

# Medical Detection Dogs

Patron: HRH The Duchess of Cornwall

Report of the Trustees and Financial Statements

# 2018



# Report of the Trustees and Financial Statements 2018

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## Financial Statements for the year ended 31st March 2018

### Message from the Chief Executive, Dr Claire Guest

Medical Detection Dogs continues to go from strength to strength and we end this reporting period at the start of our tenth anniversary year. This is a marvellous opportunity to look back on the successes of the first ten years, which have resulted in a charity that improves the management and diagnosis of the most dangerous diseases in the world, and forward to the potential our work has to save lives in the future.

We know dogs are sophisticated biosensors, however in our early years we faced incredible scepticism. How could dogs possibly assist in human medicine? In many other situations, such as explosive detection, humans have relied on the power of the dog's nose to keep us safe for many years. The ability of the dog to detect minute odours was never questioned. How good are they? Our 2014 research indicated that our dogs were capable of detecting odours down to parts per trillion, the equivalent of a teaspoon of sugar diluted in two Olympic-size swimming pools of water.

Over the years, Medical Detection Dogs has focused on establishing a strong evidence base. Our passion for improving the training and communication that we share with our dogs has enabled us to develop the power of this canine ability. Our highly trained disease detectors have expanded the exciting world of diagnosis through the recognition of volatiles. It would seem that all diseases have a characteristic 'odour signature', like a tune of a song, made up of many notes. Our dogs can help us to recognise these tunes.

Sadly my faithful companion and Cancer Detection Dog Daisy passed away in February 2018 after a very short illness. Daisy was a beautiful, gentle, special dog who was my lifeline for over 13 years. Daisy's contribution to society was officially recognized in 2014 when she received the centenary edition of the Blue Cross Medal. The medal is awarded annually to animals who have changed or saved someone's life, and Daisy's exceptional work really touched the medal panel who were overwhelmed by her remarkable story and the incredible contribution she made to the diagnosis and early treatment of cancer.

Daisy was also one of the canine pioneers of our work, without whom I am certain we would have found it much more difficult to make the progress we have and it is thanks to her that we reach our tenth anniversary having achieved so much. Celebrating our tenth anniversary marks an exciting time for us. Medical Detection Dogs has broken through many barriers, we are now collaborating with NHS Trusts, fellow researchers and academic organisations. The value of our dogs is now accepted and finally this is leading to massive change.

We can learn from our dogs and inform the scientific community including bio-electronic nose developers of our findings. This has the potential to revolutionise the future of diagnostics.

That future requires new purpose built training and research facilities to cope with the increased demand for our services as we expand both the range of research projects, which now come under four principal headings: cancer, neurological diseases, bacteria and malaria; and the number of life-threatening and debilitating conditions for which we train medical alert assistance dogs. Work commenced in February 2018 and we look forward to finishing our tenth anniversary year with those new facilities operational.

*Dr Guest, Chief Executive and Director of Operations*

## Report of the Trustees for the year ended 31st March 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015).

### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**

6399500 (England and Wales)

**Registered Charity number**

1124533

**Registered office**

Unit 3, Millfield  
Greenway Business Park  
Winslow Road  
Great Horwood  
Milton Keynes, MK17 0NP

**Trustees**

The Hon. Elizabeth Duncan Smith (Chairman)  
Dr Victoria Hordern  
Andrew Keegan  
Dr Alan Makepeace  
Susan Brealey – retired 3 April 2017  
Peter Mimpriss CVO – retired 18 February 2018

**Honorary Treasurer**

Andrew Keegan ACMA, CGMA

**Chief Executive and Director of Operations**

Dr Claire Guest BSc (Hons) MSc HonDSc DHP BCAh

**Company Secretary**

Andrew Whitby-Collins

**Independent Auditor**

Ashby's Chartered Accountants  
Morton House  
9 Beacon Court  
Pitstone Green Business Park  
Pitstone, LU7 9GY

**Bankers**

CAF Bank Limited	HSBC Bank plc
25 Kings Hill Avenue	22 West Street
Kings Hill	Dunstable
West Mallings	Bedfordshire
Kent, ME19 4JQ	LU6 1SY

## Report of the Trustees for the year ended 31st March 2018

### COMMENCEMENT OF ACTIVITIES

The charitable company was incorporated on 15th October 2007 and commenced charitable activities immediately. It obtained registration with the Charity Commission on 17 June 2008

### STRUCTURE GOVERNANCE AND MANAGEMENT

#### Governing Document

The Charity is controlled by its governing document, the amended Memorandum and Articles of Association dated 11 October 2013. It is a company limited by guarantee as defined by the Companies Act 2006.

#### Recruitment and Appointment of New Trustees

New Trustees may be appointed by the Charity at a general meeting or by the Board of Trustees. The method of recruiting new Trustees is to approach suitable people known to be highly supportive of the Charity and who possess the experience, skills and attributes that the Board has determined are necessary for the effective oversight and governance of the Charity.

The policies and procedures for the induction and training of a new Trustee are that, before appointment, the person is invited to meet with Trustees and senior staff and given an opportunity to become fully familiar with the Charity's work, staff etc. The potential trustee discusses the factors involved in becoming a new Trustee and is supplied with any documents requested. At the end of that process (if he/she confirms a willingness to serve) a decision concerning his/her appointment is made. The Declaration of Eligibility etc. are then completed before the appointment takes effect. The Charity ensures that the new Trustee has access to a copy of the Memorandum and Articles of Association and previous Reports and Accounts and that he or she has read Charity Commission guidance regarding the duties of trustees.

#### Structure and Management.

The charity is divided into two arms 1) Cancer Research and Bio-detection and 2) Medical Alert Assistance dogs. Details of the work done by these two arms are given in the performance section below. All policy decisions are taken by the Trustees and day-to-day management decisions are taken by the Chief Executive and Company Secretary. Sometimes ad hoc panels of Trustees are appointed to take specific decisions.

#### Remuneration Policy for Senior Staff

Remuneration for the Chief Executive and senior staff is reviewed annually by the Trustees. The review will take into account any general pay increase to staff, benchmarking of similar roles in similar charity organisations and pre-agreed performance criteria. Trustees do not receive any remuneration and give their time freely.

#### Risk Management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees have actively reviewed the major operational and business risks that the Charity faces and confirm that systems have been established to mitigate any significant risks. The Charity has a Vulnerable Adults Policy and a Child Protection Policy in place and all relevant staff and volunteers have been through a DBS check. All staff receive appropriate training and all of our child client assistance dogs are placed as 'Team Dogs' working as part of the family. Placement of the dog therefore always involves members of the family and a nominated adult 'team leader.'

## Report of the Trustees for the year ended 31st March 2018

### OBJECTIVES AND ACTIVITIES

#### Objectives and Aims

The Charity's objects (the Objects) are:

- a) To conduct research into the detection, recognition and diagnosis of diseases and medical conditions by the use of dogs and other animals trained in the recognition of relevant stimuli, and the publication of such research for the public benefit; and
- b) The relief of sickness and the protection of health for the public benefit, by the detection, recognition and diagnosis of diseases and medical conditions, by the use of dogs trained in the recognition of relevant stimuli.

In relation to (a) the Charity has continued to conduct research into the early diagnosis of cancer and other human diseases and a number of research papers have been published.

In relation to (b) the Charity has ongoing assistance dog projects and continues to expand the number of conditions it trains dogs to alert to and to investigate the possibility of a project to provide a secondary testing service by diagnosing cancer and other human diseases from samples sent by hospitals.



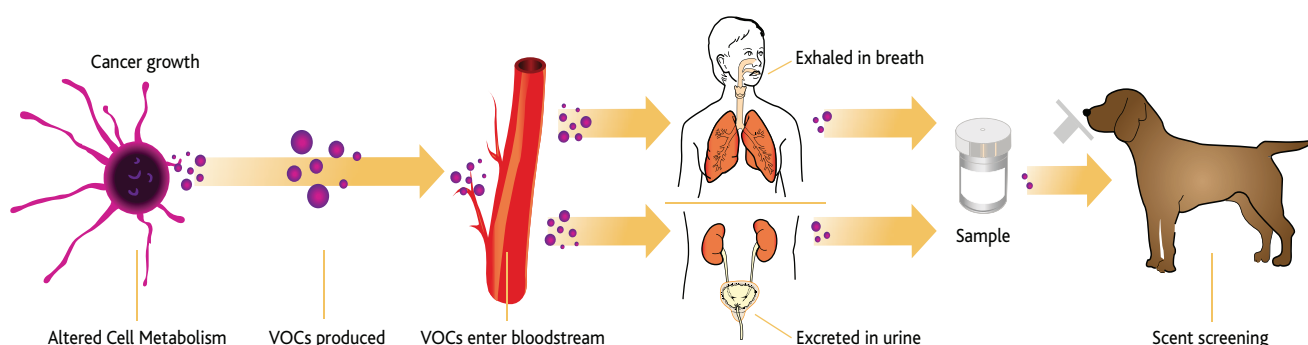
## Report of the Trustees for the year ended 31st March 2018

### CHARITABLE ACTIVITIES

#### BIO-DETECTION

##### An explanation of our Bio-Detection work

During the normal processes of the body, metabolic changes occur constantly; however, in cancer development these metabolic processes are altered. Increased oxidative stress leads to the formation of reactive oxygen species and free radicals. These generate volatile organic compounds (VOCs), such as alkanes and alkenes that diffuse into the bloodstream and are then excreted in the breath or in the urine.



VOCs = volatile organic compounds

We are conducting research aimed at improving the ability to diagnose cancer and other human diseases at an early stage. As most will know from experiences with family and friends, timely diagnosis of cancer, particularly in the UK, remains frighteningly poor. Tens of millions of pounds has been spent trying to develop better methods but for many cancers there is no real evidence of improved screening. Take the example of prostate cancer, a major killer in men. If a man's prostate is found to be enlarged (easily discovered by a GP) the only screening test a doctor has been able to recommend is the PSA test. However, this test has significant limitations, as identified by the National Cancer Institute:

**'False-positive tests:** False-positive test results (also called false positives) occur when the PSA level is elevated but no cancer is actually present. False positives may lead to additional medical procedures that have potential risks and significant financial costs and can create anxiety for the patient and his family. Most men with an elevated PSA test result turn out not to have cancer; only 25 to 35 per cent of men who have a biopsy due to an elevated PSA level actually have prostate cancer.'

In other words the PSA test leads to countless unnecessary and potentially damaging procedures. There is an urgent need for a more reliable test.

We can help. Our team have proved that dogs can detect bladder cancer by sniffing a urine sample (BMJ September 2004). We know from subsequent studies that they can detect cancer to a high degree of accuracy. We believe that our work will assist other scientists to isolate the volatiles that the dogs smell.

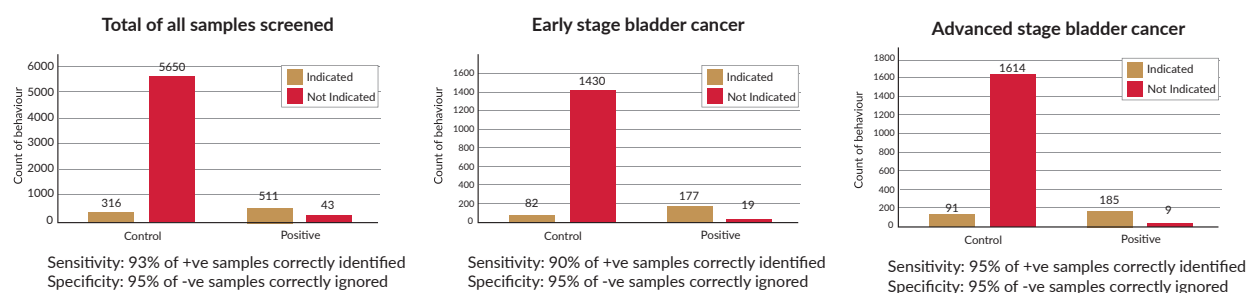


## Report of the Trustees for the year ended 31st March 2018

In 2011 we completed a further study entitled 'Volatile organic compounds as biomarkers of bladder cancer: sensitivity and specificity using trained sniffer dogs', which was published in Cancer Biomarkers (2011). As with our 2004 study, this was carried out under the strictest double blind conditions (i.e. the dog handlers had no idea themselves which samples were controls). Although unfortunately it became apparent during the trial that the constraints of the trial structure imposed by our funder were having an adverse behavioural effect on the dogs' performance as the trial progressed, nevertheless the trial demonstrated that our specialist cancer dogs as a group could correctly distinguish a cancer sample from a control 64% of the time: the best dogs managed 73%. One dog managed a detection rate of 100% (on grade one stage one tumours) albeit there were some false positives.

We are confident that a much improved rate of success can be achieved by using improved methods. No screening test will ever be 100 % accurate but we are confident that a method of detecting volatiles can do much better than, for instance, the current PSA test. Recent analysis of the performance of our dogs has indicated that over a five-year period our best dog has achieved an overall sensitivity of 95% and specificity of 93%.

The photograph below shows Daisy, one the pioneers of our work mentioned earlier, at work screening bladder cancer samples by smell. The overall sensitivity (i.e. sick people correctly diagnosed as sick) and specificity (i.e. healthy people correctly identified as healthy) scores were very high (>90% each); the sensitivity score achieved by Daisy working on advanced cancers was greater than that for screening early cancers, whereas the specificity score was the same for both groups. These figures were calculated using results from both training and testing and may represent some repeated samples. However these results shows the huge potential of this work. Although a perfect predictor would be described as 100% sensitive (i.e. predicting all people from the sick group as being sick) and 100% specific (i.e. not predicting anyone from the healthy group as being sick) no one diagnostic test currently achieves this level of accuracy.





# Report of the Trustees for the year ended 31st March 2018

### Bio-Detection: Achievements and Performance

#### Recent project highlights

We are focused on developing the work we have outlined above through rigorous ethically approved clinical studies that we are confident will demonstrate to the required standard and with a sufficient body of evidence that dogs' sense of smell can play a significant role in the early detection of disease. Early diagnosis should lead to improved survival rates because of earlier medical intervention and also give improved quality of life.

At this stage of our development our Bio-Detection work is focussed around four main strands: cancer, neurological diseases, bacteria and malaria, as we develop our research capacity and look to translate that into reality through practical application. We set out below some of the developments over the past year.

#### Urological Cancer Study

This study, which looks at bladder, prostate and renal cancers, with an initial focus on prostate cancer, is being carried out in collaboration with Milton Keynes University Hospital NHS Trust.

The most significant development in the past year has been the start of discussions with researchers at the world-renowned Massachusetts Institute of Technology about a collaboration which will see our research contribute to the reality of an easy to use diagnostic device.

In February 2018 Claire Guest, Cancer Project Specialist Rob Harris and Bio Detection Dog Florin flew to Boston to demonstrate the remarkable scent detection abilities of our highly trained dogs. Our principal collaborator at MIT, Dr Andrea Merzhin, will rely on cancer detection dog, Florin, to teach his prototype device, which uses the latest artificial intelligence (AI) technology, to recognise the odour of prostate cancer. Dr Merzhin has described MDD as "a jewel in the crown of British science" and said that it is his "cold scientific assessment that what MDD are doing is world-transformative".

We will begin this collaboration with an initial pilot project, which should be concluded by the end of 2018 and we look forward to reporting further on these exciting developments next year.

#### Neurological Diseases

We are investigating the potential of dogs to detect the odour of debilitating neurological conditions. We began this area of our work with a ground-breaking proof of principle study to determine whether dogs can be used to detect Parkinson's disease, possibly many years before symptoms start to show.

Initial training of the dogs on this project has been very encouraging. In the next stage of the study our dogs will test several hundred samples, and will be trained to respond with simple 'yes' or 'no' indications. These results will enable our collaborators to hone in on the specific chemical linked to Parkinson's. Using mass spectrometers to split samples into their component molecules, we will then present the dogs with each component part so they can identify the key chemical indicator for Parkinson's.

Our goal is to develop a definitive way to diagnose Parkinson's disease. This will contribute to developing earlier, more effective treatment, and will open the door to further research into the cause and progression of this debilitating disease.

This project is being done in collaboration with Manchester University and Edinburgh University and we are grateful to Parkinson's UK and the Michael J Fox Foundation, who have contributed some of the funding.

## Report of the Trustees for the year ended 31st March 2018

### Bacteria – Pseudomonas

Most bacteria are harmless, and can in fact be beneficial to our health. However, some are extremely harmful with the potential to cause a number of serious diseases, which can be fatal. Existing tests can take several days, resulting in both a deterioration in health and an over use of antibiotics.

Working with Imperial College London we have begun to train dogs to detect the odour of specific bacteria. Preliminary tests indicated a very high level of accuracy, with dogs able to reliably ignore other 'control' bacteria and commonly used antibiotics. With their amazing sense of smell dogs were able to detect the presence of very low numbers of bacteria.

We will continue to work closely with our collaborators on progressing this study to the next stage, testing the potential of the dogs to detect bacteria in samples from patients.

### Malaria

Malaria is one of the world's biggest killers, responsible for 584,000 deaths each year. Bill Gates, whose Foundation helps fund our work in this area, said in April 2018 that "British R&D is still giving us the tools we need to win" the fight against malaria.

We have continued our work with collaborators from Durham University, the London School of Hygiene and Tropical Medicine and the Medical Research Council Unit in The Gambia. Socks worn for 24 hours by 400 school children have now been collected from four separate locations. Blood tests and PCR tests then determined which of the asymptomatic children were carrying the malaria parasite.

On arrival at our research centre the socks were used to successfully train four dogs to distinguish those worn by the children carrying the parasite from those that were malaria free (see below for an image of how they were presented to the dogs). The results of the first double blind testing in this project were very encouraging for such an early stage in the project.



Malaria samples ready for presentation to the dogs

This study has huge potential to help eradicate malaria. If dogs can be used to readily identify malaria- infected individuals they could be used as 'detection dogs' at ports of entry which is routine for drugs and biological materials such as food, screening travellers entering areas that are malaria free but susceptible to re-invasion.

They could also be used for active case detection among communities when malaria is approaching zero, and only a few individuals in several thousand carry parasites and act as reservoirs of infection.

Using dogs for the detection of parasites has the advantage that it is non-invasive (not requiring blood samples), portable and does not require a laboratory.

# Report of the Trustees for the year ended 31st March 2018

### Detection Sensitivity Research

In collaboration with the Open University, we are developing new technology that allows our dogs to communicate their degree of certainty when screening a sample. Researchers at the Animal Computer Interaction (ACI) Lab, in Milton Keynes, have worked with us to design a stand which enhances the dog's ability to communicate whether they can detect disease when confronted with samples.

Bio Detection Dogs work on a carousel or stand system that consists of metal pads installed on top of sample tubes which the dog sniffs. If disease is present, the dog then indicates this to their handler by sitting in front of the sample.

The new technology incorporates a sensor that records the level of pressure the dog exerts whilst sniffing.



With training, dogs will apply greater pressure on the pad when they are certain the disease is present. Therefore, pressure indicates the level of certainty that the dog has.

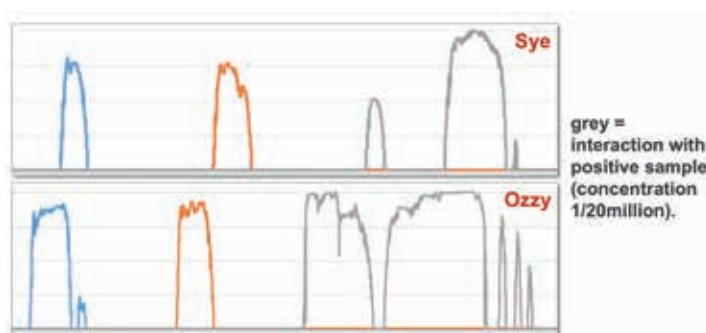


Figure 1

Capturing this data provides us with pressure readouts (Figure 1) and will be vital to developing a future screening method. This will be used to educate experts about the strength of the biomarkers that the dog uses to make his decision.

## Report of the Trustees for the year ended 31st March 2018

### MEDICAL ALERT ASSISTANCE

#### An explanation of our medical alert assistance work

Our assistance dogs help people living with a number of complex and life-threatening health conditions to live more independently and with a reduced need for medical interventions and hospitalisations. We started training dogs to identify changes in the blood glucose levels of people suffering from brittle/aggressive diabetes and/or poor awareness of dangerously low blood sugar (hypoglycaemia). The dogs are trained to be highly sensitive to glucose levels, they warn the client when levels deviate from the normal range, and can indicate changes within one or two millimoles of blood sugar. Normally the dogs are trained to alert to blood sugar levels below 4.5 but above 3 (millimoles per litre) and also alert to high blood sugars at the level chosen by the client (normally above 10 to 12 millimoles per litre).

Research published in 2012 established that diabetes and its complications accounted for 10% (£9.8bn) of NHS spending. This was projected to rise to £16.9bn over the next 25 years, or 17% of the health service's funds. 10% of all admissions were diabetic related and this rose to 20% in some age groups. This equated to 80,000 bed days per year at £400 per day for the bed alone. 999 calls from diabetics cost the NHS £22 million a year. Our work therefore not only improves the well-being and quality of life of our client but also saves money for the NHS.

Diabetes sufferers continue to form the majority of our clients, however, we continue to expand the range of conditions that we are able to train dogs to help with. These include Addison's disease, Postural Tachycardia Syndrome (PoTS), narcolepsy, pain seizure, idiopathic pancreatitis and an airborne nut detection dog, the first of its kind in the world.

#### Medical Alert Assistance: Achievements and Performance

##### Highlights of the past year

We have increased the number of dogs placed since the charity started operations to 125, 81 of which are active partnerships. This was achieved despite not quite meeting the target of 26 new placements as a result of it taking longer to train 2 dogs which are being placed with clients who have conditions we have not previously trained dogs to alert for, and which were therefore not accredited by the end of the reporting period.

Although the majority of our assistance dogs are still placed with people who have Type 1 diabetes and hypo or hyper-unawareness, we continue to train dogs to assist people with an ever-growing range of conditions. The condition for which we place the second largest number of dogs is Postural Tachycardia Syndrome (PoTS), sometimes known as postural orthostatic tachycardia syndrome. The number of active PoTS partnerships has increased from 6% of the total at the end of last year to 10% of the total at the end of this year. PoTS is an abnormal increase in heart rate that occurs after sitting up or standing. It typically causes dizziness, fainting and other symptoms. It's. PoTS affects many different people, but is most common in girls and women aged 15 to 50. Some people have mild symptoms, while others like Michelle, who is partnered with Labrador Francis, who alerts her before a PoTS episode, giving her the time to make herself safe, find the condition totally affects their quality of life.

Michelle was diagnosed with PoTS and Ehlers Danlos Syndrome in late 2015, with onset in April that same year. Having seen a piece about the work of Medical Detection Dogs on BBC 1's The One Show, Michelle applied for a dog to alert her for her PoT's in January 2016.

The process of getting the right dog, for each condition, for each person and their lifestyle is complex and Michelle was originally partnered with a dog who sadly did not eventually meet the criteria required for an Assistance Dog. Setbacks like this can happen but Michelle was then paired with Francis and the successful partnership has gone from strength to strength.



## Report of the Trustees for the year ended 31st March 2018



Five months on and the two are inseparable, with a flourishing working relationship. Michelle says Francis has a calming influence and knows her moods. Even Michelle's dad, a cat-lover, has fallen for the canine's charms and the huge difference having Francis has made to Michelle's life.

Michelle works from home as an Independent Advocate and knows that, with the help of Francis, she finally feels able to fulfil her potential. Having Francis by her side means that no longer is her phone constantly rung by anxious friends and family wondering if she is alright. They know she is in safe "paws". When Michelle attended a Christmas party that she couldn't take Francis to, she had her first collapse in 6 weeks and this gave her even more confidence in Francis.

Her family and friends now totally entrust Michelle's welfare to the alerting of her four-legged companion who, on detecting a potential loss of consciousness, will lick Michelle's hands or forearms, allowing her the opportunity to lie down until she feels better.

Michelle says that Francis is never far away, even following her to the bathroom! 'It is so wonderful to be able to live a "normal" life' Michelle says gleefully.

Michelle says no one should underestimate the impact the charity's work has upon the lives of those it supports and says that she is hugely grateful for the help it has given her. Michelle describes Francis as 'a very funny dog' who she 'wouldn't be without'.

Francis celebrated his second birthday in March 2018 and Michelle is looking forward to spending very many happy years together with her life saving dog.

We have also successfully accredited our second successor assistance dog. Given the age of the charity and therefore of some of the dogs we trained in the early years we expect this to be a growing trend. In order to better plan for our future dog needs, and also partly as a result of Guide Dogs deciding not to sell us so many puppies, we have taken steps to recruit additional staff with the relevant experience into our puppy department.

Our service includes the provision of 24/7 support to all our partnerships. We have continued to develop our national network of aftercare support providers, which now covers much of the UK. Our continued assessment of this expanded network is that it is having a beneficial effect on the service we provide. Our objective is that most clients will have trained support within approximately an hour from their home to reduce the time and stress involved in travelling.

There has been a continued, albeit small, increase in the number of children and young people applying, successfully, to be placed with an assistance dog, which makes a huge impact on their lives, and those of their family.

## Report of the Trustees for the year ended 31st March 2018

### The Story of Harrison & Bounce

17 year-old Harrison is a musical theatre student. He has asthma and type 1 diabetes, both of which ruled his life for over a decade. Not any more. Enter Bounce, a black three-year-old Labrador.

Harrison and Bounce first met a year ago at the Medical Detection Dogs headquarters. The charity felt that Harrison and Bounce would be well suited and they were right; four months after their first meeting, Bounce went to live with Harrison full-time.

Bounce gave Harrison his confidence back and has made him feel the most alive he has felt in a long time. He says, "Bounce is my best friend and he has given me my life back."

Up until he was seven Harrison was a healthy little boy, but then a heavy cold resulted in a serious asthma attack. He was admitted to hospital and was put on an oral steroid to help his breathing.

A week later Harrison's mum noticed he was drinking more than normal and he had to go to the toilet more frequently; he had also lost a lot of weight. She took him to see a doctor who did a finger prick test. Harrison's blood sugars were high – 30 mmols instead of the normal 4 to 6.5 mmols – and he was rushed to hospital with undiagnosed type 1 diabetes.



Further hospital admissions followed and Harrison had to take up to ten lots of asthma medication daily. The medications affected his blood sugars, which meant they were difficult to control.

In the spring of 2015 it was decided that Harrison should take a daily oral steroid. His blood sugars became impossible to control as a result and in May 2015 he had a seizure when his blood sugars dropped to 1.5 mmols. He had a further three seizures over the next couple of months, and despite being issued with a funded continuous glucose monitor and pump that had the ability to suspend itself when his blood sugars dropped, he was still experiencing severe hypos with no symptoms.

Not surprisingly the unpredictability in his blood sugars and resulting seizures dented Harrison's confidence. He hated his peers at school seeing him have seizures and so he kept himself to himself and sadly he was bullied.

Now Harrison's at college and Bounce accompanies him every day. When he's not working Bounce loves to go to the park and is an expert at finding dirty muddy puddles to roll around in! The pair have formed a strong bond of trust.

Harrison's mum, Stephanie, says that for the first time since Harrison's diagnosis she doesn't have to check his blood sugars during the night; she can go to sleep without fear. She can leave Harrison knowing that Bounce will alert him to changes in his blood sugars. "I can't imagine life without Bounce in it; it is louder, funnier and more chaotic, but mostly it is safer."



## Report of the Trustees for the year ended 31st March 2018

### OUR INTERNATIONAL WORK

Our international profile continues to grow and we are delighted that during the year under review we began to investigate the potential collaboration with MIT that is described in more detail above.

We continue to be asked to train and advise other groups worldwide. In the past year we have provided training to a similar assistance dog organisation in the EU and we have started discussions about the possibility of advising another charity looking to establish a similar bio-detection research programme in their country. We hope to assist as by ensuring that the high standards we set through our rigorous approach are adopted by others can only lend credibility to this innovative area.

Dr Guest continues to support the wider development of assistance dogs through her membership of the board of Assistance Dogs EU, the European chapter of Assistance Dogs International, which is dedicated to supporting the work of assistance dog programmes across Europe. In this role she helps to maintain high standards of welfare and help to coordinate best practice in assistance dog training.

### FUTURE PLANS

#### Working in Hospital settings

From the rapid detection of specific bacteria in clinical samples taken from a patient, to search dogs able to screen large areas such as hospital wards for the presence of a 'super bug', the opportunities are endless. There is potential to save time, money and most importantly lives.

We can see a future where our bio-detection research could result in an assistance dog that is able to detect the early signs of a urinary tract infection in a patient who has a spinal cord injury. Such infections can rapidly become life threatening in people with this type of injury, and swift detection and treatment can make a significant impact on their morbidity.

A hospital detection dog could be a reality, quickly and efficiently detecting the presence in wards and clinical areas of dangerous bacterial infections such as C. difficile or MRSA. Early work by researchers in Canada demonstrated that this concept is both feasible and acceptable and we hope to trial this in a care setting soon.

#### Developing our research

Some of our most exciting future plans centre around the collaboration with MIT described above, and the potential to expand that work. Initially that will form part of the urological cancer study and, we hope, accelerate the practical application of our work. In due course we also hope that this collaboration will have a positive impact on all areas of our research

We are regularly approached to collaborate with other research organisations and charities and there are a number of potential research projects we would like to commence, subject to being able to secure the necessary funds, which remains our greatest challenge as a charity funded by public donations.

#### Medical Alert Assistance Dogs

In addition to expanding our collaborations with clinicians and academic partners to investigate the potential of dogs to detect the odour of human disease and to help develop early diagnosis techniques we intend to continue to increase the range of conditions for which we train medical alert assistance dogs.

We continued to work on our longitudinal study 'Does the presence of a diabetes alert dog reduce the diabetes-related anxiety in clients with hypoglycaemia unawareness?'. This looks at the effects of a medical alert assistance dog on the quality of life and fear of hypoglycaemia in clients with Type 1 Diabetes with reduced hypoglycaemic awareness and we expect to publish the results next year

## Report of the Trustees for the year ended 31st March 2018

### PUBLIC AWARENESS

We are committed to educating the public about the results of our research and the potential of dogs to detect human disease. We continue to run a regular series of open days for the public and our supporters at our headquarters in Great Horwood, and our new building will provide increased capacity for this. We have continued to expand our network of regional volunteers who carry out a number of talks and presentations around the country.

Our website, which is a key means of educating the public about our work and provides a resource for people who need our services, was revised in 2016 to improve navigation and to make updating information easier. We saw a significant increase in traffic in the first year after this upgrade and that has been maintained over the last year. The most significant change is that although traffic to our site has remained constant, the number of people visiting it direct, rather than via a search engine has increased, which suggests that our public profile has increased.

Going forward the trend is positive and with more work being done to develop the site over the coming months, including further refinements to the content.

There was considerable media interest in our work over the past year, with coverage nationally and internationally, in the printed press, their online counterparts and on TV and radio, which helps to further public understanding and awareness of the potential of our work. There was a great deal of interest in the launch of our Parkinson's disease research which was covered on ITV, BBC Breakfast and Facebook Live. We were also extremely lucky to be the subject of an excellent report, presented by Iain Duncan Smith, on the Victoria Derbyshire programme on the BBC. This generated a number of follow up enquires and a clip of the full report can be found on our website.

We continue to believe that it is important to engage with parliamentarians and policy makers about the benefits and potential of our work. We have given demonstrations to a number over the past year including the Chief Medical Officer, Professor Dame Sally Davies, and the Health Minister with responsibility for cancer services, Steve Brine MP. Both were hugely impressed by our work and its potential to change and save lives and we are grateful for their interest.

### Fundraising

The fundraising climate continues to be challenging and the spotlight on charities' fundraising practices and their governance has reinforced the importance of adhering to our values in all of our activities.

Despite the ongoing adverse fundraising climate over the last year, our total income for the year was marginally up on the previous year, demonstrating the beneficial effect of our profile continuing to rise and our relentless focus on securing income to fund our work.

We were delighted to be invited this year to be one of the beneficiaries of the ICAP Charity Day in December which helped us by raising much needed funds for the construction of the new puppy supply wing in our new training and research centre. We are grateful to our Patron, HRH The Duchess of Cornwall and our Ambassadors Deborah Meaden, Andrew Pierce and Debbie Flint, as well as Iain Duncan Smith and Jeremy Vine for their support on the day.

We are also very grateful to the many charitable trusts and foundations that support our work. We receive no government funding and rely entirely on the generosity of the public, including those who remember us in their Will, gifts which come in all shapes and sizes and which make a huge difference to our ability to train dogs.

## Report of the Trustees for the year ended 31st March 2018

### Public Benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit

### Volunteers

We continue to benefit hugely from the contribution made by our volunteers across all areas of the charity's work. In keeping with our objective to raise our profile nationally to increase awareness of our work and the availability of assistance dogs we have invested considerable time and effort in expanding our regional volunteer network. We are pleased with the progress that is being made in this.



## Report of the Trustees for the year ended 31st March 2018

### FINANCIAL REVIEW

#### Outcome 2017/18

The charity's total income of £1,916,749 in 2017-18 is comparable to the previous year (£1,861,691), and includes legacies of £292,674 (2016-17: £93,806).

Net income for 2017-18 after expenditure is £65,557 (2016-17: £476,701). During the year, expenditure on charitable activities, consisting of dog training, placement and aftercare, and research projects, increased by £444,157 reflecting investment in capacity building to train and place more dogs and further research activities.

The charity's charitable activities rely on grants from trusts and foundations, corporate donations, donations from the general public and puppy training sponsorship. Both general and donor-restricted funds are utilised for the charity's objectives namely detection, recognition and diagnosis of disease and medical conditions; and training and placing medical assistance dogs with clients who suffer from life threatening medical conditions.

#### Future Financial Plans

As in previous years, we continue to seek to increase the number of assistance dogs placed with clients and our waiting list grows. We have undertaken new initial research studies into Malaria and Parkinson's disease detection in 2017-18.

The new build project at the Great Horwood headquarters is well under way and its completion is expected in the second half of 2018. An opening ceremony event will mark the opening of the new building as the charity also celebrates its tenth anniversary. Significant donations restricted to the new building project were received in the year from ICAP (£200,000) and CoBird (£150,000). Restricted and free reserves are financing the new premises.

The fundraising environment for donations continues to be challenging. Despite this, next year total expenditure is forecast to increase by £195,000 again reflecting the continued growth of the charity. The appointment of fundraising personnel and the implementation of a new CRM system is with the intention of maintaining and increasing funds raised from multiple channels in order to complete the building project and the continued expansion of charitable activities.

#### Reserves Policy

The charity holds reserves to mitigate for reductions in future income levels and the possibility that the charity might cease to operate for any reason. The Trustees' policy is to hold the equivalent of between 6 and 9 months forecast total expenditure in reserve so that, if necessary, the charity can safeguard the medium to long-term needs of its vulnerable clients and their medical alert assistance dogs, who rely on us for future care and support. Fundraising plans are in place to generate funds to ensure our reserves levels are maintained.

At 31 March 2018 the charity held £126,425 of reserves restricted to specific research projects and to train more assistance dogs. The charity was also committed to further expenditure on the new building project amounting to £722,753, of which £549,138 will be met from restricted reserves was available for this purpose. If the balance of the committed building costs is funded from general reserves, it would leave £1,282,046 available for forecast expenditure, which represents approximately 7.9 months spending.

The Trustees review the reserves held against our policy criteria quarterly.

## Report of the Trustees for the year ended 31st March 2018

### STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Medical Detection Dogs for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Betsy Duncan Smith - Trustee

13 August 2018

# Report of the Independent Auditors to the Members of Medical Detection Dogs (Registered Number: 06399500)

## Opinion

We have audited the financial statements of Medical Detection Dogs (the 'charitable company') for the year ended 31st March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Financial Reporting Standard 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 31st March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

## 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 Auditors 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 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

We have nothing to report in respect of the following matters in relation to 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 Report of the Independent Auditors 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 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.



# Report of the Independent Auditors to the Members of Medical Detection Dogs (Registered Number: 06399500)

## Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

## Responsibilities of trustees

As explained more fully in the Trustees Responsibility Statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

## Our responsibilities for the audit of the financial statements

We have been appointed as 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 regulations made under those Acts.

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 a Report of the Independent Auditors 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 Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

# Report of the Independent Auditors to the Members of Medical Detection Dogs (Registered Number: 06399500)

## 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jill Andrews (Senior Statutory Auditor)  
for and on behalf of Ashbys Chartered Accountants  
Statutory Auditor  
Morton House  
9 Beacon Court  
Pitstone Green Business Park  
Pitstone  
LU7 9GY

13 August 2018

# Statement of Financial Activities

(Incorporating an Income and Expenditure Account) for the year ended 31st March 2018

		Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
	Notes				
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	1,133,575	695,913	1,829,488	1,787,375
Other trading activities	4	84,552	-	84,552	69,613
Investment income	5	<u>2,708</u>	<u>-</u>	<u>2,708</u>	<u>4,703</u>
<b>Total</b>		1,220,835	695,913	1,916,748	1,861,691
<b>EXPENDITURE ON</b>					
Raising funds	6	206,235	-	206,235	184,238
<b>Charitable activities</b>	7				
Dog training		605,123	195,434	800,557	624,508
Dog placement and aftercare		201,208	64,987	266,195	195,833
Cancer research projects		<u>467,763</u>	<u>110,403</u>	<u>578,166</u>	<u>380,411</u>
<b>Total</b>		1,480,329	370,824	1,851,153	1,384,990
<b>NET INCOME/(EXPENDITURE)</b>		(259,494)	325,089	65,595	476,701
<b>Transfers between funds</b>	18	<u>540,713</u>	<u>(540,713)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		281,219	(215,624)	65,595	476,701
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>2,206,946</u>	<u>891,187</u>	<u>3,098,133</u>	<u>2,621,432</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>2,488,165</u></u>	<u><u>675,563</u></u>	<u><u>3,163,728</u></u>	<u><u>3,098,133</u></u>

The notes form part of these financial statements

# Balance Sheet

## At 31st March 2018

		Unrestricted fund £	Restricted funds £	Total 2018 funds £	Total 2017 funds £
	Notes				
<b>FIXED ASSETS</b>					
Tangible assets	13	1,032,504	-	1,032,504	537,920
<b>CURRENT ASSETS</b>					
Stocks	14	12,600	-	12,600	12,926
Debtors	15	297,997	-	297,997	145,124
Cash at bank and in hand		<u>1,493,502</u>	<u>675,563</u>	<u>2,169,065</u>	<u>2,511,125</u>
		1,804,099	675,563	2,479,662	2,669,175
<b>CREDITORS</b>					
Amounts falling due within one year	16	(348,438)	-	(348,438)	(108,962)
<b>NET CURRENT ASSETS</b>		<u>1,455,661</u>	<u>675,563</u>	<u>2,131,224</u>	<u>2,560,213</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,488,165</u>	<u>675,563</u>	<u>3,163,728</u>	<u>3,098,133</u>
<b>NET ASSETS</b>		<u>2,488,165</u>	<u>675,563</u>	<u>3,163,728</u>	<u>3,098,133</u>
<b>FUNDS</b>	18				
Unrestricted funds				2,488,165	2,206,946
Restricted funds				<u>675,563</u>	<u>891,187</u>
<b>TOTAL FUNDS</b>				<u>3,163,728</u>	<u>3,098,133</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 13 August 2018 and were signed on its behalf by:

A Keegan -Trustee

E Duncan Smith -Trustee

The notes form part of these financial statements

# Cash Flow Statement

## for the year ended 31st March 2018

	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>201,178</u>	<u>514,345</u>
<b>Net cash provided by (used in) operating activities</b>		<u>201,178</u>	<u>514,345</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(545,946)	(52,554)
Interest received		<u>2,708</u>	<u>4,703</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(543,238)</u>	<u>(47,851)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(342,060)	466,494
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>2,511,125</u>	<u>2,044,631</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>2,169,065</u></u>	<u><u>2,511,125</u></u>

## Notes to the Cash Flow Statement for the year ended 31st March 2018

### 1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	65,595	476,701
<b>Adjustments for:</b>		
Depreciation charges	51,362	37,430
Interest received	(2,708)	(4,703)
Decrease/(increase) in stocks	326	(1,173)
Increase in debtors	(152,873)	(44,012)
Increase in creditors	<u>239,476</u>	<u>50,102</u>
<b>Net cash provided by (used in) operating activities</b>	<u>201,178</u>	<u>514,345</u>



# Notes to the Financial Statements for the year ended 31st March 2018

## 1. CHARITY INFORMATION

Medical Detection Dogs is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 3, Millfield, Greenway Business Park, Winslow Road, Great Horward, Milton Keynes, MK17 0NP. The charity is a public benefit entity.

## 2. ACCOUNTING POLICIES

### Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the charity. Monetary amounts have been rounded to the nearest £.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

The financial statements contain information about Medical Detection Dogs as an individual charity and do not contain consolidated financial information as the parent of a group. The charity's subsidiary has net assets amounting to £1, has never traded and has therefore been excluded from consolidation on the grounds of immateriality in accordance with Section 405(2) of the Companies Act 2006.

### Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

#### Donations

Donations are brought into the financial statements when the asset is deposited into the bank. The gift aid tax which is claimable on these donations is recognised upon receipt of the donation.

#### Legacies

Legacies will be recognised as income by the charity when it has received sufficient certainty the legacy will be received.

The Charity benefits greatly from the involvement and support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

# Notes to the Financial Statements - continued for the year ended 31st March 2018

## 2. ACCOUNTING POLICIES - continued

### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### Allocation and apportionment of costs

Support costs are allocated to the charity's principal charitable activity.

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- Straight line over 3 years

The charity has a policy of not capitalising any item that costs less than £1,000.

### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### Taxation

The charity is exempt from corporation tax on its charitable activities.

### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### Donated goods

Gifts in kind donated are included at the valuation at the time of the gift.

### Cash at bank and in hand

Cash at bank and in hand includes cash held in short term deposit accounts or accounts with instant access.

### Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

# Notes to the Financial Statements - continued for the year ended 31st March 2018

## 3. DONATIONS AND LEGACIES

	2018 £	2017 £
Donations	1,536,814	1,693,569
Legacies	<u>292,674</u>	<u>93,806</u>
	<u>1,829,488</u>	<u>1,787,375</u>

Income from donations includes donated dog food and dogs. The value of these donations to the charity is estimated at £40,200 (2017 - £37,400) and is recognised within incoming resources as a donation and an equivalent charge is included in charitable activities.

## 4. OTHER TRADING ACTIVITIES

	2018 £	2017 £
Fundraising events	58,338	29,962
Christmas card and merchandise sales	26,214	31,411
Cat detection project	<u>-</u>	<u>8,240</u>
	<u>84,552</u>	<u>69,613</u>

## 5. INVESTMENT INCOME

	2018 £	2017 £
Deposit account interest	<u>2,708</u>	<u>4,703</u>

## 6. RAISING FUNDS

### Raising donations and legacies

	2018 £	2017 £
Outsourced services	194	19,794
Wages	95,181	70,203
Marketing & PR	46,944	31,409
Event costs	13,996	14,503
Website	63	68
Travel	8,155	10,622
Online giving admin fees	4,438	5,787
Printing	<u>13,310</u>	<u>8,717</u>
	<u>182,281</u>	<u>161,103</u>

# Notes to the Financial Statements - continued for the year ended 31st March 2018

## 6. RAISING FUNDS - continued

### Other trading activities

	2018 £	2017 £
Purchases	<u>23,954</u>	<u>23,135</u>
Aggregate amounts	<u>206,235</u>	<u>184,238</u>

## 7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 8) £	Totals £
Dog training	627,059	173,498	800,557
Dog placement and aftercare	208,505	57,690	266,195
Cancer research projects	<u>480,158</u>	<u>98,008</u>	<u>578,166</u>
	<u>1,315,722</u>	<u>329,196</u>	<u>1,644,918</u>

## 8. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Dog training	166,691	3,490	3,317	173,498
Dog placement and aftercare	55,427	1,160	1,103	57,690
Cancer research projects	<u>94,163</u>	<u>1,971</u>	<u>1,874</u>	<u>98,008</u>
	<u>316,281</u>	<u>6,621</u>	<u>6,294</u>	<u>329,196</u>

Support costs, included in the above, are as follows:

# Notes to the Financial Statements - continued

## for the year ended 31st March 2018

### 8. SUPPORT COSTS - continued

#### Management

				2018	2017
	Dog training	Dog placement and aftercare	Cancer research projects	Total activities	Total activities
	£	£	£	£	£
Rent and rates	5,073	1,687	2,866	9,626	2,337
Insurance	11,529	3,834	6,513	21,876	16,375
Water and electric	6,632	2,205	3,746	12,583	9,207
Telephone	2,354	783	1,330	4,467	4,011
Postage and stationery	10,899	3,624	6,157	20,680	18,934
Sundries	3,396	1,129	1,918	6,443	5,366
Repairs	6,195	2,060	3,500	11,755	9,291
Travel	706	235	399	1,340	265
Legal & professional	9,959	3,312	5,626	18,897	15,560
Recruitment	860	286	486	1,632	4,318
Information technology costs	9,219	3,065	5,208	17,492	14,482
Administration services	72,800	24,206	41,122	138,128	107,135
Depreciation of tangible and heritage assets	<u>27,069</u>	<u>9,001</u>	<u>15,292</u>	<u>51,362</u>	<u>37,430</u>
	<u>166,691</u>	<u>55,427</u>	<u>94,163</u>	<u>316,281</u>	<u>244,711</u>

#### Finance

				2018	2017
	Dog training	Dog placement and aftercare	Cancer research projects	Total activities	Total activities
	£	£	£	£	£
Bank charges	<u>3,490</u>	<u>1,160</u>	<u>1,971</u>	<u>6,621</u>	<u>3,603</u>

#### Governance costs

				2018	2017
	Dog training	Dog placement and aftercare	Cancer research projects	Total activities	Total activities
	£	£	£	£	£
Auditors' remuneration	1,212	403	685	2,300	2,260
Auditors' remuneration for non audit work	1,581	526	893	3,000	500
CRB checking costs	358	119	202	679	1,260
Board meeting costs	<u>166</u>	<u>55</u>	<u>94</u>	<u>315</u>	<u>967</u>
	<u>3,317</u>	<u>1,103</u>	<u>1,874</u>	<u>6,294</u>	<u>4,987</u>

## Notes to the Financial Statements - continued for the year ended 31st March 2018

### 9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Auditors' remuneration	2,300	2,260
Auditors' remuneration for non audit work	3,000	500
Depreciation - owned assets	<u>51,362</u>	<u>37,430</u>

### 10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2018 nor for the year ended 31st March 2017.

#### Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2018 nor for the year ended 31st March 2017.



# Notes to the Financial Statements - continued

## for the year ended 31st March 2018

### 11. STAFF COSTS

	2018 £	2017 £
Wages and salaries	969,263	689,470
Social security costs	78,587	53,663
Pension costs	<u>63,002</u>	<u>10,873</u>
	<u>1,110,852</u>	<u>754,006</u>

The average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was 36 (2017 - 29).

The average monthly number of employees during the year was as follows:

	2018	2017
Executive	1	1
Dog trainers	15	12
Dog placement	9	8
Bio detection	9	5
Fundraising	2	1
Administrative support	8	6
Finance	<u>3</u>	<u>3</u>
	<u>47</u>	<u>36</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018	2017
£60,001 - £70,000	1	-
£80,001 - £90,000	<u>1</u>	<u>1</u>
	<u>2</u>	<u>1</u>

Pension costs are allocated to activities and between restricted and unrestricted funds in proportion to the related staffing costs incurred.

### 12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	886,003	901,372	1,787,375
Other trading activities	69,613	-	69,613
Investment income	<u>4,703</u>	<u>-</u>	<u>4,703</u>
<b>Total</b>	960,319	901,372	1,861,691
<b>EXPENDITURE ON</b>			
Raising funds	184,238	-	184,238
<b>Charitable activities</b>			

# Notes to the Financial Statements - continued

## for the year ended 31st March 2018

### 12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
Dog training	108,927	515,581	624,508
Dog placement and aftercare	195,833	-	195,833
Cancer research projects	291,394	89,017	380,411
<b>Total</b>	<b>780,392</b>	<b>604,598</b>	<b>1,384,990</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>179,927</b>	<b>296,774</b>	<b>476,701</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>2,027,019</b>	<b>594,413</b>	<b>2,621,432</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>2,206,946</b>	<b>891,187</b>	<b>3,098,133</b>

### 13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1st April 2017	543,669	73,465	27,448	644,582
Additions	509,394	21,552	15,000	545,946
At 31st March 2018	1,053,063	95,017	42,448	1,190,528
<b>DEPRECIATION</b>				
At 1st April 2017	42,970	54,523	9,169	106,662
Charge for year	17,060	20,153	14,149	51,362
At 31st March 2018	60,030	74,676	23,318	158,024
<b>NET BOOK VALUE</b>				
At 31st March 2018	993,033	20,341	19,130	1,032,504
At 31st March 2017	500,699	18,942	18,279	537,920

### 14. STOCKS

	2018 £	2017 £
Stocks	12,600	12,926

# Notes to the Financial Statements - continued for the year ended 31st March 2018

## 15. DEBTORS

	2018 £	2017 £
Amounts falling due within one year:		
Other debtors	89,908	70,812
Prepayments and accrued income	<u>204,099</u>	<u>66,842</u>
	<u>294,007</u>	<u>137,654</u>
Amounts falling due after more than one year:		
Other debtors	<u>3,990</u>	<u>7,470</u>
Aggregate amounts	<u>297,997</u>	<u>145,124</u>

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	79,265	43,321
Social security and other taxes	19,951	21,378
Other creditors	-	720
Accruals and deferred income	<u>249,222</u>	<u>43,543</u>
	<u>348,438</u>	<u>108,962</u>

## 17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	11,895	12,744
Between one and five years	<u>6,307</u>	<u>7,971</u>
	<u>18,202</u>	<u>20,715</u>

# Notes to the Financial Statements - continued

## for the year ended 31st March 2018

### 18. MOVEMENT IN FUNDS

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/18 £
<b>Unrestricted funds</b>				
General fund	2,206,946	(259,494)	540,713	2,488,165
<b>Restricted funds</b>				
Cancer Studies	9,348	(9,348)	-	-
Name a Puppy	79,051	(26,451)	-	52,600
Medical Alert Assistance Dogs	2,550	(2,550)	-	-
Bio Detection Conference	11,213	-	-	11,213
Sylvia Fund	367,611	-	(367,611)	-
Equipment Fund	6,752	36,375	(31,319)	11,808
Breast Cancer Study	17,500	-	-	17,500
New build project	300,000	390,921	(141,783)	549,138
Dog training	97,162	(63,858)	-	33,304
	891,187	325,089	(540,713)	675,563
<b>TOTAL FUNDS</b>	<b>3,098,133</b>	<b>65,595</b>	<b>-</b>	<b>3,163,728</b>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,220,835	(1,480,329)	(259,494)
<b>Restricted funds</b>			
Cancer Studies	31,488	(40,836)	(9,348)
Name a Puppy	47,388	(73,839)	(26,451)
Medical Alert Assistance Dogs	24,308	(26,858)	(2,550)
Equipment Fund	38,354	(1,979)	36,375
Breast Cancer Study	1,500	(1,500)	-
Business Director	25,000	(25,000)	-
New build project	390,921	-	390,921
Malaria study	16,512	(16,512)	-
Dog training	95,442	(159,300)	(63,858)
Parkinsons	25,000	(25,000)	-
	695,913	(370,824)	325,089
<b>TOTAL FUNDS</b>	<b>1,916,748</b>	<b>(1,851,153)</b>	<b>65,595</b>

# Notes to the Financial Statements - continued for the year ended 31st March 2018

## 18. MOVEMENT IN FUNDS - continued

### Comparatives for movement in funds

	At 1/4/16 £	Net movement in funds £	At 31/3/17 £
<b>Unrestricted Funds</b>			
General fund	2,027,019	179,927	2,206,946
<b>Restricted Funds</b>			
Cancer Studies	36,859	(27,511)	9,348
Scottish Employee Fund	17,455	(17,455)	-
Name a Puppy	32,938	46,113	79,051
Medical Alert Assistance Dogs	4,000	(1,450)	2,550
Bio Detection Conference	11,213	-	11,213
Sylvia Fund	422,555	(54,944)	367,611
Staff fund	50,000	(50,000)	-
Equipment Fund	19,393	(12,641)	6,752
Breast Cancer Study	-	17,500	17,500
New build project	-	300,000	300,000
Dog training	-	97,162	97,162
	594,413	296,774	891,187
<b>TOTAL FUNDS</b>	<u>2,621,432</u>	<u>476,701</u>	<u>3,098,133</u>

## Notes to the Financial Statements - continued for the year ended 31st March 2018

### 18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	960,319	(780,392)	179,927
<b>Restricted funds</b>			
Cancer Studies	78,634	(106,145)	(27,511)
Name a Puppy	104,709	(58,596)	46,113
Medical Alert Assistance Dogs	131,448	(132,898)	(1,450)
Equipment Fund	14,400	(27,041)	(12,641)
Breast Cancer Study	19,500	(2,000)	17,500
Prostate Cancer	65,691	(65,691)	-
Business Director	25,000	(25,000)	-
Bio Equipment	6,530	(6,530)	-
New build project	300,000	-	300,000
Malaria study	500	(500)	-
Dog training	154,960	(57,798)	97,162
Scottish Employee Fund	-	(17,455)	(17,455)
Sylvia Fund	-	(54,944)	(54,944)
Staff fund	-	(50,000)	(50,000)
	901,372	(604,598)	296,774
<b>TOTAL FUNDS</b>	<u>1,861,691</u>	<u>(1,384,990)</u>	<u>476,701</u>

Cancer studies - restricted to expenditure relating to cancer research

Scottish Employee Fund - restricted to expenditure for a staff member to cover Scotland

Name a Puppy - restricted to expenditure relating to the training of named medical alert assistance dogs or cancer research dogs

Medical Alert Assistance Dog Fund - restricted to expenditure on training and placement of medical alert assistance dogs generally

Bio Detection Conference - restricted to expenditure on the conference

Sylvia Fund - restricted to securing the charity's premises, the cost of studies into breast cancer and prostate cancer and the cost of training more detection dogs

Staff Fund - restricted to the funding of strengthening our administration staff over a three year period

Equipment Fund - restricted to the purchase of specific items of equipment

Breast cancer study - restricted to expenditure relating to breast cancer research

Bio Equipment Fund - restricted to the purchase of specific items of bio equipment

New Build Project Fund - restricted to the costs of the new buildings

Dog Training Fund - restricted to the cost of training dogs

Prostate Cancer - restricted to expenditure relating to prostate cancer research

Business Director - restricted to expenditure related to the staff post of Business Director

Parkinson's - restricted to expenditure relating to Parkinson's disease research



# Notes to the Financial Statements - continued for the year ended 31st March 2018

## 19. CAPITAL COMMITMENTS

	2018 £	2017 £
Contracted but not provided for in the financial statements	<u>722,753</u>	<u>-</u>

During the year the charity entered into a contract for the construction of a new building. To date £464,708 has been included in the accounts as an addition to fixed assets.

## 20. RELATED PARTY DISCLOSURES

An interest free loan of £12,000 was made to the Chief Executive Officer Claire Guest in 2017 for the purchase of a car. The balance owed to the charity as at 31 March 2018 was £7,470 (2017 - £10,950).

The key management personnel of the charity are the Chief Executive Officer and the Chief Operating Officer whose employee benefits total £154,950 (2017 - £110,478).

The aggregate amount of donations received by the charity from trustees or related parties amounted to £2,100 (2017: £nil).

## 21. COMPANY LIMITED BY GUARANTEE

The liability of each member is limited to £10 by guarantee

# Medical Detection Dogs

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Registered Charity in England and Wales No. 1124533 and in Scotland No. SC044434



Registered with  
**FUNDRAISING  
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