for the development of the first main building at our Midlands site, we completed the internal fit-out of the Training & Education Centre and our operational team took up residence in the third quarter of 2014. This was a significant milestone for Canine Partners.
- vii) Royal Visit to our Midlands Centre. Further to the above, we were delighted to host a visit to our Midlands Centre by our patron, His Royal Highness The Duke of Gloucester. Vice patron Roger Jefcoate CBE DL assisted in the hosting of the day, which included tours of the site, demonstrations of our work, and an opportunity to meet those clients, volunteers and supporters of Canine Partners who reside in the Midlands area.
- viii) Development of fundraising initiatives. As planned, we re-developed our puppy-sponsorship programme, now known as My Amazing Puppy, as well as our Big Dog

Canine Partners for Independence

Walk events campaign. We are indebted to the generous support of Barclaycard for the funding of these projects, which we hope will increase the breadth of our public support across the UK.

- ix) Barclaycard. We thank Barclaycard not only for their generous sponsorship of the above, but also for their help and expertise in scoping out and funding a new database for the Charity, which will be implemented in 2015.
- x) The Southern Cooperative Charity of the Year. Our two-year partnership with The Southern Cooperative culminated in May this year, having raised in excess of £500,000 for Canine Partners. We are indebted to all the staff at TSC for the tremendous way in which they threw themselves into a whole host of challenges and events throughout the year.
- xi) Nestlé Purina. We are indebted to Nestlé Purina for their continued support in 2014, in their fifteenth year as our principle corporate supporters. We are immensely grateful to the team at Nestlé Purina for such generous ongoing sponsorship of our work.
- xii) Other corporate support. We were delighted to receive support from a whole range of other companies in 2014, including National Express, Pets Corner, Draycott Nursing Group, 3M, Rug Doctor, Cosyfeet, Kew Electrical, Southern Water, HarknessKennett and others too many to mention. We are grateful not only for the funding provided but also for the awareness raised by staff by means of a whole range of events that have been organised. We have loved working with our corporate partners in 2014.
- xiii) Canine Partners in Scotland. Our operational work continued to grow in Scotland, with an ever-increasing number of partnerships spread across the country and with two puppy training satellite groups based in Glasgow and Stirling. We continued to lease an office on the campus of Stirling University throughout 2014, acting as a hub for our Scottish activities. We are immensely grateful to our funders in Scotland and to our amazing team of volunteers and supporters. Our Scottish team organised and attended several events in 2014 including the Scottish Fundraising Committee's Prestwick Golf Day, and the Glasgow satellite's Paws n' Prosecco at Newton Mearns. We make special mention of the George and Effie Taylor Charitable Trust for their generous support in 2014.
- xiv) Assessment of applications from prospective clients. With an ever-growing demand for trained canine partners, we boosted our team that deals with applications from disabled people, streamlining the process of assessing their applications. This resulted in the creation of two new positions: Applications and Assessments Manager, and Applicant Assessment Officer. This new team is now able to reach out more

Canine Partners for Independence

proactively to people with disabilities across the UK, and to process increased numbers of applications that materialise as a result.

- xv) Aftercare. With a growing number of working partnerships across the UK, we created the new post of Aftercare Instructor in 2014, to work alongside our existing network of aftercare assistants. This post is based at our Midlands Centre, catering for many partnerships across the Midlands region. Our plan is to recruit an equivalent post in the South in 2015 to further strengthen our aftercare support structure.
- xvi) Dual-trained assistance dogs. We were delighted to train several dual-skilled assistance dogs in 2014, working collaboratively with our colleagues in Assistance Dogs UK in the training of canine partner/guide dogs, and canine partner/hearing dogs, for people whose disability also involved hearing loss or visual impairment.
- xvii) Assistance Dogs International. We were proud that our Director of Operations, David Bailey, continued to play an active part in the worldwide assistance dog's scene as an accreditation assessor for Assistance Dogs International, the body which oversees the accreditation of assistance dogs programmes across the world. We also completed our term of office in the joint chairmanship of Assistance Dogs UK.
- xviii) Working with the armed services community. We were delighted that our work with those members of the armed services community who are 'wounded, injured or sick' received official recognition as Canine Partners became an affiliate member of COBSEO, The Confederation of Service Charities, in 2014. We continue to work in partnership with Help for Heroes, attending their Recovery Centres across the UK on a regular basis, and we provided more dogs to members of the services community as a result. We are also pleased to work with The Royal British Legion and other services-related organisations.
- xix) Drapers Hall. We are grateful to vice patron Roger Jefcoate CBE DL for hosting a special event for us in 2014, at Drapers Hall, at which we gave a demonstration of our work to assembled guests including Their Royal Highnesses The Duke and Duchess of Gloucester.
- xx) The Kennel Club Charitable Trust. We are indebted to The Kennel Club Charitable Trust for their support in 2014, support which has been forthcoming every year since 1998, and for which we are immensely grateful.
- xxi) Education. We spread the word throughout 2014, not only about Canine Partners but also about disability issues in general, by speaking at a whole range of schools, universities, clubs, societies and associations. We delivered this education programme with the help of a whole network of volunteer speakers across the UK, and with our

Canine Partners for Independence

National Speaker who also delivered presentations at a variety of conferences throughout the year, focussing specifically on groups such as Rotary, Inner Wheel, Lions, WI, Probus, Young Farmers, Masons, U3A and others too many to mention. We took the step of recruiting a new post of Education Officer in 2014, to help us develop the educational side of our work, reaching out more proactively to schools, colleges and universities. The main aims of our education programme are to increase support for the Charity's work and to encourage applications for our dogs from people with disabilities. We aim to build upon this strategy in 2015.

- xxii) Regional Fundraising. Dovetailing with the above, we commenced the implementation of a strategy to provide greater support to our volunteers in the regions, by recruiting a Regional Fundraiser for the South of England, working alongside existing counterparts in Scotland and the East. It is planned to appoint a Regional Fundraiser in the Midlands in 2015.
- xxiii) Training and development. As we expanded our operational activities and recruited a growing team of staff and volunteers, greater emphasis was placed on training and development in 2014. We are delighted that no fewer than seven of our advanced training and dog welfare staff gained in-house qualifications in 2014, while three of our staff gained externally verified qualifications including diplomas in fundraising and accountancy. A further member of staff commenced a diploma in human resources which will be completed in 2015.
- xxiv) Raising funds in a difficult financial climate. We are pleased to have been able to raise sufficient funds in 2014 to have made it possible to bring so many of our plans to fruition, breaking all previous operational records despite the on-going financial difficulties that continue to affect the world at large. Our fundraising committees, satellites and support groups around the UK were again successful in running a whole range of events. Our annual Clay Shoot at Holywell House, by kind invitation of The Earl & Countess of Clarendon and enthusiastically supported by vice patron Jane Clarendon, celebrated its tenth anniversary this year in fine style, raising in excess of £50,000 for Canine Partners. Other events included a demonstration at Melbury House by kind invitation of Mr and Mrs James Townshend and masterminded by Lord Jimmy Zouche, demonstrations at Canary Wharf and the Victoria & Albert Museum, a campaign of Big Dog Walks across the UK, a Charity Tea Party kindly run by Mrs Jane Dollar at her own home, Stansted Bark dog show held in the grounds of Stansted House, a Santa Fun Run across the Humber Bridge organised by our Hull satellite, a day of cream teas organised by our Southampton satellite, a special Thank You day run by our Bedford Satellite, and a Summer Show and Winter Market held at our Southern Centre. We were also represented at a variety of shows and events across the country, including Crufts, Discover Dogs, Naidex and various Mobility Roadshows. These are just examples of the many and various events that were organised in aid of

Canine Partners for Independence

our work – others are simply too many to mention individually, from the Scottish Highlands to the Isle of Wight and everywhere in between. We fully recognise that these successful results are thanks to a supreme effort by the whole Canine Partners team across the UK.

- xxv) Exercising financial prudence. This was an important priority in 2014, against the backdrop of continuing financial difficulties in the world at large. We succeeded in containing our costs within budget and balanced our books despite growing our operational activities. We are by no means complacent, and continue to ensure that robust financial monitoring remains a high priority. The finance sub-committee met regularly throughout 2014 and provided advice to the main Trustee Council on financial matters. This level of monitoring will be maintained throughout 2015 and beyond.
- xxvi) Increasing awareness of our work. We achieved further media coverage regarding our work in 2014. We were fortunate in being granted a spot on the BBC's Lifeline Appeal in September, which was kindly fronted for us by Pam Ayres. Not only did this raise awareness of our work but also resulted in excess of £30,000 in donations from the viewing public. An episode of BBC2's Eggheads featured a team of Canine Partners staff and volunteers who managed to defeat the Eggheads and win some prize money and publicity for Canine Partners. Other appearances in national and local media, both in print, broadcast media and online, were simply too many to mention. Although not an end in itself, increased publicity does serve to bring wider attention to the benefits that Canine Partners can offer to disabled people and certainly assists in our ability to raise funds.
- xxvii) Staff. The Trustees pay tribute to the hard working staff who are so dedicated to furthering the Charity's mission, embracing the values which permeate every aspect of the work of Canine Partners. We are also indebted to our networks of aftercare assistants and occupational therapists who are vital in assisting our partnerships across the UK. 2014 saw several staff throw themselves into fundraising efforts, including a skydive by our Midlands team and participation in the Great North Run by three members of our Heyshott staff. Two staff members ran marathons for Canine Partners, including our chief executive Andy Cook, who participated in the London Marathon.
- xxviii) Volunteers. We recognise that the mission of Canine Partners is only achieved through the hard work and dedication of an ever-growing host of volunteers across the UK. Volunteers are at the heart of every aspect of our work, from our trustees, patrons and vice patrons to our volunteer fundraisers, volunteer puppy parents and foster homers – training puppies for the first year of their lives - volunteer drivers, volunteer speakers, volunteer kennel-cleaners, volunteer gardeners, maintenance men and administrators, as well as a myriad of volunteer advisers and other supporters who think of ever more

Canine Partners for Independence

imaginative ways of helping us. We are indebted to you all, not only for your hard work but also for your help in keeping our costs to a minimum.

- xxix) Donors. We are greatly indebted to a number of charitable trusts, organisations and individuals, whose generosity enabled us to fulfil our mission in 2014. Thank you to all our donors for every single contribution you have made, large or small.
- xxx) Patron and vice patrons. We are honoured to be supported by our patron, His Royal Highness The Duke of Gloucester. We are immensely grateful to vice patrons Roger Jefcoate CBE DL, The Dowager Countess of Clarendon DL, and Tita Lady Kindersley, who open numerous doors for us and so frequently assist us in hosting events.
- xxxi) Partners. Last but by no means least, we thank our partners for all their involvement in the Charity, from the Trustee Board downwards, playing such a key role in deciding the way forward for Canine Partners, keeping our mission so clearly within our sights. Above all, thank you for showing such appreciation for our dogs and for providing them with such loving homes and interesting, worthwhile lives.

Financial Review

23. Charity Accounts – Financial Year 2014

- i) The Charity enjoyed another good financial year in 2014, thanks to the continued support of its many and varied funders. Total incoming resources were £3,383,346. Of this amount £373,976 resulted from our Capital Appeal which is restricted for the development of the Midlands Centre, and a further sum related to a corporate donation which was restricted for the sponsorship of fundraising campaigns as well as the scoping-out of a new database. Incoming resources excluding these restricted funds amounted to £2,759,370, an increase of 11% on 2013.

Running costs for this year amounted to £2,989,847. Of this amount, £243,959 related to the above corporate donation. Expenditure excluding these restricted costs amounted to £2,745,888, an increase of 11% on 2013, which reflects further investment during the year, in line with the Charity's aim to increase operational output between 2010 and 2014 (increasing from 39 to 79 operational partnerships per year during that period). The surplus income excluding Capital Appeal income was £19,524 which has been retained in reserves.

- ii) The Balance Sheet value of the Charity's net assets as at the year-end was £4.6 million.
- iii) A significant cost to the Charity is its staff, comprising 54% of expenditure excluding the restricted expenditure above (2013: 56%). The field in which the Charity

Canine Partners for Independence

operates, providing assistance dogs to disabled people, is undoubtedly labour intensive and service-orientated. This cost is kept under constant review.

- iv) The Charity's Trustees exercise constant supervision of the financial affairs of the organisation through its finance sub-committee, which monitors performance against monthly income targets and cost budgets.

24. Risk Management.

The Trustees constantly review the forward strategy for the Charity and have done so formally this year, updating the Charity's business plan. As part of these overall procedures, the Trustees also conduct regular reviews of the possible risks to the Charity and the management strategy to cope with these. This process includes:

- An annual review of the risks which the Charity may face;
- A quarterly review of the Charity's detailed solvency, prepared by the finance staff, with a quarterly & annual minimum operating margin identified;
- Establishment of systems and procedures to mitigate any risks identified in the forward plans;
- Procedures designed to minimise any potential impact on the Charity, should such risks materialise.

A full Risk Management Plan is reviewed annually.

Plans for the Future – The Way Ahead

25. We are determined to build upon the progress that was made in 2014 and have set ourselves the following ambitious goals for 2015, which will provide us with a significant degree of challenge given the uncertain financial forecasts that currently exist in the world at large.

- To create 80+ new partnerships. We aim to partner another 80+ disabled people with our trained dogs in 2015. This target will be dependent on our ability to complete the training of several new operational staff who joined us in 2014, and to source sufficient puppies of the correct quality. Meanwhile work will continue behind the scenes to gear up for further operational expansion in 2016, funds permitting.
- To further increase numbers of established working partnerships across the UK. Having surpassed the 300 working partnership milestone in 2014, we aim to further increase the numbers of disabled people across the UK who enjoy the benefits of a canine partner. Exact numbers will also depend on how many existing canine partnerships will retire during 2015, due to the health of dog or person. This is not an exact science and depends on individual circumstances, although our guideline is to retire canine partners on, or by, their 12th birthday.
- To increase numbers of puppies in our puppy-training programme. As mentioned above, a key objective in 2015 will be to increase numbers of puppies in our training

Canine Partners for Independence

programme, in line with our on-going operational expansion plans. To this end, we aim to recruit a Puppy Breeding & Supply Assistant in 2015, to be based in the Midlands.

- iv. To celebrate the 25th anniversary of the Charity's foundation. We hope to celebrate our 25th anniversary in fine style with a variety of events including a main ring display at Crufts, a high level London fundraising event and 25th anniversary Summer Shows at both our Southern and Midlands Centres.
- v. To continue the development of our Midlands Centre. We aim to raise sufficient funds to enable the further development of our Midlands site, where we still have need of residential accommodation specially adapted to the needs of our clients, as well as a kennel block for our increasing numbers of dogs in advanced training. Our ambition will be to commence construction of the first of these buildings in the second half of 2015, funds permitting.
- vi. To complete the implementation of our regional fundraising strategy. In order to complete our strategy of providing increased on-the-ground support to our volunteers and supporters across the UK, we aim to appoint a Regional Fundraiser in the Midlands in the first half of 2015 and to increase our manpower covering the South East to one full time equivalent.
- vii. To effect the transition to a new database. Following the generous support of Barclaycard in 2014, we aim to implement a new database in 2015, paid for by their sponsorship. It is hoped that this will assist us in fundraising, and also in operational record-keeping as numbers of contacts, both two-legged and four-legged, increase year on year.
- viii. Financial prudence. The Trustees recognise that robust financial monitoring of income and expenditure will continue to be a high priority for 2015 and the coming years as the country's economic recovery remains uncertain, and that the rate of future growth must be adjusted accordingly. The finance sub-committee will continue to meet regularly.

26. Reserves Policy

The Trustees have established the level of reserve (i.e. those funds that are freely available) that the Charity ought to have. Reserves are needed to cover the costs of continuing operations of the Charity and maintaining aftercare of partnerships during any period of shortfall of incoming funds. The Trustees assess that on the current number of partnerships and the planned output over the next few years the reserves policy should be to maintain at least six months of operating costs against such contingencies.

Based on budgeted cost for 2015 the general reserve should be £1.5 million. The general operating reserve at Balance Sheet date stands at £1.7 million.

27. Trustees' responsibilities in relation to the Financial Statements.

The Trustees (who are also directors of Canine Partners for Independence for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Canine Partners for Independence

Company 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

28. The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

29. Auditors. Moore Stephens (South) LLP remains Auditor to the Charity.

Statement of Disclosure to Auditors

So far as the Trustees are aware there is no relevant audit information of which the Charity's auditors are unaware. Additionally, the Trustees have taken all the necessary steps that they ought to have taken as Trustees in order to make them aware of all relevant audit information and to establish that the Charity's auditors are aware of that information.

Trustees Annual Report and Strategic Report approved by order of the Trustees

Clive Murray, Company Secretary

Independent Auditors' Report to the Trustees and Members of Canine Partners for Independence

We have audited the financial statements of Canine Partners for Independence for the year ended 31 December 2014 which are set out on pages 21 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with Auditing Practices Board's (APB'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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2014 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

A S Wulff (Senior Statutory Auditor)
For and on behalf of MOORE STEPHENS (SOUTH) LLP
Chartered Accountants
Statutory Auditor

.....
City Gates
2-4 Southgate
Chichester
West Sussex
PO19 8DJ

Moore Stephens (South) LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**Statement of Financial Activities
for the year ended 31 December 2014**

| | Notes | Unrestricted Funds | | Restricted Funds | | Total Funds 2014 £ | Total Funds 2013 £ |
|--|--------------|--------------------|-----------------|------------------|------------------|-----------------------|-----------------------|
| | | General £ | Designated £ | General £ | Building £ | | |
| Incoming resources | | | | | | | |
| Incoming resources from generated funds | | | | | | | |
| Voluntary income | | 2,537,881 | - | 291,294 | 373,976 | 3,203,151 | 2,890,660 |
| Activities for generating funds | | 172,958 | - | - | - | 172,958 | 178,963 |
| Interest on deposited funds | | 7,237 | - | - | - | 7,237 | 13,808 |
| Total incoming resources | 2 | 2,718,076 | - | 291,294 | 373,976 | 3,383,346 | 3,083,431 |
| Resources expended | | | | | | | |
| Costs of generating funds | | | | | | | |
| Voluntary income | | 569,643 | - | 48,792 | - | 618,435 | 496,489 |
| Activities for generating funds | | 71,129 | - | - | - | 71,129 | 95,905 |
| | | 640,772 | - | 48,792 | - | 689,564 | 592,394 |
| Charitable activities | | 1,894,039 | - | 257,050 | 61,535 | 2,212,624 | 1,788,977 |
| Governance costs | | 87,659 | - | - | - | 87,659 | 85,533 |
| Total resources expended | 3 | 2,622,470 | - | 305,842 | 61,535 | 2,989,847 | 2,466,904 |
| Net incoming / (outgoing) resources | | 95,606 | - | (14,548) | 312,441 | 393,499 | 616,527 |
| Total funds brought forward | | 1,610,343 | 2,725 | 86,797 | 2,500,749 | 4,200,614 | 3,584,087 |
| Transfer between funds | | - | - | - | - | - | - |
| Total funds carried forward | 13/14 | 1,705,949 | 2,725 | 72,249 | 2,813,190 | 4,594,113 | 4,200,614 |

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The notes on pages 25 to 33 form part of these accounts.

Canine Partners for Independence

Balance Sheet as at 31 December 2014

| | Notes | £ | December 2014 £ | December 2013 £ |
|---|-------|------------------|--------------------|--------------------|
| Fixed Assets | | | | |
| Tangible Fixed Assets | 8 | | 4,913,545 | 3,775,820 |
| Current Assets | | | | |
| Sundry Stocks | 9 | 91,186 | | 98,371 |
| Sundry Debtors | 10 | 223,640 | | 103,872 |
| Short Term Deposits | | 10,000 | | 535,000 |
| Cash at Bank and in Hand | | <u>466,365</u> | | <u>670,699</u> |
| | | 791,191 | | 1,407,942 |
| Creditors Amounts falling due within 1 year | 11 | <u>553,671</u> | | <u>384,848</u> |
| Net Current Assets | | | <u>237,520</u> | <u>1,023,094</u> |
| Total Assets less Current Liabilities | | | 5,151,065 | 4,798,914 |
| Liabilities Amounts falling due after more than one year | 12 | | <u>556,952</u> | <u>598,300</u> |
| Net Assets | | | <u>4,594,113</u> | <u>4,200,614</u> |
| Funds | | | | |
| Unrestricted Funds | | | | |
| General Operating | 13 | 1,705,949 | | 1,610,343 |
| Designated Building Fund | 13 | <u>2,725</u> | | <u>2,725</u> |
| | | | 1,708,674 | 1,613,068 |
| Restricted Funds | | | | |
| General Operating | 14 | 72,249 | | 86,797 |
| Buildings | 14 | <u>2,813,190</u> | | <u>2,500,749</u> |
| | | | <u>2,885,439</u> | <u>2,587,546</u> |
| | | | <u>4,594,113</u> | <u>4,200,614</u> |

Approved by the Board of Directors onand signed on its behalf by

SignedName..... Trustee

SignedName..... Trustee

Company Registration No. 02516146

The notes on pages 25 to 33 form part of these accounts.

Cash Flow Statement
for the year ended 31 December 2014

| | £ | 2014 £ | £ | 2013 £ |
|--|--------------------|--------------------|------------------|------------------|
| Net cash inflow from operating activities | | 526,804 | | 896,235 |
| Returns on investments and servicing of finance: | | | | |
| Interest received | 7,237 | | 13,809 | |
| Interest paid | <u>(15,448)</u> | | <u>(16,525)</u> | |
| Net cash outflow for returns on investments and servicing of finance | | (8,211) | | (2,716) |
| Capital expenditure | | | | |
| Payments to acquire tangible assets | <u>(1,207,549)</u> | | <u>(628,813)</u> | |
| Net cash outflow for capital expenditure | | <u>(1,207,549)</u> | | <u>(628,813)</u> |
| Net cash (outflow)/inflow before management of liquid resources and financing | | (688,956) | | 264,706 |
| Financing | | | | |
| New long term bank loan | | | | |
| Repayment of long term bank loan | <u>(40,377)</u> | | <u>(39,406)</u> | |
| Net cash (outflow) from financing | | <u>(40,377)</u> | | <u>(39,406)</u> |
| (Decrease)/increase in cash in the year | | <u>(729,333)</u> | | <u>225,300</u> |

**Notes to the Cash Flow Statement
for the year ended 31 December 2014**

| | | |
|--|----------------|----------------|
| 1 Reconciliation of operating profit to net cash inflow from operating activities | 2014 | 2013 |
| | £ | £ |
| Net incoming resources | 401,710 | 619,243 |
| Depreciation of tangible assets | 69,824 | 63,718 |
| Decrease/(increase) in stocks | 7,186 | (14,778) |
| (Increase) in debtors | (119,768) | (11,329) |
| Increase in creditors | 167,852 | 239,381 |
| | | |
| Net cash inflow from operating activities | 526,804 | 896,235 |

| | | | | |
|-----------------------------------|-----------------------|------------------|-------------------------------|-------------------------|
| 2 Analysis of net funds | 1 January 2014 | Cash Flow | Other non-cash changes | 31 December 2014 |
| | £ | £ | £ | £ |
| Net cash: | | | | |
| Cash at bank and in hand | 1,205,698 | (729,333) | - | 476,365 |
| | | | | |
| Debt: | | | | |
| Debts falling due within one year | (39,406) | (971) | - | (40,377) |
| Debts falling due after one year | (598,300) | 41,348 | - | (556,952) |
| | | | | |
| | (637,706) | 40,377 | - | (597,329) |
| | | | | |
| Net funds | 567,992 | (688,956) | - | (120,964) |

| | | |
|---|------------------|----------------|
| 3 Reconciliation of net cash flow to movement in net funds | 2014 | 2013 |
| | £ | £ |
| (Decrease)/Increase in cash in the year | (729,333) | 225,300 |
| Cash inflow from decrease in debt | 40,377 | 39,406 |
| | | |
| Movement in net funds in the year | (688,956) | 264,706 |
| Opening net funds | 567,992 | 303,286 |
| | | |
| Closing net funds | (120,964) | 567,992 |

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2014

1. Accounting Policies

The principle accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

(b) Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subject to restrictions on their expenditure by the donor or through the terms of an appeal.

(c) Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income Received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable;

Legacies Legacies are included in the statement of financial activities when there is certainty that it will be received and the monetary value can be measured with sufficient reliability;

Gifts of Kind Services or goods supplied to the charity free of charge are included as donations at valuation and charged to cost heading as appropriate. No amounts are included in the financial statements for services rendered by volunteers;

Interest Interest on deposited funds is included when received by the Charity.

(d) Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which is not recoverable.

Cost of generating funds comprises the costs associated with attracting voluntary income and the cost of staging fundraising events. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2014

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include audit fees, loan interest and costs linked to its strategic management.

Expenditure directly attributable to specific activities has been included in those cost categories. Costs which are attributable to more than one activity are apportioned across cost categories on an appropriate basis e.g. ratio of staff engaged or estimated usage as set out in Note 3.

(e) **Tangible Fixed Assets**

Depreciation is provided to write down the cost of each asset over its estimated useful life as follows:

| | |
|--------------------|---------------------------------|
| Motor Vehicles | 20% straight line basis on cost |
| Equipment | 20% straight line basis on cost |
| IT Equipment | 33% straight line basis on cost |
| Freehold Buildings | 2% straight line basis on cost |
| Freehold Land | not depreciated |

(f) **Leased Assets**

Assets held under finance leases are capitalised at value on date of inception of each lease contract and depreciated over their estimated useful lives. Finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

Rentals payable under operating leases are charged to the financial activities account as incurred.

(g) **Stock**

Stock is included at the lower of cost or net realisable value.

(h) **Pensions**

The Charity has arranged a defined contribution pension scheme for all eligible employees. The assets of this scheme are held separately from those of the Charity. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Charity in the year.

Canine Partners for Independence**Notes forming part of the financial statements for the year ended 31 December 2014****2 Total incoming resources**

| | Unrestricted Funds General £ | Restricted Funds General £ | Restricted Building Fund £ | Total 2014 £ | Total 2013 £ |
|-------------------------------|---|---|---|-----------------------------|-----------------------------|
| Donations from: | | | | | |
| Donations & Gifts | 1,045,889 | 29,519 | 62,208 | 1,137,616 | 1,046,692 |
| Clubs & Associations | 80,824 | - | - | 80,824 | 84,132 |
| Trusts & Corporates | 765,592 | 258,775 | 261,768 | 1,286,135 | 1,471,294 |
| Legacies | 645,576 | 3,000 | 50,000 | 698,576 | 288,542 |
| | <u>2,537,881</u> | <u>291,294</u> | <u>373,976</u> | <u>3,203,151</u> | <u>2,890,660</u> |
| Income from: | | | | | |
| Functions held | 91,082 | - | - | 91,082 | 87,511 |
| Charity products sold | 81,876 | - | - | 81,876 | 91,452 |
| | <u>172,958</u> | <u>-</u> | <u>-</u> | <u>172,958</u> | <u>178,963</u> |
| Other sources: | | | | | |
| Interest on deposited funds | 7,237 | - | - | 7,237 | 13,808 |
| Surplus on disposal of assets | - | - | - | - | - |
| | <u>7,237</u> | <u>-</u> | <u>-</u> | <u>7,237</u> | <u>13,808</u> |
| Total incoming resources | <u>2,718,076</u> | <u>291,294</u> | <u>373,976</u> | <u>3,383,346</u> | <u>3,083,431</u> |

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2014

3 Total resources expended

Running Costs:

| | Charitable General £ | Activities Restricted £ | Generating General £ | Funds Restricted £ | Governance General £ | Building Restricted £ | Total 2014 £ | Total 2013 £ |
|--|----------------------------|-------------------------------|----------------------------|--------------------------|----------------------------|-----------------------------|--------------------|--------------------|
| Workforce Costs | 1,108,192 | 257,050 | 380,763 | 48,792 | 46,715 | - | 1,841,512 | 1,411,686 |
| Transport | 191,753 | - | 39,952 | - | 4,770 | - | 236,475 | 232,981 |
| Office & Site Facilities | 106,354 | - | 53,532 | - | 8,918 | - | 168,804 | 148,142 |
| Equipment Repairs, Maintenance & Hire | 47,294 | - | 19,002 | - | 4,197 | - | 70,493 | 78,392 |
| Operations | 370,756 | - | 64 | - | - | - | 370,820 | 285,324 |
| Fundraising & Marketing | 31,090 | - | 48,400 | - | - | - | 79,490 | 97,323 |
| Communications | 32,489 | - | 26,478 | - | 94 | - | 59,061 | 31,249 |
| Finance Costs | - | - | - | - | 22,239 | - | 22,239 | 22,184 |
| Depreciation | 6,111 | 61,535 | 1,452 | - | 726 | - | 69,824 | 63,718 |
| | 1,894,039 | 318,585 | 569,643 | 48,792 | 87,659 | - | 2,918,718 | 2,370,999 |

Cost of activities for generating funds:

| | | | | | | | | |
|-------------------------------------|-----------|---------|---------|--------|--------|---|-----------|-----------|
| Function costs | - | - | 36,706 | - | - | - | 36,706 | 46,824 |
| Charity products costs | - | - | 34,423 | - | - | - | 34,423 | 49,081 |
| | - | - | 71,129 | - | - | - | 71,129 | 95,905 |
| Total resources expended | 1,894,039 | 318,585 | 640,772 | 48,792 | 87,659 | - | 2,989,847 | 2,466,904 |

4 Net Incoming Resources for the Year

This is stated after charging:

| | 2014 £ | 2013 £ |
|------------------------|-----------|-----------|
| Depreciation | 69,824 | 63,718 |
| Auditors Remuneration: | | |
| Audit Fees | 4,800 | 4,800 |
| Non Audit Fees | - | 740 |

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2014

5 Staff costs

| | December 2014 £ | December 2013 £ |
|-----------------------|-----------------------|-----------------------|
| Salaries | 1,344,811 | 1,244,562 |
| Social security costs | 112,834 | 106,727 |
| Pension costs | 22,224 | 21,739 |
| | <u>1,479,869</u> | <u>1,373,028</u> |

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

| | December 2014 Number | December 2013 Number |
|-------------------|----------------------------|----------------------------|
| £60,000 - £70,000 | 1 | 1 |

All employees earning more than £60,000 participated in the pension scheme.

6 Staff numbers

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

| | December 2014 Number | December 2013 Number |
|-----------------------|----------------------------|----------------------------|
| Charitable Activities | 38 | 37 |
| Generating Funds | 11 | 10 |
| Support & Governance | 5 | 5 |
| | <u>54</u> | <u>52</u> |

7 Trustees

No Trustees were paid any remuneration during the year (2013 nil). Out of pocket expenses were reimbursed to Trustees as follows:

| | December 2014 Number | December 2013 Number | December 2014 £ | December 2013 £ |
|--|----------------------------|----------------------------|-----------------------|-----------------------|
| Travel | 1 | 2 | 129 | 787 |
| | | | <u>129</u> | <u>787</u> |
| Cost of Trustee indemnity insurance borne by the charity | | | <u>1,855</u> | <u>1,929</u> |

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2014

8 Tangible fixed assets

| | Freehold Land & Buildings | | Motor Vehicles | Computer Equipment | Other Equipment | Total |
|--------------------------|------------------------------|---------------|-------------------|-----------------------|--------------------|-----------|
| | Heyshott £ | Midlands £ | | | | |
| Cost or Valuation | | | | | | |
| As at 1 January 2014 | 2,637,161 | 1,483,029 | 77,835 | 36,112 | 100,472 | 4,334,609 |
| Additions in the Period | - | 1,187,628 | - | - | 19,921 | 1,207,549 |
| As at 31 December 2014 | 2,637,161 | 2,670,657 | 77,835 | 36,112 | 120,393 | 5,542,158 |
| Depreciation | | | | | | |
| As at 1 January 2014 | 350,229 | 10,094 | 71,050 | 35,972 | 91,444 | 558,789 |
| Charge for Period | 44,738 | 16,797 | 5,333 | 139 | 2,817 | 69,824 |
| As at 31 December 2014 | 394,967 | 26,891 | 76,383 | 36,111 | 94,261 | 628,613 |
| Net Book Value | | | | | | |
| As at 31 December 2014 | 2,242,194 | 2,643,766 | 1,452 | 1 | 26,133 | 4,913,545 |
| As at 1 January 2014 | 2,286,932 | 1,472,935 | 6,785 | 140 | 9,028 | 3,775,820 |

9 Stock

| | December 2014 £ | December 2013 £ |
|----------------------------------|-----------------------|-----------------------|
| Dog food, medicine and equipment | 36,660 | 31,329 |
| Promotional material | 54,526 | 67,042 |
| | <u>91,186</u> | <u>98,371</u> |

10 Debtors

| | December 2014 £ | December 2013 £ |
|---------------------------------------|-----------------------|-----------------------|
| Inland Revenue - Gift Aid tax rebates | 13,877 | 28,608 |
| Other Debtors | 173,951 | 35,252 |
| Prepayments | 35,812 | 40,012 |
| | <u>223,640</u> | <u>103,872</u> |

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2014

11 Creditors - amounts falling due within one year

| | December 2014 £ | December 2013 £ |
|-------------------------------|-----------------------|-----------------------|
| Bank Loans | 40,377 | 39,406 |
| Inland revenue – PAYE & NIC | 33,648 | 28,037 |
| Accrued Expenses & Provisions | 122,789 | 45,107 |
| Trade Creditors | 156,857 | 272,298 |
| Other Creditors | 200,000 | - |
| | 553,671 | 384,848 |

12 Liabilities - amounts falling due after more than one year

| | December 2014 £ | December 2013 |
|-------------------------------|-----------------------|------------------|
| Bank Loans: | | |
| Repayable within 1 year | 40,377 | 39,406 |
| Repayable within 2 to 5 years | 121,131 | 118,219 |
| Repayable after 5 years | 395,444 | 440,675 |
| | 556,952 | 598,300 |

There are five loans provided by Lloyds plc with interest charged on three of the loans at 1.5% above Base Rate and secured by a first charge on the Southern Centre in West Sussex. Interest is charged on the fourth loan at 2.45% above the Base Rate and the fifth loan at 2.88% fixed rate, both secured by a first charge on the Midlands Centre in Leicestershire and the Southern Centre. The five loans are repayable by monthly instalment, with the first loan repayable over 20 years, the second repayable over 18 ¼ years, the third over 18 years, the fourth repayable over 20 years and the fifth over 18 years.

13 Unrestricted funds of the Charity

| | Balance 1 Jan 2014 £ | Movement Incoming £ | in Resources Outgoing £ | Transfers between Funds £ | Balance 31 Dec 2014 £ |
|-----------------------------|-------------------------------|---------------------------|-------------------------------|------------------------------------|--------------------------------|
| General Fund | 1,610,343 | 2,718,076 | 2,622,470 | - | 1,705,949 |
| Designated Building Fund | 2,725 | - | - | - | 2,725 |
| | 1,613,068 | 2,718,076 | 2,622,470 | - | 1,708,674 |

The Designated Building Fund is designated for the development of the Midlands Training Centre.

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2014

14 Restricted funds of the Charity

| | Balance 1 Jan 2014 £ | Movement Incoming £ | in Resources Outgoing £ | Transfers between Funds £ | Balance 31 Dec 2014 £ |
|-------------------|-------------------------------|---------------------------|-------------------------------|------------------------------------|--------------------------------|
| General Fund: | | | | | |
| Equipment | 625 | - | - | - | 625 |
| Operational Costs | 86,172 | 291,294 | 305,842 | - | 71,624 |
| | <u>86,797</u> | <u>291,294</u> | <u>305,842</u> | <u>-</u> | <u>72,249</u> |
| Building Fund: | | | | | |
| Southern | 1,743,456 | - | 44,738 | - | 1,698,718 |
| Midlands | 757,293 | 373,976 | 16,797 | - | 1,114,472 |
| | <u>2,500,749</u> | <u>373,976</u> | <u>61,535</u> | <u>-</u> | <u>2,813,190</u> |
| | <u>2,587,546</u> | <u>665,270</u> | <u>367,377</u> | <u>-</u> | <u>2,885,439</u> |

The Restricted General Fund comprises donations given to purchase specific equipment, vehicles or cover running costs of defined operational areas. Depreciation of equipment and vehicles purchased is written off to the fund over their life. Operational costs are charged to the fund as expended.

In 2004, the Charity was awarded a grant from The Lottery Fund of £370,000 towards building costs of the Southern Centre in West Sussex for which it gave a second charge on the site for 80 years. The grant will become repayable should the Charity fail to meet agreed covenants or cease to operate.

15 Analysis of Net Assets between Funds

| | Tangible Fixed Assets £ | Cash at Banks and In Hand £ | Other Net Current Liabilities £ | Long Term Liabilities £ | Total Funds December 2014 £ |
|--------------------------|----------------------------------|---|--|----------------------------------|---|
| General Fund | 2,100,355 | 401,391 | (238,845) | (556,952) | 1,705,949 |
| Designated Building Fund | - | 2,725 | - | - | 2,725 |
| Restricted General Fund | - | 72,249 | - | - | 72,249 |
| Restricted Building Fund | 2,813,190 | - | - | - | 2,813,190 |
| | <u>4,913,545</u> | <u>476,365</u> | <u>(238,845)</u> | <u>(556,952)</u> | <u>4,594,113</u> |

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2014

16 Financial Commitments

At 31 December 2014 the Charity was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

| | December 2014 £ | December 2013 £ |
|--|--------------------------------|--------------------------------|
| Operating leases which expire: Between two and five years | 45,683 | 32,792 |

17 Capital Commitments

The Charity has entered into a contract for the construction of its new Midlands Centre. The total contract value is £2.6m. As at 31 December 2014 works to the value of £1,602,362 had been completed and included in fixed asset additions.

Under the contract the Charity can give notice for construction work to be terminated at any stage. At that point the total value of work executed to that date not previously paid, and related expenses/losses incurred by the contractor will become due.

18 Pension and Other Post-Retirement Benefit Commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund.

| | December 2014 £ | December 2013 £ |
|---|--------------------------------|--------------------------------|
| Contributions payable by the Charity for the year | 22,224 | 21,739 |

19 Related Party Transactions

In addition to the transactions with Trustees disclosed in Note 7, The Leaf Agency, a business controlled by Miss Hannah Newberry, a Trustee's daughter, was contracted to carry out publicity and promotional services valued at £6,000 (2013: nil) during the year.

20 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.