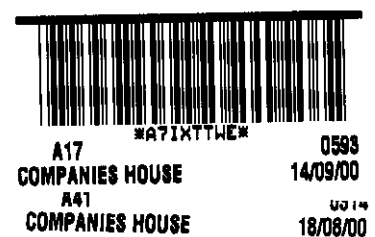


Company No. 1964878  
Charity No. 293358

**Hearing Dogs for Deaf People**  
**Report & Financial Statements**  
**31 March 2000**



## **Hearing Dogs for Deaf People**

### **Legal & Administrative Details**

**For the Year Ended 31 March 2000**

<b>Status</b>	Hearing Dogs for Deaf People is a charitable company limited by guarantee, and registered as a charity.	
<b>Company Number</b>	1964878	
<b>Charity Number</b>	293358	
<b>Registered Office and Operational Address</b>	Training Centre London Road (A40) Lewknor Oxford OX9 5RY	
<b>Honorary Officers</b>	Lt Col Sir John Johnston GCVO, MC Sir Peter Baldwin KCB Lady Wright MBE Sir Paul Wright KCMG OBE A D R Hilbery B Vet Med, MRCVS Dr B Fogle DVM, MRCVS R J Collier ACIB	- President - Vice President - Vice President - Vice President - Chairman - Vice Chairman - Treasurer
<b>Secretary</b>	A G Blunt	
<b>Principal Bankers</b>	Barclays Bank PLC PO Box 23 258 Bath Road Slough SL1 4NX	
<b>Solicitors</b>	Manches & Co 3 Worcester Street Oxford OX1 2PZ	
<b>Auditors</b>	Edmund Gibbs 46 St Giles Oxford OX1 3LT	

## **Hearing Dogs for Deaf People**

### **Report of the Members of Council**

#### **For the Year Ended 31 March 2000**

The Members of Council present their fourteenth annual report and the audited financial statements for the year ended 31 March 2000.

#### **Review of Activities and Future Developments**

This growing charity is dedicated to improving the quality of life of deaf people by supplying them with dogs trained to alert them to chosen everyday sounds.

We have three main objectives:-

- to select and train dogs for specific recipients and thereafter monitor their welfare;
- to maintain and expand our training facilities; and
- to maintain and develop a strong fund-raising capability.

We aim to increase the number of trained dogs, so that more and more deaf people can enjoy greater independence, confidence and security as well as the blessing of companionship.

A full review of the activities for the year and of future developments is contained in the Chairman's Report which accompanies these financial statements.

#### **Directors**

The following persons served as Directors throughout the year unless otherwise stated. They are also Trustees under charity law and constitute the Members of Council.

Lt Col Sir John Johnston GCVO, MC	- President
Sir Peter Baldwin KCB	- Vice President
Lady Wright MBE	- Vice President
Sir Paul Wright KCMG OBE	- Vice President
A D R Hilbery B Vet Med, MRCVS	- Chairman
Dr B Fogle DVM, MRCVS	- Vice Chairman
R J Collier ACIB	- Treasurer
Mrs C Baldwin	
Mrs S Cooper	- Resigned 22/3/00
B C Johnston OBE, FPMI	
R J Lavelle FRCS	
G H Willett	
A Peagam	- Appointed 6/7/99

The following person also served as a Director throughout the year.

A G Blunt	- Director General and Secretary
-----------	----------------------------------

In accordance with the Articles of Association Sir Peter Baldwin KCB, Lady Wright MBE, Sir Paul Wright KCMG OBE and Mr A Peagam retire from the Council and, being eligible, offer themselves for re-election.

The Members of Council guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total amount of such guarantees at 31 March 2000 was £120 (1999 - £120).

Members of Council have no beneficial interest in the group or charitable company.

## **Hearing Dogs for Deaf People**

### **Report of the Members of Council**

**For the Year Ended 31 March 2000**

(Continued)

#### **Responsibilities of the Directors**

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the group and the charitable company as at the balance sheet date and of their incoming resources and the application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements, which give a true and fair view, the Directors should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable 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 assume that the group and charitable company will continue on that basis

The Directors are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985 and the Charities Act 1993.

The Directors are also responsible for safeguarding the assets of the group and charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Fixed Assets**

Acquisitions and disposals of fixed assets are shown in note 6 to the financial statements on pages 12 and 13. The market value of the charity's interest in freehold property cannot be ascertained without obtaining professional valuations. These valuations would be expensive and the Directors are of the opinion that although they would in total show an excess over the book value, such excess would not be significant in the context of the charity's character and work.

#### **Reserves Policy**

The Members of Council have reviewed the levels of the charity's reserves which are available for financing on-going operations and which are being built up to enable expansion to take place.

Currently there are plans to complete the training areas for our dogs at The Grange which will cost over the next two/three years around £1½million. In the longer term the Members of Council plan to open a fourth training centre.

On top of this, the growth in our investment income due to the advance corporation tax changes will decline to a level below that of expected inflation until 2004 and that assumes that the Chancellor of the Exchequer does nothing further to affect charities' income. Average dividend growth of 5% per annum reduces to approximately 1% per annum, which is below the government's own target of 2.5% inflation.

## **Hearing Dogs for Deaf People**

### **Report of the Members of Council**

**For the Year Ended 31 March 2000**

(Continued)

#### **Year 2000**

The charitable company has undertaken a thorough review of all the year 2000 issues and has obtained assurances from all computer software suppliers that their programs are year 2000 compliant. In addition the charitable company has also had all the computer hardware tested and received assurances regarding its year 2000 compliance.

The costs incurred in undertaking this testing were not excessive and have all been charged to the profit and loss account for the year.

#### **Auditors**

Edmund Gibbs were re-appointed as the group's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Members of Council on 27<sup>th</sup> July 2000 and signed on their behalf by

.....  
A G Blunt - Secretary

**AUDITORS REPORT TO THE MEMBERS OF  
HEARING DOGS FOR DEAF PEOPLE  
(Limited by Guarantee)**

We have audited the financial statements on pages 6 to 18 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 9 and 10.

**Respective Responsibilities of Directors and Auditors**

As described on page 3 the Directors of Hearing Dogs for Deaf People are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

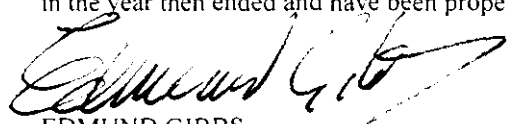
**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the group and the charitable company's state of affairs as at 31st March 2000 and of the incoming resources and application of resources, including the income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
EDMUND GIBBS  
Chartered Certified Accountants  
Registered Auditors

46 St Giles'  
OXFORD  
OX1 3LT

*12<sup>th</sup> September 2000*

# Hearing Dogs for Deaf People

## Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account)

For the Year Ended 31st March 2000

	Note	Restricted Fund £	General Fund £	Designated Fund £	2000 Total £	1999 Total £
<b>Incoming Resources</b>						
Donations and Gifts		104,595	649,204	-	753,799	688,749
Legacies		2,000	770,912	-	772,912	636,755
Donations from Sponsors		336,465	-	-	336,465	343,618
Investment Income		-	74,758	-	74,758	131,708
Rents Receivable		-	2,887	-	2,887	4,800
		443,060	1,497,761	-	1,940,821	1,805,630
Net Profit of Trading						
Subsidiary	12	-	11,100	-	11,100	18,708
Deposited Covenants		-	100	-	100	187
Less Deferred Income		-	(112)	-	(112)	(400)
<b>Total Incoming Resources</b>		443,060	1,508,849	-	1,951,909	1,824,125
<b>Resources Expended</b>						
<i>Direct Charitable Expenditure</i>						
Puppy Socialising, Training and Aftercare		808,059	280,519	-	1,088,578	871,615
<i>Other Expenditure</i>						
Fundraising and Publicity		37,000	348,518	-	385,518	342,527
Management and Administration		74,000	166,182	-	240,182	246,388
<b>Total Resources Expended</b>	2	919,059	795,219	-	1,714,278	1,460,530
Net Incoming/(Outgoing) Resources before Transfer		(475,999)	713,630	-	237,631	363,595
Transfer between funds		405,365	(1,248,590)	843,225	-	-
Net Incoming/(Outgoing) Resources for the year	3	(70,634)	(534,960)	843,225	237,631	363,595
<b>Other Recognised Gains and Losses</b>						
Realised Gain on Investments		-	16,504	-	16,504	12,482
<b>Total Recognised Gains and Losses</b>		(70,634)	(518,456)	843,225	254,135	376,077
Unrealised Gain on Investments		-	110,000	-	110,000	92,560
<b>Net Movement in Funds</b>		(70,634)	(408,456)	843,225	364,135	468,637
<b>Funds at 1 April 1999</b>		109,859	2,960,313	2,183,939	5,254,111	4,785,474
<b>Funds at 31 March 2000</b>		£39,225	£2,551,857	£3,027,164	£5,618,246	£5,254,111

All of the above results are derived from continuing activities. There were no other gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

# Hearing Dogs for Deaf People

## Balance Sheet


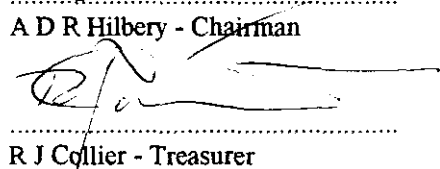
As at 31st March 2000

	Note	The Group		The Charity	
		2000 £	1999 £	2000 £	1999 £
<b>Fixed Assets</b>					
Tangible Fixed Assets	6	3,378,547	2,435,751	3,361,326	2,408,480
Investments	7	1,734,775	1,776,480	1,734,775	1,776,480
		<u>5,113,322</u>	<u>4,212,231</u>	<u>5,096,101</u>	<u>4,184,960</u>
<b>Current Assets</b>					
Stock	8	65,142	80,302	-	-
Debtors	9	207,748	118,643	272,117	199,359
Short Term Deposits		313,528	936,198	313,528	936,198
Cash at Bank and in Hand		29,336	15,195	20,523	10,969
		<u>615,754</u>	<u>1,150,338</u>	<u>606,168</u>	<u>1,146,526</u>
<b>Creditors: Amounts Falling Due Within One Year</b>	10	(110,830)	(108,458)	(84,023)	(77,375)
<b>Net Current Assets</b>		<u>504,924</u>	<u>1,041,880</u>	<u>522,145</u>	<u>1,069,151</u>
<b>Net Assets</b>	11	<u>£5,618,246</u>	<u>£5,254,111</u>	<u>£5,618,246</u>	<u>£5,254,111</u>
<b>Funds</b>					
Restricted Funds		39,225	109,859	39,225	109,859
Unrestricted Funds					
Designated Funds		3,027,164	2,183,939	3,027,164	2,183,939
General Funds		2,551,852	2,960,313	2,542,989	2,956,166
Subsidiary Company Balance	12	-	-	8,868	4,147
<b>Total Funds</b>	13	<u>£5,618,246</u>	<u>£5,254,111</u>	<u>£5,618,246</u>	<u>£5,254,111</u>

In accordance with Section 230 of the Companies Act 1985 a separate statement of financial activities for the charity has not been prepared. The excess of income over expenditure of the charity for the year ended 31<sup>st</sup> March 2000 amounted to £359,426.

The Accounts have been prepared in accordance with the Companies Act 1985.

Signed on behalf of the Directors on 27<sup>th</sup> July 2000.

  
 A D R Hilbery - Chairman )  
 )  
  
 R J Collier - Treasurer )  
 ) Directors

The notes on pages 9 to 18 form part of these financial statements.

# Hearing Dogs for Deaf People

## Consolidated Cash Flow Statement

For the Year Ended 31<sup>st</sup> March 2000

	Note	£	2000 £	£	1999 £
<b>Net Cash Inflow from Operating Activities</b>	14		237,379		324,684
<b>Returns on Investments and Servicing of Finance</b>					
Interest Received		20,033		76,834	
Dividends Received		54,725		54,874	
			74,758		131,708
<b>Taxation</b>			(1,573)		(2,607)
<b>Capital Expenditure and Financial Investment</b>					
Purchase of Tangible Fixed Assets		(1,089,598)		(960,166)	
Purchase of Fixed Asset Investments		(459,941)		(113,620)	
Sale of Tangible Fixed Assets		18,800		12,754	
Sale of Fixed Asset Investments		611,646		128,146	
			(919,093)		(932,886)
<b>Net Cash Expended in the Period</b>			(608,529)		(479,101)
<b>Management of Liquid Resources</b>					
Decrease in Short Term Deposits			622,670		480,236
<b>Increase in Cash for the Period</b>	14		£ 14,141		£ 1,135

## Hearing Dogs for Deaf People

### Notes to the Financial Statements

For the year Ended 31 March 2000

#### 1. Accounting Policies

- a) The financial statements have been prepared in accordance with applicable accounting standards and follow the recommendations in Statement of Recommended Practice - Accounting by Charities.

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 results of Hearing Dogs For Deaf People (Trading) Limited have been consolidated into the statement of financial activities on the basis of the net profit for the year.

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

Income from legacies is accounted for on a receivable basis, and is recognised in full in the financial statements in the period in which receipt becomes certain.

- c) 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.

- d) *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.*

- e) Designated funds are funds set aside out of unrestricted funds by the Council and applied towards specific purposes as identified by the Council.

- f) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

- g) Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities.

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

Motor Vehicles	25% on straight line basis
Furniture and Equipment	20% on straight line basis
Exterior Fittings to Kennel Blocks	10% on straight line basis

Fixed assets under £500 in value are not capitalised but treated as revenue expenditure in the year of purchase.

Freehold property is not depreciated. It is the charity's policy to keep all buildings in a good state of repair. The estimated useful life of the buildings is not less than 50 years and the estimated residual value is likely to be not less than the amount at which the property is carried in the balance sheet. Any depreciation charge would therefore be immaterial and is not charged.

# Hearing Dogs for Deaf People

## Notes to the Financial Statements

For the Year Ended 31 March 2000

### 1. Accounting Policies (Continued)

- i) All leases of property and equipment are considered to be operating leases, and rentals are charged against revenue when incurred. No assets are held under hire purchase agreements.
- j) Listed investments are stated at market value. Changes in market value are credited or charged to the statement of financial activities. Changes arising from the disposal of listed investments are recognised as realised. Changes arising from the movement in share price are recognised as unrealised.
- k) 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.
- l) The transactions of branches have only been included in these financial statements when the branches are part of the charity of Hearing Dogs for Deaf People. Where these branches are run independently, under their own separate constitution, the income is included on a cash received basis.

### 2. Total Resources Expended

	<b>Puppy Socialising Training and Aftercare</b>	<b>Fundraising and Publicity</b>	<b>Management and Administration</b>	<b>2000 Total</b>	<b>1999 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff Costs (note 4)	671,340	112,212	95,710	879,262	766,336
Vehicle and Travel	124,195	12,948	-	137,143	100,008
Premises	36,532	18,267	36,532	91,331	85,960
Telephone and Postage	3,082	52,390	6,163	61,635	49,873
Depreciation	117,952	-	-	117,952	89,509
Dog Expenses	117,372	-	-	117,372	85,321
Recipient Support Costs	5,961	-	-	5,961	5,318
Miscellaneous	12,144	6,628	14,603	33,375	40,074
Advertising, Show Costs etc	-	34,675	-	34,675	20,553
Promotional Material	-	95,751	-	95,751	89,654
Fundraising Expenses	-	28,687	-	28,687	20,180
Voluntary Branch Expenses	-	18,609	-	18,609	18,801
Leasing Costs	-	5,351	5,352	10,703	10,118
Legal and Professional	-	-	73,136	73,136	70,976
Audit Fees	-	-	4,700	4,700	4,700
Bank Charges	-	-	3,986	3,986	3,149
	<b>£1,088,578</b>	<b>£385,518</b>	<b>£240,182</b>	<b>£1,714,278</b>	<b>£1,460,530</b>

Premises costs includes indemnity insurance paid by the charity of £2,100.

## Hearing Dogs for Deaf People

### Notes to the Financial Statements

#### For the Year Ended 31 March 2000

#### 3. Net Incoming/(Outgoing) Resources for the Year

This is stated after charging/(crediting):

	<u>2000</u>	<u>1999</u>
	£	£
Profit on Sale of Fixed Assets	(6,033)	(5,949)
Rents Receivable	(2,887)	(4,800)
Directors' Remuneration	45,000	47,666
Directors' Pension Contributions	5,000	45,000
Depreciation	123,985	95,458
Auditors' Remuneration:		
Audit	4,700	4,700
Other Services	4,935	4,935
Operating Lease Rentals:		
Buildings	5,113	4,045
Equipment	5,590	6,073
	=====	=====

These accounts do not include any charge from Trustees for remuneration or expenses.

#### 4. Staff Costs and Numbers

Staff costs were as follows:

	<u>2000</u>	<u>1999</u>
	£	£
Salaries and Wages	790,203	642,685
Social Security Costs	65,207	59,852
Pension Contributions	23,852	63,799
	-----	-----
	£879,262	£766,336
	=====	=====

Employees earning in the band £40,000 - £49,999	1	1
	=	=

The average weekly number of employees (full-time equivalent) during the year was as follows:

	<u>2000</u>	<u>1999</u>
	No.	No.
Puppy socialising, training and aftercare	49	42
Fundraising and Publicity	8	8
Management and Administration	5	7
	---	---
	62	57
	==	==

The charity operates a defined contribution pension scheme for all participating employees including one director. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund.

## Hearing Dogs for Deaf People

### Notes to the Financial Statements

#### For the Year Ended 31 March 2000

##### 5. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The taxation charge of the trading company as detailed in note 12 is at a rate of 20% (1999: 21%).

##### 6. Tangible Fixed Assets The Group

	<u>Freehold Property</u> £	<u>Equipment</u> £	<u>Motor Vehicles</u> £	<u>Office Furniture and Equipment</u> £	<u>Total</u> £
<b>COST</b>					
At 1 April 1999	2,164,510	93,168	233,798	398,606	2,890,082
Additions in Year	849,535	-	96,929	143,134	1,089,598
Disposals in Year	-	-	(37,613)	-	(37,613)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	3,014,045	93,168	293,114	541,740	3,942,067
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>					
At 1st April 1999	-	55,694	108,354	290,283	454,331
Charge for the Year	-	9,317	60,987	63,731	134,035
Disposals in Year	-	-	(24,846)	-	(24,846)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	-	65,011	144,495	354,014	563,520
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>					
At 31 March 2000	£3,014,045 =====	£28,157 =====	£148,619 =====	£187,726 =====	£3,378,547 =====
At 31 March 1999	£2,164,510 =====	£37,474 =====	£125,444 =====	£108,323 =====	£2,435,751 =====

# Hearing Dogs for Deaf People

## Notes to the Financial Statements

For the Year Ended 31 March 2000

### 6. Tangible Fixed Assets (Continued)

#### The Charity

	<u>Freehold Property</u> £	<u>Kennel Block Fittings</u> £	<u>Motor Vehicles</u> £	<u>Office Furniture and Equipment</u> £	<u>Total</u> £
<b>COST</b>					
At 1 April 1999	2,164,510	63,094	215,881	365,049	2,808,534
Additions in Year	849,535	-	96,929	143,134	1,089,598
Disposals in Year	-	-	(37,613)	-	(37,613)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	3,014,045	63,094	275,197	508,183	3,860,519
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>					
At 1st April 1999	-	43,665	92,567	263,822	400,054
Charge for the Year	-	6,310	58,857	58,818	123,985
Disposals in Year	-	-	(24,846)	-	(24,846)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	-	49,975	126,578	322,640	499,193
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>					
At 31 March 2000	£3,014,045 =====	£13,119 =====	£148,619 =====	£185,543 =====	£3,361,326 =====
At 31 March 1999	£2,164,510 =====	£19,429 =====	£123,314 =====	£101,227 =====	£2,408,480 =====

#### Freehold Property comprises

	<u>Training Centre, Lewknor</u> £	<u>Training Centre, Cliffe</u> £	<u>Training Centre, The Grange</u> £	<u>Total</u> £
At Cost Brought Forward	509,302	378,282	1,276,926	2,164,510
Additions in Year	-	12,455	837,080	849,535
	<hr/>	<hr/>	<hr/>	<hr/>
At Cost Carried Forward	£509,302 =====	£390,737 =====	£2,114,006 =====	£3,014,045 =====

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

# Hearing Dogs for Deaf People

## Notes to the Financial Statements

For the Year ended 31 March 2000

### 7. Fixed Asset Investments

	The Group and the Charity	
	<u>2000</u> £	<u>1999</u> £
Quoted Investments:-		
Market Value 1 April 1999	1,776,480	1,698,446
Additions	459,941	113,620
Disposals	(611,646)	(128,146)
Net unrealised investment gains	110,000	92,560
<b>Market Value 31 March 2000</b>	<u><u>£1,734,775</u></u>	<u><u>£1,776,480</u></u>

The historical cost at 31 March 2000 was £1,079,828 (1999: £1,110,024).

The market value of quoted investments includes the following holdings representing more than 5% of the total market value:

	<u>2000</u> £	<u>1999</u> £
CAF Income Fund	-	173,791
CAF Balanced Growth Fund	578,734	501,594
6¼% Treasury Stock 2010	165,667	172,688
	<u><u>          </u></u>	<u><u>          </u></u>

### 8. Stock

	The Group		The Charity	
	<u>2000</u> £	<u>1999</u> £	<u>2000</u> £	<u>1999</u> £
Goods for Resale	<u>£65,142</u>	<u>£80,302</u>	£-	£-

### 9. Debtors

	The Group		The Charity	
	<u>2000</u> £	<u>1999</u> £	<u>2000</u> £	<u>1999</u> £
Loan to Subsidiary	-	-	62,469	77,469
Amounts due from Subsidiary	-	-	8,868	4,147
Prepayments and Sundry Debtors	207,748	118,643	200,780	117,743
	<u>£207,748</u>	<u>£118,643</u>	<u>£272,117</u>	<u>£199,359</u>

Total debtors includes £62,469 receivable after more than one year (1999: £77,469). This represents the loan to the subsidiary which is secured by a fixed and floating charge over the assets of the subsidiary, with interest charged at 2% over Barclays Bank PLC base rate, annually in arrears.

# Hearing Dogs for Deaf People

## Notes to the Financial Statements

For the Year Ended 31 March 2000

### 10. Creditors: Amounts Falling Due Within One Year

	The Group		The Charity	
	2000	1999	2000	1999
	£	£	£	£
Accrued Charges	38,620	36,152	21,573	16,404
Taxation and Social Security	30,903	27,899	21,350	19,744
Other Creditors	41,307	44,407	41,100	41,227
	<u>£110,830</u>	<u>£108,458</u>	<u>£84,023</u>	<u>£77,375</u>

### 11. Analysis of Group Net Assets Between Funds

	Restricted Funds	Unrestricted Designated Funds	Unrestricted General Funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	-	3,027,164	351,383	3,378,547
Investments	-	-	1,734,775	1,734,775
Current Assets	39,225	-	576,529	615,754
Current Liabilities	-	-	(110,830)	(110,830)
<b>Net Assets at 31 March 2000</b>	<u>39,225</u>	<u>3,027,164</u>	<u>2,551,857</u>	<u>5,618,246</u>

### 12. Subsidiary Undertaking

The charity has a wholly-owned subsidiary which is incorporated in the UK, Hearing Dogs for Deaf People (Trading) Limited.

	2000	1999
	£	£
Turnover	126,203	159,366
Cost of Sales	(64,237)	(79,586)
Gross Profit	61,966	79,780
Distribution Costs	(23,088)	(29,436)
Administrative Expenses	(20,107)	(18,942)
Operating Profit	18,771	31,402
Interest Payable	(6,098)	(10,087)
Profit on Ordinary Activities	12,673	21,315
<b>Less Taxation</b>	<b>(1,573)</b>	<b>(2,607)</b>
Profit for Financial Year	11,100	18,708
Deed of Covenant to Parent Undertaking	(6,379)	(10,570)
Profit retained in subsidiary for Year	4,721	8,138
Retained Profit/(Loss) Brought Forward	4,147	(3,991)
<b>Retained Profit Carried Forward</b>	<b>£ 8,868</b>	<b>£ 4,147</b>

# Hearing Dogs for Deaf People

## Notes to the Financial Statements

For the Year Ended 31 March 2000

### 13. Movements in Funds

	At 1 April 1999 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2000 £
<b>Restricted Funds</b>					
Dog Sponsors	109,859	258,061	(734,060)	405,365	39,225
Training Centre – The Grange	-	184,999	(184,999)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Restricted Funds</b>	<b>£109,859</b>	<b>£443,060</b>	<b>£(919,059)</b>	<b>£405,365</b>	<b>£39,225</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Unrestricted Funds</b>					
<b>Designated Funds</b>					
Training Centre – Lewknor	509,302	-	-	-	509,302
Training Centre – Cliffe	378,282	-	-	12,455	390,737
Training Centre – The Grange	1,276,926	-	-	837,080	2,114,006
Kennel Block Fittings	19,429	-	-	(6,310)	13,119
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Designated Funds</b>	<b>2,183,939</b>	<b>-</b>	<b>-</b>	<b>843,225</b>	<b>3,027,164</b>
<b>General Funds</b>	<b>2,960,313</b>	<b>1,635,353</b>	<b>(795,219)</b>	<b>(1,248,590)</b>	<b>2,551,857</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Unrestricted Funds</b>	<b>£5,144,252</b>	<b>£1,635,353</b>	<b>£(795,219)</b>	<b>£(405,365)</b>	<b>£5,579,021</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Funds</b>	<b>£5,254,111</b>	<b>£2,078,413</b>	<b>£(1,714,278)</b>	<b>£ -</b>	<b>£5,618,246</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

#### Purpose of Restricted Funds

The charity's restricted funds are those where the donor has imposed restrictions on the use of the funds.

#### Purpose of Designated Funds

Designated funds have been set aside from the group's unrestricted funds by the Directors in order to provide the buildings required to carry out the principal activities of the charity. The expenditure required has been met through the utilisation of short term deposits and the sale of quoted investments.

# Hearing Dogs for Deaf People

## Notes to the Financial Statements

For the Year Ended 31 March 2000

### 14. Notes to the Cash Flow Statement

	<u>2000</u> £	<u>1999</u> £
<b>Reconciliation of Increase in Funds to Operating Cash Flows</b>		
Excess of incoming resources over resources expended	364,135	468,637
Investment Income	(74,758)	(131,708)
Unrealised Gains on Investments	(110,000)	(92,560)
Depreciation on Tangible Fixed Assets	134,035	109,439
Profits on Sale of Tangible Fixed Assets	(6,033)	(5,949)
Decrease in Stocks	15,160	7,571
Increase in Debtors	(89,105)	(27,201)
Increase/(Decrease) in Creditors	3,945	(3,545)
	<hr/>	<hr/>
Net Cash Inflow from Operating Activities	£237,379	£324,684
	=====	=====

	<u>2000</u> £	<u>1999</u> £
<b>Reconciliation of Net Cash Flow to Movement in Cash Balances</b>		
Increase in Cash for the Period (Page 8)	14,141	1,135
Cash Inflow from Decrease in Liquid Resources	(622,670)	(480,236)
	<hr/>	<hr/>
Net Cash Expended in the Period	(608,529)	(479,101)
Cash Balances at Start of Period	951,393	1,430,494
	<hr/>	<hr/>
Cash Balances at End of Period	£342,864	£ 951,393
	=====	=====

### Analysis of Changes in Cash Balances

	<u>At 1<sup>st</sup> April 1999</u> £	<u>Cash Flow</u> £	<u>At 31<sup>st</sup> March 2000</u> £
Short Term Deposits	936,198	(622,670)	313,528
Cash at Bank and in Hand	15,195	14,141	29,336
	<hr/>	<hr/>	<hr/>
	£951,393	£(608,529)	£342,864
	=====	=====	=====

## **Hearing Dogs for Deaf People**

### **Notes to the Financial Statements**

#### **For the Year Ended 31 March 2000**

##### **15. Capital Commitments**

As at 31st March 2000 the charity had authorised capital expenditure amounting to £1,346,000 (1999: £937,298) of which £617,000 had been contracted (1999 £315,798).

##### **16. Related Parties**

During the year, the charity purchased goods in the normal course of business from Car Care Services for £96,929 and sold goods to them for £18,800. Each individual transaction was carried out at or below normal market price. Car Care Services is a business owned by the son of the Director General.

##### **17. Contingent Assets - Legacies**

At the Balance Sheet date the charity had received notification of a number of legacies due. 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 at 31st March 2000 was £260,000.

##### **18. Contingent Liabilities**

Hearing Dogs for Deaf People has provided security through one of the freehold properties on an overdraft facility for its subsidiary undertaking Hearing Dogs for Deaf People (Trading) Limited. As at 31st March 2000 the facility was not being used.

**HEARING DOGS FOR DEAF PEOPLE**  
(Limited by Guarantee)

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2000**

	<u>2000</u>	<u>1999</u>
<b><u>INCOME</u></b>		
Donations	371,200	365,732
Special Fundraising Events	13,617	31,867
Voluntary Income from Branches	237,740	187,826
Sponsors Introduced by Branches	60,068	167,950
Other Sponsors	276,397	175,668
Legacies	772,912	636,755
Deeds of Covenant and Gift Aid (Gross)	56,409	57,780
Sale of Donated Goods	16,133	19,120
Interest Receivable	20,033	76,834
Investment Income	54,725	54,874
Teddy Game	25,855	21,685
Accommodation	7,206	4,739
Raffle	25,639	-
Rents Receivable	2,887	4,800
	<hr/>	<hr/>
	1,940,821	1,805,630
Unrealised Gains on Investments	110,000	92,560
Realised Gain on Sale of Investments	16,504	12,482
Deed of Covenant from Trading Subsidiary	6,379	10,570
	<hr/>	<hr/>
<b>TOTAL INCOME - carried forward</b>	<b>2,073,704</b>	<b>1,921,242</b>

**HEARING DOGS FOR DEAF PEOPLE**  
(Limited by Guarantee)

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2000**  
(CONTINUED)

	<u>2000</u>	<u>1999</u>
<b>TOTAL INCOME</b> - brought forward	2,073,704	1,921,242
<b>EXPENDITURE</b>		
Salaries, Wages and NIC	855,410	702,537
Pension Scheme	23,852	63,799
Travelling Expenses	101,951	75,291
Vehicle Running Costs	35,192	24,717
Dog Equipment	26,332	17,107
Dog Food	19,525	15,466
Veterinary Costs	44,693	34,448
Puppy Walkers	17,583	16,083
Rent	8,026	6,501
Rates	14,211	11,613
Heating and Lighting	18,856	13,920
Repairs and Maintenance	13,977	25,628
Insurance	18,384	12,349
Cleaning	6,436	3,551
Garden Maintenance and Pest Control	20,680	14,615
Postages	30,801	27,405
Telephone	30,834	22,468
Advertising, Show Costs etc	29,504	19,181
Stationery and Promotional Material	95,751	89,654
Computer Services	11,326	14,061
Audit Fees	4,700	4,700
Legal and Professional Charges	73,136	70,976
Bank Charges	3,986	3,149
Equipment Leasing	10,703	10,118
Conference Expenses	5,171	1,372
Sundry Staff Expenses	1,763	1,452
Sundry Expenditure	10,156	9,674
Teddy Game Expenses	12,041	9,959
Fundraising Events Expenses	13,176	10,221
Lottery Expenses	3,470	-
Voluntary Branch Expenses	18,609	18,801
Depreciation	123,985	95,458
Profit on Disposal of		
Motor Vehicles	(6,033)	(5,949)
Staff Training	4,500	9,961
Subscriptions	5,630	4,926
Recipient Support Costs	5,961	5,318
	(1,714,278)	(1,460,530)
<b>EXCESS OF INCOME OVER</b>		
<b>EXPENDITURE FOR THE YEAR</b>	£359,426	£460,712
	=====	=====