



**HEARING DOGS FOR DEAF PEOPLE
(A COMPANY LIMITED BY GUARANTEE)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2024**

**COMPANY NUMBER: 01964878
CHARITY NUMBER - ENGLAND: 293358
CHARITY NUMBER - SCOTLAND: SC040486**

**HEARING DOGS FOR DEAF PEOPLE
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FOR THE YEAR ENDED 31 MARCH 2024**

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**HEARING DOGS FOR DEAF PEOPLE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

The Trustees (who are also Directors of the Charitable Company for the purpose of Company law) present their annual report together with the audited financial statements for the year ended 31 March 2024.

Reference and administrative details of the charity

Company number:	01964878
Charity number:	England: 293358 Scotland: SC040486
Registered office:	The Grange Wycombe Road Saunderton Princes Risborough Buckinghamshire HP27 9NS
Royal patron:	HRH The Princess Royal
President:	Sir Stuart Hampson CVO
Life vice-presidents:	F B Clark MBE D A McInnes
Vice-presidents:	R Bourne Air Vice-Marshal D Crwys-Williams CB FCIPD FCIM Dr H Harris MB ChB FRCGP K W Keir OBE Dr B Fogle MBE DVM MRCVS
Trustees:	E M Burness R Casey BVSc DipECAWBM FRCVS M S Coote BSc (resigned 16 July 2024) P R G Davis BSc FCA BFP B S Downes LL.B FSHAA K A England RVN DipCIM D L Hay (resigned 16 July 2024) S E Heath BVSc PgCertVE DipECAWBM(BM) CCAB FHEA FRCVS A M Horsley JP DL (resigned 16 July 2024) C McKay S Marshall (appointed 16 July 2024) K B Milsom BHSc Hons MSc C M P O'Donovan-Rossa BA Hons MA ACIB FCIPD DMS H Self MA, FCA, CTA(Fellow), FRSA T Schultz-Jagow (appointed 16 July 2024) Professor R T Ramsden MBE FRCS

The Trustees each guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

**HEARING DOGS FOR DEAF PEOPLE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Reference and administrative details of the charity (continued)

Executive team:	Chief Executive	T Griffin (appointed 3 rd July 2023)
	Interim Chief Executive	M Farrow (13 th December 2022–3 rd July 2023)
	Finance & IT Director (and Company Secretary)	C M Hedley BA ACMA
	Director of Operations	J Tommey BSc
	Director of Services & Partnerships	A Platten
	Director of Quality & Human Resources	J Gray MBA VN (resigned 17 May 2024)
	Director of Fundraising and Communications	S Heyes BSc (resigned 25 April 2024)
Principal bankers:	Barclays Bank plc	
	PO Box 885	
	Mortlock House, Vision Park	
	Histon, Cambridge CB24 9DE	
Solicitors:	Penningtons Manches LLP	Wilsons Solicitors
	9400 Garsington Road Oxford Business Park Oxford, OX4 2HN	Alexandra House St Johns Street Salisbury, SP1 2SB
Auditors:	Crowe U.K. LLP	
	Aquis House	
	49-51 Blagrove Street	
	Reading	
	Berkshire RG1 1PL	

Structure, Governance and Management

Governing Document

Hearing Dogs for Deaf People is a charitable company limited by guarantee and registered as a charity. The charity was incorporated on 26 November 1985 and its governing document is its Articles of Association which were adopted on 11 November 2015 and as amended by special resolutions passed 25 July 2017, 18 February 2020 and 03 September 2020.

Governing Body

Overall responsibility rests with the Board of Trustees who are also appointed as Directors of the charitable company. The appointment of Trustees is made in accordance with the Articles of Association including receipt and approval of an application for membership.

The Trustees meet formally four times a year, with Trustees also forming four sub-committees: Finance, Governance and Audit, Remuneration, Canine Services and Hearing Loss Services sub-committees. The Finance Governance and Audit sub-committee meets four times a year and the Canine Services and Hearing Loss Services sub-committees meet at least twice a year. The Remuneration sub-committee meets at least once a year primarily to review the salary of the Executive Board. In addition, the Trustees hold ad hoc 'away days' where governance and the future strategy of the charity are discussed. All sub-committees report into the Trustee Board. From time to time, certain authority from the Trustees is delegated to the Chief Executive, who is responsible for the day-to-day running of the charity.

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Structure, Governance and Management (continued)

Recruitment and Training of Trustees

The selection of Trustees is designed to supplement the existing skills and expertise of the Board and is governed by an informal skills assessment. The Trustees have a formal approach to selection, induction and training, of new trustees which includes the declaration of eligibility to serve as a Trustee, including notification of any potential conflicts of interest, introduction of a code of conduct and deaf awareness training. DBS checks are also carried out on all Trustees who also undergo safeguarding training every two years. Applications to fill vacancies are advertised and shortlisted candidates are interviewed and references taken up before they are proposed as new Trustees. Outside recruitment agencies are sometimes used to widen the search for specifically skilled Board members.

The Trustees consider it to be best practice to make every effort to have representation of the charity's beneficiaries on the Board of Trustees.

Pay policy for senior staff

The pay of the Executive Board is reviewed annually by the Remuneration Committee. Increases are based on agreed benchmarks. Additionally, the percentage annual pay award to all staff is taken into consideration.

Organisation and Structure

The charity employs 201 (2023: 196) members of staff (full-time equivalent) who are involved in the labour-intensive process of creating and supporting hearing dog partnerships and supporting people affected by hearing loss.

Group structure and relationships

The charity has a wholly owned subsidiary which is incorporated in the UK, Hearing Dogs for Deaf People (Trading) Limited. The subsidiary sells promotional and other goods and operates a restaurant/café from premises owned by the charitable company. It donates its taxable profits to the charitable company.

Hearing Dogs for Deaf People is a member of Assistance Dogs UK (ADUK) and plays a full and active role in this umbrella organisation which is open to assistance dog charities. Under the auspices of ADUK collaboration takes place on several fronts including access, public relations and training issues. The charity is also a fully accredited member of Assistance Dogs Europe (ADEu) and Assistance Dogs International (ADI) and is therefore involved with assistance dogs organisations worldwide. Hearing Dogs for Deaf People is also a member of the UK Council on Deafness, a national infrastructure organisation for voluntary sector organisations working with deaf people. Other collaborative relationships with which the charity is actively involved include the Deaf Alliance and the Microchipping Alliance

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Structure, Governance and Management (continued)

Risk Management

The Trustees of Hearing Dogs for Deaf People recognise and accept their responsibility for ensuring that risks to which the charity is exposed are reviewed, and steps taken to mitigate the impact of adverse factors through the application of appropriate preventative controls and corrective actions. An Audit, Governance and Audit sub-committee is in place and a risk management strategy has been implemented which comprises: -

- An annual review of the risks which the charity may face
- The establishment of systems and procedures to mitigate identified risks
- The implementation of procedures designed to minimise any potential impact on the charity of adverse factors
- Reporting on the level of risk remaining after implementing the systems and procedures above.

The most significant risks to the organisation have been identified as: -

- A shortage of suitable dogs to enter the training program.
- A shortage of skilled staff to train the potential hearing dogs.
- Financial disruption associated with macro economic factors including investment performance and the recent cost of living rises.
- Threats to the IT systems including cyber security, misuse of systems and the cost of continual investment in systems and hardware.

The Finance, Governance and Audit sub-committee oversees formal reviews, meets at least four times annually and monitors the ongoing operational management decisions which make suitable adjustments and amendments to systems and procedures as and when risks are identified in everyday operations. The Finance, Governance and Audit sub-committee reports into the Trustee Board

Objectives, Aims and Activities

Charitable Objectives

The charity's objects as set out in the Articles of Association are the promotion of health and the relief of sickness in particular by training, providing and supporting animal assisted intervention in the relief of human deafness, disability, sickness, suffering or distress, and collaborating with other charities where appropriate.

In addition to the objects, the charity is aligned to the following strategic aims as set by the charity's Trustee Board:

'To offer greater independence, confidence and companionship to deaf people by providing dogs trained to support them at home and out and about whilst raising awareness of deafness and by providing an even wider range of services, through Hearing Link, to support those with hearing loss.'

'A commitment to provide highly trained hearing dogs for deaf people and life-long support for the partnership between a deaf person and their hearing dog.'

The Trustees confirm that they have complied with the duty of Section 17(5) of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit. The charitable purpose for the charity within the meaning of the Act is enshrined within its objects as stated above.

Aim and Intended Impact

The aim of the charity is to provide suitably trained assistance dogs to deaf or hard of hearing people as identified by our applications process, backed by agreed audiology guidelines.

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Objectives, Aims and Activities (continued)

Our principal aim is:

'Helping deaf people to leave loneliness behind and reconnect with life through the provision of hearing dogs and/or by providing advice and support services to those affected by hearing loss.'

The effect on the individual through the provision of a practical means of identifying important sounds and danger signals will be greater independence and security. However, the impact typically goes far deeper than this with the introduction of a hearing dog often bringing further life-enhancing results.

Principal activities of the year

The charity's main programme has continued to be the provision of trained and accredited hearing dogs for deaf and hard of hearing people including the provision of hearing dogs for deaf children. A small but important supplementary activity sees some hearing dogs working in conjunction with other ADUK charities to provide dogs to meet dual disabilities. The charity also provides a number of support dogs to deaf adults and children.

In addition, the charity's activities include reaching out to people with hearing loss and their families to help them improve their lives. This is achieved by connecting people with one another, providing information, advice and training and raising awareness and understanding of the profound impact of hearing loss on every aspect of life.

All other activities have been undertaken to support the current programmes and to ensure the future development and expansion of the charity and its capacity to meet the growing demand for trained dogs.

The charity's core values underpin everything we do with consequential benefits for beneficiaries, volunteers and staff alike. These values are Kindness, Professionalism and Courage.

Activities in Scotland – Registered Charity Number: SC040486

Hearing Dogs has one member of staff permanently based in Scotland, supplemented as necessary by management and staff from both the northern and southern training centres. Operational needs are covered by a partnership instructor who supports some 70 Scottish partnerships, while fundraising activities are undertaken by a full-time fundraiser based in the North of England and a local branch run by volunteers. Fundraising activities include the generation of funds some of which are restricted for use in Scotland.

The Hearing Loss Services team have 3 staff members operating from Scotland in roles related to communications, community support and volunteer engagement. We receive a partial contribution to their salaries through the Scottish government project funding.

Volunteer Support

The charity had 3,083 (2023: 3,046) volunteers at 31 March 2024 which includes 256 micro volunteers (2023: 235).

Overall volunteer numbers remain static at just over 3,000 however, for the first time since the Covid pandemic, there is a tiny increase of 16 (2023: -147) in the number of registered volunteers (i.e. those who have entered into a formal agreement with the charity) to 2,827 (2023: 2,811), however this net increase masks volunteer turnover which recorded 451 (2022: 337) new volunteers and 435 (2022: 484) departures.

These static figures reflect the nationwide downturn in formal volunteering reported by the Office of National Statistics and NCVO, plus related socioeconomic factors.

**HEARING DOGS FOR DEAF PEOPLE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Volunteer Support (continued)

As such, volunteer recruitment, especially into long-term commitment roles, has remained challenging post Covid pandemic and the pipeline of available, full-time dog care homes is of major strategic importance across the organisation.

Analysis and evaluation were key to the year. Experian were commissioned to conduct Mosaic profiling of our volunteers' data. We learnt that 67% of our volunteers fall into the Prestige Positions, Country Living and Senior Security categories, reflecting a wealthy, educated, mostly retired demographic that corresponds with the location and home-owning criteria of many of our volunteer roles.

The pinnacle of the year was volunteer Sarah Bond, with hearing dog Albert, being crowned as one of The King and The Queen Consort's Coronation Champions in April 2023. The recognition, at this momentous point in history, was bestowed upon just 500 of the UK's most exceptional volunteers.

Provision of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the reappointment of Crowe U.K. LLP as auditors of the company will be put to the Annual General Meeting.

Approved by the board on 16 July 2024
and signed on their behalf by



..... C M P O'Donovan-Rossa (Chairman)

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

Review of the charity, and its achievements and performance for the year

Objectives for the year

The charity maintains a balance between the resources required to meet its commitments to the people with hearing loss it seeks to serve and those required to train and support the dogs which are an integral and vital part of the success of the organisation. The key aspects of the charity's plans in 2023/24 were to:

1. continue to help people experiencing hearing loss across the range from mild to profound hearing loss.
2. train up to 200 dogs per annum for core deaf support roles.
3. maintain the charity's financial performance and its strong balance sheet by developing and expanding new and existing income streams, constraining costs and ensuring all charity assets are fully utilised.
4. increase public awareness of the charity and maximise the resulting fundraising opportunities.
5. work on the performance of The Grange restaurant so as to return the trading subsidiary to profitability and create a sustainable income stream for the charity in the longer-term.
6. build on the existing volunteer network and expand the breadth and depth of the charity's services including further development of micro-volunteering.

Strategies to achieve the year's objectives

The following strategies for achieving the objectives stated above were put in place or worked on to:

1. extend the charity's Hearing Loss Services through Hearing Link including self-help resources, the helpdesk, LiveChat, the online shop and specific projects and events run by both staff and volunteers.
2. build on the charity's operations which are made up of two national teams namely Canine Services and Hearing Loss Services. Continue the review and refinement of operational processes and procedures working closely with staff and volunteers. Improve productivity and quality assurance through improving standards of welfare, training and assessment.
3. develop new income streams including expansion of the puppy sponsorship regular giving scheme using all media channels particularly direct marketing, regular communications and appeals to new and longer-term supporters. Constrain revenue and capital expenditure through tight budgetary control and the streamlining of operational and supporting activities.
4. implement a detailed programme of communications and events including the provision of information on all fundraising opportunities and events via social media channels and the charity's website.
5. build our relationships with suppliers and our outsourced caterer to deliver high quality goods and services, attracting new customers, and increasing income and controlling costs.
6. recruit new volunteers and communicating with all volunteers primarily through in-person and virtual events, social media, regular updates and online portals.

What we achieved during the year

The following progress was made towards achieving the objectives stated above:

1. Total number of dogs completing training during the year was 138 (2023: 156). Each hearing dog takes some 18-24 months to train.
2. 1,144 Hearing Dog Partnerships were supported throughout the UK.
3. Over 200,000 people accessed our Hearing Loss Services for support.
4. The number of volunteers continued to exceed 3,000. Their support in all areas of our work is vital and very gratefully received.

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

Fundraising practices and performance

At Hearing Dogs, we know that choosing to support a charity is a very personal decision, and we value each and every one of our supporters.

Everything we do is driven by our desire to help as many deaf people as we can. Every donation, sponsorship or gift in a Will is put to use as effectively as possible to help more deaf people.

Hearing Dogs for Deaf People is registered with the Fundraising Regulator, and we follow the Regulator's Code of Practice which sets out the standards members are expected to adhere to when raising money, taking all reasonable steps to protect vulnerable people from persistent approaches, unreasonable intrusion or undue pressure.

Much of our fundraising is carried out by dedicated volunteers who have been through a thorough application and vetting process. They are all required to sign an 'agreement and understanding' with Hearing Dogs that they will adhere to the charity's policies, procedures, data protection and confidentiality guidelines. Each registered volunteer fundraiser is allocated a volunteer co-ordinator and regional contact who is a member of Hearing Dogs staff. The volunteer co-ordinator is responsible for ensuring that their volunteers are inducted into the charity and carry out their activities in an appropriate manner. Furthermore, Hearing Dogs has a dedicated Volunteering Department and central Fundraising Team who uphold best practice and offer further support, training and guidance.

We work with an external company to run 2 or 3 raffles a year, as well as our Weekly Lottery. The company is accredited by the Gambling Commission, Institute of Fundraising, the Lotteries Council and Responsible Gambling Trust.

We make sure that all our marketing materials carry clear messaging about how our supporters can contact us to change the way we communicate with them, and we make every effort to respect our donor's preferences. We respond quickly to resolve any complaints we receive about our fundraising.

During the financial year, the charity received no complaints requiring action by the Fundraising Regulator. Our IT team also works very hard to make sure that we understand and remain fully compliant with GDPR requirements.

Operational performance

Canine Services (Hearing Dogs)

In the last financial year, we trained 138 dogs for deaf clients.

This is slightly less than the number originally aimed for. The effect of not breeding at times during Covid-19 has meant that there has been a smaller pool of suitable dogs for training. During the year we had 177 puppies born.

In 2024/25 we aim to train 185 dogs for deaf clients.

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

Hearing Loss Services

All departments within the Hearing Loss Services team have focused on working closely together to ensure that we take every opportunity to engage with potential beneficiaries effectively and where possible, identify future pathways for support. This has meant diversification in some roles and investment in our digital platforms.

We have reintroduced many 1-1 sessions now named 'Hearing Support Sessions' and opened the 'Hearing Hub' for technical and emotional support sessions. The launch and success of the online 'Helpful Hours' webinar has been a great achievement as one of our newest services as well as the growth of community outreach to 9 locations.

Objectives for the Year:

- Engage with more potential beneficiaries through succinct and enhanced communication of the services the charity has to offer
- Grow our services both 1-1 and in the Community.
- Launch the new Helpful hours as an online webinar.
- Investment in our staff and volunteers learning and development.
- Grow our external networks and build new professional relationships.

Tactics to achieve this year's objectives:

- Produced new assets which complement the range of services including new graphics, marketing materials and digital resources.
- Hearing Support Sessions running both online and in person supported by staff and volunteers.
- Community Support Days throughout the UK including some welcoming members of the public.
- National Information Days held in 2 key locations, welcoming members of the public as well as our potential beneficiaries to come and learn about the support available for people with hearing loss.
- Helpful Hours sessions launched a new online service, focusing on key topics which our beneficiaries can access and engage with
- 12 new videos and tutorials on various topics including 'How to get the most from your Audiology appointment'
- Recognise the important of good volunteer training and development and therefore new training modules developed to enhance their preparation and understanding including safeguarding and professional boundaries.
- Attended major sector events to showcase our work and build relationships including the British Academy of Audiology, Association of Teachers of Lipreading to Adults and The Association of Independent Hearing Healthcare Professionals.

Outcomes:

- 1,144 Hearing Dog Partnerships successfully supported in the community, including 53 children.
- 2,838 people attended our community events or information and essential social interaction.
- 197,629 visitors to the Hearing Loss Services website, 13,714 click-throughs on social media platforms and 836 customers bought communication support products in the shop.
- 6,396 Information downloads from people accessing useful information and viewing support videos.
- 550 people benefitted from 446 Hearing Support Sessions conducted.
- 153 Linkup group participants benefitted from 10 sessions across the UK and online.
- 146 people accessed one of our 9 Helpful hours webinars
- 1,057 enquiries for support managed
- 627 Helpdesk cases received

HEARING DOGS FOR DEAF PEOPLE

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Human Resources

The charity employed an average of 201 FTE staff (2023: 196 FTE) throughout the financial year and ended the year with a turnover rate of 11%. The charity had 207 staff at 31 March 2024. Hybrid working has become entrenched in the organisation. This has strengthened the charity's commitment to staff wellbeing and employee engagement.

A detailed pay review is regularly undertaken benchmarking against similar organisations and organisations in the wider working environment. Our HR Management systems continue to be strengthened to respond to the needs of our growing hybrid, regional roles. 2023/24 saw the initial stages of the installation of Sage People an HR management system.

Recruitment for a new permanent CEO was successful, with Tracy Griffin starting in position in July 2023.

Investment performance

Evelyn have been the charity's investment managers for the last nineteen years having been re-appointed in 2018 after conducting a tendering process. The table below records the performance of the Income and Growth Portfolio valued at £8.6 million (2023: £7.9 million), including cash awaiting investment, against four indices for last year and the last twenty years.

	Year 2023/24 (Total Return)	Twenty Year Period (Total Return)
Income and Growth Portfolio	9.41%	214.59%
MSCI WMA Private Investor Balanced	12.16%	156.67%
ARC Balanced PCI	7.19%	148.15%
ARC Balanced ACI	7.22%	176.20%
MSCI United Kingdom TR	8.53%	276.48%

The favoured benchmarks are currently the ARC Balanced indices as these are comparable with the underlying asset allocation of the Hearing Dogs portfolio. Performance over the past nineteen years has exceeded the benchmarks and a satisfactory result was achieved in 2023/24, given the cautious growth investment strategy which has been followed for some time. Comparative figures are also shown for the MSCI WMA Private Investors Balanced and MSCI United Kingdom TR indices. The charity has reviewed its investment strategy for the coming year and will continue to monitor performance against the agreed benchmarks.

In addition, the charity has invested in more recent years in a more aggressive Growth Portfolio. The table below records the performance of this portfolio valued at £1.3 million (2023: £1.2 million), including cash awaiting investment, against four indices for last year and the nine years since inception.

	Year 2023/24 (Total Return)	Nine Year Period (Total Return)
Growth Portfolio	10.81%	69.56%
MSCI WMA Private Investor Balanced	14.73%	96.16%
ARC Balanced PCI	9.25%	52.79%
ARC Balanced ACI	9.38%	59.40%
MSCI United Kingdom TR	8.53%	70.78%

A satisfactory result considering the market conditions was achieved in 2023/24 and the charity has reviewed its investment strategy for the coming year and will continue to monitor performance against the agreed benchmarks.

HEARING DOGS FOR DEAF PEOPLE
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

Financial review, including results for the year and position at the year end

The charity recorded a net excess of £615,166 (2023: £335,870 deficit). Expenditure exceeded income by £176,379 (2023: £101,593) and investment gains amounted to £791,545 (2023: £234,277 losses).

The primary reasons for the change in results are:

- 1) A year-end accounting adjustment relating to legacies not yet received at the year end. In 2023 the accounting accrual was £417,578 whereas the accrual at the end of 2024 was £1,275,762. This equates to an increase in accrual of £858,184 between the two years.
- 2) The performance in the investment portfolio moved from a loss of £234,277 in 2023 to a gain of £791,545 in 2024, a positive swing of £1,025,822.
- 3) Spend on charitable activities during the 2023/24 year increased by £1,089,138. Payroll related costs increased by over £700,000 primarily due to salaries keeping pace with the cost of living and a small increase in the number of staff.

Total income increased by £1 million to £13.1 million (2023: £12.1 million). The major movements were an increase in legacies of £1.3 million - partially due to year end accounting adjustments, an increase in dividends and interest received from investments of £0.2m and a decrease in trading and fundraising of £0.4m. We remain very grateful to all our supporters who provide us with the financial resources we need to continue to maintain and develop our work. Their many contributions are essential given that there is continuing demand for the charity's hearing dog and hearing loss services for which it receives only a relatively small amount of government funding.

Total net assets increased by £0.6 million to £25.8 million (2023: £25.2 million) at the year end. Total fixed assets increased by £0.8 million to £17.4 million (2023: £16.6 million) principally due to investment loss. Net current assets decreased by £0.2 million to £8.4 million (2023: £8.6 million).

Designated funds increased by £0.3million to £17.8 million (2023: £17.5 million) and the operational reserve and restricted funds amounted to £6.9 million (2023: £6.6 million) and £1.1 million (2023: £1.0 million) respectively.

Reserves policy

The charity operates to provide immediate benefit to hearing dog deaf partners followed by a lifetime of partnership support for them and their families. With plans to increase the number of dogs being trained each year and 1,050 (2023: 1,019) working partnerships located throughout the country this level of support is expensive to maintain and will require both capital and revenue expenditure as a continuing investment for the future. In addition, it is dependent on voluntary income, principally legacies, which can be subject to considerable fluctuation from year to year.

The Trustees continue to monitor and review annually the level of reserves in conjunction with the setting of annual budgets and the development of the long-term strategy to meet the changing nature of demand.

**HEARING DOGS FOR DEAF PEOPLE
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

Reserves policy (continued)

The charity's policy has been reviewed during the year and is to maintain the following unrestricted funds:

Designated Funds for Tangible Fixed Assets.

This represents unrestricted reserves set aside by the Trustees for the functional fixed assets and capital commitments of the charity required to carry out its principal activities. At 31 March 2024 this reserve stood at £7.5 million (*2023: £7.5 million*).

Designated Funds for Existing Partnerships.

These funds have been set aside to cover future long-term commitments, principally relating to existing hearing dog partnerships, which as at 31 March 2024 were estimated at £6.8 million (*2023: £6.4 million*) over the next 10 years.

Property Development Fund

There are plans currently being formulated to alter parts of the sites in Buckinghamshire and Yorkshire. The operating environment has changed since the Coronavirus pandemic and neither site now use their kennel buildings. It is hoped that the areas no longer used can be redeveloped to provide enhanced welfare for the dogs that are vital to the assistance that we provide. It is integral to everything that we do that Hearing Dogs are well trained and cared for during their lives. A fund of £3.5m has been established to support the plans.

Operational (Free) Reserve.

The policy of the Trustees is to hold an operational reserve equivalent to 6-12 months operating expenditure. At 31 March 2024 this reserve stood at £6.9 million (*2023: £6.6 million*) which represents 6.4 months running costs, based on the 2024/25 expenditure budget. The objective is, therefore, to maintain this reserve to ensure that sufficient funds are available at all times to cover the charity's operating expenditure.

Investment policy

For the last nineteen years, the Trustees have given their appointed investment managers, Evelyn (formerly Tilney), discretion to manage the Income and Growth Portfolio with a cautious growth risk profile providing both income and capital growth. The Trustees have also invested additional funds in a more aggressive Growth Portfolio which is also managed on a discretionary basis by Evelyn. Decisions are taken in accordance with the charity's investment policy document which has been approved by the Board of Trustees. The charity's overriding policy remains to maximise returns whilst ensuring that as far as possible the funds invested are adequately safeguarded.

**HEARING DOGS FOR DEAF PEOPLE
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

Future plans

Underpinning the charity's strategic plans are its objectives which are set out on pages 4-5.

The charity plans to build on its 2021-26 strategy with the key aspects of the plan being to:

1. increase the charity's impact in helping people experiencing mild to moderate hearing loss as well as those with profound hearing loss.
2. continue training some 200 dogs per annum for core deaf support roles.
3. maintain the charity's financial performance and its strong balance sheet by developing and expanding new and existing income streams, constraining costs and ensuring all charity assets are fully utilised.
4. increase public awareness of the charity and maximise the resulting fundraising opportunities.
5. return the trading subsidiary to profitability so as to deliver a sustainable income stream for the charity in the longer-term.
6. build on the existing volunteer network so as to expand the breadth and depth of the charity's services.

Approved by the board on 16 July 2024
and signed on their behalf by



..... C M P O'Donovan-Rossa (Chairman)

HEARING DOGS FOR DEAF PEOPLE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees (who are also Directors of Hearing Dogs for Deaf People for the purposes of company law) are responsible for preparing the Trustees' Annual Report, the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments 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; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members and the Trustees of Hearing Dogs for Deaf People

Opinion

We have audited the financial statements of Hearing Dogs for Deaf People ('the charitable company') and its subsidiary ('the group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Consolidated Statement of Cash Flows and notes to the financial statements, including 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 group's and the charitable company's affairs as at 31 March 2024 and of the group's 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (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 group 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 trustee's 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 or the group'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 contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other.

Other information (continued)

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 this gives rise to a material misstatement in the financial statements themselves. 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, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper 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 13, 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.

Auditor's 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 Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we particularly considered in this context for the charitable company were Charity Commission regulations, General Data Protection Regulation (GDPR), cyber security, Equality Act and Animal Welfare Act, whilst also acknowledging that the charitable company works to comply with all other relevant legislation such as Employment law.

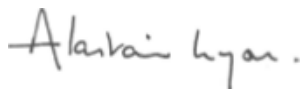
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within completeness and timing of recognition of income from certain income streams and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing related income streams, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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. 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 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 and 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.



Alastair Lyon
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor, Reading

Date 30 July 2024

HEARING DOGS FOR DEAF PEOPLE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Income from:					
Donations and legacies	4	8,579,803	3,183,766	11,763,569	10,451,141
Grants receivable	4	500	-	500	-
Charitable activities	4	11,157	-	11,157	89,417
Trading and fundraising	4	791,221	3,445	794,666	1,203,577
Investments	4	464,980	-	464,980	271,999
Other	4	61,118	8,846	69,964	74,350
Total income		<u>9,908,779</u>	<u>3,196,057</u>	<u>13,104,836</u>	<u>12,090,484</u>
Expenditure on:					
Raising funds	5	2,962,672	-	2,962,672	2,688,224
Charitable activities	5	7,247,745	3,070,798	10,318,543	9,503,853
Total expenditure		<u>10,210,417</u>	<u>3,070,798</u>	<u>13,281,215</u>	<u>12,192,077</u>
Net gains / (losses) on investments		791,545	-	791,545	(234,277)
Net income		489,907	125,259	615,166	(335,870)
Transfers between funds	17	-	-	-	-
Net movement in funds		489,907	125,259	615,166	(335,870)
Reconciliation of funds:					
Total funds brought forward		24,188,403	991,970	25,180,373	25,516,243
Total funds carried forward	17	<u>24,678,310</u>	<u>1,117,229</u>	<u>25,795,539</u>	<u>25,180,373</u>

The notes on pages 21 to 38 form part of these financial statements

HEARING DOGS FOR DEAF PEOPLE
BALANCE SHEET
31 MARCH 2024
COMPANY NUMBER: 01964878

	Note	The Group		The Charity	
		2024 £	2023 £	2024 £	2023 £
Fixed assets:					
Tangible assets	9	7,459,727	7,476,054	7,459,727	7,476,054
Investments	10	9,962,520	9,092,117	9,962,520	9,092,117
Total fixed assets		17,422,247	16,568,171	17,422,247	16,568,171
Current assets:					
Stocks	11	26,410	45,307	-	-
Debtors	12	1,817,107	761,520	2,036,306	882,558
Short term deposits		7,214,865	8,487,014	7,214,865	8,487,014
Cash at bank and in hand		111,371	18,431	109,263	14,140
Total current assets		9,169,753	9,312,272	9,360,434	9,383,712
Liabilities:					
Creditors: Amounts falling due within one year	13	(796,461)	(700,070)	(787,405)	(688,289)
Net current assets		8,373,292	8,612,202	8,573,029	8,695,423
Total net assets	14	25,795,539	25,180,373	25,995,276	25,263,594
Funds:					
Restricted funds	17	1,117,229	991,970	1,117,229	991,970
Unrestricted funds:					
Designated funds	17	17,802,853	17,539,339	17,802,853	17,539,339
Operational reserve	17	6,875,457	6,649,064	7,075,194	6,732,285
Total funds	17	25,795,539	25,180,373	25,995,276	25,263,594

The excess in the year relating to the parent charity was £731,682 (2023: deficit £329,228)

The financial statements were approved and authorised for issue by the board on 16 July 2024 and were signed on its behalf by:



.....
C M P O'Donovan-Rossa
Chairman



.....
H Self
Honorary Treasurer

The notes on pages 21 to 38 form part of these financial statements

**HEARING DOGS FOR DEAF PEOPLE
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	2024 £	2024 £	2023 £
Cash flows from operating activities:				
Net cash provided by/(used in) operating activities	18a		(1,226,463)	164,034
Cash flows from investing activities:				
Dividends and interest from investments		464,980		271,999
Proceeds from the sale of tangible assets		8,339		6,550
Purchase of tangible assets		(347,207)		(120,837)
Proceeds from the sale of investments		1,607,833		1,573,624
Purchase of investments		(1,820,018)		(1,530,173)
Net cash provided by / (used in) investing activities			(86,073)	201,163
Change in cash and cash equivalents in the reporting period	18c		(1,312,536)	365,197
Cash and cash equivalents at the beginning of the reporting period	18b		8,767,812	8,402,615
Cash and cash equivalents at the end of the reporting period	18b		7,455,276	8,767,812

The notes on pages 21 to 38 form part of these financial statements

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting policies

a) Basis of preparation

Hearing Dogs for Deaf People is a charity registered in the UK (charity number 293358 (England) and SC040486 (Scotland)) with its registered office at The Grange, Wycombe Road, Saunderton, Princes Risborough, Buckinghamshire, HP27 9NS.

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 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Consolidated financial statements (“group accounts”) have been prepared in respect of the charity and its wholly owned subsidiary, Hearing Dogs for Deaf People (Trading) Limited. The parent has taken exemption from presenting its unconsolidated profit and loss account under section 408 of the Companies Act 2006 and as permitted by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Hearing Dogs for Deaf People meets the definition of a public benefit entity under FRS 102.

b) Income

Voluntary income received by way of donations and gifts to the charity is included in full in the statement of financial activities when received.

Legacy income is included in the financial statements when the charity is satisfied that the conditions of entitlement, probability and measurement have been met. Pecuniary legacies are accounted for when notified. Residuary legacies are accounted for when notification of impending distribution is received and/or receipt occurs within one month of the year end. Residuary legacies subject to a life interest held by another party are not included in income until the conditions associated with payment have been fulfilled.

Income generated from the supply of goods or services is included in the statement of financial activities in the period in which the supply is made.

Grants receivable are accounted for under the performance model as permitted by the Charities SORP. Coronavirus Job Retention Scheme grant income is therefore recognised so as to match the furlough period of each relevant employee. The grants from the local council were due to the business needing to be closed or restricted as a result of government guidance during the Covid-19 pandemic and have been recognised on a receivable basis in this accounting period.

c) Volunteers

In accordance with the Charities SORP (FRS 102), the time given by volunteers is not recognised in the accounts. Information about the contribution of volunteers is contained in the trustees’ annual report.

d) Unrestricted funds

Unrestricted funds are donations and other incoming resources to the charity, received or generated for its charitable purposes.

e) Designated funds

Designated funds are funds set aside out of unrestricted funds by the Board of Trustees and applied towards specific purposes as identified by the Board of Trustees.

f) Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is charged against the fund, together with a fair allocation of overheads and support costs.

**HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. Accounting policies (continued)

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on raising funds comprises the costs of the central and community fundraising teams and the trading subsidiary and their associated support costs.

Expenditure on charitable activities comprises all costs relating to the provision of hearing dogs for deaf people including the costs of the supply and training, partnership services and quality assurance teams and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs comprising facilities, general management, legal and professional, IT and governance costs which support the charity's activities. These costs have been allocated between expenditure on raising funds and expenditure on charitable activities on the basis set out in note 5a.

i) Operating leases

All leased property and equipment are considered to be operating leases, and rentals are charged against revenue on a straight-line basis over the life of the lease. No assets are held under hire purchase agreements.

j) Fixed assets and depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost of each asset over its estimated useful life, as follows:

Motor vehicles	25% per annum on a straight-line basis
Furniture and equipment	20% per annum on a straight-line basis
Freehold property	2% per annum on a straight-line basis

Fixed assets costing under £1,000 are not capitalised and treated as revenue expenditure.

k) Investments

Listed investments are stated at market value. Investments in subsidiaries are included in the charity accounts at cost.

l) Stocks

Stocks of goods held for resale are stated at the lower of cost and net realisable value, after making due allowance for obsolete or damaged goods.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Short term deposits and cash at bank and in hand

Short term deposits and cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting policies (continued)

o) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Branches

The branches of Hearing Dogs for Deaf People are run independently under their own constitutions. Net income from branches is included in the SOFA on an accruals basis.

q) Pensions

The charity operates a defined contribution pension scheme. The charge in the Statement of Financial Activities is the amount of contributions payable to the pension scheme in respect of the accounting year.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Critical accounting judgements and key sources of estimation uncertainty

Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are as follows:

Residuary legacies are recognised on notification which therefore requires an estimation of the amount receivable as described in note 1b).

The estimates and underlying assumptions are reviewed on an ongoing basis. In the view of the Trustees, no assumptions concerning the estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts.

**HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

3. Comparative statement of financial activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Income from:			
Donations and legacies	7,578,341	2,872,800	10,451,141
Grants receivable	-	-	-
Charitable Activities	89,417	-	89,417
Trading and fundraising	1,203,577	-	1,203,577
Investments	271,999	-	271,999
Other	74,350	-	74,350
Total income	<u>9,217,684</u>	<u>2,872,800</u>	<u>12,090,484</u>
 Expenditure on:			
Raising funds	2,688,224	-	2,688,224
Charitable activities	6,749,434	2,754,419	9,503,853
Total expenditure	<u>9,437,658</u>	<u>2,754,419</u>	<u>12,192,077</u>
 Net gains on investments	<u>(234,277)</u>	<u>-</u>	<u>(234,277)</u>
 Net income	(454,251)	118,381	(335,870)
 Transfers between funds	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	(454,251)	118,381	(335,870)
 Reconciliation of funds:			
Total funds brought forward	<u>24,642,654</u>	<u>873,589</u>	<u>25,516,243</u>
Total funds carried forward	<u>24,188,403</u>	<u>991,970</u>	<u>25,180,373</u>

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

4. Income

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Donations and legacies				
Donations	1,341,851	1,420,814	2,762,665	2,344,377
Income from branches	116,672		116,672	19,614
Sponsorship		1,284,805	1,284,805	1,390,536
Legacies	6,678,688	478,147	7,156,835	6,466,300
Gift Aid	442,592		442,592	230,314
	<u>8,579,803</u>	<u>3,183,766</u>	<u>11,763,569</u>	<u>10,451,141</u>
Grants receivable				
Local Authority Grants	500	-	500	-
	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Charitable activities				
Sale of hearing equipment	11,157	-	11,157	13,313
Services to other charities	-	-	-	76,104
	<u>11,157</u>	<u>-</u>	<u>11,157</u>	<u>89,417</u>
Trading and fundraising				
Fundraising events	182,432	3,445	185,877	441,932
Trading subsidiary income	608,789	-	608,789	761,645
	<u>791,221</u>	<u>3,445</u>	<u>794,666</u>	<u>1,203,577</u>
Investment income				
UK listed securities	134,198	-	134,198	84,918
UK bank interest	330,782	-	330,782	187,081
	<u>464,980</u>	<u>-</u>	<u>464,980</u>	<u>271,999</u>
Other income				
Rent received	46,163	-	46,163	48,495
Profit on sale of tangible assets	5,375	-	5,375	6,550
Other income	9,580	8,846	18,426	19,305
	<u>61,118</u>	<u>8,846</u>	<u>69,964</u>	<u>74,350</u>
Total income	<u>9,908,779</u>	<u>3,196,057</u>	<u>13,104,836</u>	<u>12,090,484</u>

**HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

5. Expenditure

Expenditure on:	Direct Costs £	Staff Costs £	Depreciation £	Support Costs £	Total 2024 £	Total 2023 £
Raising funds:						
Donations and legacies	830,280	1,036,094	46,356	271,650	2,184,380	1,799,276
Fundraising trading	649,933	47,211	2,624	36,842	736,610	833,649
Investment management	41,682	-	-	-	41,682	55,299
	<u>1,521,895</u>	<u>1,083,305</u>	<u>48,980</u>	<u>308,492</u>	<u>2,962,672</u>	<u>2,688,224</u>
Charitable activities:						
Provision of hearing dogs	1,546,596	6,320,869	292,435	1,763,318	9,923,218	9,165,425
Supporting people affected by hearing loss	23,755	253,666	19,155	98,749	395,325	338,428
	<u>1,570,351</u>	<u>6,574,535</u>	<u>311,590</u>	<u>1,862,067</u>	<u>10,318,543</u>	<u>9,503,853</u>
Total expenditure 2024	<u>3,092,246</u>	<u>7,657,840</u>	<u>360,570</u>	<u>2,170,559</u>	<u>13,281,215</u>	<u>12,192,077</u>
Total expenditure 2023	<u>3,060,510</u>	<u>6,989,176</u>	<u>376,068</u>	<u>1,766,323</u>	<u>12,192,077</u>	

5a. Support costs

Support costs included in the above are analysed as follows:

	Facilities £	General Management £	Legal & Professional £	IT £	Total 2024 £	Total 2023 £
Raising funds:						
Donations and legacies	74,844	102,517	45,400	48,889	271,650	121,897
Fundraising trading	11,548	20,400	2,383	2,511	36,842	27,713
	<u>86,392</u>	<u>122,917</u>	<u>47,783</u>	<u>51,400</u>	<u>308,492</u>	<u>149,610</u>
Charitable activities:						
Provision of hearing dogs	589,675	628,040	264,091	281,512	1,763,318	1,547,685
Supporting people affected by hearing loss	32,575	26,758	21,123	18,293	98,749	69,028
	<u>622,250</u>	<u>654,798</u>	<u>285,214</u>	<u>299,805</u>	<u>1,862,067</u>	<u>1,616,713</u>
Total expenditure 2024	<u>708,642</u>	<u>777,715</u>	<u>332,997</u>	<u>351,205</u>	<u>2,170,559</u>	<u>1,766,323</u>
Total expenditure 2023	<u>600,763</u>	<u>535,640</u>	<u>270,752</u>	<u>359,168</u>	<u>1,766,323</u>	

Total governance costs included above are £102,036 (2023: £77,418).

Costs have been allocated across activities based on a combination of direct allocation and where appropriate apportionment based mainly on the average number of employees. The cost percentage allocated to each cost heading is as follows:

	2024 %	2023 %
Raising funds:		
Donations and legacies	16.5	14.7
Fundraising trading	5.5	6.8
Investment management	0.3	0.5
Charitable activities:		
Provision of hearing dogs	74.7	75.2
Supporting people affected by hearing loss	<u>3.0</u>	<u>2.8</u>

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6. Net income

This is stated after charging/(crediting):

	2024 £	2023 £
Profit on sale of fixed assets	(5,375)	(6,550)
Depreciation	360,570	376,068
Auditors' remuneration		
- audit	25,685	23,365
-other services	1,800	3,835
Operating lease rentals		
- equipment	34,017	12,182
-property	2,511	2,832
	2,511	2,832

7. Staff costs and numbers

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	6,726,552	6,074,679
Social security costs	670,942	613,118
Pension contributions	260,346	266,791
	7,657,840	6,954,588

There were termination costs in the year of £91,044 (2023: £154,693). Termination costs include any payments in lieu of notice and pension contributions paid on termination.

The number of employees whose emolument exceeded £60,000 fell within the following ranges:

	2024 Number	2023 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	2	2
£80,001 - £90,000	2	1
£90,001 - £100,000	-	-
£100,001 - £110,000	2	1
£140,001 - £150,000	-	-
£160,001 - £170,000	-	1
	-	1

Contributions to the charity's defined contribution pension scheme for the highest paid employee amounted to £5,729 (2023: £40,058).

The key management personnel of the charity are the trustees and the executive team led by the Chief Executive. One (2023: None) member of the executive team earned a salary of less than £60,000 and is not included in the table above. Total employee benefits (gross salaries, employers NI and employers pension contributions) of all the key management personnel of the charity and the group were £628,854 (2023: £739,617).

The Trustees did not receive any remuneration during the year to 31 March 2024 (2023: £Nil). Trustees received reimbursed travel and subsistence expenses in 2024 of £1,031 (2023: £1,742).

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7. Staff costs and numbers (continued)

	2024		2023	
	Average	FTE	Average	FTE
Hearing Dogs: supply, training, welfare and aftercare	157	146	147	132
Hearing Link: supporting people affected by hearing loss	6	4	16	15
Fundraising	22	21	20	18
Communications and marketing	11	10	12	11
Management and administration	22	20	21	20
Total	218	201	216	196

The charity operates a defined contribution pension scheme for all eligible employees which was set up in April 2014 in order to comply with auto-enrolment regulations. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension charge represents contributions payable by the charity to the fund. Pension contributions outstanding at 31 March 2024 amounted to £Nil (2023: £Nil).

8. Taxation

The charitable company is not in receipt of any income that is subject to corporation tax.

9. Tangible assets – Charity and Group

	Freehold property £	Motor vehicles £	Furniture and equipment £	Total £
Cost				
At 1 April 2023	9,696,565	255,913	1,963,177	11,915,655
Additions	119,099	143,577	82,795	345,471
Disposals	-	(79,505)	(456,845)	(536,350)
At 31 March 2024	9,815,664	319,985	1,589,127	11,724,776
Depreciation				
At 1 April 2023	2,642,916	235,715	1,560,970	4,439,601
Charge for the year	195,711	23,755	141,104	360,570
Disposals	-	(79,505)	(455,617)	(535,122)
At 31 March 2024	2,838,627	179,965	1,246,457	4,265,049
Net book value				
At 31 March 2024	6,977,037	140,020	342,670	7,459,727
At 31 March 2023	7,053,649	20,198	402,207	7,476,054

HEARING DOGS FOR DEAF PEOPLE
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9. Tangible assets (continued)

	Beatrice Wright Centre £	The Grange £	Total £
Net book value			
At 1 April 2023	2,008,293	5,045,356	7,053,649
Additions at cost	46,796	72,303	119,099
Disposals at net book value	-	-	-
Depreciation charge	<u>(57,605)</u>	<u>(138,106)</u>	<u>(195,711)</u>
Net book value at 31 March 2024	<u>1,997,484</u>	<u>4,979,553</u>	<u>6,977,037</u>

All of the tangible fixed assets of the charity are used for direct charitable purposes.

10. Fixed asset investments

	Group	
	2024	2023
	£	£
Quoted investments		
Market value at 1 April	8,829,750	9,107,478
Purchases	1,820,018	1,530,173
Sales	(1,607,833)	(1,573,624)
Net investment (losses)/gains	<u>791,545</u>	<u>(234,277)</u>
Market value at 31 March	9,833,480	8,829,750
Cash awaiting investment	<u>129,040</u>	<u>262,367</u>
Total at 31 March	<u>9,962,520</u>	<u>9,092,117</u>

In addition to the above, the charity accounts included an investment of £2 in its wholly owned trading subsidiary (see note 16).

The historic cost of quoted investments at 31 March 2024 was £7,847,794 (2023: £7,643,870). Included in the operational reserve shown in the balance sheet (see page 20) is a revaluation reserve of £1,985,686 (2023: £1,185,880) which is calculated by comparing the historical cost of quoted investments with their market value as shown above.

These investments are basic financial instruments which are held for investment return and measured at fair/market values. The consolidated entity's income, expense, gains and losses in respect of financial instruments are as follows:

	2024	2023
	£	£
Total dividend and interest income for basic financial assets	<u>464,980</u>	<u>271,999</u>
Total gains / (losses) in respect of basic financial assets	<u>791,545</u>	<u>(234,277)</u>

HEARING DOGS FOR DEAF PEOPLE
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11. Stocks

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Goods for resale	<u>26,410</u>	<u>45,307</u>	<u>-</u>	<u>-</u>

12. Debtors

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	6,870	8,186	2,434	-
Loan to subsidiary	-	-	136,510	85,010
Other amounts due from subsidiary	-	(11)	84,080	45,421
Prepayments	256,852	195,461	255,868	194,243
Other debtors and accrued income	<u>1,557,414</u>	<u>557,884</u>	<u>1,557,414</u>	<u>557,884</u>
	<u>1,821,136</u>	<u>761,520</u>	<u>2,036,306</u>	<u>882,558</u>

Total debtors include £136,510 (2023: £85,010) receivable after more than one year. This represents the loan to the subsidiary trading company that is secured by a fixed and floating charge over the assets of that subsidiary, with interest charged at 2% over Barclays Bank base rate.

All debtors are basic financial instruments measured at amortised cost, with the exception of prepayments.

13. Creditors: Amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	396,229	265,343	394,794	264,952
Taxation and social security	174,820	158,494	174,820	158,494
Other creditors and accruals	<u>229,441</u>	<u>276,233</u>	<u>217,791</u>	<u>264,843</u>
	<u>800,490</u>	<u>700,070</u>	<u>787,405</u>	<u>688,289</u>

All creditors are basic financial instruments measured at amortised cost, with the exception of taxation and social security.

HEARING DOGS FOR DEAF PEOPLE
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14. Analysis of group net assets between funds

	Restricted funds	Unrestricted designated funds	Unrestricted operational reserve	Total funds
	£	£	£	£
2024				
Tangible fixed assets	-	7,459,727	-	7,459,727
Investments	-	9,962,520	-	9,962,520
Current assets	1,117,229	380,606	7,671,918	9,169,753
Current liabilities	-	-	(796,461)	(796,461)
Group funds at 31 March 2024	1,117,229	17,802,853	6,875,457	25,795,539
Add: Subsidiary net liabilities			199,737	199,737
Charity funds at 31 March 2024	1,117,229	17,802,853	7,075,194	25,995,276
	Restricted funds	Unrestricted designated funds	Unrestricted operational reserve	Total funds
	£	£	£	£
2023				
Tangible fixed assets	-	7,476,054	-	7,476,054
Investments	-	9,092,117	-	9,092,117
Current assets	991,970	971,168	7,349,134	9,312,272
Current liabilities	-	-	(700,070)	(700,070)
Group funds at 31 March 2023	991,970	17,539,339	6,649,064	25,180,373
Add: Subsidiary net liabilities			83,221	83,221
Charity funds at 31 March 2023	991,970	17,539,339	6,732,285	25,263,594

15. Other financial commitments

At 31 March 2024 the ageing of total minimum lease payments was as follows:

	2024			2023		
	Property leases	Other	Total	Property leases	Other	Total
	£	£	£	£	£	£
Operating leases due:						
Within one year	3,897	6,717	10,614	2,832	1,092	3,924
Between 2 - 5 years	-	16,716	16,716	-	1,277	1,277
	3,897	23,433	27,330	2,832	2,369	5,201

HEARING DOGS FOR DEAF PEOPLE
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16. Subsidiary undertaking

The charity has a wholly owned subsidiary which is incorporated in the UK, Hearing Dogs for Deaf People (Trading) Limited (Company number 02786252). The subsidiary operates from premises owned by the charity, its principal address being The Grange, Wycombe Road, Saunderton, Princes Risborough, Buckinghamshire, HP27 9NS, from which it operates a restaurant and café and sells promotional items. It donates its taxable profits to the charity.

	2024 £	2023 £
Trading and profit and loss account		
Turnover	621,180	761,645
Cost of sales	<u>(581,729)</u>	<u>(567,788)</u>
Gross profit	39,451	193,857
Grants receivable	-	-
Administrative expenses	<u>(145,936)</u>	<u>(194,388)</u>
Operating loss	(106,485)	(531)
Interest payable	<u>(10,031)</u>	<u>(6,111)</u>
(Loss) / Profit on ordinary activities	(116,516)	(6,642)
Retained losses brought forward	<u>(83,223)</u>	<u>(76,581)</u>
Retained losses carried forward	(199,739)	(83,223)
Balance sheet		
Total assets	34,250	59,002
Total liabilities	<u>(233,987)</u>	<u>(142,223)</u>
Net liabilities	<u>(199,737)</u>	<u>(83,221)</u>
Share capital	2	2
Retained losses	<u>(199,739)</u>	<u>(83,223)</u>
Capital and reserves	<u>(199,737)</u>	<u>(83,221)</u>

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17. Movement in funds

	2023 £	Total Income £	Total Expenditure £	Investment Gains / Transfers £	2024 £
Restricted funds:					
<u>Hearing Dogs:</u>					
<u>By project / activity</u>					
Physical Facility	290,000				290,000
Hearing Dogs for Deaf Children	-	15,000	(15,000)		-
Purchase & Training of HD	65,000	25,000			90,000
Hearing Dogs Training	-	2,144,090	(2,144,090)		-
Partnerships	-				-
Training, partnership and salaries	231,628	277,955	(509,583)		-
Puppy Socialising Areas	-				-
Operations Development Team	-	50,000	(29,169)		20,831
Upgrade: The Grange Farmhouse	300,000				300,000
Upgrade: Kennels	10,000		(10,000)		-
Lifetime Partnership Support	25,000		(25,000)		-
Training and / or name a dog	52,500		(52,500)		-
Name a puppy	-	20,000	(20,000)		-
Training Runs	8,424	7,688	(16,112)		-
Other projects less than £10,000	-	30,650	(30,650)		-
<u>By location</u>					
Scotland	-	405,480	-		405,480
Greater Manchester	-	8,000	(8,000)		-
Jersey	9,418	-	-		9,418
Merseyside	-	10,000	(10,000)		-
Norfolk	-	39,620	(39,620)		-
South East England	-	15,000	(15,000)		-
Sussex	-	6,000	(6,000)		-
Amounts £5,000 or less	-	117,294	(115,794)		1,500
Hearing Dogs Total	991,970	3,171,777	(3,046,518)	-	1,117,229
Hearing Link:					
<u>By project / activity</u>					
Hearing Link	-	24,280	(24,280)		-
Hearing Link Total	-	24,280	(24,280)	-	-
Total restricted	991,970	3,196,057	(3,070,798)	-	1,117,229

**HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17. Movement in funds (continued)

	2023 £	Total Income £	Total Expenditure £	Investment Gains / Transfers £	2024 £
Unrestricted funds:					
Designated funds:					
Freehold - BWC	2,008,293	-	(57,605)	46,796	1,997,484
Freehold - The Grange	5,045,356	-	(138,106)	72,303	4,979,553
Other functional fixed assets	422,405	-	(164,859)	225,144	482,690
Sub-total fixed assets	7,476,054	-	(360,570)	344,243	7,459,727
Capital commitments	119,917	-	(119,917)	-	-
Total fixed assets	7,595,971	-	(480,487)	344,243	7,459,727
Partnership commitments	6,443,368	-	-	399,758	6,843,126
Property development fund	3,500,000	-	-	-	3,500,000
Total designated	17,539,339	-	(480,487)	744,001	17,802,853
Operational reserve	6,649,064	9,908,779	(9,729,930)	47,544	6,875,457
Total unrestricted	24,188,403	9,908,779	(10,210,417)	791,545	24,678,310
Total funds	<u>25,180,373</u>	<u>13,104,836</u>	<u>(13,281,215)</u>	<u>791,545</u>	<u>25,795,539</u>

Restricted funds are those where the donor has imposed restrictions on the use of the funds.

The charity operates dog and puppy sponsorships schemes to sponsor the costs of partnerships between deaf people and hearing dogs. Typically amounts between £5,000 and £10,000 are received as sponsorship donations. Puppy sponsorship donations are mostly given on a regular monthly basis. Costs associated with the selection, socialising, training, welfare, placement and aftercare of dogs are charged to these sponsorship funds as appropriate.

The charity also has a number of restricted funds where donors have specified the specific project/activity or geographical area for which the funds are to be used.

Restricted funds are shown in two parts; those relating to Hearing Dogs and those relating to Hearing Link.

Designated funds of £7,459,727 (2023: £7,476,054) have been set aside from the group's unrestricted funds by the Directors for the functional fixed assets required to carry out the principal activities of the charity. No contractual commitments existed at 31 March 2024 (2023: £Nil). An amount of £344,243 (2023: £120,837) was transferred from general funds to designated funds in respect of fixed assets during the year.

The Directors have also designated the following funds for specific use:

An amount to cover the charity's future long-term commitments relating to its existing hearing dog partnerships. At 31 March 2024 this amount was calculated at £6,843,126 (2023: £6,443,368) representing the projected costs over a 10-year period. An amount of £399,758 (2023: £574,386) was transferred from general funds to designated funds in respect of future partnership liabilities during the year.

The operating environment has changed since the Coronavirus pandemic, and it is planned to redevelop parts of both sites that are no longer used. A designated fund of £3.5m was established in 2022/23 to support the plans. The redevelopments are currently in the pre-planning permission stage.

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17. Movement in funds (continued)

	2022 £	Total Income £	Total Expenditure £	Investment Gains / Transfers £	2023 £
Restricted funds:					
<u>Hearing Dogs:</u>					
<u>By project / activity</u>					
Physical Facility	290,000	-	-		290,000
Hearing Dogs for Deaf Children	-	68,667	(68,667)		-
Purchase & Training of HD	-	65,000	-		65,000
Hearing Dogs Training	-	1,390,534	(1,390,534)		-
Partnerships	-	586,789	(586,789)		-
Training, partnership and salaries		277,955	(46,327)		231,628
Puppy Socialising Areas	25,000	-	(25,000)		-
Operations Development Team	-	46,000	(46,000)		-
Upgrade: The Grange Farmhouse	300,000	-	-		300,000
Upgrade: Kennels	10,000	-	-		10,000
Lifetime Partnership Support	150,000	-	(125,000)		25,000
Training and / or name a dog	40,000	50,000	(37,500)		52,500
Elderly - Scotland	-	10,000	(10,000)		-
Other projects less than £10,000	8,424	15,886	(15,886)		8,424
<u>By location</u>					
Bedfordshire	-	14,000	(14,000)		-
Buckinghamshire	-	13,000	(13,000)		-
Devon & Cornwall	-	52,451	(52,451)		-
Dorset	-	5,500	(5,500)		-
Gloucestershire	-	5,000	(5,000)		-
Greater Manchester	-	9,000	(9,000)		-
Hampshire & West Sussex	-	5,500	(5,500)		-
Jersey	9,418	-	-		9,418
Kent	-	6,000	(6,000)		-
Leicestershire	-	5,500	(5,500)		-
Merseyside	-	7,000	(7,000)		-
Oxfordshire and Hertfordshire	-	5,500	(5,500)		-
Scotland	-	9,710	(9,710)		-
York	-	9,000	(9,000)		-
Yorkshire	6,673	2,500	(9,173)		-
Amounts £5,000 or less	-	69,792	(69,792)		-
Hearing Dogs Total	839,515	2,730,284	(2,577,829)	-	991,970
Hearing Link:					
<u>By project / activity</u>					
Hearing Aid Liaison Outreach	8,498	-	(8,498)		-
Hearing Link	-	75,883	(75,883)		-
Website Development	25,576	-	(25,576)		-
<u>By location</u>					
Northern Ireland	-	66,633	(66,633)		-
Hearing Link Total	34,074	142,516	(176,590)	-	-
Total restricted	873,589	2,872,800	(2,754,419)	-	991,970

HEARING DOGS FOR DEAF PEOPLE
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17. Movement in funds (continued)

	2022 £	Total Income £	Total Expenditure £	Investment Gains / Transfers £	2023 £
Unrestricted funds:					
Designated funds:					
Freehold - BWC	2,050,515	-	(56,578)	14,356	2,008,293
Freehold - The Grange	5,163,560	-	(136,698)	18,494	5,045,356
Other functional fixed assets	<u>517,210</u>	-	<u>(182,792)</u>	87,987	422,405
Sub-total fixed assets	7,731,285	-	(376,068)	120,837	7,476,054
Capital commitments	<u>-</u>	-	-	119,917	119,917
Total fixed assets	7,731,285	-	(376,068)	240,754	7,595,971
Partnership commitments	5,868,982	-	-	574,386	6,443,368
Property development Fund	-	-	-	3,500,000	3,500,000
Coronavirus Recovery Fund	<u>1,704,575</u>	-	<u>(425,000)</u>	<u>(1,279,575)</u>	-
Total designated	15,304,842	-	(801,068)	3,035,565	17,539,339
Operational reserve	<u>9,337,812</u>	<u>9,217,684</u>	<u>(8,636,590)</u>	<u>(3,269,842)</u>	6,649,064
Total unrestricted	<u>24,642,654</u>	<u>9,217,684</u>	<u>(9,437,658)</u>	<u>(234,277)</u>	24,188,403
Total funds	<u>25,516,243</u>	<u>12,090,484</u>	<u>(12,192,077)</u>	<u>(234,277)</u>	25,180,373

18a. Reconciliation of net income to net cash flow from operating activities

	2024 £	2023 £
Net income / (expenditure)	615,166	(335,870)
Adjustments for:		
Depreciation charges	360,570	376,068
(Gains) / Losses on investments	(791,545)	234,277
Dividends and interest from investments	(464,980)	(271,999)
Profit on sale of tangible fixed assets	(5,375)	(6,550)
Decrease / (increase) in stock	18,897	(7,152)
(Increase) / decrease in debtors	(1,053,153)	758,656
Increase / (decrease) in creditors	93,957	(583,396)
Net cash provided by operating activities	<u>(1,226,463)</u>	<u>164,034</u>

18b. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash awaiting investment	129,040	262,367
Short term deposits	7,214,865	8,487,014
Cash at bank and in hand	<u>111,371</u>	<u>18,431</u>
	<u>7,455,276</u>	<u>8,767,812</u>

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18c. Movement in net funds

	At 1 April 2023 £	Cash flow £	At 31 March 2024 £
Short term deposits	8,487,014	(1,272,149)	7,214,865
Cash at bank and in hand	18,431	92,940	111,371
Cash held awaiting investment	<u>262,367</u>	<u>(133,327)</u>	<u>129,040</u>
Total net cash	<u>8,767,812</u>	<u>(1,312,536)</u>	<u>7,455,276</u>

19. Capital commitments

	2024 £	2023 £
Contracted capital commitments for the group and the charity	<u>£ -</u>	<u>£119,917</u>

There were no capital commitments as at 31 March 2024 (2023: £119,917 relating to the purchase of four motor vehicles).

20. Related parties

In the year to 31 March 2024 the following transactions took place between the charity and its wholly owned trading subsidiary:

- a. Management charges from the charity to the trading subsidiary £18,000 (2023: £60,000).
- b. Interest payable by the trading subsidiary to the charity £10,031 (2023: £6,111).

At 31 March 2024 the amount owed by the trading subsidiary to the charity amounted to £84,080 (2023: £42,626 owed by the charity to the trading company).

In addition, the charity has loaned the trading subsidiary £136,510 which has no fixed repayment date, but which is secured on its assets, attracting interest at 2% over bank base rate.

Mr P Davis (charity trustee) and Mr C Hedley (charity Company Secretary) are directors of the charity's wholly owned trading subsidiary.

During the year the charity has used a veterinary practice owned by Ms S Heath (charity trustee). Invoiced amounts totalled £3,474.

Jane Tommey's husband Paul Tommey is employed by the charity as a dog trainer under a standard contract of employment and is paid at the same rate as other dog trainers. Jane Tommey, Director of Operations, was not involved in the recruitment process and the appointment was approved by the Trustees.

£25 (2023: £496) of donations from Trustees were received during the year.

21. Contingent assets – Legacies

At the balance sheet date, the charity had received notification that it is a beneficiary of a number of legacies. It is not possible to quantify these accurately or to ascertain the date on which the charity will receive them. The estimated value of the legacies notified as at 31 March 2024 was £8.4 million (2023: £6.1 million) and is not included in the accounts.