

# **Annual Report and Financial Statements**

**For the year ended 31 December 2021**



**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

**Trustees Council** Dr Clive Elwood MA Vet MB MSc PhD MRCVS (Chair)  
Rabbi Gideon Schulman BSc, MA, FCIPD (Vice Chair)  
Mrs Caroline Hoare BSc MBA (Honorary Treasurer)  
Mr Simon Clare BSc EdM FInstPet (retired 13 May 2021)  
Mrs Amanda Farren LLB (retired 13 May 2021)  
Mr Jon Flint  
Mrs Claire Graham  
Ms Jo Hill MA (Oxon)  
Mrs Nicky Pendleton DipCOT MSc (Rehab) (retired 13 May 2021)  
Lady Rankin  
Mr Mark Richardson MCICM  
Mrs Jackie Staunton BSc Hons, MA, FCIPD

The following are elected to join the Trustees Council and will be formally appointed at the 2022 AGM.

Mr David Brady (elected 3 February 2022)  
Mr Jim Harkness (elected 3 February 2022)  
Mr Nick Sydenham BSc (Econ) (elected 3 February 2022)

<b>Senior Management Team</b>	<b>Chief Executive</b>	Mrs Nicola Martin BVSc MRCVS
	<b>Director of Operations</b>	Mr Richard Smith BSc Hons, MBA
	<b>Director of Marketing &amp; Income Generation</b>	Mrs Tina Norton-Tuck, BA Hons, DipM, DipIDM, FIDM
	<b>Director of Finance &amp; Resources</b>	Mr Clive Murray (retired 28 February 2022)
	<b>Director of Finance &amp; Resources</b>	Mr Graham Jones BSc FCCA (appointed 10 January 2022)
	<b>Director of People</b>	Mrs Lucy Eldred (appointed 10 January 2022)

**Company Secretary** Mr Clive Murray (retired 28 February 2022)  
Mr Graham Jones BSc FCCA (appointed 28<sup>th</sup> February 2022)

**Bankers** Lloyds plc  
4 West Street  
Havant  
Hampshire  
PO9 1PE

**Auditors** Moore (South) LLP  
City Gates  
2-4 Southgate  
Chichester  
West Sussex  
PO19 8DJ

## Canine Partners for Independence

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### Administrative Information

#### Constitution

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

#### Directors and Trustees

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

#### Trustee Induction and Training

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

#### Chief Executive

The Trustees delegate day-to-day management of the Charity to the Chief Executive.

#### Registered Office and Southern Training Centre

Canine Partners  
Mill Lane  
Heyshott  
Midhurst  
West Sussex  
GU29 0ED

Tel: 03456 580480  
E-Mail: [info@caninepartners.org.uk](mailto:info@caninepartners.org.uk)  
Website: [www.caninepartners.org.uk](http://www.caninepartners.org.uk)

## **Trustees Annual Report**

### **Chair's Review**

The charity has, unsurprisingly, felt the impact of the COVID pandemic this year. This has inhibited normal operations and shone a spotlight on the complex interrelated processes and challenges required to acquire, breed, raise and train suitable dogs to create bespoke partnerships with disabled people. It has, in turn, emphasised that Canine Partners is a sophisticated organisation, full of not just amazing dogs but amazing people too; dedicated to the aims of the charity, adaptable to new circumstances, applying their skill, care and imagination to both existing challenges and new opportunities and maximising the impact of the charity's work.

Despite the challenges of the pandemic the Operations Team, have supported over 400 existing partnerships and created 28 new partnerships, adopting new ways of interacting, such as video calling for assessments and training to ensure ongoing care and support of applicants, partners, volunteers and dogs. The Marketing and Income Generation Team, has, despite the inability to run face-to-face events, ensured we face the future from a position of strength, a remarkable achievement in the circumstances. The Finance and Resources Team, has stewarded the charity's resources, and led the fluid management of working practices, maintaining the safety of the team members, partners, and supporters, through lockdowns and other restrictions.

The new strategic plan, developed with input from across the charity, and underpinned by the necessary structures and systems, was launched in January 2022 and sets out the aims and aspirations for the next five years. It emphasises the need to deliver optimal impact from the charity's activities, across the widest breadth of society, in line with the underpinning revised vision and mission and coherent with the values which have sustained the community of staff, supporters and volunteers since the charity began.

A highlight of the year, which was a welcome opportunity to connect supporters, volunteers, and staff, was the visit of our Patron, HRH The Duke of Gloucester, to the Midlands Centre for the opening of the new kennel block. We were not in lockdown, the sun shone, and it was clear that The Duke greatly enjoyed the opportunity to meet the people, and dogs, that make it happen and see our fantastic facility designed to be a comfortable working space for people and restful living space for our dogs.

The charity would not exist without its dogs, who are exceptional in both their breeding and training. They are, however, not machines and sensitive to the world around them, as the pandemic has shown. There is no doubt that training and partnering an assistance dog is demanding of both dog and human. The welfare of the dogs is as important as that of the people and remains a point of focus for the organisation. They truly are amazing dogs who transform lives - our Canine Partners.

Thank you to those who have lent their support to the charity for many years, as supporters and volunteers, including The Dowager Countess of Clarendon DL, Roger Jefcoate CBE DL

and Lady Kindersley, who have recently retired as Vice-Patrons and Baroness Tanni Grey-Thomson DBE DL and Elizabeth Ormerod BVMS MRCVS, who have retired as Vice-Presidents. HRH The Duke of Gloucester remains as Patron whilst we review our patronage and governance structures.

The Board of Trustees does much behind the scenes work ensuring the charity is effectively governed and managed. I would like to thank all the Trustees for their commitment, especially Simon Clare, Amanda Farren and Nicola Pendleton (a founder Trustee) who retired from the Board having

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dedicated much of their precious time over many years. We will be welcoming in 2022 new Trustees David Brady, James Harkness and Nick Sydenham and are looking forward to working with them.

This is my first Chairman's report. I would, like to pay tribute to Jackie Staunton, my predecessor, who worked tirelessly on behalf of the charity and did so with humour and grace. She sets a fine example.

Finally, on behalf of all the Trustees, I would like to extend our sincerest gratitude to, and express our admiration of, all the staff and volunteers who have supported our dogs, partners and each other through this unprecedented period of challenge and upheaval.

**Dr Clive Elwood FRCVS, 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 2021. 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. The 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 10 members, meets every three months to oversee 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 and 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 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 an estimated 14.1 million disabled people in the UK, 44% of pension age adults are disabled and 19% of working age adults are disabled (DWP Family Resources Survey 2018/19). 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 only a fraction of this, there is a clear need for Canine Partners to continue to grow its activities and support over the coming years, in order to better meet the potential demand and deliver a greater impact to more people living with a physical disability and their families.

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, Fibromyalgia.

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 406 were in partnership at the end of 2021, allowing for retirement and deaths over the years. The average waiting time is approximately 2-3 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 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. 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 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



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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. This carefully managed and efficiently structured process allows us to predict the length of our applicants' wait for their dog, as well as plan their course and follow up care throughout their placement.

**14. Breeding of puppies.** The majority of puppies entering Canine Partners are bred from Canine Partners' own breeding programme. We currently have 11 breeding bitches living as family pets with trained volunteers, who are supported by our Breeding team. Our breeding bitches have been carefully selected for health and temperament, and are closely monitored to ensure the highest standards of welfare for both them and their puppies. Additional puppies are selected from breeders and other assistance dog organisations.

**15. Training of Dogs.** From the age of seven or eight weeks to approximately 15 months old the puppies live with trained volunteer "Puppy Parents", who provide care, socialisation and early training. The Puppy Parents are supported by our network of Canine Partners Puppy Training Coordinators, all of whom are experienced dog trainers. The Puppy Training Coordinators provide regular one-to-one and group training sessions in a variety of locations, as well as supporting the volunteer Puppy Parents to provide every puppy with an excellent level of healthcare and wellbeing.

At the end of the early training and socialisation stage, the dogs enter advanced training at either of the Charity's two training centres. During this period, each dog lives with a volunteer Fosterer during the evening and weekends, and receives training from our experienced trainers during weekdays. During the advanced training stage, each dog is matched to a partner and trained for their specific needs, which takes approximately 17 weeks depending upon the exact tasks that are required. Throughout 2021, we worked flexibly with our volunteers, using a mixture of face-to-face and virtual training and support sessions, as covid restrictions were tightened and relaxed. All team members worked to strict Canine Partners protocols to ensure the safety and welfare of our staff, partners, applicants and other stakeholders.

**16. Partnership training and creation.** To create a partnership, each applicant and the dog they are successfully matched with undergo a structured training course, led by the Advanced Trainer who has provided the dog's advanced training. Throughout 2021, our Advanced Training Teams trained each of our new partnerships using a phased approach to training, which was introduced to train our applicants safely and effectively during the covid pandemic.

**17. Aftercare.** Aftercare support is provided by the Charity by means of a national network of Aftercare staff. This support continues for the whole working life of the partnership. During 2021, Aftercare support was provided to our partners both in-person and virtually.

**18. Standards.** Canine Partners is a fully accredited member of Assistance Dogs International, Assistance Dogs Europe and Assistance Dogs UK, and surpasses all prescribed standards. In May 2021, Canine Partners successfully passed its five-yearly re-accreditation assessment with Assistance Dogs International, receiving extremely positive feedback on the programme from an independent assessor.

**19. Management.** To enable the above operation to be managed effectively, the Charity has a rolling three year Business Plan which is reviewed annually and is underpinned by four key strategic objectives and supporting goals.

## **Organisation and Management Structure**

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20. The Council currently consists of 10 Trustees, with considerable and varied skills and experience.

21. 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

22. 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 puppy satellite groups and widespread community fundraising volunteers.

### **Objectives and Activities**

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

- 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**

24. **Achievements and Performance.** 2021 has continued to challenge us in many ways, from ensuring we are financially stable in an unpredictable economic environment, to getting our service delivery back on track, restarting our breeding programme, assessing our applicants, visiting all our partnerships, reviewing our vision and mission and creating our new five year strategic plan. Alongside that we have restructured our Support Functions so that we have the skills and capabilities to deliver our ambitious plans for 2022 and beyond. Priority has been given in the short term to supporting the wellbeing of our current partnerships, volunteers and dogs and securing the financial position of the organisation to ensure we are fit for the future. Our ways of working have become a blend of face-to-face and virtual, with our visits, training and use of our centres now taking a hybrid approach. We have had to constantly flex and refocus our priorities throughout the year, but despite the challenges, we have achieved some significant successes:

i). Throughout 2021 our Aftercare Team supported up to 432 partnerships. Much of this support was provided virtually, although the gradual relaxation of covid restrictions enabled our Aftercare team to carry out in-person visits to over 90% of our partnerships by the end of the year.

Using the phased model of creation, our Advanced Training team created 28 new partnerships in 2021.

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Current working partnership figures at year end, which allow for retirements and sadly deaths, are as follows:

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
164	188	221	254	305	339	375	403	428	454	438	406

- ii). Despite the decrease in the number of working partnerships due to the lower than usual number of new working partnerships created, the positive impact that our dogs have had on the physical and mental wellbeing of our partners and their families during the pandemic has continued to be significant. 95% of the Partners who took part in our User Voice Survey said that their dog has met or exceeded their expectations and 72% felt more supported by their dog in relation to companionship during the pandemic.
- iii). We have continued to prioritise successor partnerships (replacement dogs for those partnerships that have come to the end of their working career) during 2021 and 57% of partnerships created in 2021 were for successors, significantly higher than the average of 30% over the last few years.
- iv). To strengthen the pipeline and predictability of puppies passing through our training programme, one of our strategic priorities is to develop our breeding programme further. However, the ongoing covid pandemic continued to reduce our capacity to breed or purchase the number of puppies we had planned in 2021. Despite the ongoing restrictions, we bred 50 puppies and acquired a further 14 from private breeders and other ADUK organisations, an increase of over 60% compared with 2020. The lower number of puppies entering Canine Partners since the start of the covid pandemic will have an impact on the number of partnerships we are able to create for several years to come.
- v). 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 and have ten active dual partnerships. These partnerships are complex and take additional time to train. We have seven dual Hearing Dogs/Canine Partners and three dual Guide Dogs for the Blind/Canine Partners.
- vii). Assistance Dogs UK We are proud that both our Chief Executive and Director of Operations continue to play an active role on the Board of the umbrella organisation Assistance Dogs UK. During 2021 our Chief Executive was elected Chair of the Board of Trustees for ADUK and supports the ADUK Development Manager to deliver the strategic priorities. The ADUK member organisations have collaborated closely throughout the year to ensure consistent policy development and ways of working across the sector during the pandemic as well as developing working groups on Communications, Access, Training and Dog Breeding and playing active roles in development of European Standards for Assistance Dogs. Opportunities for collaboration will be further developed and explored in 2022 with the wider candidate and member group.
- viii). Research and Impact practice. We started developing our impact practice in 2020 and this was further rolled out across the Charity in 2021. Our aim is to establish a strategic approach to impact and research in order to measure the difference we are making, and to ensure that we are achieving our objectives. The Charity's work has been heavily impacted by the Covid-19 pandemic and, as a result, many of our activities in 2021 had to be paused or adapted. This also affected our Research team, who rescheduled their impact reporting plans to ensure the core day-to-day services are given priority. Whilst the impact practice roll-out has had to slow down, we have already seen some real benefits through the User Voice Survey, the development of impact case studies and our collaboration with other organisations.
- ix) User Voice Survey. In the second quarter of 2021, we reported on the results of the User Voice Survey, which was issued to all current Partners in late 2020. The response to the survey was

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very positive, with 61% of our Partners providing us with their views. The survey data has given us some useful feedback on how having a canine partner has impacted our Partners' lives, as well as evaluating how our services are provided and identifying areas for improvement. The main areas where our Partners feel that having a canine partner has made the most significant impact on their lives were identified as:

- enabling them to be more independent;
- helping with their care needs;
- having a positive impact on their confidence levels, and
- providing them with company to reduce loneliness and isolation.

In addition, many Partners felt that the companionship and mental health support that their dog provides had increased during the Covid-19 pandemic. 95% of the Partners who took part in the survey said that their dog has met or exceeded their expectations and 92% indicated that they would either "recommend" or "strongly recommend" the Charity to others.

The results of this first User Voice Survey are being used to develop and enhance our service delivery further. In addition, the results provide a solid basis for us to measure our improvement and, with this in mind, we plan to issue a second survey in late 2022.

Impact Case Studies. The many positive comments provided through the User Voice Survey were the trigger to initiate some detailed Impact Case Studies with some of our respondents. These will not only give a great picture of each Partner's history and experience of having a canine partner but will also be revisited over time to see how the impact our dogs have on their life changes. We will share these as they are completed through our website and our social media channels. These case studies have also identified some areas for future research and as the result of our Partners' comments we have initiated a project to look at how having a canine partner affects social inclusion.

x) Collaborative Impact. As well as enhancing our in-house services, some of our teams are working with external organisations to see how we can improve our impact through collaboration. For example, we have been working with Dog's Trust to track some of our puppies who have taken part in the Dog's Trust Puppy School programme. This will allow us to establish whether different techniques and a different approach to training give an improved success rate. We are also working closely with our Assistance Dogs UK (ADUK) colleagues to share experiences, train more 'dual dogs' (working as guide dogs or hearing dogs as well as being a trained canine partner) and sharing puppies from litters. In addition, we have identified some innovative ways to use our experience, our dogs, and our buildings to widen the scope of who we help. We are still in the early stages of the development of these new initiatives, but we hope to start trials with identified third-parties in 2022.

xi). 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, Queen Mary's Roehampton Trust and other services-related organisations; we are currently supporting 14 active partnerships between our dogs and members of the services community.

xii). Raising sufficient funds to make our UK-wide operations possible. We entered 2021 under lockdown once again and anticipated further prolonged disruption to many of our core income generating activities, particularly community engagement plans and face-to-face meetings already delayed with some of our most committed supporters and corporate partners. The much awaited Kennel opening at our Midlands Training Centre did, however, go ahead in late September much to the delight of our many key funders and was attended by HRH The Duke of Gloucester as our guest

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of honour and royal patron. Our two direct appeals delivered much-needed funds once again, and our weekly lottery programme continues to grow in player numbers, driving sustainable regular income as well as new supporters to Canine Partners. Legacies, grant-making trusts and corporate support continue to generate a significant proportion of our voluntary income despite continued challenges in all areas. We finished the year with a lower than budgeted deficit, with regular income forecasting allowing adjustments to be made on costs where possible to ensure sound financial planning. Our supporters continued to rise to the challenge of running their own fundraising events as and when they could, providing much needed resources to our cause.

**xiii) Nestlé Purina Petcare.** Purina continued as our principal corporate supporter in 2021 and we remain enormously grateful to them for generously sponsoring our work in a significant way.

**xiv) Pets at Home Foundation.** Following a change in their giving criteria, we are extremely grateful to the Pets at Home Foundation for their generous grant of £50,000 to support our vital Financial Assistance Fund. A further gift of £5,000 was received at Christmas following an unsuccessful summer partnership bid, after a three-way staff vote.

**xv) No Fear Bridge.** The wonderful team at No Fear Bridge were once again generous in their support of our work and kindly gave £10,000 at year end.

**xvi) Pets Corner.** We were delighted to continue to receive support from one of our longstanding corporate supporters in what will be their tenth year of partnership. Added to regular all year round donations, we were once again the beneficiary of the Pets Corner Christmas promotion, when Pets Corner matched donations made to Canine Partners by customers resulting in a wonderful gift of just over £24,000. Our sincere thanks go to the staff and customers for their continued support.

**xvii) David Wilson Homes.** We continued our partnership with house builder David Wilson Homes, who donated a further £50,000 to support our work as well as providing volunteers and resources to complete the landscaping at our Midlands Training Centre. In total, DWH have generously given £150,000 to our life-changing work during their three years of support.

**xviii) Candis Club.** We were delighted to once again receive a matched funding from Candis Magazine in support of our annual charitable The Big Give Christmas Campaign. Their 2021 donation of £25,000 helped us to raise over £100,000.

**xix) Other Corporate Support.** We were delighted to receive generous support from a range of organisations in 2021, including:

Bibby Line Group  
Clarity Environmental Ltd  
John Keil Ltd  
KEW (Electrical Distributors) Ltd  
NatWest Property Services

Co-Op Community Fund  
Ford Britain Trust  
Kong Company Ltd  
LonRes.Com UK Ltd  
NoMuda VisualFactory Ltd

We remain grateful for the generous funding provided by those companies who choose to support our work, but also for the awareness raised by means of a whole range of planned activities. We have also been fortunate to received support through Gifts in Kind, particularly from Pets at Home Ltd in the form of their Lifeline Vouchers again this year and Next Plc.

Our partnership with the Goodwood Estate drew to a close at the end of 2021, following three years of support. Despite the many restrictions in place for much of that period impacting their

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planned events and activities, we are enormously grateful to have received over £60,000 to fully fund two new Canine Partners on their partnership journey.

xx). **The Big Give.** We were once again fortunate to be selected to take part in this years The Big Give campaign in December, which is always a year end highlight. We set an ambitious campaign target of £100k with £50k for matched funding being generously donated by one of our longest standing supporters, Colonel Alan Jukes OBE for a fourth year and Candis Magazine.

xxi). **Charitable Trusts.** Charitable trusts and foundations have once again played a key role in enabling us to continue our work in 2021. As well as funding core activities and priorities in the year to support our beneficiaries, we have received generous donations towards vital new equipment such as our wheelchair assisted vehicles at the Midlands Training Centre and our Puppy Breeding Programme. Scotland has been especially well supported, once again by the Zurich Community Trust (UK) Ltd.

We were delighted to receive 167 donations from Trusts and Foundations, all of whom have helped transform lives across the UK during the year. These include the Eveson Charitable Trust, the Dudley and Geoffrey Cox Charitable Trust and the Masonic Charitable Foundation

xxii). **Legacies.** Gifts in wills account for just under a third of our total voluntary income, funding one in three Canine Partners. Without gifts in wills, many of our partners would not be able to benefit from a life-changing trained assistance dog. Our heartfelt thanks goes to all those supporters who have chosen to recognise our work in this way and to their bereaved families who, despite the difficult time they face, often take the time to share memories of their loved ones and why they selected our charity for this special gift. 2021 was another strong year for legacy income, ensuring a healthy pipeline of funds for the future.

xxiii). **Appeals.** As part of our now embedded marketing and communication plans we also ran spring and winter appeals to raise vital funds that will help us continue our work and reach new audiences. Our committed and loyal supporters have continued to give readily during a difficult two years and we are so grateful for their unwavering generosity.

xxiv). **Increasing awareness of our work.** With the country still largely homebased for much of the year once again, we continued to utilise social media, email and other digital platforms to raise awareness of our work and engage with all of our key audiences. We worked hard to secure multiple opportunities in national and local media, in print, broadcast media and online. The appearance of Mahjid and his Canine Partner, Oxford on ITV's The Pet Show was a particular highlight of the year, reaching the level of audiences that only prime time television can.

We continue to grow our core base of followers across all of our digital platforms, which is increasingly converting to financial support. The Big Give Campaign coverage on social media and various fundraising appeals throughout the year not only increases awareness, but also meets our need for financial support.

xxv). **Exercising financial prudence.** Financial monitoring was again a key priority during 2021 and we continued monthly Finance sub-committee meetings in the first part of the year to keep close track of income risks and scenario plan as we moved through the pandemic. The result of our cost saving measures and continued prudence on expenditure, combined with the tenacity and commitment of our fundraising teams has resulted in a smaller than expected deficit at the end of the year, and puts us in a stronger than expected position as we move into 2022, despite the uncertain economic outlook.

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**xxvi). Staff.** The Trustees pay tribute to our hard-working and committed staff who are so dedicated to furthering the Charity's mission, embracing the values, which permeate every aspect of the work of Canine Partners. This year has been a huge challenge for all members of the team as we re-started activities and introduced new ways of working. The personal challenges those individuals have faced have been significant, and team working and support for colleagues has shone through. Without doubt, the centre based and regional teams, and the networks of Aftercare Assistants and Occupational Therapists, are a great asset to the organisation and the flexibility, adaptability and commitment has been evident at every stage of the pandemic. A special note of thanks goes to the Health and Safety Committee who have created and implemented a wide range of Covid-secure policies to ensure everyone feels as safe as possible in whatever activities they are undertaking.

**xxvii). Volunteers.** We recognise that the mission of Canine Partners can only be achieved through the hard work and dedication of an ever-growing number of volunteers across the UK and this year that has been even more evident. From our Trustees providing support and guidance throughout the pandemic, and our fundraisers finding novel and innovative ways to raise vital funds or raise awareness for us, to all those volunteers who provided care or support for our dogs at every stage of their training from birth through to emergency care. We are indebted to them all for providing support, positivity and hope throughout all the challenging times and providing millions of hours of care and commitment.

**xxviii). 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, we thank them for showing such appreciation for our dogs and for providing them with such loving homes and interesting, worthwhile lives.

### **Financial Review**

#### **25. Charity Accounts – Financial Year 2021**

- i) Total income was £3,102,956 including £340,622 of general restricted funds. This represents a decrease of 29.5% in income from 2020. Whilst this is a significant reduction year on year, the availability of emergency funding for charities and income received from the government's Coronavirus Job Retention Scheme in 2020 largely makes up the difference in income.

Total expenditure was £3,321,026, a decrease of 1.1% from 2020. The year ended with a deficit of £218,069 compared to a surplus of £1,115,150 in 2020, for reasons detailed above.

- ii) The Balance Sheet value of the Charity's net assets as at the year-end was £8.7 million.
- iii) A significant cost to the Charity continues to be its staff, comprising 65.3% of expenditure (2020 61%). 90% of staffing costs are on front line services and fund raising activities. The year on year increase does not include the Coronavirus Job Retention Scheme grant received in year of £13.3k. The field in which the Charity operates, providing assistance dogs to disabled people, is labour intensive and service-orientated. This cost is kept under constant review.
- iv) The Charity's Trustees exercise ongoing supervision of the financial affairs of the organisation through its finance sub-committee, which monitors performance against monthly income targets and cost budgets.

**26. Risk Management.**

The Trustees regularly review the forward strategy for the Charity. As part of these overall procedures, the Trustees also conduct reviews of the possible risks to the Charity and the management strategy to cope with these. This process includes:

- Regular reviews 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 – our five year strategy**

27. During 2021 we focused on re-establishing our operational activities by re-starting our breeding programme, visiting over 90% of our partnerships, completing assessments for those on the waiting list, recruiting new volunteer puppy parents and restructuring our support functions. Alongside this we also reviewed our vision, mission and strategic priorities to ensure they were fit for the future and involved Trustees, the Leadership Team, and staff and volunteers in their creation. The new Vision and Mission and five year strategy was launched in January 2022.

### **27. Reserves Policy**

Our policy, supported by contingency planning to determine the potential impact on the level of reserves by defined risks, determines the level of reserves we consider necessary to protect the Charity from any prolonged financial risks. Amongst other factors, reserves are required to cover the costs of continuing our operations and maintaining aftercare of partnerships during any period of shortfall of income.

The Trustees have determined that the level of unrestricted free reserves needed should fall between 4 and 6 months of monthly running costs. In 2020 this was reviewed and increased to between 6 and 9 months of monthly running costs, to take account of the uncertainty driven by the pandemic.

For 2021, this equates to between £1.7M and £2.5M. The finance sub-committee will review this level regularly. At 31 December 2021, the Charity had unrestricted free reserves of £2.24M down from £2.4M in 2020. The Trustees have allocated £1.86M of these free reserves to Designated Funds, for specific identified and planned projects.

### **28. 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.

29. 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

**Canine Partners for Independence**

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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.

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

**Statement of Disclosure to Auditors**

As 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.



**Graham Jones, Company Secretary**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 2021 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 2021 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 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 other 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 opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **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.

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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 17 to 18, 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**

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

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misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills in the not for profit sector to be able to identify or recognise non-compliance with laws and regulations
- We assessed the risk of irregularities as part of our audit planning, including due to fraud, management override was identified as a significant fraud risk from our assessment. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Completeness of income was also identified as a significant risk to the audit, most significantly legacy income as there is a degree of judgement as to whether this income should be included.
- Additionally, some income received is restricted in its use. A significant risk was identified regarding the correct classification of income between restricted and unrestricted funds and that the expenditure against this income was in line with any specified restrictions.
- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and we considered the most significant to be the Companies Act 2006, the Charities Act 2011, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council. We considered how the charitable company complies with these requirement by discussions with management and those charged with governance.
- We enquired of management and those charged with governance as to any known instances of non-compliance of suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.

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- We obtained an understanding and assessed the impact and effect of Covid-19 on the operations of the charitable company and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption and reviewed grants received, dovetailed with work undertaken on management override.

To address the risk of fraud through management override we:

- Performed analytical procedures to identify any unusual or unexpected relationships
- Tested journal entries to identify any unusual transactions
- Reviewed sensitive nominal ledger codes,
- Reviewed transactions with related parties and
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias

In response to the risk of irregularities with regards to the completeness of income we:

- Agreed a sample of income received from source documentation into the accounting records;
- Obtained source documentation of legacies due to be received at the year end and ensured that none were omitted from the accounts and those included were at the correct value;
- Discussed with management that there was no further income they were aware of that needed to be accounted for; and
- Reviewed board minutes for evidence of any further unrecorded income

In response to the classification of income between restricted and unrestricted we:

- Agreed a sample of income received from source documentation into the accounting records to ensure any restrictions to the income were correctly identified;
- Reviewed the clients analysis of restricted funds for any obvious misallocations of income or expenditure
- Confirmed that expenses and payroll costs allocated against restricted funds met the purpose for which the income was given; and
- Tested a sample of expenditure to ensure it was allocated against the correct funding received.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**Use of our 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**

23/06/2022

**Chartered Accountants**  
**Statutory Auditor**

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

**Statement of Financial Activities (including Income and Expenditure Account)  
for the year ended 31 December 2021**

		Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	Notes	£	£	£	£	£	£
<b>Income &amp; endowments from:</b>							
Donations and legacies		2,744,032	340,622	3,084,654	3,593,998	775,460	4,369,458
Other Trading Activities		17,317	-	17,317	27,831	-	27,831
Investments		985	-	985	3,145	-	3,145
<b>Total income &amp; endowments</b>	<b>2</b>	<b>2,762,334</b>	<b>340,622</b>	<b>3,102,956</b>	<b>3,624,974</b>	<b>775,460</b>	<b>4,400,434</b>
<b>Expenditure on:</b>							
Raising funds		578,953	4,013	582,966	505,306	64,483	569,789
Charitable activities		2,279,788	458,271	2,738,059	2,157,612	557,883	2,715,495
<b>Total expenditure</b>	<b>3</b>	<b>2,858,741</b>	<b>462,284</b>	<b>3,321,025</b>	<b>2,662,918</b>	<b>622,366</b>	<b>3,285,284</b>
<b>Net income/(expenditure)</b>	<b>4</b>	<b>(96,407)</b>	<b>(121,662)</b>	<b>(218,069)</b>	<b>962,056</b>	<b>153,094</b>	<b>1,115,150</b>
Transfer between funds		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(96,407)</b>	<b>(121,662)</b>	<b>(218,069)</b>	<b>962,056</b>	<b>153,094</b>	<b>1,115,150</b>
Total funds brought forward		5,101,845	3,812,435	8,914,280	4,139,789	3,659,341	7,799,130
<b>Total funds carried forward</b>	<b>14/15</b>	<b>5,005,438</b>	<b>3,690,773</b>	<b>8,696,211</b>	<b>5,101,845</b>	<b>3,812,435</b>	<b>8,914,280</b>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The notes on pages 29 to 39 form part of these accounts.



**Balance Sheet as at 31 December 2021**

	Notes	£	December 2021 £	December 2020 £
<b>Fixed Assets</b>				
Tangible Fixed Assets	9		6,199,970	6,301,694
<b>Current Assets</b>				
Sundry Stocks	10	52,436		55,546
Sundry Debtors	11	567,962		828,106
Short Term Deposits		2,251,869		2,500,957
Cash at Bank and in Hand		<u>348,573</u>		<u>631,625</u>
		3,220,840		4,016,234
<b>Creditors</b> Amounts falling due within 1 year	12	<u>300,166</u>		<u>298,738</u>
<b>Net Current Assets</b>			<u>2,920,674</u>	<u>3,717,496</u>
<b>Total Assets less Current Liabilities</b>			9,120,644	10,019,190
<b>Liabilities</b> Amounts falling due after more than one year	13		<u>424,433</u>	<u>1,104,910</u>
<b>Net Assets</b>			<u>8,696,211</u>	<u>8,914,280</u>
<b>Funds</b>				
<b>Unrestricted Funds</b>				
General Operating	14	3,143,890		3,240,297
Designated Fund		<u>1,861,548</u>		<u>1,861,548</u>
			5,005,438	5,101,845
<b>Restricted Funds</b>	15	<u>3,690,773</u>		<u>3,812,435</u>
			<u>3,690,773</u>	<u>3,812,435</u>
			<u>8,696,211</u>	<u>8,914,280</u>

Approved by the Board of Directors on ..... 12th of May 2022 ..... and signed on its behalf by

Signed .....  ..... Name..... C. ELWOOD ..... Trustee

Signed .....  ..... Name..... JOANNA M. HILL ..... Trustee

Company Registration No. 02516146

The notes on pages 27 to 37 form part of these accounts.

**Statement of Cash Flows  
for the year ended 31 December 2021**

	Note	£	2021 £	£	2020 £
<b>Cash Flow from Operating Activities</b>	5		163,973		1,042,640
<b>Cash Flow from Investing Activities</b>					
Interest received		985		3,145	
Payments to acquire tangible assets		<u>(54,782)</u>		<u>(2,566)</u>	
			(53,797)		579
<b>Cash Flow from Financing Activities</b>					
Bank Loan		0		500,000	
Interest paid		(15,072)		(18,909)	
Repayment of long term bank loan		<u>(627,244)</u>		<u>(63,723)</u>	
			<u>(642,316)</u>		<u>417,368</u>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>			(532,140)		1,460,587
Cash and Cash Equivalents at 1 January			<u>3,132,582</u>		<u>1,671,995</u>
Cash and Cash Equivalents at 31 December			<u>2,600,442</u>		<u>3,132,582</u>
<b>Cash and Cash Equivalents consist of:</b>					
Cash at Bank and In Hand			348,573		631,625
Short Term Deposits			<u>2,251,869</u>		<u>2,500,957</u>
			<u>2,600,442</u>		<u>3,132,582</u>

Notes forming part of the financial statements for the year ended 31 December 2021

**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.

Government grants relate to amounts received/receivable from the Coronavirus Job Retention Scheme (CJRS). The accrual model has been adopted. Grants are recognised as income on a systematic basis over the periods in which the Charity recognises the related cost for which the grant is intended to compensate. Any outstanding amounts to which the Charity was entitled at the year-end and have not been received are included within other receivables.

**Notes forming part of the financial statements for the year ended 31 December 2021**

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.

**(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

## Canine Partners for Independence

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### Notes forming part of the financial statements for the year ended 31 December 2021

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) Going Concern

At the time of approving the financial statements the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. This expectation is based on the unrestricted free reserves held at year-end, the budget for 2022 and the rolling 12-month financial scenarios.

#### (g) 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

#### (h) 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.

#### (i) Financial assets and financial liabilities

Financial instruments are recognised in the statements of financial activities when the Charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

## **Canine Partners for Independence**

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Notes forming part of the financial statements for the year ended 31 December 2021

Financial assets are derecognised when the contractual rights to the cash flows from assets expire, or when the Charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry

**(j) Stock**

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

**(k) 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 2021

### 2 Total Income and Endowments

	Unrestricted Funds General £	Restricted Funds General £	Restricted Building Fund £	Total 2021 £	Total 2020 £
Donations and legacies:					
Donations & Gifts	1,136,120	16,819	-	1,152,939	1,383,757
Clubs & Associations	-	-	-	-	-
Trusts & Corporates	677,561	304,410	-	981,971	1,207,963
Legacies	930,351	-	-	930,351	1,458,204
Government grants:					
CJRS furlough scheme	-	13,350	-	13,350	317,867
CBILS loan interest	-	6,043	-	6,043	1,667
	<u>2,744,032</u>	<u>340,622</u>	<u>-</u>	<u>3,084,654</u>	<u>4,369,458</u>
Other trading activities:					
Functions held	-	-	-	-	6,705
Charity products sold	17,317	-	-	17,317	21,126
	<u>17,317</u>	<u>-</u>	<u>-</u>	<u>17,317</u>	<u>27,831</u>
Investments:					
Interest on deposited funds	985	-	-	985	3,145
	<u>985</u>	<u>-</u>	<u>-</u>	<u>985</u>	<u>3,145</u>
Total income and endowments	<u>2,762,334</u>	<u>340,622</u>	<u>-</u>	<u>3,102,956</u>	<u>4,400,434</u>

## Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2021

### 3 Total resources expended

Running Costs:

	Charitable General £	Activities Restricted £	Generating General £	Funds Restricted £	Governance General £	Costs Restricted £	Total 2021 £	Total 2020 £
Workforce Costs	1,650,468	159,630	448,240	2,670	62,750	1,335	2,325,093	2,231,506
Transport	143,055	-	6,728	-	2,329	-	152,112	139,056
Office & Site Facilities	96,856	-	29,424	-	16,048	-	142,328	150,864
Equipment Repairs								
Maintenance, Hire	56,352		15,798	-	7,209	-	79,359	100,316
Operations	151,392	157,856	-				309,248	375,740
Fundraising & Marketing	6,536	-	51,873	611	-		59,020	38,221
Communications	43,033	-	13,080	-	165	-	56,278	49,156
Finance Costs					25,701	6,043	31,744	29,668
Depreciation	15,657	133,041	4,473	732	2,237	366	156,506	156,009
	<b>2,163,349</b>	<b>450,527</b>	<b>569,616</b>	<b>4,013</b>	<b>116,439</b>	<b>7,744</b>	<b>3,311,688</b>	<b>3,270,536</b>

Cost of activities for generating funds:

Function costs	-	-	1,221	-	-	-	1,221	3,562
Charity products costs	-	-	8,116	-	-	-	8,116	11,186
	-	-	9,337	-	-	-	9,337	14,748
<b>Total resources expended</b>	<b>2,163,349</b>	<b>450,527</b>	<b>578,953</b>	<b>4,013</b>	<b>116,439</b>	<b>7,744</b>	<b>3,321,025</b>	<b>3,285,284</b>

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

This is stated after charging:

	2021 £	2020 £
Depreciation	156,505	156,009
Auditors Remuneration: Audit Fees	8,000	7,000



## Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2021

### 5 Statement of Cash Flows for the year ended 31 December 2021

Reconciliation of operating profit to net cash inflow from operating activities	2021 £	2020 £
Net incoming resources	(203,982)	1,130,914
Depreciation of tangible assets	156,506	156,009
(Increase)/Decrease in stocks	3,110	(744)
(Increase)/Decrease in debtors	260,144	(245,174)
(Decrease)/Increase in creditors	(51,805)	1,635
<b>Net cash inflow from operating activities</b>	<b>163,973</b>	<b>1,042,640</b>

### 6 Staff costs

	2021 £	2020 £
Salaries	1,924,168	1,782,804
Social security costs	172,894	150,630
Pension costs	72,875	74,213
Ex-gratia payments	-	5,000
	<b>2,169,937</b>	<b>2,012,647</b>

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

	2021 Number	2020 Number
£60,000 - £70,000	1	1
£70,000 - £80,000	1	-
£80,000 - £90,000	-	1

In 2021 all employees earning more than £60,000 participated in the pension scheme and the Charity made pension contributions totalling £8,510 (2020 £5,914) 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 £277,632 (2020 £215,073).

### 7 Staff numbers

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

	2021 Number	2020 Number
Charitable Activities	49	55
Generating Funds	12	10
Support & Governance	7	8
	<b>68</b>	<b>73</b>

## Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2021

### 8 Trustees

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

	2021 Number	2020 Number	2021 £	2020 £
Remuneration	-	-	-	-
Travel	3	1	221	41
			<u>221</u>	<u>41</u>
Cost of Trustee indemnity insurance borne by the charity			<u>2,134</u>	<u>2,506</u>

### 9 Tangible fixed assets

	Freehold Land & Buildings		Motor Vehicles	Computer Equipment	Other Equipment	Total
	Heyshott £	Midlands £	£	£	£	£
<b>Cost or Valuation</b>						
As at 1 January 2021	2,685,670	4,626,962	96,025	46,460	180,798	7,635,915
Additions in the Period		-	49,655	7,092	-	56,747
Disposals in the Period		(1,965)	-	-	-	(1,965)
As at 31 December 2021	<u>2,685,670</u>	<u>4,624,997</u>	<u>145,680</u>	<u>53,552</u>	<u>180,798</u>	<u>7,690,697</u>
<b>Depreciation</b>						
As at 1 January 2021	662,237	403,264	80,591	15,702	172,427	1,334,221
Charge for Period	44,545	85,932	11,756	8,202	6,071	156,506
As at 31 December 2021	<u>706,782</u>	<u>489,196</u>	<u>92,347</u>	<u>23,904</u>	<u>178,498</u>	<u>1,490,727</u>
<b>Net Book Value</b>						
As at 31 December 2021	<u>1,978,888</u>	<u>4,135,801</u>	<u>53,333</u>	<u>29,648</u>	<u>2,300</u>	<u>6,199,970</u>
As at 1 January 2021	<u>2,023,433</u>	<u>4,223,697</u>	<u>15,434</u>	<u>30,758</u>	<u>8,371</u>	<u>6,301,694</u>

Tangible assets with a net book value of £6,114,689 (2020 £6,247,130) 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

## Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2021

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.

### 10 Stock

	December 2021 £	December 2020 £
Dog food, medicine and equipment	37,237	37,616
Promotional material	15,199	17,930
	<u>52,436</u>	<u>55,546</u>

### 11 Debtors

	December 2021 £	December 2020 £
Inland Revenue - Gift Aid tax rebates	45,757	52,882
Other Debtors	485,482	745,011
Prepayments	36,723	30,213
	<u>567,962</u>	<u>828,106</u>

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

	December 2021 £	December 2020 £
Bank Loans	129,458	76,224
Inland revenue – PAYE & NIC	46,351	37,805
Accrued Expenses & Provisions	52,829	100,440
Trade Creditors	71,528	84,269
	<u>300,166</u>	<u>298,738</u>

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

	December 2021 £	December 2020 £
Bank Loans:		
Repayable within 1 to 2 years	128,459	163,723
Repayable within 2 to 5 years	295,514	491,171
Repayable after 5 years	-	450,016
	<u>424,433</u>	<u>1,104,910</u>

Three loans provided by Lloyds Bank PLC were settled in the year under new financing of a CBILS (Coronavirus Business Interruption Loan Scheme) on a fixed interest rate at 2.41%. The remaining three loans from Lloyds are secured by a first charge on the Midlands Centre and the Southern Centre at an interest rate of base rate plus 1.5%. All loans are

## Canine Partners for Independence

Notes forming part of the financial statements for the year ended 31 December 2021

repayable by monthly instalments with the most significant (CBILS) at £483.3k as at 31<sup>st</sup> December 2021 payable up to 2026 and the remainder all due to be cleared by 2025.

### 14 Unrestricted funds of the Charity

	Balance 1 Jan 2021 £	Movement Incoming £	in Resources Outgoing £	Transfers between Funds £	Balance 31 Dec 2021 £
General Fund	3,240,297	2,762,334	2,858,741	-	3,143,890
Designated Fund	1,861,548	-	-	-	1,861,548
	<u>5,101,845</u>	<u>2,762,334</u>	<u>2,858,741</u>	<u>-</u>	<u>5,005,438</u>

The Designated Fund has been allocated to reserves and to various projects.

### 15 Restricted funds of the Charity

	Balance 1 Jan 2021 £	Movement Incoming £	in Resources Outgoing £	Transfers between Funds £	Balance 31 Dec 2021 £
Operational Costs & Equipment	218,110	326,122	328,145	-	216,087
Building Fund:					
Southern	1,449,447	-	44,545	-	1,404,902
Midlands	2,137,403	-	85,933	-	2,051,470
Vehicles Fund	7,475	14,500	3,661	-	18,314
	<u>3,812,435</u>	<u>340,622</u>	<u>462,284</u>	<u>-</u>	<u>3,690,773</u>

Operational Costs & Equipment relates to donations given to cover running costs of defined operational areas or the purchasing of specific equipment. Operational costs regarding the specified operational areas are charged to the fund as expended. Restricted donations relating to the purchasing of specified equipment 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.

Restricted donations given for the purpose of purchasing buildings and vehicles is recognised as a restricted fixed asset fund and depreciated as normal. This is on the reasonable expectation that these assets will continue to be used by the charity for their intended purpose throughout their useful life.

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 2021

### 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 2021
	£	£	£	£	£
General Fund	2,725,284	522,807	320,232	(424,433)	3,143,890
Designated Fund	-	1,861,548	-	-	1,861,548
Restricted Fund	3,474,686	216,087	-	-	3,690,773
	<u>6,199,970</u>	<u>2,600,442</u>	<u>320,232</u>	<u>(424,433)</u>	<u>8,696,211</u>

### 17 Financial Commitments

At 31 December 2021 the Charity was committed to making the following payments under non-cancellable operating leases:

	2021 £	2020 £
Payable within 1 year:		
Land and Buildings	-	-
Other Leases	50,397	61,943
Payable within 2 to 5 years:		
Land and Buildings	-	-
Other Leases	36,894	87,291
	<u>87,291</u>	<u>149,234</u>

### 18 Pension and Other Post-Retirement Benefit Commitments

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

	December 2021 £	December 2020 £
Contributions payable by the Charity for the year	<u>72,875</u>	<u>74,213</u>

### 19 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.