

# **Annual Report and Financial Statements**

For the year ended 31 December 2017

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

This Report is provided by the Trustees and staff of the Charity and shall not be copied in written or electronic format without formal permission in writing from the Council of Trustees.

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### 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 Elizabeth Ormerod BVMS MRCVS	
Trustees Council	Mrs Jackie Staunton BSc Hons, MA, FCIPD (Chair) Mr David Filmer (Vice Chair) Mr Mark Richardson MCICM (Hon. Treasurer) Mr Simon Clare BSc EdM FInstPet Dr Clive Elwood MA Vet MB MSc PhD MRCVS Mrs Amanda Farren LLB Mr Stephen Fletcher FCIBS Mr Jon Flint Mrs Claire Graham Mrs Caroline Hoare BSc MBA Mrs Nicky Pendleton DipCOT MSc (Rehab) Lady Rankin Mrs Gillian Taylor MRCVS (retired 27 April 2017) Cdr Debra Whittingham RN (retired 27 April 2017)	
Senior Mgt Team	Chief Executive Chief Executive  Director of Operations Director of Fundraising, Marketing & Communications Director of Finance & Resources Company Secretary	Mr Andy Cook (resigned 9 Oct 2017) Mrs Nicola Martin BVSc MRCVS (started 1 Feb 2018) Mr David Bailey Ms Anne Yendell 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**

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### **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 Chair 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.

#### **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](mailto:info@caninepartners.org.uk)  
Website: [www.caninepartners.org.uk](http://www.caninepartners.org.uk)

## **Trustees Annual Report**

### **Chair's Review**

I am delighted to report that 2017 saw us create over 750 partnerships since our founders had the courage to form a charity which provides amazing assistance dogs that transform the lives of their partners. Furthermore an honoured visit from Her Majesty The Queen to our Southern Centre in November saw the unveiling of a plaque to celebrate the 750<sup>th</sup> partnership. 2017 also saw an increase in productivity as we trained 74 dogs to form new partnerships bringing our total of active partnerships to over 400.

Achieving this takes a great deal of dedication and hard work from many quarters. My gratitude is extended to our generous donors at community, corporate and individual level without whom we simply could not exist. During 2017 it became clear that we would not receive the level of legacy income that we have enjoyed in previous years, and if not addressed would leave a significant income gap. As a Trustee Council we supported the senior management team in making a number of tough cost saving measures to help deliver a balanced budget. This caused strain in a number of areas. We also asked more of our fundraising team who worked ceaselessly to deliver increased levels of income. Being nominated as one of the Daily Telegraph's Christmas Appeal charities and two very generous major donors pledging to match funds as part of the Big Give gave us a strong end to 2017.

As our focus needed to be on revenue we were unable to raise sufficient capital funds to start building the much needed kennel block at our new Midlands Centre. We have however, improved the car parking, external lighting and safety of the centre and have accumulated sufficient capital funding to give optimism that the kennels should be built during 2018. The news of a potentially significant legacy for 2018 gives us further confidence.

A diligent and expert approach to puppy purchasing plus our own breeding programme meant the quality of our puppies has improved. Our puppy parents and operations staff went above and beyond to ensure the pass rate of trained puppies also improved without any compromise in quality.

It is this unique combination of fundraising and operational staff, backed by a strong support team that makes Canine Partners such a special charity. My admiration and thanks are extended to all of you. Your dedication is matched by upward of 600 volunteers and partners who assist in so many ways: spreading the work via talks and demonstrations, raising funds through a plethora of means, caring for puppies and supporting staff.

A further challenge in 2017 was the departure of Andy Cook after 9 years as CEO, we wish him well in the next stage of his career. Forgive me for sneaking into 2018 to welcome Nicola Martin as our new CEO, who we have every confidence will lead us to further successes during 2018 and beyond.

Finally I would like to thank my fellow Trustees for their help and support as I take up the role of Chair. Throughout 2017 I have learned many things about Canine Partners, but the more I learn the more impressed I become. I also increase in confidence that Canine Partners will continue from strength to strength providing amazing dogs who transform the lives of those living with disabilities.

**Jackie Staunton, Chair, Canine Partners for Independence**

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### **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 2017. 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, FRS 102) – 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 12 members, meets every three 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 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 transform the lives of disabled people through partnership with our specially trained assistance dogs.

#### **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 through the provision of highly trained assistance dogs, which are carefully selected and

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specially trained to carry out any number of specialised assistive tasks to increase their independence and emotional wellbeing. 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 and be able to re-open the waiting list.

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, the need for ambulance trips or even GP visits reducing NHS costs as well.

12. Managing the Need. Since the first canine partner was placed in 1994, over 750 partnerships have been created with disabled people, of which 403 are currently in partnership, allowing for retirement and deaths over the years. There is a substantial list of applicants, and due to this demand the waiting list was closed throughout 2017. The average waiting time is approximately 3 years, which includes time taken for the collation and processing of medical information as well as assessments at one of our centres and in the home environment. Our Southern Centre, in Heyshott, West Sussex, together with our developing facilities in the Midlands, at Fields Farm near Loughborough, currently have the combined potential to create 70 - 80 partnerships a year. Our ambition is to place 100 canine partners each year by 2020 in order to better manage the need that exists.

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13. Assessment of Applicants. All applications pass through a rigorous assessment process, including home visits, detailed medical reports, assessment days, interviews and questionnaires. The Charity acknowledges the input from a whole range of healthcare professionals in this process, including our own network of trained occupational therapists. While the waiting list has been closed, we remain in contact with our applicants to support expectations.

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 and increasingly from the Charity's own developing breeding programme. Puppy parents attend 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 training centres, where they are matched to a partner and trained for their specific needs, which takes four to six months depending upon the exact tasks that are required.

15. Partnership & Aftercare. Partners attend training courses with their allocated dog, at one of the Charity's 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 by means of a national network of aftercare staff. 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 three year Business Plan which is reviewed annually.

## **Organisation and Management Structure**

18. The Council currently consists of 12 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:
  - puppy supply and training;
  - advanced training;
  - applications;
  - aftercare;
2. Fundraising, Marketing & Communications
3. Finance, Facilities, Support Services & HR



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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 Midlands centre and across the regions of the UK via its 14 satellite groups.

### **Objectives and Activities**

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

- i) to transform the lives of increasing numbers of disabled people, year on year, finances permitting, through partnership with our specially trained assistance dogs;
- 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 consider development of 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;

### **Strategic Report**

22. Achievements and Performance. The Charity has made further progress in 2017 against targets which were detailed in the 2016 Annual Report & Financial Statements. Key areas have been:

i). 2017 saw the creation of 74 new partnerships between disabled people and our specially trained dogs. This was a huge team effort, overcoming a number of staffing challenges throughout the year. This means that over 750 partnerships have been formed over the course of the Charity's history.

Partnerships created from 2007-2017 are as follows:

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
26	40	40	39	44	59	67	79	78	66	74

ii). We also managed to further increase numbers of established working partnerships across the UK. We finished the year with more working partnerships than ever before, having surpassed our aim of having more than 400 established working partnerships across the UK by year end. In fact we closed 2017 with 403 disabled people around the UK living their daily lives with a specially trained canine partner by their side.

Current operational partnership figures, which allow for retirements and sadly deaths, are as follows and have more than trebled over the past 10 years:

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
108	120	137	164	188	221	254	305	339	375	403

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iii). One of the aims for 2018 is to finally put plans in place to build bespoke dog kennels at our Midlands Centre. 33 new partnerships were successfully trained from the Midlands Centre in 2017 but further production plans are being held up by not having enough room to house dogs in the current facilities. Once these have been completed, and with the right amount of trainers in place, we will have the facilities to train 51 partnerships from each site but for 2018 our target is to create 80 life-changing partnerships, representing 100% growth over the last 10 years.

iv). We want to reach out to more disabled people across the UK and be in a situation where we can re-open our waiting list to new applicants whilst continuing to prioritise replacement dogs for those partnerships that are coming to the end of their working career and the applicant would benefit from another Canine Partner. 28.4% of the 74 placements in 2017 were from such successor partnerships and this figure is anticipated to grow with an expectation that approximately 50% of partnerships will return for another dog.

v) To strengthen the pipeline of puppies passing through our training programme we now have a dedicated Breeding Manager in place working three days a week, whose role is to continue to ensure puppy supply, maintain and develop links with good quality breeders and maintain and increase the current breeding stock we have, which will produce up to 60 puppies this year, with the huge cost savings that go with it. We continue to be grateful to other organisations such as Guide Dogs for the Blind and Dogs for Good who have provided us with puppies during 2017, as well as private breeders.

vi). We now have three dedicated aftercare instructors working out in the field who have spent time as trainers before taking on this role. The schedule of aftercare visits has been increased, particularly in the early days after the partnership has gone home, and this is already showing positive results in targeting issues before they become a problem.

vii). Dual-trained assistance dogs. We are continuing to work with other ADUK members to develop those partnerships that require an assistance dog trained in dual skills. These partnerships are challenging and take additional time to train. We currently have eight dual Hearing Dogs/CP's and three dual Guide Dogs for the Blind/CP's.

viii). Assistance Dogs International. We are proud that our Director of Operations 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 played our part on the board of the umbrella organisation Assistance Dogs UK.

ix). Working with the armed services community. We are delighted to continue working with those members of the armed services community who are 'wounded, injured or sick', and are proud to be an affiliate member of COBSEO, The Confederation of Service Charities. We continue to work in partnership with Help for Heroes, attending their Recovery Centres across the UK, and we provided more dogs to members of the services community as a result. We are immensely grateful to Help for Heroes for providing generous sponsorship again in 2017. We are also pleased to work with The Royal British Legion and other services-related organisations.

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x). Canine Partners in Scotland. Our operational work continued to develop as we celebrated 10 years of operations in Scotland, with an ever-increasing number of partnerships spread across the country, more applicants in the pipeline than ever before and with two puppy training satellite groups based on the West and East sides of the country. Finding puppy parents has been a continual challenge to ensure these satellites are viable. We are immensely grateful to our funders in Scotland and to our amazing team of volunteers and supporters.

xi). Raising sufficient funds to make our UK-wide operations possible. In a year that saw a rather unsettled picture in the world at large following the Brexit referendum, we were pleased to have raised sufficient funds in 2017 to enable all the above work to happen. It was a strong year for non legacy income but more challenging from a legacy perspective. Our non-legacy income exceeded expectations due to the kind support we receive from our donors and their dedicated generosity. We have robust plans for 2018 to bolster our fundraising with less reliance on legacies.

xii). Regional support. We are immensely grateful to those local communities around the UK who undertook and supported a whole host of fundraising events in 2017. Over 300 events took place both nationally and in the community, including Scotland. We set up three new volunteer community groups in Derby, Rustington and the New Forest to help raise awareness in their local area and we brought in a new initiative called Community Champions to encourage sole fundraisers to help us spread the work and word of Canine Partners. Thank you to all our local communities for supporting us so amazingly, helping us to transform the lives of more disabled people. A special thank you to RHS Chatsworth for choosing us once again to be their Charity of the Year, and also to our key supporters for hosting events in their homes around the country and for securing some wonderful event venues. We would like to express our sincere thanks to our Vice Patron Mr Roger Jefcoate CBE DL and his wife Jean for their ongoing support and for the opportunities that are given to us due to their unwavering support and determination to ensure that the awareness of Canine Partners is increased.

xiii). Nestlé Purina Petcare. We are indebted to Nestlé Purina Petcare for their continued support in 2017, in their 18<sup>th</sup> year as our principle corporate supporters. We are immensely grateful to the team at Nestlé Purina Petcare for such generous ongoing sponsorship of our work, and to their staff for so actively throwing themselves into volunteering opportunities with us, performing tasks such as painting and decorating, stock taking, stuffing envelopes and supporting us at Canary Wharf. Thank you! We were also delighted to receive additional funding for our new database which has now been launched, as well as sponsorship for our carol services.

xiv). Carol Services. Our thanks go to Angela Hamlin and her team at Draycott Nursing & Care for organising another wonderful carol service in London in aid of Canine Partners, with music and celebrity readings, and also to James Harkness and his committee of volunteers who organised their first carol service for us in Long Melford, Suffolk.

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xv). Other corporate support. We were delighted to receive support from a range of companies in 2017, including Greggs, Humberts, Wilko (Region 17) and Foresters Friendly. We are grateful not only for the funding provided but also for the awareness raised by means of a whole range of events. We have loved working with all our corporate partners in 2017.

xvi). The Big Give. We received a fantastic amount of support from new and existing donors which helped us reach the £25,000 target within just three days. We were extremely grateful that one of our longest standing supporters, Colonel Alan Jukes OBE, then agreed to match any donations made past that point which resulted in a further £12,000 being raised.

xvii). Charitable Trusts. We count ourselves as extremely fortunate to benefit from the generosity of a whole host of charitable trusts and foundations, without whom our work would not be possible. These have supported our work in many ways in 2017, including the sponsorship of many of our dogs and contributions towards phase two and phase three of our capital appeal. We also make special mention of the Ostacchini Charitable Trust, the Leicestershire and Rutland Community Foundation, the Masonic Charitable Foundation and The Trusthouse Charitable Foundation.

xviii). Legacies. We are indebted to many people for their generosity in leaving us gifts in their wills in 2017. We would like to thank all members of the Canine Partners family for spreading the word about our work in such a way as to encourage this increasing legacy support. We would also like to thank Colonel Alan Jukes OBE, president of our Legacy Club, not only for supporting our Legacy Club events but also for providing such tremendous ongoing support of our work, along with his wife Caroline.

xix). Awareness. We delivered an awareness programme with the help of a network of over 150 volunteer speakers across the UK who gave talks to a wide range of different interest groups. 635 talks were delivered in total and we carried out over 170 dog demonstrations which help to demonstrate the tasks that our dogs carry out for their partners.

xx). Increasing awareness of our work. We achieved further media coverage regarding our work in 2017. Our appearances in national and local media, both in print, broadcast media and online, are 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. We were delighted to have been chosen as one of three charities within The Telegraph Christmas Appeal, driving not only much needed funds but also increased awareness of the charity, its partners and the impact of the work we do.

xxi). Exercising financial prudence. The drop in legacy income this year meant that we had to implement a cost savings programme in order to break even for the year. This caused strain in a number of areas and it is a credit to our staff and volunteers that we were able to meet our operational targets. We continue to ensure that robust financial monitoring remains a high priority. The finance sub-committee met regularly throughout 2017 and provided advice to the Trustee Council on financial matters and will continue to do so throughout 2018.

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xxii). 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 that are vital in assisting our partnerships across the UK. 2017 again saw several staff throw themselves into a range of fundraising efforts.

xxiii). Volunteers. We recognise that the mission of Canine Partners is only achieved through the hard work and dedication of an ever-growing number 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, puppy parents, brood bitch holders and foster homers, drivers, speakers, kennel-cleaners, gardeners, vehicle fleet maintenance and administrators, as well as a myriad of volunteer advisers and other supporters who think of ever more 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.

xxiv). 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. A particular highlight for the year was the visit by Her Majesty The Queen to our Southern Centre to see the work that our amazing dogs do and to unveil a special plaque to commemorate a total of 750 partnerships between human and canine partner since the charity was founded in 1990.

xxv). Partners. Last but by no means least, we thank our partners for all their involvement in the Charity, from the Council of Trustees downwards, playing such a key role in deciding the way forward for Canine Partners and 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 2017

- i) Despite a significant fall in legacy income this year we ended the year with a small surplus. Total incoming resources were £3,451,392. Of this amount £191,253 came from our Capital Appeal which is restricted for the development of the Midlands Centre. Incoming resources excluding these restricted funds amounted to £3,260,139, a decrease of 3% on 2016, due to the decrease in legacy income. Non legacy income increased by 24% and combined with cost savings made during the year covered the fall in legacy income.

Running costs for this year amounted to £3,291,841, an increase of 2% on 2016, which reflects the Charity's aim to increase operational output year on year over the coming years. The surplus excluding capital restricted funds was £71,003.

- ii) The Balance Sheet value of the Charity's net assets as at the year-end was £5.9 million.
- iii) A significant cost to the Charity is its staff, comprising 60% of expenditure (2016: 58%). The field in which the Charity operates, providing assistance dogs to disabled people, is undoubtedly labour intensive and service-orientated. This cost is kept under constant review. Manpower needed for growth is generally recruited twelve months ahead of requirement to allow for the requisite training period in this complex field of work.
- 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. 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 monthly 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.

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### **Plans for the Future – The Way Ahead**

25. Following a difficult year we are determined to build upon the progress that was made in 2017 and have set ourselves the following ambitious goals for 2018, which will provide us with a significant degree of challenge given the continued uncertain financial forecasts that currently exist in the world at large.

- i) To create 80 new partnerships. We aim to transform the lives of around 80 disabled people in 2018, with our specially trained assistance dogs. At the same time, work will continue behind the scenes to gear up for further operational expansion as we head towards 2020 and our 30th anniversary.
- ii) To further increase numbers of established working partnerships across the UK. We aim to increase the number of established working partnerships across the UK to around 450. Exact numbers will also depend on how many existing canine partnerships will retire during 2018, 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 12<sup>th</sup> birthday.
- iii) To continue development of our training centres. The final piece of the jigsaw for our Midlands centre is to build kennels for our dogs and improve the outside spaces for the comfort and enjoyment of all our visitors. We will continue to look at ways to improve our Southern Centre to maximize the numbers of partnerships and facilities for our staff and visitors.
- iv) To continue to increase numbers of volunteer puppy parents. In readiness for the completion of our Midlands facilities, we aim to increase numbers of volunteer puppy parents in 2018, such that increased numbers of dogs can be trained. Our ambition is to be transforming the lives of 100 disabled people per year by 2020, and this will only be possible if sufficient numbers of dogs progress through the two-year training programme, the first 12 to 18 months of which take place in a volunteer's home.
- v) To raise sufficient funds to cover the costs of all the above goals. Key to our ability to achieve our operational targets is our success in securing sufficient funding. We enter 2018 with confidence, with a strong team in place, comprising of staff and volunteers.
- vi) Financial prudence. Robust financial monitoring of income and expenditure will continue to be a high priority for 2018 and the coming years as the country's economic recovery remains uncertain, exacerbated by the uncertainties of leaving the EU. The Trustees recognise that the rate of growth must be adjusted accordingly. The finance sub-committee will continue to meet regularly.

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### **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 costs for 2018 the general reserve should be £1.55 million. Net current assets stand at £848k. Trustees are taking actions to build up reserves in 2018.

### **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.

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 Auditor's Report to the Members and Trustees of Canine Partners For Independence**

#### **Opinion**

We have audited the financial statements of Canine Partners For Independence (the 'charitable company') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2017 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's trustees, as a body, 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 charitable company, the charitable company's members, as a body, and the charitable company's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, including the incorporated Strategic Report for the financial year for which the accounts are prepared, is consistent with the financial statements; and
- the Trustees' Report, including the incorporated Strategic Report, has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated Strategic Report.

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) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

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 the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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**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.

## Canine Partners for Independence

### Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 December 2017

		Unrestricted Funds	Restricted Funds	Total Funds 2017	Unrestricted Funds	Restricted Funds	Total Funds 2016
	Notes	£	£	£	£	£	£
<b>Income &amp; endowments from:</b>							
Donations and legacies		2,975,180	278,635	3,253,815	3,199,950	355,813	3,555,763
Other Trading Activities		196,948	-	196,948	109,235	-	109,235
Investments		629	-	629	3,062	-	3,062
<b>Total income &amp; endowments</b>	<b>2</b>	<b>3,172,757</b>	<b>278,635</b>	<b>3,451,392</b>	<b>3,312,247</b>	<b>355,813</b>	<b>3,668,060</b>
<b>Expenditure on:</b>							
Raising funds		612,704	42,267	654,971	622,215	1,091	623,306
Charitable activities		2,517,897	118,973	2,636,870	2,472,263	120,573	2,592,836
<b>Total expenditure</b>	<b>3</b>	<b>3,130,601</b>	<b>161,240</b>	<b>3,291,841</b>	<b>3,094,478</b>	<b>121,664</b>	<b>3,216,142</b>
<b>Net income/(expenditure)</b>	<b>4</b>	<b>42,156</b>	<b>117,395</b>	<b>159,551</b>	<b>217,769</b>	<b>234,149</b>	<b>451,918</b>
Transfer between funds		39,733	(39,733)	-	-	-	-
<b>Net movement in funds</b>		<b>81,889</b>	<b>77,662</b>	<b>159,551</b>	<b>217,769</b>	<b>234,149</b>	<b>451,918</b>
Total funds brought forward		2,472,110	3,224,616	5,696,726	2,254,341	2,990,467	5,244,808
<b>Total funds carried forward</b>	<b>14/15</b>	<b>2,553,999</b>	<b>3,302,278</b>	<b>5,856,277</b>	<b>2,472,110</b>	<b>3,224,616</b>	<b>5,696,726</b>

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 23 to 33 form part of these accounts.

# Canine Partners for Independence

## Balance Sheet as at 31 December 2017

	Notes	£	December 2017 £	December 2016 £
<b>Fixed Assets</b>				
Tangible Fixed Assets	9		5,815,060	5,817,619
<b>Current Assets</b>				
Sundry Stocks	10	57,871		79,088
Sundry Debtors	11	353,820		98,911
Short Term Deposits		-		10,000
Cash at Bank and in Hand		<u>712,791</u>		<u>882,412</u>
		1,124,482		1,070,411
<b>Creditors</b> Amounts falling due within 1 year	12	<u>276,298</u>		<u>327,020</u>
<b>Net Current Assets</b>			<u>848,184</u>	<u>743,391</u>
<b>Total Assets less Current Liabilities</b>			6,663,244	6,561,010
<b>Liabilities</b> Amounts falling due after more than one year	13		<u>806,967</u>	<u>864,284</u>
<b>Net Assets</b>			<u>5,856,277</u>	<u>5,696,726</u>
<b>Funds</b>				
<b>Unrestricted Funds</b>				
General Operating	14	<u>2,553,999</u>		<u>2,472,110</u>
			2,553,999	2,472,110
<b>Restricted Funds</b>				
General Operating	15	48,447		59,333
Buildings	15	<u>3,253,831</u>		<u>3,165,283</u>
			<u>3,302,278</u>	<u>3,224,616</u>
			<u>5,856,277</u>	<u>5,696,726</u>

Approved by the Board of Directors on .....and signed on its behalf by

Signed .....Name..... Trustee

Signed .....Name..... Trustee

Company Registration No. 02516146

The notes on pages 23 to 33 form part of these accounts.

**Statement of Cash Flows  
for the year ended 31 December 2017**

	Note	£	2017 £	£	2016 £
<b>Cash Flow from Operating Activities</b>	<b>5</b>		9,934		616,560
<b>Cash Flow from Investing Activities</b>					
Interest received		629		3,062	
Payments to acquire tangible assets		<u>(117,929)</u>		<u>(998,318)</u>	
			(117,300)		(995,256)
<b>Cash Flow from Financing Activities</b>					
Bank Loan		-		400,000	
Interest paid		(23,808)		(15,684)	
Repayment of long term bank loan		<u>(48,447)</u>		<u>(42,350)</u>	
			<u>(72,255)</u>		<u>341,966</u>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>			(179,621)		(36,730)
Cash and Cash Equivalents at 1 January 2017			<u>892,412</u>		<u>929,142</u>
Cash and Cash Equivalents at 31 December 2017			<u><u>712,791</u></u>		<u><u>892,412</u></u>
<b>Cash and Cash Equivalents consist of:</b>					
Cash at Bank and In Hand			712,791		882,412
Short Term Deposits			<u>-</u>		<u>10,000</u>
			<u><u>712,791</u></u>		<u><u>892,412</u></u>

## **Canine Partners for Independence**

### **Notes forming part of the financial statements for the year ended 31 December 2017**

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#### **1. Accounting Policies**

The Charity's registered office is Mill Lane, Heyshott, Midhurst, West Sussex, GU29 0ED.

##### **(a) Basis of Accounting**

The Charity constitutes a public benefit entity as defined by Financial Reporting Standard (FRS)102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS102, the Charities Act 2011, the Companies Act 2006, and UK Generally Accepted Practice.

The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

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

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include the training centres on a value in use basis.

##### **(b) Fund Accounting**

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

Designated funds are unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, or through the terms of an appeal.

##### **(c) Income recognition**

All incoming resources are included in the statement of financial activities when the Charity is entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

The following specific policies are applied to particular categories of income:

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, the income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised as income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example, the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

## **Canine Partners for Independence**

### **Notes forming part of the financial statements for the year ended 31 December 2017**

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No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the Charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is taken as the earlier of the date on which either the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Interest income is recognised using the effective interest method and dividend and rent income is recognised as the Charity's right to receive payment is established.

#### **(d) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the cost of fundraising events;
- Expenditure on charitable activities includes the provision of services to the charity's beneficiaries.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.



## Canine Partners for Independence

### Notes forming part of the financial statements for the year ended 31 December 2017

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#### (e) Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, financial administration, IT support and payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

#### (f) Tangible Fixed Assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

The training centres are included in the financial statements on a "value in use" basis. The Trustees are of the opinion that the training centres' value in use is best reflected by their construction costs depreciated over their estimated useful lives. This is rather than the amount that the training centres could be sold for in the market, which does not reflect the specialist nature of the construction of these assets or their service potential to the charity.

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

#### (g) Leases

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 Statement of Financial Activities account as incurred.

#### (h) Stock

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

#### (i) 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 2017

#### 2 Total Income and Endowments

	Unrestricted Funds General £	Restricted Funds General £	Restricted Building Fund £	Total 2017 £	Total 2016 £
Donations and legacies:					
Donations & Gifts	1,304,505	-	8,003	1,312,508	1,165,200
Clubs & Associations	56,052	-	-	56,052	48,666
Trusts & Corporates	787,953	87,382	183,250	1,058,585	921,575
Legacies	826,670	-	-	826,670	1,420,322
	<u>2,975,180</u>	<u>87,382</u>	<u>191,253</u>	<u>3,253,815</u>	<u>3,555,763</u>
Other trading activities:					
Functions held	151,102	-	-	151,102	37,858
Charity products sold	45,846	-	-	45,846	71,377
	<u>196,948</u>	<u>-</u>	<u>-</u>	<u>196,948</u>	<u>109,235</u>
Investments:					
Interest on deposited funds	629	-	-	629	3,062
	<u>629</u>	<u>-</u>	<u>-</u>	<u>629</u>	<u>3,062</u>
Total income and endowments	<u>3,172,757</u>	<u>87,382</u>	<u>191,253</u>	<u>3,451,392</u>	<u>3,668,060</u>

## Canine Partners for Independence

### Notes forming part of the financial statements for the year ended 31 December 2017

#### 3 Total resources expended

Running Costs:

	Charitable General £	Activities Restricted £	Generating General £	Funds Restricted £	Governance General £	Building Restricted £	Total 2017 £	Total 2016 £
Workforce Costs	1,622,230	13,633	392,874	42,267	47,242	-	2,118,246	1,982,474
Transport	202,267	-	43,132	-	5,683	-	251,082	235,846
Office & Site Facilities	126,051	-	49,609	-	16,893	-	192,553	215,969
Equipment Repairs Maintenance, Hire	55,642	-	16,136	-	6,869	-	78,647	102,625
Operations	342,557	2,635	-	-	-	-	345,192	392,003
Fundraising & Marketing	23,372	-	27,600	-	-	-	50,972	62,185
Communications	21,030	-	7,241	-	-	-	28,271	28,387
Finance Costs	-	-	-	-	33,836	-	33,836	28,901
Depreciation	12,448	102,705	3,557	-	1,778	-	120,488	104,000
	2,405,597	118,973	540,149	42,267	112,301	-	3,219,287	3,152,390

Cost of activities for generating funds:

Function costs	-	-	51,778	-	-	-	51,778	19,883
Charity products costs	-	-	20,776	-	-	-	20,776	43,869
	-	-	72,554	-	-	-	72,554	63,752
<b>Total resources expended</b>	2,405,597	118,973	612,703	42,267	112,301	-	3,291,841	3,216,142

#### 4 Net Income/(Expenditure) for the Year

This is stated after charging:

	2017 £	2016 £
Depreciation	120,488	104,000
Auditors Remuneration: Audit Fees	6,000	5,600

## Canine Partners for Independence

### Notes forming part of the financial statements for the year ended 31 December 2017

#### 5 Statement of Cash Flows for the year ended 31 December 2017

<b>Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net incoming resources	182,730	464,539
Depreciation of tangible assets	120,488	104,000
Decrease/(Increase) in stocks	21,217	2,554
Decrease/(Increase) in debtors	(254,909)	25,087
Increase/(decrease) in creditors	(59,592)	20,390
<b>Net cash inflow from operating activities</b>	<b>9,934</b>	<b>616,560</b>

#### 6 Staff costs

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Salaries	1,782,073	1,695,517
Social security costs	146,811	140,081
Pension costs	46,531	44,954
	<b>1,975,415</b>	<b>1,880,552</b>

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

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
£70,000 - £80,000	-	1

No employee earned more than £60,000 in 2017. In 2016 all employees earning more than £60,000 participated in the pension scheme and the Charity made pension contributions totalling £3,512 on behalf of this employee.

The key management personnel of the Charity as defined under the Governance section on page 3 are the Senior Management Team. The employee costs of the Senior Management Team including pension costs amounted £270,086 (2016 £281,816)

#### 7 Staff numbers

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

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Charitable Activities	50	46
Generating Funds	14	14
Support & Governance	7	8
	<b>71</b>	<b>68</b>

## Canine Partners for Independence

### Notes forming part of the financial statements for the year ended 31 December 2017

#### 8 Trustees

Remuneration and out of pocket expenses were reimbursed to Trustees as follows:

	2017 Number	2016 Number	2017 £	2016 £
Remuneration	1	1	600	450
Travel	3	3	203	1,890
			803	2,340
Cost of Trustee indemnity insurance borne by the charity			2,125	2,084

#### 9 Tangible fixed assets

	Freehold Land & Buildings		Motor Vehicles	Computer Equipment	Other Equipment	Total
	Heyshott £	Midlands £				
<b>Cost or Valuation</b>						
As at 1 January 2017	2,637,161	3,738,307	71,227	36,112	162,814	6,645,621
Additions in the Period	-	74,453	32,000	-	11,476	117,929
Disposals in the Period	-	-	(2,109)	-	-	(2,109)
As at 31 December 2017	2,637,161	3,812,760	101,118	36,112	174,290	6,761,441
<b>Depreciation</b>						
As at 1 January 2017	484,057	120,910	71,227	36,111	115,697	828,002
Charge for Period	44,545	58,160	1,600	-	16,183	120,488
Depn on Disposals	-	-	(2,109)	-	-	(2,109)
As at 31 December 2017	528,602	179,070	70,718	36,111	131,880	946,381
<b>Net Book Value</b>						
As at 31 December 2017	2,108,559	3,633,690	30,400	1	42,410	5,815,060
As at 1 January 2017	2,153,104	3,617,397	-	1	47,117	5,817,619

Tangible assets with a net book value of £5,742,249 (2016 £5,770,501) have been pledged as security for liabilities of the Charity. These assets have restricted title.

The training centres are included in the financial statements on a "value in use" basis. The Trustees are of the opinion that the training centres' value in use is best reflected by their construction costs depreciated over their estimated useful lives. This is rather than the amount that the training centres could be sold for in the market, which does not reflect the specialist nature of the construction of these assets or their service potential to the charity.

**Canine Partners for Independence****Notes forming part of the financial statements for the year ended 31 December 2017**

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**10 Stock**

	<b>December 2017 £</b>	<b>December 2016 £</b>
Dog food, medicine and equipment	24,536	32,416
Promotional material	33,335	46,672
	<u>57,871</u>	<u>79,088</u>

**11 Debtors**

	<b>December 2017 £</b>	<b>December 2016 £</b>
Inland Revenue - Gift Aid tax rebates	39,678	28,908
Other Debtors	271,624	37,350
Prepayments	42,518	32,653
	<u>353,820</u>	<u>98,911</u>

**12 Creditors - amounts falling due within one year**

	<b>December 2017 £</b>	<b>December 2016 £</b>
Bank Loans	58,238	49,368
Inland revenue – PAYE & NIC	34,798	41,678
Accrued Expenses & Provisions	57,270	34,996
Trade Creditors	125,992	200,978
	<u>276,298</u>	<u>327,020</u>

**13 Liabilities - amounts falling due after more than one year**

	<b>December 2017 £</b>	<b>December 2016 £</b>
Bank Loans:		
Repayable within 1 to 2 years	58,238	63,403
Repayable within 2 to 5 years	174,714	190,208
Repayable after 5 years	574,015	610,673
	<u>806,967</u>	<u>864,284</u>

There are six loans provided by Lloyds plc with interest charged on three of the loans at 1.5% above Base Rate. Interest is charged on the fourth loan at 2.45% above the Base Rate, on the fifth loan at 2.88% fixed rate and the sixth loan at 2.6% above the Base Rate. All six loans are secured by a first charge on the Midlands Centre and the Southern Centre. The six 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, the fifth over 18 years and the sixth over 19 years.

## Canine Partners for Independence

### Notes forming part of the financial statements for the year ended 31 December 2017

#### 14 Unrestricted funds of the Charity

	Balance 1 Jan 2017 £	Movement Incoming £	in Resources Outgoing £	Transfers between Funds £	Balance 31 Dec 2017 £
General Fund	2,472,110	3,172,757	3,130,601	39,733	2,553,999
	<u>2,472,110</u>	<u>3,172,757</u>	<u>3,130,601</u>	<u>39,733</u>	<u>2,553,999</u>

#### 15 Restricted funds of the Charity

	Balance 1 Jan 2017 £	Movement Incoming £	in Resources Outgoing £	Transfers between Funds £	Balance 31 Dec 2017 £
Operational Costs & Equipment	59,333	87,382	58,535	(39,733)	48,447
	<u>59,333</u>	<u>87,382</u>	<u>58,535</u>	<u>(39,733)</u>	<u>48,447</u>
Building Fund:					
Southern	1,609,628	-	44,545	-	1,565,083
Midlands	1,555,655	191,253	58,160	-	1,688,748
	<u>3,165,283</u>	<u>191,253</u>	<u>102,705</u>	<u>-</u>	<u>3,253,831</u>
	<u>3,224,616</u>	<u>278,635</u>	<u>161,240</u>	<u>(39,733)</u>	<u>3,302,278</u>

Operational Costs & Equipment relates to donations given to cover running costs of defined operational areas or the purchasing of specific equipment, including motor vehicles. Operational costs regarding the specified operational areas are charged to the fund as expended. Restricted donations relating to the purchasing of specified equipment or motor vehicles are transferred to general unrestricted funds where, in the opinion of the Trustees, the restrictions on the donations are met by the purchase of the assets, and when these assets are held for general and not restricted purposes.

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.

## Canine Partners for Independence

### Notes forming part of the financial statements for the year ended 31 December 2017

#### 16 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 2017
	£	£	£	£	£
General Fund	2,561,229	664,344	135,393	(806,967)	2,553,999
Restricted General Fund	-	48,447	-	-	48,447
Restricted Building Fund	3,253,831	-	-	-	3,253,831
	<u>5,815,060</u>	<u>712,791</u>	<u>135,393</u>	<u>(806,967)</u>	<u>5,856,277</u>

#### 17 Financial Commitments

At 31 December 2017 the Charity was committed to making the following payments under non-cancellable operating leases:

	2017 £	2016 £
Payable within 1 year:		
Land and Buildings	3,554	3,083
Other Leases	58,417	59,558
Payable within 2 to 5 years:		
Land and Buildings	-	-
Other Leases	93,802	96,556
	<u>155,773</u>	<u>159,197</u>

#### 18 Contingent Asset

During the year the Charity received notification of a potentially significant legacy. As at the year end probate had not been granted and distribution is expected towards the end of 2018. In addition the amount receivable is not certain as the assets have not been realised and expenses are not known, and therefore the legacy has not been recognised in these accounts.

#### 19 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 2017 £	December 2016 £
Contributions payable by the Charity for the year	<u>46,531</u>	<u>44,954</u>



## **Canine Partners for Independence**

### **Notes forming part of the financial statements for the year ended 31 December 2017**

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#### **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.