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Annual Report and Financial Statements

For the year ended 31 December 2018

**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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Canine Partners, registered charity in England and Wales (803680) and Scotland (SC039050).

A company limited by guarantee, registered in England and Wales company number 2516146. Registered office: Mill Lane, Heyshott, Midhurst, West Sussex, GU29 0ED



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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) (retired 26 April 2018) Mrs Claire Graham (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 Ms Jo Hill MA (Oxon) (appointed 26 September 2018) Mrs Caroline Hoare BSc MBA Mrs Nicky Pendleton DipCOT MSc (Rehab) Lady Rankin Rabbi Gideon Schulman BSc, MA, FCIPD (appointed 26 Sep 2018)	
Senior Mgt Team	Chief Executive Director of Operations Director of Finance & Resources Company Secretary	Mrs Nicola Martin BVSc MRCVS Mr Richard Smith BSc Hons, MBA 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 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

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Trustees Annual Report

Chair's Review

As I reflect on 2018 I consider it to be a year of affirmation of our mission 'to transform the lives of people with disabilities through partnership with our specially trained assistance dogs through our values and vision for the future'. Our new CEO Nicola Martin, who started with Canine Partners in February, took time to review everything we do and worked with staff and trustees to develop our new strategy.

There are four resulting key strategic areas;

- Create and maintain life transforming partnerships between adults with physical disabilities and trained assistance dogs.
- Increase awareness of Canine Partners and how we transform people's lives.
- Grow income to maximise the impact we deliver.
- Ensure we have the underlying capability to achieve our objectives.

I am pleased to report that by the end of 2018 we had 428 active partnerships, having created 73 partnerships during the year. This was a combined effort between our staff and volunteers who together trained these amazing assistance dogs across the UK, ensuring our partnerships transform the lives of those living with physical disabilities. Our ever increasing number of partnerships means our Aftercare Team have an increased responsibility to visit our partners to ensure they are getting the most from their canine partner.

Our amazing dogs take around 18 months to be fully trained and planning starts prior to that when we source high quality puppies for the programme. With the objective of forming 85 to 90 partnerships in 2020, we also bred and purchased an increased number of puppies during 2018. As of December we had 147 puppies living with our dedicated volunteer puppy parents and bred 53 of our own puppies. We plan to increase the number of our own brood bitches from 9 to 17 by the end of 2019 to expand this programme and enable us to deliver even more partnerships in the coming years.

A further achievement during 2018 was exceeding our income target and controlling expenditure leading to a surplus of £97,630 excluding capital appeal income and designated funds. This, combined with a significant legacy, has enabled us to improve our reserves and make plans for the future. During 2018 we were pleased to reach our fundraising target and had some great successes. To name but a few, My Amazing Puppy, our regular giving sponsorship programme grew by 6%, The Big Give Christmas Challenge (made possible by Candis Magazine and Colonel Alan Jukes) raised over £100,000, our Golf Day at Swinley Forest Golf club raised over £30,000, as did our three Carol Services. A tennis event at the Royal Albert Hall gave us fantastic media coverage and our social media profile continues to grow. We continued to receive positive corporate support and entered a three-year partnership with our longest standing Corporate partner Nestle Purina. We were also successfully chosen as Goodwood Estate Charity of the year for 2019 and 2020.

Our autumn copy of Let's Go included our first Puppy Fund Appeal which was a great success and raised sufficient income to enable us to purchase over 20 puppies. Without the generous contributions and continuing support from our donors at community,

corporate and individual level and the generosity of trust funds and foundations, we simply could not exist.

We are delighted that Richard Smith joined us as Director of Operations in August 2018. Richard has led a review of all our operational processes to ensure that we optimise our pass rate whilst not compromising on the quality of our partnerships. We are extremely pleased to confirm that we finalised plans for the kennel build at our Midlands training centre and have secured funding for completion in 2019.

Our community of volunteers continues to grow and we now have over 900 active volunteers across all areas of the charity helping us to achieve our charitable aims and objectives. We are most grateful for everything they do.

We have entered 2019 in a strong financial position with a strategy in place to take us forward and grow the number of amazing dogs that are trained to create life transforming partnerships. This does not happen by chance, and we still have much to do to ensure the foundations are in place for the next stage of our growth, but on behalf of the trustee board I would like to thank all our dedicated staff, volunteers and supporters for making this possible.

I look forward to further progress against all areas of our strategy in 2019 as we approach 30 years of transforming lives in 2020.

**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 2018. 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 13 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.

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 people with physical disabilities 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 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

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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, Ehlers-Danlos syndromes.

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 800 partnerships have been created with people with physical disabilities, of which 428 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 2018. 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, are expected to create 70 to 75 partnerships in 2019. Our ambition is to place 85 to 90 canine partners each year by 2020 in order to better manage the need that exists.

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.

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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 underpinned by 4 key strategic objectives and supporting goals.

Organisation and Management Structure

18. The Council currently consists of 13 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 breeding, supply and training;
 - advanced training;
 - applications;
 - aftercare;
2. Fundraising, Marketing & Communications
3. Finance, Facilities, Support Services & HR

20. The above main activities are supported by networks of staff and volunteers, based at both of the Charity's Training Centres in West Sussex and Leicestershire and across the regions of the UK via its 13 puppy satellite groups and widespread community fundraising groups.

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Objectives and Activities

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

- i) Create and maintain life transforming partnerships between adults with physical disabilities and trained assistance dogs
- ii) Increase awareness of Canine Partners and how we transform people's lives
- iii) Grow income to maximise the impact we deliver
- iv) Ensure we have the underlying capability to achieve our objectives

Strategic Report

22. Achievements and Performance. The Charity has made further progress in 2018 against targets which were detailed in the 2017 Annual Report & Financial Statements. Key areas have been:

i). 2018 saw us reach over 428 working partnerships with the creation of 73 new partnerships between people with physical disabilities and our specially trained dogs. This was a huge team effort, overcoming a number of staffing and puppy supply challenges throughout the year. This means that over 800 partnerships have been formed over the course of the Charity's history.

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

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
137	164	188	221	254	305	339	375	403	428

Partnerships created from 2009-2018 are as follows:

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
40	39	44	59	67	79	78	66	74	73

ii). By increasing the numbers of established working partnerships across the UK by a further 6% we are able to bring a positive benefit to even more individuals, their families and the communities in which they are based. We finished the year with more working partnerships than ever before, although with fewer than we had aimed for by year end due to retirement and illness.

iii). We successfully managed to secure funding that will enable the final phase of our Midlands Centre to be built during 2019. Plans have been finalised and approved for the bespoke Kennel and Dog Welfare Centre that will enable us to have up to 40 dogs at the Centre at any one time, increasing our ability to create even more partnerships. The kennels will also contain a veterinary examination room and isolation area as the welfare of the dogs staying on site during their advanced training is paramount. This will enable us to increase production from the Midlands Centre from early 2020 to enable a step change in numbers of partnerships we are able to create during 2020.

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iv). We have continued to prioritise successor partnerships (replacement dogs for those partnerships that have come to the end of their working career) during 2018 and have been working to ensure we can re-open the waiting list in the first half of 2019. In 2018, 28.8% of placements were for successor partnerships, a similar figure to the 28.4% in 2017. This figure is expected to gradually increase as we create even more partnerships, and we are reviewing how we can continue to support those people who would benefit from another Canine Partner as well as expanding our services to new beneficiaries.

v) To strengthen the pipeline and predictability of puppies passing through our training programme we are focusing on developing our breeding programme as a key strategic priority. We increased our brood bitch numbers to nine and they produced 53 (41%) of puppies entering our training programme. During 2019 we plan to increase this to 17 brood bitches with an aim in the longer term to ensure around 80% of puppies entering the programme have come from our own breeding programme. We continue to be grateful to other organisations such as Guide Dogs for the Blind and Dogs for Good who have provided us with 22 puppies during 2018. Private breeders also enabled us to put a further 51 puppies into training.

vi). With increased numbers of working partnerships across the UK we are starting to grow our Aftercare team to ensure we are providing the best level of lifelong support. With four dedicated Aftercare Instructors working and a network of Aftercare Assistants out in the field supporting the increased schedule of aftercare visits we are able to provide high levels of support, 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 UK We are proud that our Chief Executive and Director of Operations continue to play an active part on the Board of the umbrella organisation Assistance Dogs UK. Along with the other member organisations, Canine Partners has played a role in reviewing the strategy for AD(UK) as well as looking for opportunities for collaboration.

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'. We continue to work in partnership with Help for Heroes and we have provided 18 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. In 2018 we received significant income from the Veteran's Foundation in support of our ex armed forces partnerships and applicants across the UK for which we are extremely grateful.

x). Canine Partners in Scotland.

Our work in Scotland continues to grow, with established canine partnerships in communities all over the country. Our amazing team of staff, volunteers and supporters continue to work hard with optimism and excitement, training our future canine partners and raising crucial funds from a diverse number of income streams. These streams include fundraising events, sponsored challenges, individuals, corporates, collection days, awareness raising talks, charitable trusts and more. Scotland fundraising in 2018 increased by 28% on the previous year. Volunteer led fundraising events in 2018 included

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established events in the form of Prestwick Golf Day and the Race Picnic at Perth Racecourse. These were supplemented by new events such as the Bramble Ramble Fun Day. We very much look forward to the months and years to come, striving to help even more people in Scotland living with disabilities.

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 2018 to enable all the above work to happen. It was a strong year for legacy income with a significant single legacy as well as over performance against budget for all other legacies. There was more challenge from a non-legacy perspective which will undoubtedly continue to be a focus for us over the coming years. Our new strategic priorities concentrate not only on diversifying our income streams but growing our brand awareness to attract new supporters from a wider demographic.

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 2018. Hundreds of events took place both nationally and in the community. As well as our established volunteer community groups our Community Champions worked tirelessly to help us spread the work and word of Canine Partners. Thank you to all our local communities and individuals for supporting us in so many different ways, from garden parties to carol services, helping us to transform the lives of even more people with physical disabilities. A special thank you to all those involved in organising a hugely successful Golf Day at the exclusive Swinley Forest Golf Club raising over £30,000 to support our work, and to those that opened their homes to host events across the UK. 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 enthusiasm 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 2018, in their 19th year as our principle corporate supporter. 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 a wide range of tasks during their volunteer days as well as supporting our operational teams with continued professional development and advice on a whole range of dog related topics. We were also delighted to join the Purina Pets at Work Alliance, promoting the benefits of pets in the workplace and updating the scheme we run at our two training centres. Thank you!

xiv). Carol Services. Our thanks go to Angela Hamlin, Draycott Nursing & Care and the Carol service committee, for organising another wonderful carol service in London in aid of Canine Partners, with music and celebrity readings, and also to Sarah Cleaver and her committee of volunteers who organised an outstanding first carol service in the North West at Lancaster Priory. We were also pleased to be able to host our first carol service at Arundel Cathedral, West Sussex. We had a fantastic attendance at all three services.

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xv). Other corporate support. We were delighted to receive support from a range of companies in 2018, including:

Allergan UK	LonRes
Barclays International	National Express
Baxter Healthcare	Nestlé Purina Petcare
Clarity Environmental	NEXT plc
Collins Aerospace	NoMuda Ltd
Collins Property Recruitment	Pets at Home
Greggs	Pets Corner
Handicare Ltd	SAP UK
Harris and Sheldon Group Ltd	Wightlink
Kew Electrical	

We are grateful not only for the funding provided but also for the awareness raised by means of a whole range of events and volunteer days. We have loved working with all our corporate partners in 2018 and look forward to developing our relationships during 2019. We are also excited to have been announced as the Goodwood Estate Charity of the Year for 2019 and 2020.

xvi). The Big Give. We received a fantastic amount of support from new and existing donors which helped us exceed our target of £90,000 with a final figure of over £105,000 from the one week campaign. We were extremely grateful to one of our longest standing supporters, Colonel Alan Jukes OBE and also to Candis Magazine who enabled us to achieve this by providing the matched funding pot.

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 2018, including the sponsorship of many of our dogs and contributions towards phase two and phase three of our capital appeal. We were delighted to receive 198 donations from Trusts and Foundations, all of whom have helped transform lives across the UK. We also make special mention of the Dudley and Geoffrey Cox Charitable Trust, Boshier-Hinton Foundation, Ostacchini Family Charitable Trust and the Hatcher Animal Welfare Charitable Trust for their contribution to our new Kennels and Dog Welfare Centre in the Midlands.

xviii). Legacies. We are indebted to many people for their generosity in leaving us gifts in their wills in 2018. 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. In 2018 we were overwhelmed to receive a significant legacy which will enable us to look to the future with financial security and start to make a step change in the way we work. 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. Our speaker network continues to play a vital role in raising our profile in communities across the UK, delivering 383 talks to a wide range of diverse audiences and encouraging fundraising and volunteer support. We also strengthened our Demonstration and Meet and Greet teams by employing a part time Demo Team instructor to maximise the impact that our teams have when meeting the public, and showcasing the amazing ways that our dogs support their partners.

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xx). Increasing awareness of our work. We achieved further media coverage regarding our work in 2018. 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 people with disabilities and certainly assists in our ability to raise funds. This year we have increased our presence on social media, created a wide range of video stories featuring our partnerships, secured international coverage for our work at the IMG Tennis Tournament at the Royal Albert Hall and delivered our first Puppy Fund Appeal. Social media played a significant role in securing funds through the Big Give Campaign and will continue to play a key role in broadening our supporter base.

xxi). Exercising financial prudence. Financial monitoring continued to be a high priority during 2018. We ensured that we had a balanced budget with all teams focused on cost savings, and we were delighted to exceed this by returning a modest surplus. By agreeing strategic priorities and goals and highlighting the key organisational risks, we are clear where the focus for investment needs to be over the coming years. Ensuring we have the skills, infrastructure and resources to increase the number of partnerships we create is the underpinning principal as we invest for the future. The finance sub-committee continued to meet regularly throughout 2018 and provided advice to the Trustee Council on financial matters and will continue to do so throughout 2019.

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 who are vital in assisting our partnerships across the UK. During 2018 we worked with all the teams to review our strategic objectives and goals and create a set of priorities that individuals signed up to. There was a significant decrease in staff turnover and with the launch of a Recognition programme, focus on development plans and an increase in collaborative projects, we hope staff engagement will go from strength to strength. Alongside this we created a leadership forum for our senior leaders to share challenges, successes and progress against our strategic goals. We implemented a new Applicant Tracker System to ensure our recruitment processes are as efficient as possible and we carried out a comprehensive review and training on all aspects of the new GDPR, ensuring all teams were involved in the changes across the different departments.

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 homes, 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.

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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.

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Financial Review

23. Charity Accounts – Financial Year 2018

- i) Total incoming resources were £4,890,735. Of this amount £221,550 came from our Capital Appeal which is restricted for the development of the Midlands Centre. Incoming resources excluding these restricted funds amounted to £4,669,185, an increase of 43% on 2017, due to a significant increase in legacy income.

Running costs for this year amounted to £3,208,387, a decrease of 3% on 2017. The surplus excluding Capital Appeal income was £1,460,798. Of this, Trustees have designated £1,363,168 in order to implement our new reserves policy, repay debt, the completion of the Kennel and Dog Welfare Centre and progress a number of strategic goals. The remaining surplus of £97,630 has been retained in reserves.

- ii) The Balance Sheet value of the Charity's net assets as at the year-end was £7.5 million.
- iii) A significant cost to the Charity is its staff, comprising 59% of expenditure (2017: 60%). 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 solvency, with a 12 month 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. Following a year of review and prioritisation, we are determined to build upon the progress that was made in 2018 and have set ourselves the following goals for 2019 as we approach our 30th anniversary, allowing us to make a step change in the way we work. This will undoubtedly be a challenge, both from a financial point of view with the uncertainty surrounding Brexit and the world economy, and from the complexities involved at all stages of creating that perfectly matched and enduring partnership.

Strategic objectives:

1. Create and maintain life transforming partnerships between adults with physical disabilities and trained assistance dogs:

- i) To create at least 72 new partnerships. We aim to transform the lives of over 70 disabled people in 2019, 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 and an ambition to create 85 to 90 partnerships during that year.
- ii) To open our waiting list. We plan to re-open our waiting list during 2019 for phased periods of time using a new process so that we can increase the number of people benefitting from a Canine Partner over the coming years. We will pilot the new process during 2019 to ensure we have a client focused approach and minimise the time that is spent waiting for a Canine Partner.
- iii) 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 over 450. Exact numbers will also depend on how many existing canine partnerships will retire during 2019, due to the health of dog or person and the number of beneficiaries looking for a successor dog which is currently around 30%.
- iv) To expand our breeding programme. We aim to increase the number of brood bitches in our breeding programme to 17 by the end of 2019 to ensure we have an affordable way of increasing the number of puppies entering our training programme. We will ensure that all dogs entering the breeding programme are fully health screened and will look to recruit more volunteer brood bitch holders to care for them throughout their time as a brood, ensuring the highest levels of care and welfare.

2. Increase awareness of Canine Partners and how we transform people's lives:

- v) To measure our impact. We will share our strategic plans with all our stakeholders and find new ways to demonstrate the impact that our dogs bring to the lives of individuals, their families and the communities in which they live.
- vi) To raise awareness of our brand. We will find new ways to engage new audiences with our work and the impact that it has on our beneficiaries. By working in partnership with

Canine Partners for Independence

other charities, our corporate partners and related organisations, we plan to increase awareness of how our work transforms lives to further our long term financial support and increase the number of volunteers supporting us that are so vital to delivering our mission.

3. Grow income to maximise the impact we deliver:

- vii) To raise sufficient funds to cover the costs of achieving all our objectives. Key to our ability to achieve our operational targets is our success in securing sufficient funding. We plan to grow and diversify the size, profitability and sustainability of our income streams whilst protecting and nurturing our established streams. We will be looking at opportunities for longer term support and developing our stewardship programmes.
- viii) Financial prudence. Robust financial monitoring of income and expenditure will continue to be a high priority for 2019 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.

4. Ensure we have the underlying capability to achieve our objectives:

- ix) To continue development of our training centres. We plan to build our Kennel and Dog Welfare Centre at our Midlands site during 2019 so that it is ready for an increase in dogs coming in to training in 2020. We will continue to look at ways to improve our Southern Centre including building a dedicated reception area, new staff kitchen area and applicant interview and assessment room.
- x) To increase the support for our volunteers. In readiness for the completion of our Midlands facilities, we aim to increase numbers of volunteer puppy parents in 2019, such that increased numbers of dogs can be trained. Our ambition is to be transforming the lives of 85 to 90 more 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. Alongside this we will look to engage with even more volunteers to support our fundraising, awareness raising, office work and fostering as well as providing increased support to those volunteers.
- xi) To invest in our leadership teams. We plan to invest in the recognition and development of our teams, starting with a focus on leadership skills to support our managers to support the development of their own teams. Ensuring we have the right people in the right roles with the right skills is critical to our long term growth and success.

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26. Reserves Policy

In 2018, Trustees reviewed the suitability of the Reserves Policy and considered the Charity Commission's guidance on charity reserves in its publication CC19. Our policy is supported by contingency planning to determine the potential impact on the level of reserves by defined risk factors. The contingency planning determines the level of reserves that we consider necessary to protect us from any prolonged financial risks. Amongst other factors, 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.

Council has determined that the level of unrestricted free reserves needed should fall between 4 and 6 months of monthly running costs. Currently, this equates to between £1.15M and £1.72M. This level is reviewed regularly by Council. At 31 December 2018 the Charity had unrestricted free reserves of £1.75M.

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.

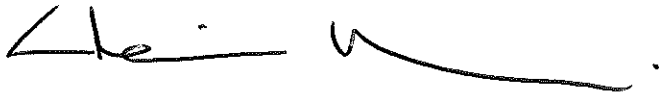
29. Auditors. Moore Stephens (South) LLP remains Auditor to the Charity.

Canine Partners for Independence

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.

A handwritten signature in black ink, appearing to read 'Clive Murray', with a long horizontal stroke extending to the right.

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 2018 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 2018 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).

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 19, 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. This description forms part of our auditor's report.

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.

.....
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

5th April 2019

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 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Income & endowments from:							
Donations and legacies		4,476,513	264,902	4,741,415	2,975,180	278,635	3,253,815
Other Trading Activities		148,774	-	148,774	196,948	-	196,948
Investments		546	-	546	629	-	629
Total income & endowments	2	4,625,833	264,902	4,890,735	3,172,757	278,635	3,451,392
Expenditure on:							
Raising funds		574,467	213	574,680	612,704	42,267	654,971
Charitable activities		2,492,915	140,792	2,633,707	2,517,897	118,973	2,636,870
Total expenditure	3	3,067,382	141,005	3,208,387	3,130,601	161,240	3,291,841
Net income/(expenditure)	4	1,558,451	123,897	1,682,348	42,156	117,395	159,551
Transfer between funds		-	-	-	39,733	(39,733)	-
Net movement in funds		1,558,451	123,897	1,682,348	81,889	77,662	159,551
Total funds brought forward		2,553,999	3,302,278	5,856,277	2,472,110	3,224,616	5,696,726
Total funds carried forward	14/15	4,112,450	3,426,175	7,538,625	2,553,999	3,302,278	5,856,277

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 27 to 36 form part of these accounts.

Canine Partners for Independence

Balance Sheet as at 31 December 2018

	Notes	£	December 2018 £	December 2017 £
Fixed Assets				
Tangible Fixed Assets	9		5,720,927	5,815,060
Current Assets				
Sundry Stocks	10	48,978		57,871
Sundry Debtors	11	301,329		353,820
Short Term Deposits		1,000,000		-
Cash at Bank and in Hand		<u>1,515,128</u>		<u>712,791</u>
		2,865,435		1,124,482
Creditors Amounts falling due within 1 year	12	<u>301,817</u>		<u>276,298</u>
Net Current Assets			<u>2,563,618</u>	<u>848,184</u>
Total Assets less Current Liabilities			8,284,545	6,663,244
Liabilities Amounts falling due after more than one year	13		<u>745,920</u>	<u>806,967</u>
Net Assets			<u>7,538,625</u>	<u>5,856,277</u>
Funds				
Unrestricted Funds				
General Operating	14	2,749,282		2,553,999
Designated Fund		<u>1,363,168</u>		-
			4,112,450	2,553,999
Restricted Funds				
General Operating	15	64,660		48,447
Buildings	15	<u>3,361,515</u>		<u>3,253,831</u>
			<u>3,426,175</u>	<u>3,302,278</u>
			<u>7,538,625</u>	<u>5,856,277</u>

Approved by the Board of Directors on 4th April 2019..... and signed on its behalf by

Signed J. Staunton..... Name J. L. STAUNTON..... Trustee

Signed Wm Richardson..... Name WM RICHARDSON..... Trustee

Company Registration No. 02516146

The notes on pages 27 to 36 form part of these accounts.

**Statement of Cash Flows
for the year ended 31 December 2018**

	Note	£	2018 £	£	2017 £
Cash Flow from Operating Activities	5		1,927,723		9,934
Cash Flow from Investing Activities					
Interest received		546		629	
Payments to acquire tangible assets		<u>(41,841)</u>		<u>(117,929)</u>	
			(41,295)		(117,300)
Cash Flow from Financing Activities					
Bank Loan		-		-	
Interest paid		(24,449)		(23,808)	
Repayment of long term bank loan		<u>(59,642)</u>		<u>(48,447)</u>	
			(84,091)		72,255
Net Increase/(Decrease) in cash and cash equivalents			1,802,337		(179,621)
Cash and Cash Equivalents at 1 January 2018			712,791		892,412
Cash and Cash Equivalents at 31 December 2018			<u>2,515,128</u>		<u>712,791</u>
Cash and Cash Equivalents consist of:					
Cash at Bank and In Hand			1,515,128		712,791
Short Term Deposits			<u>1,000,000</u>		<u>-</u>
			<u>2,515,128</u>		<u>712,791</u>

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2018

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 2018

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 2018

(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 2018

2 Total Income and Endowments

	Unrestricted Funds General £	Restricted Funds General £	Restricted Building Fund £	Total 2018 £	Total 2017 £
Donations and legacies:					
Donations & Gifts	1,393,180	-	-	1,393,180	1,312,508
Clubs & Associations	39,992	-	-	39,992	56,052
Trusts & Corporates	759,586	43,352	221,550	1,024,488	1,058,585
Legacies	2,283,755	-	-	2,283,755	826,670
	<u>4,476,513</u>	<u>43,352</u>	<u>221,550</u>	<u>4,741,415</u>	<u>3,253,815</u>
Other trading activities:					
Functions held	116,580	-	-	116,580	151,102
Charity products sold	32,194	-	-	32,194	45,846
	<u>148,774</u>	<u>-</u>	<u>-</u>	<u>148,774</u>	<u>196,948</u>
Investments:					
Interest on deposited funds	546	-	-	546	629
	<u>546</u>	<u>-</u>	<u>-</u>	<u>546</u>	<u>629</u>
Total income and endowments	<u>4,625,833</u>	<u>43,352</u>	<u>221,550</u>	<u>4,890,735</u>	<u>3,451,392</u>

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2018

3 Total resources expended

Running Costs:

	Charitable General £	Activities Restricted £	Generating General £	Funds Restricted £	Governance General £	Building Restricted £	Total 2018 £	Total 2017 £
Workforce Costs	1,569,243	19,317	401,378	-	50,377	-	2,040,315	2,118,246
Transport	195,332	-	20,580	-	6,236	-	222,148	251,082
Office & Site Facilities	111,309	-	40,906	-	15,658	-	167,873	192,553
Equipment Repairs Maintenance, Hire	60,031	-	14,338	213	6,625	-	81,207	78,647
Operations	371,642	7,609	-	-	-	-	379,251	345,192
Fundraising & Marketing	16,747	-	29,373	-	-	-	46,120	50,972
Communications	37,881	-	13,311	-	-	-	51,192	28,271
Finance Costs	-	-	-	-	34,148	-	34,148	33,836
Depreciation	15,475	113,866	4,422	-	2,211	-	135,974	120,488
	2,377,660	140,792	524,308	213	115,255	-	3,158,228	3,219,287

Cost of activities for generating funds:

Function costs	-	-	37,142	-	-	-	37,142	51,778
Charity products costs	-	-	13,017	-	-	-	13,017	20,776
	-	-	50,159	-	-	-	50,159	72,554
Total resources expended	2,377,660	140,792	574,467	213	115,255	-	3,208,387	3,291,841

4 Net Income/(Expenditure) for the Year

This is stated after charging:

	2018 £	2017 £
Depreciation	135,974	120,488
Auditors Remuneration: Audit Fees	6,000	6,000

Canine Partners for Independence
Notes forming part of the financial statements for the year ended 31 December 2018

5 Statement of Cash Flows for the year ended 31 December 2018

Reconciliation of operating profit to net cash inflow from operating activities	2018	2017
	£	£
Net incoming resources	1,706,251	182,730
Depreciation of tangible assets	135,974	120,488
Decrease/(Increase) in stocks	8,893	21,217
Decrease/(Increase) in debtors	52,491	(254,909)
Increase/(decrease) in creditors	24,114	(59,592)
	<hr/>	<hr/>
Net cash inflow from operating activities	1,927,723	9,934

6 Staff costs

	2018	2017
	£	£
Salaries	1,709,677	1,782,073
Social security costs	141,528	146,811
Pension costs	47,353	46,531
Ex-gratia payments	9,907	-
	<hr/>	<hr/>
	1,908,465	1,975,415

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

	2018	2017
	Number	Number
£60,000 - £70,000	2	-

In 2018 all employees earning more than £60,000 participated in the pension scheme and the Charity made pension contributions totalling £4,082 on behalf of these employees.

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 to £291,036 (2017 £270,086).

7 Staff numbers

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

	2018	2017
	Number	Number
Charitable Activities	49	50
Generating Funds	12	14
Support & Governance	7	7
	<hr/>	<hr/>
	68	71

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2018

8 Trustees

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

	2018 Number	2017 Number	2018 £	2017 £
Remuneration	2	3	325	600
Travel	2	3	825	203
			<u>1,150</u>	<u>803</u>
Cost of Trustee indemnity insurance borne by the charity			<u>2,220</u>	<u>2,125</u>

9 Tangible fixed assets

	Freehold Land & Buildings		Motor Vehicles	Computer Equipment	Other Equipment	Total
	Heyshott £	Midlands £	£	£	£	£
Cost or Valuation						
As at 1 January 2018	2,637,161	3,812,760	101,118	36,112	174,290	6,761,441
Additions in the Period	-	26,865	8,468	-	6,508	41,841
Disposals in the Period	-	-	(13,561)	(30,662)	-	(44,223)
As at 31 December 2018	2,637,161	3,839,625	96,025	5,450	180,798	6,759,059
Depreciation						
As at 1 January 2018	528,602	179,070	70,718	36,111	131,880	946,381
Charge for Period	44,545	69,321	7,247	-	14,861	135,974
Depn on Disposals	-	-	(13,561)	(30,662)	-	(44,223)
As at 31 December 2018	573,147	248,391	64,404	5,449	146,741	1,038,132
Net Book Value						
As at 31 December 2018	2,064,014	3,591,234	31,621	1	34,057	5,720,927
As at 1 January 2018	2,108,559	3,633,690	30,400	1	42,410	5,815,060

Tangible assets with a net book value of £5,655,248 (2017 £5,742,249) 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 2018

10	Stock	December 2018 £	December 2017 £
	Dog food, medicine and equipment	25,307	24,536
	Promotional material	23,671	33,335
		48,978	57,871
11	Debtors	December 2018 £	December 2017 £
	Inland Revenue - Gift Aid tax rebates	80,104	39,678
	Other Debtors	185,789	271,624
	Prepayments	35,436	42,518
		301,329	353,820
12	Creditors - amounts falling due within one year	December 2018 £	December 2017 £
	Bank Loans	59,643	58,238
	Inland revenue – PAYE & NIC	39,746	34,798
	Accrued Expenses & Provisions	67,987	57,270
	Trade Creditors	134,441	125,992
		301,817	276,298
13	Liabilities - amounts falling due after more than one year	December 2018 £	December 2017 £
	Bank Loans:		
	Repayable within 1 to 2 years	59,643	58,238
	Repayable within 2 to 5 years	178,929	174,714
	Repayable after 5 years	507,348	574,015
		745,920	806,967

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 2018

14 Unrestricted funds of the Charity

	Balance 1 Jan 2018 £	Movement Incoming £	in Resources Outgoing £	Transfers between Funds £	Balance 31 Dec 2018 £
General Fund	2,553,999	4,625,833	3,067,382	(1,363,168)	2,749,282
Designated Fund	-	-	-	1,363,168	1,363,168
	2,553,999	4,637,435	3,067,382	-	4,112,450

The Designated Fund is designated to reserves and to various capital projects.

15 Restricted funds of the Charity

	Balance 1 Jan 2018 £	Movement Incoming £	in Resources Outgoing £	Transfers between Funds £	Balance 31 Dec 2018 £
Operational Costs & Equipment	48,447	43,352	27,139	-	64,660
	48,447	43,352	27,139	-	64,660
Building Fund:					
Southern	1,565,083	-	44,545	-	1,520,538
Midlands	1,688,748	221,550	69,321	-	1,840,977
	3,253,831	221,550	113,866	-	3,361,515
	3,302,278	264,902	141,005	-	3,426,175

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 2018

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 2018
	£	£	£	£	£
General Fund	2,359,412	1,087,300	48,490	(745,920)	2,749,282
Designated Fund	-	1,363,168	-	-	1,363,168
Restricted General Fund	-	64,660	-	-	64,660
Restricted Building Fund	3,361,515	-	-	-	3,361,515
	5,720,927	2,515,128	48,490	(745,920)	7,538,625

17 Financial Commitments

At 31 December 2018 the Charity was committed to making the following payments under non-cancellable operating leases:

	2018 £	2017 £
Payable within 1 year:		
Land and Buildings	-	3,554
Other Leases	63,000	58,417
Payable within 2 to 5 years:		
Land and Buildings	-	-
Other Leases	127,573	93,802
	190,573	155,773

18 Contingent Asset

During 2017 the Charity received notification of a significant legacy. As at 31 December 2018, the majority of this legacy had been received and included within income. However, there are still some assets forming part of the estate that have not been realised and their value, together with expenses and costs of sale are not known, and cannot reasonably be estimated. Therefore, the remaining income receivable from this 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 2018 £	December 2017 £
Contributions payable by the Charity for the year	47,353	46,531

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.

