

Annual Report and Financial Statements

For the year ended 31 December 2019

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) 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 (retired 2 May 2019) Mr Jon Flint Ms Jo Hill MA (Oxon) Mrs Caroline Hoare BSc MBA Mrs Nicky Pendleton DipCOT MSc (Rehab) Lady Rankin Rabbi Gideon Schulman BSc, MA, FCIPD
Senior Mgt Team	Chief Executive Mrs Nicola Martin BVSc MRCVS Director of Operations Mr Richard Smith BSc Hons, MBA Director of Finance & Resources Mr Clive Murray Company Secretary
Bankers	Lloyds plc 4 West Street Havant Hampshire PO9 1PE
Auditors	Moore (South) LLP City Gates 2-4 Southgate Chichester West Sussex PO19 8DJ

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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

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E-Mail: info@caninepartners.org.uk
Website: www.caninepartners.org.uk

Trustees Annual Report

Chair's Review

The entire Canine Partners team has worked hard during 2019 to deliver our mission 'to transform the lives of people with physical disabilities through partnership with our specially trained assistance dogs through our values and vision for the future'. Nicola Martin, in her second year as CEO has further developed and embedded our strategy as it enters its second year.

The key strategic areas remain;

- 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 2019 we had increased our number of active partnerships to 454 giving priority to an increasing number of partners requiring successor dogs which now form 31% of the total. With 65 new partnerships being created we have changed the lives of individuals, families and communities by improving the physical and mental wellbeing of our partners. Thanks to the support that our specially trained assistance dogs provide while carrying out a variety of tasks, our partners report a feeling of greater independence, increased confidence and self-esteem, as well as a reduction of pain, fatigue and, in some cases, reliance on human care. Those benefits are not limited to our partners, as they extend and ripple to touch the people around them. Each dog will indirectly benefit their partner's support team, family, friends, colleagues and wider society over all.

This achievement was a combined effort between our staff and growing network of volunteers who together trained these amazing assistance dogs across the UK. Our ever increasing number of partnerships means our Aftercare Team has an increased role in supporting our partners to ensure they are getting the most from their canine partner throughout their time together.

Our amazing dogs take around 18 months to be fully trained and planning starts years in advance as we begin sourcing and breeding suitable puppies for the programme. We hope to grow the number of partnerships we create in 2020, and so have continued to develop our breeding programme during 2019.

A significant achievement during 2019 was the completion of our Midland training centre where we have now finished building a brand new bespoke Kennel and Dog Welfare Centre which can hold up to 40 dogs at any given time. A new corporate partnership with David Wilson Homes has enabled us to progress landscaping of the site.

Raising sufficient funds to support our UK wide operations continues to be a challenging feat, especially in a year of socio-economic and political uncertainty. However, I am pleased to report that the Marketing and Income generation team succeeded in meeting our annual target, as well as raising sufficient capital funds to complete the Midland Kennel & Dog Welfare Centre. The following report provides further detail.

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 and could not succeed without them. We were delighted to be able to invest in a new role within our team, that of Volunteering Development Manager to define and implement our volunteering strategy as well as provide guidance and support.

We start 2020 with a clear 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 2020 with the knowledge that we have exciting plans in place to celebrate 30 years of transforming lives and develop our strategic plans further to deliver increasing impact year on year.

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

Annual Report

Structure Governance and Management

1. The Trustees are pleased to present the Charity's Annual Report and Financial Statements for the year ended 31 December 2019. 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.

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, many 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. There are 13.9 million disabled people in the UK and 19% of working age adults are disabled (DWP Family Resources Survey 2016/17). A significant number of these could benefit from the improved physical and emotional wellbeing that a trained assistance dog can provide. With a current annual output of significantly less than this, there is a clear need for Canine Partners to continue to grow its operations over the coming years, in order to better meet the potential demand.

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

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

11. Financial Benefits. A canine partner can sometimes reduce the need for a carer which not only increases self-esteem and independence but may also reduce care-costs, the need for ambulance trips or even GP visits, potentially reducing NHS costs as well.

12. Managing the Need. Since the first canine partner was placed in 1994, over 850 partnerships have been created with adults with physical disabilities, of which 454 are currently in partnership, allowing for retirement and deaths over the years. Following closure of the waiting list due to demand in 2017, we were pleased to be able to open the waiting list in May 2019 and offer more people the opportunity to be partnered with an assistance dog. The average waiting time is approximately 2 years with a new applications process in place, 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. With both our training centres now complete our long term ambition is to increase the number of partnerships we are able to create from those facilities to over 100 a year as well as looking at other ways to support adults with physical disabilities.

13. The Application Process. All applications pass through a rigorous assessment process, the aim of which is to identify our applicants' needs and goals. In order to do this, all our applicants are selected during pre-scheduled opening times each year and after attending a Discovery Day at one of our centres, each applicant's journey will include the collection of detailed self-assessment documentation as well as medical reports from their medical team, a bespoke on-site assessment carried out by our applications' assessors

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and a visit to the applicant's home and work or study settings. The Charity acknowledges the input from a whole range of healthcare professionals in this process, including our own network of registered occupational therapists to help us better evaluate each applicant's condition and the impact it has on their function. Thanks to this carefully managed and efficiently structured process, we can better predict the length of our applicants' wait for their dog, as well as plan their course and follow up care throughout their placement.

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. Dogs are selected from breeders, from other assistance dog organisations and increasingly from the Charity's own developing breeding programme which now includes 15 brood bitches. Puppy parents attend training classes with their dogs, supervised by a Canine Partners puppy 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 17 weeks depending upon the exact tasks that are required.

15. Partnership & Aftercare. Partners attend a two week training course with their matched dog, at one of the Charity's centres or in their own home, after which they will progress through levels of qualification 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 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 breeding and supply;
 - puppy training;
 - advanced training;
 - applications;
 - aftercare;
2. Marketing and Income Generation
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

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regions of the UK via its 11 puppy satellite groups and widespread community fundraising groups.

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 against all of our strategic objectives in 2019 against targets which were detailed in the 2018 Annual Report & Financial Statements. Key areas have been:

i). 2019 saw us reach 454 working partnerships with the creation of 65 new partnerships between people with physical disabilities and our specially trained dogs. This was a huge team effort, overcoming a number of challenges throughout the year. This means that over 850 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 increased by 6% since last year:

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
164	188	221	254	305	339	375	403	428	454

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.

iii). We successfully managed to secure funding through our Raise the Woof Appeal that enabled the final phase of our Midlands Centre to be completed by the end of 2019. The bespoke Kennel and Dog Welfare Centre 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 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 and long into the future. We are now working on landscaping the entire site with support from a new Corporate Partner, David Wilson Homes.

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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 2019 and re-opened the waiting list in May 2019 as planned using a new process and providing a wide range of resources for potential applicants. In 2019, 31% of placements were for successor partnerships, a slight increase to the 29% in 2018. This figure is expected to continue 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 17 as planned and they produced 60 (38%) of puppies entering our training programme. During 2020 we plan to continue developing this programme with a new full time Breeding Manager, aiming to reach around 80% of puppies entering training coming from our own breeding programme. We continue to be grateful to other organisations such as Guide Dogs for the Blind and Dogs for Good and private breeders who have provided us with puppies during 2019.

vi). With an 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 and a network of Aftercare Assistants working out in the community 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. 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 six dual Hearing Dogs/CP's and four 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 key role in setting the new strategy for AD(UK) which will be implemented in 2020 as well as looking for opportunities for collaboration in a number of areas between the organisations represented.

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, The Royal Navy and Royal Marines Charity, the Veterans Foundation, The Royal British Legion and other services-related organisations and we are currently supporting 17 active partnerships between our dogs and members of the services community.

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,

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awareness raising talks and charitable trusts. We aim to create 10% of our partnerships in Scotland every year and will be opening the waiting list in Scotland in 2020.

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, we were pleased to have raised sufficient funds in 2019 to enable all the above work to happen. It was a strong year for legacy income but there was more challenge from a non-legacy perspective, especially in the community fundraising area which will undoubtedly continue to be a focus for us over the coming years. Our focus during 2020 will be on increasing our awareness and brand profile to support increasing and diversification of our income streams.

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 2019. Hundreds of events took place both nationally and in the community including our new walking dog shows. 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. Our three wonderful Carol Services this year took place at St. Peters Church, Edensor on the Chatsworth Estate; at St. Paul's Church, Bedford and once again at Arundel Cathedral, showcasing our work to the local communities and celebrating the achievements of the year. We continue 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 2019, as our principal 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 continue supporting the Purina Pets at Work Alliance, promoting the benefits of pets in the workplace at both of our training centres. Thank you!

xiv). Pets Corner – as one of our key corporate supporters, now in our 8th year of partnership we have received significant income from the generosity of customers and funding from sales of products and sponsorship. We look forward to developing our partnership further in our 30th year with some exciting new initiatives showcasing our work to Pets Corner customers across their network of stores.

xv) David Wilson Homes – we are delighted to have formed a fantastic new three year strategic partnership with quality housebuilder, David Wilson Homes. David Wilson Homes kindly donated £50,000 to sponsor one of our assistance dogs from Puppy to Partnership and is helping us to further develop our Midlands Training Centre. In recognition of this investment, we have named one of our puppies in training Wellington, after the golden retriever in the company's own logo. They are also organising a large team of volunteers to help with the landscaping and other projects to develop the site and improve access and we look forward to growing our relationship in the coming years.

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xvi). Other corporate support. We were delighted to receive support from a range of companies in 2019, including:

Accenture UK - Midlands Capital Appeal
Allergan Limited/ Foundation - Midlands Vehicle
Baxter Healthcare UK
Bibby Financial Services Ltd
Clarity Environmental
Collins Aerospace (previously Arinc)
Collins Property Recruitment
Ecclesiastical Insurance Group
Fitch Ratings
Greggs Foundation
Greggs Foundation Scotland
IMG Tennis
John Keil Ltd
KEW Electrical Ltd - Head Office
Kong Company
LonRes
NEXT
NoMuda Ltd
Northern Trust Asset Management
SAP UK Limited

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 been overwhelmed by the Gifts in Kind support we have also received, particularly from Pets at Home in the form of their Lifeline Vouchers and HSBC who provided 37 volunteering days. Gifts in Kind:

Pets At Home Ltd (HQ)
HSBC Corporate Banking
Streamz Global
Pitpatpet Limited
Wightlink Isle of Wight Ferries
Lintbells Ltd

We have loved working with all our corporate partners in 2019 and look forward to developing our relationships during 2020. We have also enjoyed our first year working with the Goodwood Estate as their Charity of the Year, raising our profile and income through a wide range of events and preparing for some fantastic new events during 2020.

xvii). The Big Give. We received a fantastic amount of support from new and existing donors which helped us once again exceed our target of £90,000 with a final figure of over £100,000 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 for the second year.

xviii). 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 2019, including the sponsorship of many of our dogs and contributions towards phase two and phase three of our capital appeal for the construction of our Midlands centre. We were delighted

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to receive 212 donations from Trusts and Foundations, all of whom have helped transform lives across the UK during the year. These include The Galbraith Trust, the Hodge Foundation, Sovereign Health Care and the Royal Navy and Royal Marines Charity. We also make special mention of the Bradbury Foundation, the Clothworkers' Foundation and the Wolfson Foundation, in addition to 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.

xix). Legacies. We are indebted to many people for their generosity in leaving us gifts in their wills in 2019. 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. 2019 was a strong year for legacies, enabling us to exceed our target and ensuring a healthy pipeline for the future. We would also like to thank Colonel Alan Jukes OBE, president of our Legacy Club, not only for continuing to support our Legacy Club but also for providing such tremendous ongoing support of our work, along with his wife Caroline.

xx). Awareness. Our speaker network continues to play a vital role in raising our profile in communities across the UK, delivering 205 talks and demonstrations to a wide range of diverse audiences and encouraging fundraising and volunteer support. We are delighted that we have also secured a BBC Lifeline Appeal for March 2020 to help raise vital income and awareness through a celebrity fronted film showcasing our work.

xxi). Increasing awareness of our work. We achieved further media coverage regarding our work in 2019. Our appearances in national and local media, both in print, broadcast media and online, are simply too many to mention but include TV appearances on This Morning and national press articles. We increased our website users by nearly 20% and grew our social media following across all channels with increased usage of videos to tell our stories. Our Big Give Social Media campaign and Raise the Woof Appeals were particularly successful helping us achieve our targets.

xxii). Exercising financial prudence. Financial monitoring continued to be a high priority during 2019. We ensured that we had a balanced budget with all teams focused on cost savings and looking for new income generating opportunities, 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. We were pleased to be able to implement a new financial management system, Exchequer, which will introduce real time reporting and increase efficiencies within the finance team. The finance sub-committee continued to meet regularly throughout 2019 and provided advice to the Trustee Council on financial matters and will continue to do so throughout 2020.

xxiii). 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. We held our first staff engagement session bringing together all our teams to share business plan developments and build relationships across the organisation. We trialled flexible working and introduced an Employee Assistance Programme as well as further leadership development for our teams. There has been a real focus on meeting our legislative

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requirements during 2019, furthering the work we began in 2018 on GDPR compliance, Health and Safety, Safeguarding and fundraising regulations. We were also able to benefit from the expertise of some of our Corporate Partners and volunteers, developing business continuity plans, reviewing our governance, reviewing our digital capability, and providing free training and CPD for our operational teams.

xxiv). 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. During 2019 our new Volunteering Development Manager spent time with a wide range of our volunteers across the UK to build a better picture of how we can improve our volunteering programme and will be implementing the findings during 2020.

xxv). 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.

xxvi). 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 2019

- i) Total incoming resources were £3,759,191. Of this amount £303,181 came from our Capital Appeal which is restricted for the development of the Midlands Centre. Incoming resources excluding these restricted funds amounted to £3,456,010 a decrease of 26% on 2018, due to a significant legacy received in 2018.

Running costs for this year amounted to £3,498,686, an increase of 9% on 2018. Excluding Capital Appeal income we ended the year with a deficit of £42,676.

- ii) The Balance Sheet value of the Charity's net assets as at the year-end was £7.8 million.
- iii) A significant cost to the Charity is its staff, comprising 58% of expenditure (2018: 59%). 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. 2019 was a year of starting to put solid foundations in place for development over the next 30 years. Ensuring we have the right skills, capabilities, processes and systems in place to develop in the future, and trialling new ways of working will ensure we can set realistic plans for our future growth. Across our operational team there has been an increase in collaboration across all departments to try to increase efficiencies and understanding of all aspects of the partnership journey. Our Fundraising team has been trialling new ways of engaging supporters including appeals and changes to our communications channels. We recruited our first Volunteering Development Manager to support our growing network of volunteers and improve the support and communications that are provided at all stages of the volunteering journey. Our plans for 2020 will continue to build on these areas and further progress the strategic objectives that we put in place in 2018. Financially, income generation will continue to be a real challenge in a volatile world economy. With increasing competition from larger charities our focus will be on raising our profile during our 30th year and showcasing the incredible impact that we have not just on individuals partnered with our dogs, but also on their families, friends and communities.

Strategic objectives:

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

- i) To support over 450 working partnerships and create 80-85 new partnerships including successors. We aim to transform the lives of around 80-85 adults with physical disabilities in 2020, with our specially trained assistance dogs. At the same time, we plan to look at ways to maximize the potential output from our two completed training centres.
- ii) To open our waiting list. We plan to re-open our waiting list twice during 2020 for phased periods of time using the new process successfully trialed in 2019. Our new approach is client focused and will ensure less uncertainty, faster progress through the different stages and improved outcomes in the long term.
- iii) To provide increased support for our puppies in training. With around 150 puppies in training living with volunteers across in the UK, we know support during this critical period of development is vital to ensure the right dogs are entering our advanced training programmes. During 2020 we will be collaborating with Dogs Trust Dog School to provide classes for our puppies, enabling our Puppy Trainers to spend more one to one time with our volunteers. Introduction of training standards and materials as well as new volunteer induction processes should further support development of this area.
- iv) To further develop our breeding programme. With a significant increase in our breeding programme in 2019 from 9 brood bitches to 17, we plan to continue investing in this area to ensure we are providing the best possible start for our future assistance dogs. In 2020 we will increase the resource to include a full time Breeding Manager and will collaborate with experts in the field to prioritise our focus on the future health and wellbeing of our dogs.

Canine Partners for Independence

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

- v) To measure and demonstrate our impact. We will launch our first impact report, highlighting the difference our dogs make to the physical and emotional wellbeing of the people and families they are partnered with. This will be supported by the delivery of our first university collaboration, The Canine Care Project in partnership with The University of Sheffield, showcasing the benefits assistance dogs can have in a number of areas. We will also be committing dedicated resource to our impact work and looking for new opportunities to further this area of work and utilise our findings in our communications.
- 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. We will be celebrating our 30 year anniversary with a number of events and will be showcasing our plans with old and new supporters. Our work will be showcased as part of the BBC Lifeline Appeal in March and we will also be putting new structures in place that enable us to increase our focus on marketing and raising our brand awareness.
- vii) Collaboration to increase our impact. By working in partnership with other charities both within and outside of our sector, universities, our corporate partners and related organisations, as well as AD(UK), 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. We will also ensure that our collaborative partnerships add real benefit to delivery of our strategic objectives and further the impact we deliver

3. Grow income to maximise the impact we deliver:

- viii) To raise sufficient funds to cover the costs of achieving all our objectives. Key to our ability to achieve and grow 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 aiming to create longer term strategic partnerships and will develop our stewardship programmes as well as introducing new appeals and propositions and increasing our use of digital channels to reach new audiences.
- ix) Financial prudence. Robust financial monitoring of income and expenditure will continue to be a high priority for 2020 and the coming years as the country's economic recovery remains uncertain. The Trustees recognise that the rate of growth and expansion of our services must be aligned with our ability to grow income. The finance sub-committee will continue to meet regularly.

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

- x) To maximise the use of our two training centres. With the completion of our Kennel and Dog Welfare Centre at our Midlands site and a new reception, kitchen and interview area at our Southern Site we can now look at ways to ensure we are fully utilising our facilities. We will also be planning for our longer term growth and looking at ways to ensure we can accommodate increasing numbers of partners, staff, volunteers and dogs as well as keeping all facilities fit for purpose.

Canine Partners for Independence

- xi) To increase the support for our volunteers. In 2019 we invested in the recruitment of our first Volunteering Development Manager to focus on ensuring we have all the systems and processes in place to better support our growing network of volunteers, improving their experience and attracting new volunteers who are all vital to every aspect of our work. We will also be working with our managers to ensure they are able to support the volunteer teams they work with. We will be implementing various aspects of the volunteering strategy throughout 2020 and looking for ways to develop our volunteer programme into the longer term.
- xii) To invest in our teams. During 2019 we put a number of initiatives in place to better support our teams, reward and recognise individuals and groups, increase our leadership skills within the organisation and improve work life balance. During 2020 we will continue to develop this work, improving succession plans and associated structures, investing in training to support skills gaps and further developing our teams, as well as introducing an HR Information System to better record and monitor all data relating to our teams.

26. Reserves Policy

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.

The Trustees have 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 £1.26M and £1.9M. This level is reviewed regularly by Council. At 31 December 2019 the Charity had unrestricted free reserves of £1.25M.

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 a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Canine Partners for Independence

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 (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 2019 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 2019 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.

.....
Louise Hastings (Senior Statutory Auditor)
For and on behalf of MOORE (SOUTH) LLP

Chartered Accountants
Statutory Auditor

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

Canine Partners for Independence

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 December 2019

		Unrestricted Funds	Restricted Funds	Total Funds 2019	Unrestricted Funds	Restricted Funds	Total Funds 2018
	Notes	£	£	£	£	£	£
Income & endowments from:							
Donations and legacies		3,233,772	390,348	3,624,120	4,476,513	264,902	4,741,415
Other Trading Activities		124,637	-	124,637	148,774	-	148,774
Investments		10,434	-	10,434	546	-	546
Total income & endowments	2	3,368,843	390,348	3,759,191	4,625,833	264,902	4,890,735
Expenditure on:							
Raising funds		623,206	2,237	625,443	574,467	213	574,680
Charitable activities		2,718,298	154,945	2,873,243	2,492,915	140,792	2,633,707
Total expenditure	3	3,341,504	157,182	3,498,686	3,067,382	141,005	3,208,387
Net income/(expenditure)	4	27,339	233,166	260,505	1,558,451	123,897	1,682,348
Transfer between funds		-	-	-	-	-	-
Net movement in funds		27,339	233,166	260,505	1,558,451	123,897	1,682,348
Total funds brought forward		4,112,450	3,426,175	7,538,625	2,553,999	3,302,278	5,856,277
Total funds carried forward	14/15	4,139,789	3,659,341	7,799,130	4,112,450	3,426,175	7,538,625

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.

Balance Sheet as at 31 December 2019

	Notes	£	December 2019 £	December 2018 £
Fixed Assets				
Tangible Fixed Assets	9		6,455,137	5,720,927
Current Assets				
Sundry Stocks	10	54,802		48,978
Sundry Debtors	11	582,932		301,329
Short Term Deposits		1,045,571		1,000,000
Cash at Bank and in Hand		<u>626,424</u>		<u>1,515,128</u>
		2,309,729		2,865,435
Creditors Amounts falling due within 1 year	12	<u>281,581</u>		<u>301,817</u>
Net Current Assets			<u>2,028,148</u>	<u>2,563,618</u>
Total Assets less Current Liabilities			8,483,285	8,284,545
	13			
Liabilities Amounts falling due after more than one year			<u>684,155</u>	<u>745,920</u>
Net Assets			<u>7,799,130</u>	<u>7,538,625</u>
Funds				
Unrestricted Funds				
General Operating	14	2,728,241		2,749,282
Designated Fund		<u>1,411,548</u>		<u>1,363,168</u>
			4,139,789	4,112,450
Restricted Funds				
General Operating	15	90,517		64,660
Buildings	15	<u>3,568,824</u>		<u>3,361,515</u>
			<u>3,659,341</u>	<u>3,426,175</u>
			<u>7,799,130</u>	<u>7,538,625</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 27 to 36 form part of these accounts.

**Statement of Cash Flows
for the year ended 31 December 2019**

	Note	£	2019 £	£	2018 £
Cash Flow from Operating Activities	5		105,500		1,927,723
Cash Flow from Investing Activities					
Interest received		10,434		546	
Payments to acquire tangible assets		<u>(874,291)</u>		<u>(41,841)</u>	
			(863,857)		(41,295)
Cash Flow from Financing Activities					
Bank Loan		-		-	
Interest paid		(24,072)		(24,449)	
Repayment of long term bank loan		<u>(60,704)</u>		<u>(59,642)</u>	
			<u>(84,776)</u>		<u>(84,091)</u>
Net Increase/(Decrease) in cash and cash equivalents			(843,133)		1,802,337
Cash and Cash Equivalents at 1 January 2019			<u>2,515,128</u>		<u>712,791</u>
Cash and Cash Equivalents at 31 December 2019			<u><u>1,671,995</u></u>		<u><u>2,515,128</u></u>
Cash and Cash Equivalents consist of:					
Cash at Bank and In Hand			626,424		1,515,128
Short Term Deposits			<u>1,045,571</u>		<u>1,000,000</u>
			<u><u>1,671,995</u></u>		<u><u>2,515,128</u></u>

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2019

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 2019

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 2019

(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 2019

2 Total Income and Endowments

	Unrestricted Funds General £	Restricted Funds General £	Restricted Building Fund £	Total 2019 £	Total 2018 £
Donations and legacies:					
Donations & Gifts	1,308,898	-	-	1,308,898	1,393,180
Clubs & Associations	-	-	-	-	39,992
Trusts & Corporates	813,263	87,167	303,181	1,203,611	1,024,488
Legacies	1,111,611	-	-	1,111,611	2,283,755
	3,233,772	87,167	303,181	3,624,120	4,741,415
Other trading activities:					
Functions held	89,523	-	-	89,523	116,580
Charity products sold	35,114	-	-	35,114	32,194
	124,637	-	-	124,637	148,774
Investments:					
Interest on deposited funds	10,434	-	-	10,434	546
	10,434	-	-	10,434	546
Total income and endowments	3,368,843	87,167	303,181	3,759,191	4,890,735

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2019

3 Total resources expended

Running Costs:

	Charitable General £	Activities Restricted £	Generating General £	Funds Restricted £	Governance General £	Building Restricted £	Total 2019 £	Total 2018 £
Workforce Costs	1,726,572	25,984	463,727	-	61,033	-	2,277,316	2,040,315
Transport	214,315	-	24,886	-	7,429	-	246,630	222,148
Office & Site Facilities	114,993	-	40,813	-	16,808	-	172,614	167,873
Equipment Repairs Maintenance, Hire	75,054	-	22,300	1,537	8,615	-	107,506	81,207
Operations	408,734	15,089	-	-	-	-	423,823	379,251
Fundraising & Marketing	7,857	-	22,092	700	-	-	30,649	46,120
Communications	23,583	-	8,263	-	2	-	31,848	51,192
Finance Costs	-	-	-	-	32,335	-	32,335	34,148
Depreciation	18,347	113,872	5,242	-	2,621	-	140,082	135,974
	2,589,455	154,945	587,323	2,237	128,843	-	3,462,803	3,158,228

Cost of activities for generating funds:

Function costs	-	-	20,172	-	-	-	20,172	37,142
Charity products costs	-	-	15,711	-	-	-	15,711	13,017
	-	-	35,883	-	-	-	35,883	50,159
Total resources expended	2,589,455	154,945	623,206	2,237	128,843	-	3,498,686	3,208,387

4 Net Income/(Expenditure) for the Year

This is stated after charging:

	2019 £	2018 £
Depreciation	140,081	135,974
Auditors Remuneration: Audit Fees	6,300	6,000

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2019

5 Statement of Cash Flows for the year ended 31 December 2019

Reconciliation of operating profit to net cash inflow from operating activities	2019 £	2018 £
Net incoming resources	274,143	1,706,251
Depreciation of tangible assets	140,081	135,974
(Increase)/Decrease in stocks	(5,824)	8,893
(Increase)/Decrease in debtors	(281,603)	52,491
(Decrease)/Increase in creditors	(21,297)	24,114
Net cash inflow from operating activities	105,500	1,927,723

6 Staff costs

	2019 £	2018 £
Salaries	1,798,550	1,709,677
Social security costs	149,145	141,528
Pension costs	68,839	47,353
Ex-gratia payments	-	9,907
	2,016,534	1,908,465

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

	2019 Number	2018 Number
£60,000 - £70,000	1	2
£80,000 - £90,000	1	1

In 2019 all employees earning more than £60,000 participated in the pension scheme and the Charity made pension contributions totalling £5,954 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 £225,609 (2018 £291,036).

7 Staff numbers

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

	2019 Number	2018 Number
Charitable Activities	53	49
Generating Funds	11	12
Support & Governance	7	7
	71	68

Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2019

8 Trustees

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

	2019 Number	2018 Number	2019 £	2018 £
Remuneration	-	2	-	325
Travel	10	2	411	825
			<u>411</u>	<u>1,150</u>
Cost of Trustee indemnity insurance borne by the charity			<u>2,275</u>	<u>2,220</u>

9 Tangible fixed assets

	Freehold Land & Buildings		Motor Vehicles	Computer Equipment	Other Equipment	Total
	Heyshott £	Midlands £				
Cost or Valuation						
As at 1 January 2019	2,637,161	3,839,625	96,025	5,450	180,798	6,759,059
Additions in the Period	48,509	784,771	-	41,011	-	874,291
As at 31 December 2019	<u>2,685,670</u>	<u>4,624,396</u>	<u>96,025</u>	<u>46,461</u>	<u>180,798</u>	<u>7,633,350</u>
Depreciation						
As at 1 January 2019	573,147	248,391	64,404	5,449	146,741	1,038,132
Charge for Period	44,545	69,327	8,094	2,050	16,065	140,081
As at 31 December 2019	<u>617,692</u>	<u>317,718</u>	<u>72,498</u>	<u>7,499</u>	<u>162,806</u>	<u>1,178,213</u>
Net Book Value						
As at 31 December 2019	<u>2,067,978</u>	<u>4,306,678</u>	<u>23,527</u>	<u>38,962</u>	<u>17,992</u>	<u>6,455,137</u>
As at 1 January 2019	<u>2,064,014</u>	<u>3,591,234</u>	<u>31,621</u>	<u>1</u>	<u>34,057</u>	<u>5,720,927</u>

Tangible assets with a net book value of £6,374,656 (2018 £5,655,248) 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 2019

10	Stock	December 2019 £	December 2018 £
	Dog food, medicine and equipment	29,204	25,307
	Promotional material	25,598	23,671
		<hr/>	<hr/>
		54,802	48,978
11	Debtors	December 2019 £	December 2018 £
	Inland Revenue - Gift Aid tax rebates	49,891	80,104
	Other Debtors	488,944	185,789
	Prepayments	44,097	35,436
		<hr/>	<hr/>
		582,932	301,329
12	Creditors - amounts falling due within one year	December 2019 £	December 2018 £
	Bank Loans	60,704	59,643
	Inland revenue – PAYE & NIC	38,731	39,746
	Accrued Expenses & Provisions	90,888	67,987
	Trade Creditors	91,258	134,441
		<hr/>	<hr/>
		281,581	301,817
13	Liabilities - amounts falling due after more than one year	December 2019 £	December 2018 £
	Bank Loans:		
	Repayable within 1 to 2 years	60,704	59,643
	Repayable within 2 to 5 years	167,323	178,929
	Repayable after 5 years	456,128	507,348
		<hr/>	<hr/>
		684,155	745,920

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 2019

14 Unrestricted funds of the Charity

	Balance 1 Jan 2019 £	Movement Incoming £	in Resources Outgoing £	Transfers between Funds £	Balance 31 Dec 2019 £
General Fund	2,749,282	3,368,843	3,341,504	(48,380)	2,728,241
Designated Fund	1,363,168	-	-	48,380	1,411,548
	<u>4,112,450</u>	<u>3,368,843</u>	<u>3,341,504</u>	<u>-</u>	<u>4,139,789</u>

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

15 Restricted funds of the Charity

	Balance 1 Jan 2019 £	Movement Incoming £	in Resources Outgoing £	Transfers between Funds £	Balance 31 Dec 2019 £
Operational Costs & Equipment	64,660	87,167	43,310	(18,000)	90,517
	<u>64,660</u>	<u>87,167</u>	<u>43,310</u>	<u>(18,000)</u>	<u>90,517</u>
Building Fund:					
Southern	1,520,538	-	44,545	18,000	1,493,993
Midlands	1,840,977	303,181	69,327	-	2,074,831
	<u>3,361,515</u>	<u>303,181</u>	<u>113,872</u>	<u>18,000</u>	<u>3,568,824</u>
	<u>3,426,175</u>	<u>390,348</u>	<u>157,182</u>	<u>-</u>	<u>3,659,341</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 2019

16 Analysis of Net Assets between Funds

	Tangible Fixed Assets	Cash at Banks and In Hand	Other Net Current Assets	Long Term Liabilities	Total Funds December 2019
	£	£	£	£	£
General Fund	2,886,313	169,930	356,153	(684,155)	2,728,241
Designated Fund	-	1,411,548	-	-	1,411,548
Restricted General Fund	-	90,517	-	-	90,517
Restricted Building Fund	3,568,824	-	-	-	3,568,824
	<u>6,455,137</u>	<u>1,671,995</u>	<u>356,153</u>	<u>(684,155)</u>	<u>7,799,130</u>

17 Financial Commitments

At 31 December 2019 the Charity was committed to making the following payments under non-cancellable operating leases:

	2019 £	2018 £
Payable within 1 year:		
Land and Buildings	-	-
Other Leases	63,022	63,000
Payable within 2 to 5 years:		
Land and Buildings	-	-
Other Leases	127,188	127,573
	<u>190,210</u>	<u>190,573</u>

18 Contingent Asset

During 2017 the Charity received notification of a significant legacy. As at 31 December 2019, the majority of this legacy had been received and included within income. However, there are still some assets, principally a property, 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 2019 £	December 2018 £
Contributions payable by the Charity for the year	<u>68,839</u>	<u>47,353</u>

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.