

Medical Detection Dogs

Report of the Trustees and Financial Statements
2021



Contents

| | Page |
|---|-------------|
| Message from the Chairman and the Chief Executive | 2 |
| Report of the Trustees | 4 |
| Report of the Independent Auditors | 20 |
| Statement of Financial Activities | 24 |
| Balance Sheet | 25 |
| Cash Flow Statement | 26 |
| Notes to the Cash Flow Statement | 27 |
| Notes to the Financial Statements | 28 |

Message from the Chairman, Clive Everest and the Chief Executive and Chief Scientific Officer, Claire Guest

The Charity's activities in the year under review have been dominated by the COVID-19 pandemic. The operational constraints of lockdowns and COVID-19 restrictions have impacted hugely on the way the Charity worked, our staff and volunteers, and on our donors.

We continued to train and place medical alert assistance dogs. However, our potential clients are medically vulnerable and all existing and potential partnerships required face to face training and visits which had to be placed on hold or done virtually and then reintroduced slowly in accordance with the UK Government and NHS guidelines.

The pandemic also significantly affected many of our collaborators, particularly the NHS Trusts with which we work on our Bio Detection research and made an already difficult fundraising climate even more challenging. As a result, we placed some of our bio-detection projects on hold and made the strategic choice to permanently close others in order to focus resources on where we can have the biggest future impact.

The Board also took the difficult decision to place some staff on furlough and to limit and control discretionary expenditure where possible to respond to the operational uncertainties and the real risk of significant future funding cuts.

Despite these considerable challenges, as the world leaders in medical detection dog training we believed that the Charity would best meet its vision of saving more lives by re-focusing our efforts to fight the pandemic and investigate the potential for a rapid canine screening for a non-invasive indication of individuals infected with the COVID-19 virus. This was a Charity first for the detection of a virus, but we were able to draw on all of our expertise in the detection of bacteria, cancers, and malaria to achieve this. Whilst we initially funded this work from the Charity's reserves, we are extremely grateful for the support of a number of organisations, including HM Government, who saw the potential value of our research and came forward to fund Phase 1 of our research.

Working with our research partners at the London School of Hygiene and Tropical Medicine and Durham University, Phase 1 of our study published in May 2021 produced excellent results, with the dogs achieving up to 95% accuracy in the detection of the odour of the virus. Phase 2 of our research project is underway, where our dogs are trained to screen individuals so they can be deployed into the field to help fight against the pandemic. Funding for this has proved difficult to obtain, but we remain convinced that completing this study is an important goal for the Charity and for public health in the UK and worldwide.

Despite the necessary focus on COVID-19 we have continued to work on the other areas where we believe the Charity can make a huge positive impact: we published our joint publication with the Prostate Cancer Foundation, the Massachusetts Institute of Technology and Johns Hopkins University in February 2021 on the detection of prostate cancer. We continue to work very closely with these collaborative partners to accelerate the development of a bio sensor for prostate cancer, which we hope may soon become a reality. Our medical alert assistance dogs partnered with people who have PoTS (Postural Tachycardia Syndrome) have also shown some outstanding results.

None of this could however have been achieved without the help of our donors, staff and volunteers who have stood by us through this difficult year. We are hugely grateful for your support.

We know that the COVID-19 pandemic will have a significant impact on our ability to raise funds for the foreseeable future. We therefore anticipate having to draw on our reserves in 2021/22 and beyond, which we have established prudently over prior years for just such an eventuality.

There is huge opportunity ahead to show the true potential and impact of Medical Detection Dogs for the saving of human life. Our work continues to break new ground and provide innovative alternatives to traditional diagnostics. Further investment, vision and support is needed in order to establish a base of preparedness for future bacteria or viral threats. We must ensure the background work for this is already complete and dogs can be deployed to assist without delay in any future crisis. For all of this to become a reality, we recognize we need to build strong foundations in all areas of the Charity to be fit for purpose as we grow, including staffing, IT, fundraising, research, and volunteering. This will be a key focus of work in the coming year.

We would also like to take this opportunity to thank two of the Charity's long-standing trustees who retired after the year end: the Chairman, the Hon Lady Betsy Duncan-Smith, and the Honorary Treasurer, Andy Keegan. They have each contributed greatly to the Charity's successes to date and we wish them well.

A handwritten signature in blue ink, appearing to read 'Clive Everest'.

Clive Everest
Chairman of Trustees

A handwritten signature in black ink, appearing to read 'Claire Guest'.

Claire Guest
Chief Executive and Chief Scientific Officer

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31st March 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2019)

REFERENCE AND ADMINISTRATIVE DETAILS

The reference and administrative details of the Charity can be found on page 47 of the report and accounts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Governing Document

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

Related Parties

The Charity has two wholly owned subsidiaries:

MDD Enterprises Limited
08709010 (England and Wales) incorporated 27 September 2013
(Dormant during the years ended 31/3/2020 and 31/3/2021)

Canine Diagnostic Innovations Limited
12646135 (England and Wales) incorporated 4th June 2020
(Dormant since inception)

The Charity also has significant control (75%) in:

Millfield Greenway Business Park Management Limited
06312801 (England and Wales) incorporated 13 July 2007

The Charity owns and manages certain common areas of the Millfield Greenway Business Park site, including the maintenance of the onsite septic tank. The company does not operate its own banking accounts and expenditure on its behalf is handled by Medical Detection Dogs, with the proportion of net costs not attributable to the Charity recharged to the minority shareholder. Any potential liabilities of Millfield Greenway Business Park Management Ltd are covered by appropriate insurance.

Structure and Management

The Charity is divided into two arms:

1) Bio Detection Disease Research and 2) Medical Alert Assistance Dogs.

Details of the work done by these two arms are given in the objectives and activities section. The other three areas of charitable activity, dog training, education and awareness raising, and volunteer liaison are all carried out in support of, and to enable the delivery of the activities of those two arms.

All policy decisions are taken by the Trustees and day-to-day management decisions are taken by the Chief Executive and Chief Operating Officer, supported by the Senior Leadership Team. Sometimes ad hoc panels of Trustees are appointed to take specific decisions.

Governance

The Trustees have commenced an exercise to develop and improve further the governance of the Charity to meet the demands arising from the Charity's growth and increasing organisational maturity. They are making use of the Charity Code of Governance to do so and have made progress in assessing their current compliance with this guidance.

In line with good governance practice the Trustees periodically review the provision of external audit services and put that out to tender during 2020/21. In August 2021 Saffery Champness were appointed as the Charity's external auditors commencing with the audit of these accounts.

Remuneration Policy for Senior Staff

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

Risk Management

The Charity's Trustees are responsible for identifying and assessing risks and opportunities for the organisation and deciding how best to deal with them. This includes assessing whether they are manageable and worth taking or where exposure is too great to justify commencing or continuing the activity.

They are supported in this by the Executive Team, principally the CEO and COO, who manage these risks on a day-to-day basis.

In 2019/20 the Audit and Risk Committee was tasked by the Board to review and improve the processes the Charity undertakes to identify and assess risks, with a view to improving decision making around strategic risks, get greater assurance over risk mitigations and controls and enhance overall governance. This process commenced with the development of an updated and improved risk register, in line with Charity Commission guidance, in late 2019/20.

The COVID-19 pandemic which commenced at the beginning of the 2020/21 financial year significantly changed the landscape of risk in the Charity. Financial and operational uncertainties caused by the impact of the pandemic, both within the wider UK economy and society and within the Charity, required the Board and Executive Team to adopt a much more agile and engaged approach to decision making and assessing risk. As a result, the Trustees and Executive Team moved from the regular quarterly schedule of meetings around an established agenda to a more frequent and flexible series of meetings, whereby key issues and decisions were raised, proposed solutions were discussed and actions agreed. Whilst remaining conscious of the need to separate the oversight responsibility of the Trustees from executive roles, the Trustees necessarily became more involved in the activities and operations of the Charity to help steer it through the numerous challenges of the year, dominated by the pandemic. The activities previously delegated to the Audit and Risk Committee were also therefore directly undertaken by the Board during 2020/21.

During 2020/21 the principal risks driven by COVID-19 were related to:

- **Protecting the health and well-being of our staff, volunteers, clients, and dogs in line with Government guidance, whilst trying to continue to deliver our charitable activities.** This involved staff working from home where possible; the introduction of workplace safety precautions at the Centre; and a number of staff and volunteer activities being suspended or adapted until they could be safely resumed.
- **Financial sustainability.** At the beginning of the year there was considerable uncertainty over the Charity's future funding streams. COVID-19 impacts on the economy and on our donors and fundraisers, for an unknown future period, meant that the Trustees needed to seriously consider how best to protect the long-term sustainability

of the Charity. As a result, discretionary spend was reduced where possible and staff were placed on furlough where appropriate to reduce the Charity's expenditure.

Notwithstanding the threats to the Charity's financial position, the Trustees took the decision early in the year that the scale of the risk from COVID-19 to public health meant that the Charity should take urgent action to redeploy its bio detection resources and skills to determine as quickly as possible whether our dogs could detect COVID-19 and play a part in helping to manage the spread and impact of the virus.

The Charity's reserves, which had been managed prudently to provide a degree of protection from such unforeseen shocks, gave the Trustees adequate assurance at that time that the Charity could commence funding this vital activity even before other donors may come forward to help us achieve this.

In the event, the amazing response of donors from a number of sources for COVID-19 work specifically as well as for our other activities resulted in our income for 2020/21 exceeding our budget at £2,951,584. We and our beneficiaries are very grateful for this support. Our unrestricted reserves of £4,052,280 at 31 March 2021 mean that we are well placed to continue our COVID-19 work in 2021/22 and to resume our other vital work as this becomes possible and practical.

Principal risks and uncertainties

As well as the COVID-19 related risks above, the following are the principal risks and uncertainties that were considered to be present at the end of 2020/21 and at the time of this Trustees' Report, along with the key actions we plan to take or are taking to address these:

| Risk | Actions |
|--|---|
| Insufficient income to operate sustainably | As the UK emerges from the immediate impact of the pandemic the fundraising environment is anticipated to be extremely challenging for all charities. The Charity has established prudent levels of reserves which will support it in the immediate future, but we are looking to increase and diversify our income streams by enhancing our fundraising activities and looking to develop commercial opportunities which could finance our charitable work. |
| Maintaining strong and effective relationships with key stakeholders such as research partners and major donors | The Charity has a number of key relationships with key partners and donors which are essential to either fund our activities at the current level or to deliver collaborative projects such as COVID-19 or prostate cancer detection or for possible commercial opportunities. We are investing in improving and enhancing our communications and relationships with these organisations and individuals to strengthen these links. |
| Insufficient senior or key staff due to loss of or inability to recruit or retain key personnel. | <p>The Charity always seeks to spend as much as possible of our funds on our charitable goals, and therefore does not have a large management team. As a relatively young and growing charity we also need to invest in developing our support systems and infrastructure such as HR and IT to effectively meet the needs of the organisation as it stands today and as we grow. Consequently, we rely on a small number of key people, most notably the CEO, to drive the Charity forwards and to manage day-to-day activities.</p> <p>We are taking a number of steps to address this, although we recognise some of these actions may take some time</p> |

| | |
|--|--|
| | <p>so as not to undertake too much change at once, which could overload our capacity to cope. The difficult financial situation nationally for charities will also restrict our ability to raise funds to address some of these issues as quickly as we might like.</p> <p>With the appointment of a new COO, we are looking to professionalise the support systems in the Charity to allow all staff to operate more efficiently and effectively in their roles.</p> <p>We have also commenced a programme of recruitment and of reviewing staff salaries, especially for certain key staff who may be paid below market rates for similar roles. This will continue into 2022 with a view to helping to retain staff, alongside other measures to seek to retain and engage our people such as improved staff development and training.</p> <p>We are also looking at succession planning and how best we can ensure the Charity is not overly reliant on any one person. Given the specialised nature and scale of the Charity this represents a particular challenge, which we are beginning to actively engage in to determine the best way forwards.</p> |
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Related Party Transactions

With regard to related party transactions, a register of Trustees' interests is kept. Trustee meeting agendas include a standing item for declaration of any interests which those attending may have in connection with a particular item to be discussed. In such cases where a potential conflict of interests arises for a particular member present, they will retire from the meeting whilst that discussion takes place. Similar arrangements exist for managing transactions with related parties of senior executives, whereby potential related parties are identified through annual declarations and the relevant executive takes no part in Charity decisions for those parties over recruitment, remuneration or performance.

Recruitment and Appointment of New Trustees

New Trustees may be appointed by the Charity at a general meeting or by the Board of Trustees. The Trustees regularly review the balance of skills, competencies and experience which are needed on the Board to ensure that the Charity continues to meet its aims and fulfil its charitable objects. Historically potential new Trustees known to be highly supportive of the Charity and who possess the experience, skills and attributes that the Board has determined are necessary for the effective oversight and governance of the Charity are approached with a view to joining the Board. More recently, in line with good governance the Trustees have advertised vacancies.

Two long-serving trustees resigned from the main Board in June 2021 including the Chair. The Chair of the ARC has taken over as Chair of the main board and, pending recruitment to fill the vacancies on the Board the ARC's duties have been temporarily subsumed by the main Board.

Following these resignations, the Trustees reviewed the balance of skills and experience they believed was needed to most effectively address the challenges they envisage in the coming years. As a result of this exercise, the Charity advertised nationally in the Summer of 2021 with a view to potentially appointing up to three new trustees, ideally bringing specialist knowledge of financial management and reporting, fundraising and

research to the Board. In order to encourage a broad and diverse range of applicants, the Charity advertised the roles on both social media and in a national newspaper.

If successful, this will increase the number of trustees up to seven, with a good mix of new appointments, trustees with some experience of the Charity and some long-standing members. During the year there were two trustees who had served for over nine years as trustees. In line with the Charity Code of Governance the then Chair of the Charity considered whether this remains appropriate and concluded that this arrangement best served the Charity at this time. The Trustees concerned bring invaluable experience in their fields not replicated by other Trustees, as well as invaluable historic knowledge which will greatly assist the Charity as it seeks to grow and develop. One of these Trustees has retired since the year end.

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

Fundraising

We are members of the Fundraising Regulator and take our responsibilities towards our donors very seriously. The Charity seeks to apply best practice to protect the personal data of its donors, never sells or swaps data and ensures that communication preferences can be changed at any time. The Charity manages its own activities in respect to raising funds and does not employ the services of external professional fundraisers. The Charity is mindful of its responsibilities to vulnerable people and undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year the Charity received no formal complaints about its activities for raising funds.

Volunteers

The Charity is supported by a large number of volunteers, who undertake a range of activities including fundraising, public engagement, socialising training and administrative tasks.

OBJECTIVES AND ACTIVITIES

The Charity's objectives, as set out in its governing document, are:

- i) To conduct research into the detection, recognition and diagnosis of diseases and medical conditions by the use of dogs and other animals trained in the recognition of relevant stimuli, and the publication of such research for the public benefit; and
- ii) The relief of sickness and the protection of health for the public benefit, by the detection, recognition and diagnosis of diseases and medical conditions, by the use of dogs trained in the recognition of relevant stimuli. Our mission is to save and enhance lives using our specially trained dogs' extraordinary sense of smell.

We seek to do this in two main ways which we believe provide a benefit to the public, i) by conducting research into the early diagnosis of cancer, neurological, bacterial and other human diseases, which since March 2020 has included a focus on COVID-19 and research into dogs' ability to detect the odour of the disease so that we can help play a part in the fight against the pandemic and ii) by training life-saving medical alert assistance dogs which help their human partners avoid the often-catastrophic effects of their conditions, saving and improving their lives on a daily basis.

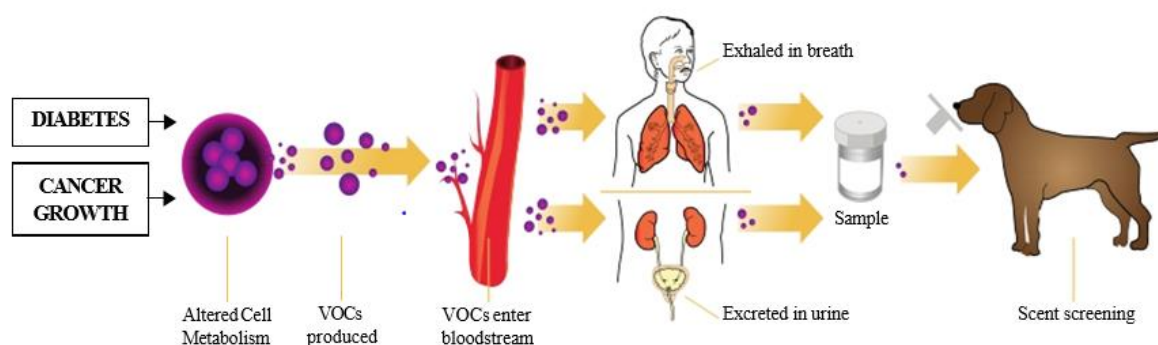
During the year under review, we have published another two peer reviewed research papers, trained more medical alert assistance dogs and expanded the range of conditions we are able to train dogs to alert to and

continued to progress our project to train dogs to work in hospital settings.

BIO DETECTION RESEARCH

An explanation of our Bio Detection work

During the normal processes of the body, metabolic changes occur constantly, however during disease development, these metabolic processes are altered. This generates volatile organic compounds (VOCs), such as alkanes and alkenes that diffuse into the bloodstream and are then excreted in the breath or in the urine and are detectable by dogs.



VOCs = volatile organic compounds

Our research is aimed at improving the ability to diagnose cancer and other life-threatening human diseases at an early stage. As most will know from experiences with family and friends, timely diagnosis of cancer, particularly in the UK, remains frighteningly poor and 1 in 2 people born in the UK after 1960 will be diagnosed with cancer.

Tens of millions of pounds has been spent trying to develop better methods but for many cancers there is no real evidence of improved screening. Take the example of prostate cancer, a major killer in men. If a man's prostate is found to be enlarged (easily discovered by a GP) the only diagnostic test a doctor can recommend is the PSA blood test. However, this test has significant limitations, as identified by the National Cancer Institute:

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

In other words, the PSA test leads to countless unnecessary and potentially damaging procedures. There is an urgent need for a more reliable test for prostate cancer, as well as for many other life-threatening diseases.

We are making significant progress in our bio detection research. Our team have proved that dogs can detect bladder cancer by sniffing a urine sample (BMJ September 2004). In 2011, we completed a further study entitled 'Volatile organic compounds as biomarkers of bladder cancer: sensitivity and specificity using trained sniffer dogs', which was published in Cancer Biomarkers (2011).

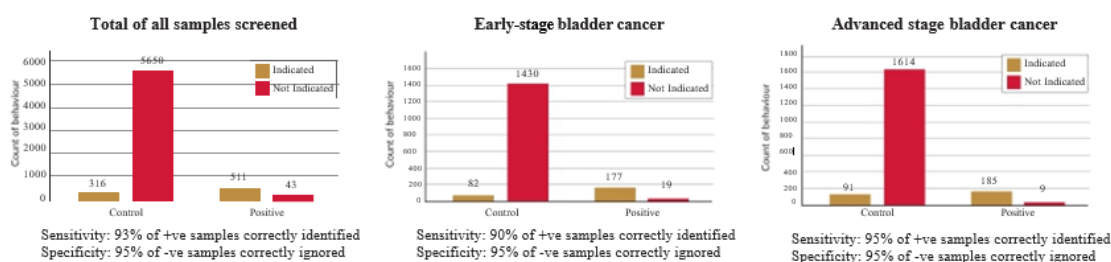


The photograph left shows Daisy, one the pioneers of our work screening bladder cancer samples by smell. The overall sensitivity (i.e., sick people correctly diagnosed as sick) and specificity (i.e., healthy people correctly identified as healthy) scores were very high (>90% each); the sensitivity score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

Bio Detection Activities and Achievements

The results the charity have achieved in the last year provides an excellent demonstration of the crossover of the unique expertise combined in the medical alert assistance dog and bio detection departments to provide a rapid, accurate, non- invasive screen. There is huge potential ahead to show the true potential and impact of Medical Detection Dogs for the saving of human life.

As a result of the pandemic, we have had to place a number of our bio-detection projects on hold and make the decision to permanently close others in order to focus resource on where we can have the biggest impact.



Our work continues however to break new ground and provide innovative alternatives to traditional diagnostics. We are very pleased to report that we published our joint publication with PCF, MIT and John Hopkins University this year on the feasibility of improved diagnostics of prostate cancer based on the VOC signature identified by dogs. The Charity has continued to work very closely with our collaborative partners which has further aided the acceleration of the development of the bio sensor for prostate cancer, an innovation with immense potential to save lives. As a result we are delighted to report that the work of the dogs and the Charity in this area is nearly done but there remain many more systems that can be accelerated with the dogs' input.

Further investment, vision and support is needed for our passive (on people) detection work in order to establish a base of preparedness for future bacteria or viral threats. We must ensure the background work is completed and dogs can be deployed to assist without delay, for this to become a reality we need to continue to set strong foundations in all areas of the charity including staffing, I.T., fundraising, research and volunteering to ensure we can deliver our life saving work whilst it is so needed following the aftermath of this pandemic.

COVID-19

The COVID-19 pandemic provided an opportunity to investigate and prepare a rapid canine screening for a non-invasive indication of individuals infected with the COVID-19 virus. This was a charity first for the detection of a virus however, we were able to draw on all of our expertise in the detection of bacteria, cancers and malaria to achieve this.

As the world leaders in the training of medical detection dogs we were constantly approached for our consultancy services and support from researchers and governments from around the world. This sudden explosion in interest in the possibility and potential of working dogs to identify COVID-19 was a turning point in the history of Medical Detection Dogs. It brought both advantages and disadvantages to the charity in the last year.

The advantages being heightened awareness, visibility, and profile of our work which resulted in the charity gratefully receiving donations and funding towards our COVID-19 project at a time when general fundraising was extremely challenging. The UK Government and DHSC further supported the project for phase 1 of our research to ascertain whether our dogs could be reliably trained to identify the odour of COVID-19.

However, unfortunately, many organisations around the world published their results and claimed high levels of accuracy of their working dogs, without robust evidence-based research to support this. This served to threaten the strong research basis for canine detection. As a result of our project and results we were approached by a number of interested parties around the world requesting our training and assistance. Unfortunately, we were unable to support as much as we would have wished at that time with our current limited resources.

We faced further challenges with the constantly changing COVID-19 diagnostic landscape and the UK Government's decision on whether the influence of the successful vaccination programme meant the UK needed a more accurate virus screen as well as the Lateral Flow and PCR testing already in place. Phase 1 of our study (on collected samples) produced excellent results with the dogs achieving up to 95% accuracy in the detection of the odour of the virus. However, when our Phase 1 results were released, the UK Government's policy had changed, and they unfortunately declined to provide further funding for Phase 2 of our project where our dogs were trained to screen individuals. This lack of funding meant that the study has been delayed in moving on to Phase 3 where our dogs will be deployed into the field to help fight against the pandemic.

| | Sensitivity | Specificity |
|---------------|--------------------|--------------------|
| Asher | 90.9% | 84.8% |
| Kyp | 88.5% | 76.4% |
| Lexi | 90.8% | 85.3% |
| Marlow | 82.1% | 90.1% |
| Millie | 85.5% | 82.6% |
| Tala | 94.3% | 92.0% |

COVID-19 phase 1 double blind testing results

Following this proof-of-concept study indicating that dogs could be trained to detect the odour of COVID-19 from a collected odour samples, work has continued in transferring the work training our COVID-19 detection dogs to detect on people, making them the first team of passive search dogs, with the potential to screen hundreds of individuals as they queue or move in public spaces. This work requires validation and performance assessment which has continued into 2021.

MEDICAL ALERT ASSISTANCE DOGS

An explanation of our medical alert assistance work

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

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

Currently, diabetes sufferers make up the majority of our client partnerships, however we continue to expand the range of conditions that we are able to train dogs to help with. These include Addison's disease, Postural Tachycardia Syndrome (PoTS), Mast Cell Activation Syndrome, narcolepsy, pain seizure and idiopathic pancreatitis.

Medical Alert Assistance Dog Activities and Achievements

We have continued to train and place medical alert assistance dogs during the pandemic, but our activities were particularly affected. All of our potential clients are medically vulnerable and all existing and potential partnerships required face to face training and visits which, due to the restrictions and limitations at the height of the pandemic had to be placed on hold or done virtually and then reintroduced slowly in accordance with the UK Government and NHS guidelines. The decision was made by the Board to pause our applications due the length of our current waiting list to better manage expectations as to when we would be able to help potential clients and place dogs.

We have made many changes to the makeup and provision of dogs for the medical alert assistance dog department as we move from placement of dogs for individuals with diabetes to clients with other conditions. New technology is now available for the monitoring of blood sugar which means that the future of close diabetes management lies with emergent technology and medical detection dogs will no longer be required by the same number of individuals.

We have successfully trained more dogs to assist clients with PoTS. A condition where there is currently no available warning system for an impending collapse meaning hospitalisation in many circumstances. Many of these clients have an associated condition called Ehlers Danlos Syndrome which makes their joints extremely weak and vulnerable to dislocation. During a PoTS episode, the client loses consciousness for a brief period of time, and if not already sitting or lying down, will fall to the floor, causing frequent and debilitating injuries such as dislocated shoulder, hip and knee.

Our research has shown that before a client received their medical alert assistance dog, they were experiencing an episode which resulted in a significant injury on average once every six episodes. Following the placement of a medical alert assistance dog, who can provide a few minutes warning to allow the client to sit or lie down before they collapse and lose consciousness, they experienced an episode resulting in injury once every 151 episodes. This is an 87% reduction in significant injury that has not only a major positive impact on the person concerned but will also reduce costs to the NHS.

Public Benefit

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and believe that the highlights of the past year detailed in the section below demonstrate that the Charity's activities provide benefit to the public. It remains the case that in the most direct way the people who benefit are those who have been partnered with life-saving medical alert assistance dogs. We also consider that there is a significant wider public benefit from the impact our dogs have by enabling many of our clients to return to work or study, reducing the burden of constant worry on family members and improving the mental health of all concerned.

We also continue to believe that there is significant public benefit from the greater understanding of canine olfaction which has resulted from our research, and that the potential of early diagnosis of many fatal and nonfatal diseases has the potential to revolutionise disease detection globally.

Medical Detection Dogs

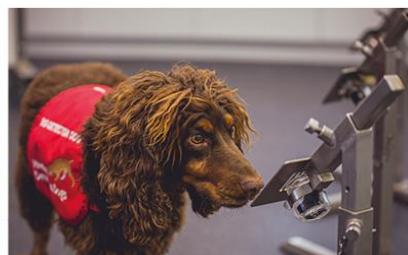
Patron: HRH The Duchess of Cornwall

We're proud to report that ...

Our COVID-19 detection dogs proved they can detect the odour with up to **94%** accuracy in the training room



A **third** of the dogs we took to trial to prove COVID-19 has an odour were from rescue



Workplaces, conferences, events and film sets are just some of the real life settings our Phase 2 dogs have already screened in as part of their training

We have now placed **170** Medical Alert Assistance Dogs since our charity began



Our volunteer family grew again by over **15%** and we recruited almost **90** new helpers despite the challenging time



Gleason 9 – one of the most aggressive forms of prostate cancer that our dogs proved last year they can detect – with over **70%** accuracy



Our Medical Alert Assistance Dogs are saving lives in **41** counties around the UK

Medical Detection Dogs

Patron: HRH The Duchess of Cornwall

Medical Alert Assistance Dogs

No pawising for thought in 20/21

6 dogs placed



84 dogs currently working

Taking us to **170**
since the charity began



the number of
ambulance call outs
relating to the condition
their dog alerts to for
most of our clients



the reduction in the frequency of PoTS
injuries for our clients because of early
alerts by their MAAD dogs



the number of
conditions we have
ever trained MAAD
dogs to detect



the number of
counties Medical Alert
Assistance Dogs are
saving lives in



the number of different
breeds working as
MAAD dogs – one size
doesn't fit all

Medical Detection Dogs Report of the Trustees for the year ended 31st March 2021

The training of a medical detection dog requires time, specialised input and regular assessment. The diagram below depicts the journey from selection to accreditation.



FINANCIAL REVIEW

Outcome 2020/21

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

The Charity's total income of £2,951,584 (2019-20: £1,657,352) includes legacies of £169,012 (2019-20: £166,741). The net surplus for the year amounted to £1,044,000 (2019-20: deficit £378,960) after expenditure of £1,907,584 (2019-20: £2,036,312).

The media interest surrounding our work on COVID-19 detection has provided an opportunity to raise awareness of the Charity's work to an international audience and showcase the potential of canine olfactory diagnostics. The new activity of COVID-19 detection has been generously supported by the UK Government, trusts and foundations and private donors during the year. Funding specific to the COVID-19 detection work accounts for most of the increase in giving to restricted funds of £0.85m during the year, whilst at the same time, and contrary to expectations, unrestricted giving has also increased by £0.35m. The largest single grant received for the COVID-19 detection project (£217,888) came from the UK Government as the Charity's allocated share of one-off government funding made to the joint COVID-19 research project between LSHTM, the Charity and Durham University.

Unrestricted fundraising from community activities did decrease due to COVID-19 restrictions significantly affecting fundraising by our volunteers, however this was more than compensated by an increase in support from corporate entities, grant-making trusts and foundations and also the higher aggregate amount received from major individual donations.

Since the outbreak of the global pandemic the Charity has prioritised its activities towards work in relation to the detection of Coronavirus, utilising the olfactory capabilities of its medical assistance alert dogs, drawing down on specific grants and donations given for this work. The impact of this has been to significantly change the relative proportions of total expenditure classified between unrestricted and restricted funds. In the reporting year 42% of total expenditure was classified as unrestricted (FY20: 72%) and 58% as restricted (FY20: 28%).

COVID-19 restrictions implemented by the UK government in 2020/21 had a significant impact on the Charity's ability to operate in the financial year. The uncertain financial impact of the pandemic on the Charity and the UK economy at the beginning of the year led to the Trustees taking the decision to temporarily scale back a number of our operational activities, other than in relation to COVID-19, and reduce discretionary spend to protect the Charity's longer term financial position. A few of our research funders and partners in turn also paused or scaled back projects which led to a reduction in activity and hence expenditure.

The well-being of our staff, volunteers and beneficiaries are of paramount importance to the Charity. A number of these individuals are known to be vulnerable as regards the risk of COVID-19 infection, particularly our assistance dog clients. As a result, we introduced a range of changes to our normal working practices to seek to protect all concerned whilst progressing our charitable work wherever possible by other means, including remote working and communication. We are hugely grateful to all concerned for the great efforts they went to in this period to continue to deliver our charitable mission whilst keeping everyone safe.

The Charity placed several staff on furlough throughout the year at reduced pay. It also received payments totalling £149,709 under the government's Job Retention Scheme (JRS), included as part of the total income above (2019-20: £Nil). The highest number of employees on furlough in any one month was 29 with a monthly average of 14 people.

The resultant decrease in expenditure short term, coupled with the welcome generosity of those donating to the Charity, which increased revenue significantly above expectations, meant that the Charity delivered a net surplus in the year of £1,044,000 (2019-20: deficit £378,960). The move to resuming more normal levels of activity in

2021/22 and the need to fund projects and activities paused in 2020/21 means that the Charity is expecting to utilise these retained funds and to deliver a deficit in 2021/22. At the end of the year, the Charity's net current assets amounted to £2.8m (2020 - £ 1.9m) of which £2.7m was held in cash and bank deposits (2019 - £1.3m).

Reserves Policy

Unrestricted funds are those funds that the Charity can use for any activity that meets its charitable objects. Freely available reserves are funds which are unrestricted and not invested in or committed to spend on operational assets. In this context free reserves therefore excludes the value of fixed assets in the accounts, capital commitments or obligations, and outstanding commitments on leased assets. The Trustees' policy is to maintain freely available reserves equivalent to between six and nine months' forecast total expenditure. The Trustees review the reserves held against our policy criteria periodically.

The Charity holds freely available reserves to mitigate for fluctuations in future income levels whilst at the same time committing to expenditure over the medium to longer term, to support the needs of its vulnerable clients in partnership with their medical alert assistance dogs, and to extend that service to potential clients.

At 31 March 2021 the Charity held freely available reserves of £2,261,942 equivalent to 16 months of budget expenditure for the forthcoming year (31 March 2020 - £1,378,452 – 12 months). This level of reserves exceeds the target range, but it is expected that free reserves will decrease significantly towards the target range by March 2022 as noted above.

Restricted funds are unexpended funds that have been donated to the Charity with specific conditions attached as to their use. At 31 March 2021 these funds totalled £492,614 (31 March 2020: £301,810).

FUTURE PLANS

This year has demonstrated the need to continue to grow our assistance dogs programme and also the significant potential of our research programmes to provide innovative canine diagnostic provision for the benefit of human health outcomes.

In the coming year we intend to focus on these two main areas (particularly the research into COVID-19 detection) whilst improving our organisational ability to respond quickly and effectively to new opportunities. Many of our systems were introduced when MDD was a very small organisation and we recognise that the organisational development work will require investment in a number of areas (IT infrastructure, HR support, fundraising capacity and staff development and retention, for example) in order to move MDD forward; we are firmly of the view that making these commitments now will enable MDD to grow substantially over the coming years.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Medical Detection Dogs for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2019 (FRS102).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

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

ON BEHALF OF THE BOARD:

A handwritten signature in blue ink, appearing to read 'Clive Everest', is written on a light-colored rectangular piece of paper.

Clive Everest - Chairman of Trustees
27 January 2022

Opinion

We have audited the financial statements of Medical Detection Dogs for the year ended 31 March 2021 which comprise statement of financial activities, balance sheet, cash flow statement 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 charitable company's state of affairs as of 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of 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.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, the trustees (who are also 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

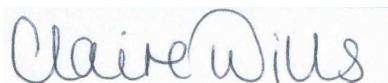
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Claire Wills (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

| | |
|-----------------------|--------------------------|
| Chartered Accountants | 71 Queen Victoria Street |
| Statutory Auditors | London |
| | EC4V 4BE |

Date: 28 January 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

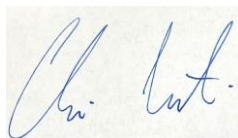
Medical Detection Dogs
Statement of Financial Activities
for the year ended 31st March 2021

| | | Unrestricted fund | Restricted funds | 2021 Total funds | 2020 Total funds |
|--|-------|----------------------|---------------------|---------------------|---------------------|
| | Notes | £ | £ | £ | £ |
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 3 | 1,408,164 | 1,329,285 | 2,737,449 | 1,542,784 |
| Other trading activities | 4 | 63,650 | - | 63,650 | 110,384 |
| Investment income | 5 | 776 | - | 776 | 4,184 |
| Government grants | 5 | <u>149,709</u> | <u>-</u> | <u>149,709</u> | <u>-</u> |
| Total | | 1,622,299 | 1,329,285 | 2,951,584 | 1,657,352 |
| EXPENDITURE ON | | | | | |
| Raising funds | 6 | 141,398 | 8,891 | 150,289 | 118,538 |
| Charitable activities | 7 | | | | |
| Dog training | | 67,191 | 327,639 | 394,830 | 426,877 |
| Assistance dog placement and aftercare | | 383,005 | 302,739 | 685,744 | 692,602 |
| Bio Detection research projects | | 57,346 | 308,177 | 365,523 | 420,193 |
| Education and awareness | | 55,820 | 84,212 | 140,032 | 175,845 |
| Volunteer liaison | | <u>101,879</u> | <u>69,287</u> | <u>171,166</u> | <u>202,257</u> |
| Total | | 806,639 | 1,100,945 | 1,907,584 | 2,036,312 |
| NET INCOME | | 815,660 | 228,340 | 1,044,000 | (378,960) |
| Transfers between funds | 18 | <u>37,536</u> | <u>(37,536)</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | 853,196 | 190,804 | 1,044,000 | (378,960) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward as previously reported | | 3,199,084 | 301,810 | 3,500,894 | 3,879,854 |
| TOTAL FUNDS CARRIED FORWARD | | <u>4,052,280</u> | <u>492,614</u> | <u>4,544,894</u> | <u>3,500,894</u> |

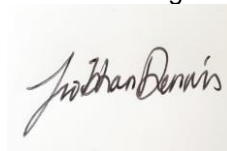
Medical Detection Dogs
Balance Sheet
At 31st March 2021

| | | Unrestricted fund | Restricted funds | 2021 Total funds | 2020 Total funds |
|--|-------|-------------------|------------------|---------------------|---------------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 12 | 1,790,333 | - | 1,790,333 | 1,605,006 |
| Investments | 13 | 5 | - | 5 | - |
| | | <u>1,790,338</u> | <u>-</u> | <u>1,790,338</u> | <u>1,605,666</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 14 | 7,307 | - | 7,307 | 9,575 |
| Debtors | 15 | 217,320 | - | 217,320 | 725,298 |
| Cash at bank and in hand | | <u>2,181,501</u> | <u>492,614</u> | <u>2,674,115</u> | <u>1,314,248</u> |
| | | 2,406,128 | 492,614 | 2,898,742 | 2,049,121 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 16 | (144,186) | - | (144,186) | (153,233) |
| | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CURRENT ASSETS | | <u>2,261,942</u> | <u>492,614</u> | <u>2,754,556</u> | <u>1,895,888</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>4,052,280</u> | <u>492,614</u> | <u>4,544,894</u> | <u>3,500,894</u> |
| NET ASSETS | | <u>4,052,280</u> | <u>492,614</u> | <u>4,544,894</u> | <u>3,500,894</u> |
| FUNDS | | | | | |
| Unrestricted funds | 18 | | | 4,052,280 | 3,199,084 |
| Restricted funds | 18 | | | 492,614 | 301,810 |
| | | | | <u>4,544,894</u> | <u>3,500,894</u> |
| TOTAL FUNDS | | | | <u>4,544,894</u> | <u>3,500,894</u> |

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime. The financial statements were approved by the Board of Trustees and authorised for issue on 21 January 2022 and were signed on its behalf by:



C M L Everest -Chair



S Dennis -Trustee

Company registration number 6399500

Medical Detection Dogs
Cash Flow Statement
for the year ended 31st March 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|------------------|------------------|
| Cash flows from operating activities: | | | |
| Cash generated from operations | A | <u>1,639,208</u> | <u>(200,596)</u> |
| Net cash provided by (used in) operating activities | | 1,639,208 | (200,596) |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (280,117) | (19,938) |
| Investment income | | 776 | 4,184 |
| Net cash (used in) investing activities | | <u>(279,341)</u> | <u>(15,754)</u> |
| Change in cash and cash equivalents in the reporting period | | 1,359,867 | (216,350) |
| Cash and cash equivalents at the beginning of the reporting period | | <u>1,314,248</u> | <u>1,530,598</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>2,674,115</u> | <u>1,314,248</u> |

A. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2021 | 2020 |
|---|------------------|------------------|
| | £ | £ |
| Net income for the reporting period (as per the statement of financial activities) | 1,044,000 | (378,960) |
| Adjustments for: | | |
| Depreciation charges | 94,790 | 74,078 |
| Impairment of fixed assets | - | 185,233 |
| Interest received | (776) | (4,184) |
| Revaluation of fixed assets | (5) | - |
| Decrease in stocks | 2,268 | 2,230 |
| Decrease/(increase) in debtors | 507,978 | (100,395) |
| (Decrease) / increase in creditors | <u>(9,047)</u> | <u>21,402</u> |
| Net cash (used in) provided by operating activities | <u>1,639,208</u> | <u>(200,596)</u> |

B. RECONCILIATION OF NET DEBT

2021

| | <u>As at</u> <u>1/4/2020</u> | <u>Cashflow</u> | <u>As at</u> <u>31/3/2021</u> |
|--------------------------|---------------------------------|------------------|----------------------------------|
| Cash at bank and in hand | 1,314,248 | 1,359,867 | 2,674,115 |
| TOTAL | <u>1,314,248</u> | <u>1,359,867</u> | <u>2,674,115</u> |

2020

| | <u>As at</u> <u>1/4/2019</u> | <u>Cashflow</u> | <u>As at</u> <u>31/3/2020</u> |
|--------------------------|---------------------------------|------------------|----------------------------------|
| Cash at bank and in hand | 1,530,598 | (216,350) | 1,314,248 |
| TOTAL | <u>1,530,598</u> | <u>(216,350)</u> | <u>1,314,248</u> |

1. CHARITY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

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

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

Going Concern

The Trustees have considered the Charity's financial position, its reserves and forecast expenditure for the twelve months following the date the accounts are expected to be approved and have concluded that there are no material uncertainties relating to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern.

The Trustees are of the opinion that the Charity has adequate resources to continue to operate for the foreseeable future, being not less than one year from the date of approval of these financial statements. For this reason, the Trustees believe it is appropriate to prepare the financial statements on a going concern basis.

Preparation of consolidated financial statements

The financial statements contain information about Medical Detection Dogs as an individual charity and do not contain consolidated financial information as the parent of a group. The Charity's subsidiaries have net assets amounting to £138, have never traded and have therefore been excluded from consolidation on the grounds of immateriality in accordance with Section 405(2) of the Companies Act 2006.

Critical accounting judgements and key sources of estimation uncertainty

Judgement has been applied in recognising income from legacies gifted to the Charity. Legacies are recognised when their value is known with reasonable certainty and receipt is probable, which is determined from a review of a number of criteria including grant of probate, sufficiency of assets and the existence of any conditions to be met.

2. ACCOUNTING POLICIES - continued

Income

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

Donations

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

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

Legacies

Incoming resources are included gross in the Statement of Financial Activities when the Charity is entitled to the income at the date of probate (having considered factors such as legal challenges, the sufficiency of assets belonging to the estate and the existence of any conditions to be met under the terms of the will), provided that sufficient information has been received to value the Charity's entitlement. Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received. Residuary legacies are recognised as receivable once probate has been granted and they can be valued with reasonable certainty.

Volunteers

The Charity benefits greatly from the involvement and support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not however recognised in the accounts, on the basis that the financial value of their support cannot be reliably ascertained.

Expenditure

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

Allocation and apportionment of costs

Support costs are allocated to the Charity's principal charitable activities, according to the relative office space taken up by each activity. Charitable activities are categorised under the five headings of: dog training, assistance dog placement and aftercare, bio detection research, education and awareness and volunteer liaison.

Tangible fixed assets

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

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

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

2. ACCOUNTING POLICIES - continued

Stocks

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

Taxation

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

Fund accounting

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

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

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

Cash at bank and in hand

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

Pension costs and other post-retirement benefits

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

Hire purchase and leasing commitments

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

3. DONATIONS AND LEGACIES

| | 2021 | 2020 |
|----------------------|------------------|------------------|
| | £ | £ |
| Donations and grants | 2,568,437 | 1,376,043 |
| Legacies | <u>169,012</u> | <u>166,741</u> |
| | <u>2,737,449</u> | <u>1,542,784</u> |

Income from donations includes donated dog food and dogs. The value of these donations to the Charity is estimated at £33,695 (2020 - £35,764) and is recognised within incoming resources as a donation and an equivalent charge is included in charitable activities.

The largest single grant received for the COVID-19 detection project (£217,888) came from the UK Government as the Charity's allocated share of one-off government funding made to the joint COVID-19 research project between LSHTM, the Charity and Durham University.

At the year-end the Charity was aware that it was a beneficiary of one legacy (2020 - one) which did not yet meet the recognition criteria as the date of probate was after 31st March 2021. The current estimate of the total amount concerned is £115,000 (2020: £ 100,000).

4. OTHER TRADING ACTIVITIES

| | 2021 | 2020 |
|--------------------------------------|---------------|----------------|
| | £ | £ |
| Fundraising events | 41,612 | 54,645 |
| Christmas card and merchandise sales | 17,038 | 27,346 |
| Consultancy | <u>5,000</u> | <u>28,393</u> |
| | <u>63,650</u> | <u>110,384</u> |

5. OTHER INCOME

| | 2021 | 2020 |
|--------------------------|------------|--------------|
| | £ | £ |
| Investment Income | | |
| Deposit account interest | <u>776</u> | <u>4,184</u> |

Government Grants

| | £ | £ |
|--|----------------|----------|
| UK Government: Job retention scheme grants | <u>149,709</u> | <u>-</u> |

The Charity placed a number of staff on furlough throughout the year at reduced pay. It also received payments totalling £149,709 under the government's Job Retention Scheme, included as part of total income (2019-20: £Nil). The highest number of employees on furlough in any one month was 29 with a monthly average of 14 people.

6. RAISING FUNDS

Raising donations and legacies

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Wages | 112,831 | 83,563 |
| Event costs | 1,600 | 2,570 |
| Travel | 129 | 1,125 |
| Online giving admin fees | 15,764 | 3,676 |
| Printing | 2,724 | 3,624 |
| Equipment under £1,000 | 2,138 | 594 |
| Direct overheads – Deprecation Freehold Property | <u>5,692</u> | <u>5,698</u> |
| | <u>140,878</u> | <u>100,850</u> |

Other trading activities

| | 2021 | 2020 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Purchases of goods for resale | <u>9,411</u> | <u>17,688</u> |
| Aggregate amounts | <u>150,289</u> | <u>118,538</u> |

7. CHARITABLE ACTIVITIES COSTS

| | Direct Costs | Support costs | 2021 Total | 2020 Total |
|--------------------------|-----------------|------------------|------------|------------|
| | £ | £ | £ | £ |
| Dog training | 278,872 | 113,757 | 392,629 | 426,877 |
| Assistance dog placement | 495,997 | 186,146 | 682,143 | 692,602 |
| Bio Detection research | 249,565 | 113,757 | 363,322 | 420,193 |
| Education and awareness | 92,595 | 46,537 | 139,132 | 175,845 |
| Volunteer liaison | 113,187 | 56,878 | 170,065 | 202,257 |
| Total | 1,230,216 | 517,075 | 1,747,291 | 1,917,774 |

Support costs are allocated to activities according to relative office space taken up by each activity.

8. SUPPORT COSTS

| | Management | Finance | Governance | 2021 Total | 2020 Total |
|--------------------------|------------|---------|------------|---------------|---------------|
| | £ | £ | £ | £ | £ |
| Dog training | 109,753 | 486 | 3,518 | 113,757 | 112,047 |
| Assistance dog placement | 179,596 | 795 | 5,755 | 186,146 | 183,348 |
| Bio Detection research | 109,753 | 486 | 3,518 | 113,757 | 112,047 |
| Education and awareness | 44,899 | 199 | 1,439 | 46,537 | 45,836 |
| Volunteer liaison | 54,876 | 243 | 1,759 | 56,878 | 56,024 |
| Total | 498,877 | 2,209 | 15,989 | 517,075 | 509,302 |

Medical Detection Dogs
Notes to the Financial Statements - continued
for the year ended 31st March 2021

8. SUPPORT COSTS (continued)

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

| Management | Dog training | Assistance dog placement | Bio Detection research | Education and awareness | Volunteer liaison | 2021 Total | 2020 Total |
|---------------------------------------|---------------------|---|-----------------------------------|--|------------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Rent and rates | 2,215 | 3,625 | 2,215 | 906 | 1,108 | 10,069 | 11,027 |
| Insurance | 7,166 | 11,726 | 7,166 | 2,932 | 3,583 | 32,573 | 27,419 |
| Water and electricity | 5,930 | 9,704 | 5,930 | 2,426 | 2,965 | 26,955 | 28,067 |
| Telephone | 399 | 653 | 399 | 163 | 199 | 1,813 | 1,724 |
| Postage and stationery | 2,690 | 4,402 | 2,690 | 1,101 | 1,345 | 12,228 | 17,746 |
| Sundries | 1,370 | 2,242 | 1,370 | 561 | 685 | 6,228 | 3,967 |
| Repairs | 13,754 | 22,507 | 13,754 | 5,627 | 6,877 | 62,519 | 40,117 |
| Travel | 74 | 121 | 74 | 30 | 37 | 336 | 2,388 |
| Legal and professional | 1,571 | 2,570 | 1,571 | 643 | 785 | 7,140 | 9,345 |
| Recruitment | 1,808 | 2,959 | 1,808 | 740 | 904 | 8,219 | 4,010 |
| Consultants' fees | 536 | 878 | 536 | 219 | 268 | 2,437 | 68,015 |
| Information technology | 3,194 | 5,227 | 3,194 | 1,307 | 1,597 | 14,519 | 16,440 |
| Administration salaries | 57,424 | 93,966 | 57,424 | 23,492 | 28,712 | 261,018 | 220,994 |
| Depreciation of tangible fixed assets | 10,542 | 17,251 | 10,542 | 4,313 | 5,271 | 47,919 | 31,864 |
| Staff training | 270 | 442 | 270 | 111 | 135 | 1,228 | 5,097 |
| Equipment (not capitalised) | 810 | 1,323 | 810 | 328 | 405 | 3,676 | 2,278 |
| Total | 109,753 | 179,596 | 109,753 | 44,899 | 54,876 | 498,877 | 490,498 |

The notes form part of these financial statements

Medical Detection Dogs
Notes to the Financial Statements - continued
for the year ended 31st March 2021

| Finance | Dog training | Assistance dog placement | Bio Detection research | Education and awareness | Volunteer liaison | 2021 Total | 2020 Total |
|----------------|--------------|--------------------------|------------------------|-------------------------|-------------------|------------|------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Bank Charges | 486 | 795 | 486 | 199 | 243 | 2,209 | 1,469 |
| Total | 486 | 795 | 486 | 199 | 243 | 2,209 | 1,469 |

| Governance | Dog training | Assistance dog placement | Bio Detection research | Education and awareness | Volunteer liaison | 2021 Total | 2020 Total |
|------------------------------------|--------------|--------------------------|------------------------|-------------------------|-------------------|------------|------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Auditors' remuneration - Audit | 3,300 | 5,400 | 3,300 | 1,350 | 1,650 | 15,000 | 12,000 |
| Auditors' remuneration – non-Audit | | | | | | 0 | 4,930 |
| DBS checks | 218 | 355 | 218 | 89 | 109 | 989 | 379 |
| Board meeting costs | | | | | | | 26 |
| Total | 3,518 | 5,755 | 3,518 | 1,439 | 1,759 | 15,989 | 17,335 |

The notes form part of these financial statements

9. NET INCOME/(EXPENDITURE)

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

| | 2021 | 2020 |
|--|--------|--------|
| | £ | £ |
| Auditors' remuneration | 15,000 | 12,000 |
| Auditors' remuneration for non-audit work (accountancy services) | 0 | 4,930 |
| Depreciation - owned assets | 85,077 | 74,078 |
| Operating lease charges | 7,207 | 10,741 |

Depreciation was directly allocated to activities as follows:

| | 2021 | 2020 |
|--|---------------|---------------|
| | £ | £ |
| Raising donations and legacies | 5,692 | 5,698 |
| Dog training | 13,836 | 16,358 |
| Assistance dog placement and aftercare | 13,836 | 16,358 |
| Education and awareness | 1,897 | 1,899 |
| Volunteer liaison | 1,897 | 1,899 |
| Management | 47,919 | 31,866 |
| | <u>85,077</u> | <u>74,078</u> |

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31st March 2021 nor for the year ended 31st March 2020.

Trustees' expenses

There were no Trustees' expenses paid for the year ended 31st March 2021 nor for the year ended 31st March 2020.

11. STAFF COSTS

| | <u>2021</u> | <u>2020</u> |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,208,704 | 1,138,969 |
| Social security costs | 91,442 | 94,591 |
| Pension costs | 44,150 | 74,596 |
| | <u>1,344,296</u> | <u>1,308,156</u> |

The average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was 43 (2020 - 35). Pension costs are allocated to activities and between restricted and unrestricted funds in proportion to the related staffing costs incurred. Included in wages and salaries is an amount of £2,908 relating to redundancy payments (FY20 – £Nil).

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

| | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| Raising funds | 4 | 3 |
| Dog training | 10 | 10 |
| Assistance dog placement and aftercare | 13 | 13 |
| Bio Detection research projects | 9 | 7 |
| Education and awareness | 3 | 3 |
| Volunteer liaison | 4 | 6 |
| Executive | 3 | 2 |
| Facilities | 3 | 3 |
| Finance | 4 | 4 |
| Human resources | <u>2</u> | <u>2</u> |
| | <u>55</u> | <u>53</u> |

The Key Management Personnel of the Charity are the Chief Executive Officer (CEO) and the Chief Operating Officer (COO). They received total remuneration including pension contributions, Employers' National Insurance contributions and benefits in kind of £184,013 (2020: £123,756).

During most of the previous financial year (2020) the COO post had been provided through Auxilium Advisers Limited with the costs (£69,824) of the relevant service contract being charged as Consultancy Fees. Note 20 gives further details of this related party contract. The service contract with Auxilium Advisers came to an end on 31st January 2020, and from 1st February 2020 the COO was directly employed by the Charity. Consequently, the total remuneration figure for 2020 and the table below includes the costs of the COO's remuneration for only 2 months, whereas the 2021 figure reflects the remuneration received by the COO for a complete accounting year.

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

| | 2021 | 2020 |
|-------------------|------|------|
| £80,001 - £90,000 | 1 | 1 |
| £60,000 - £70,000 | 1 | - |

12. FIXED ASSETS

| | Tangible Fixed Assets | | | |
|--------------------------------|------------------------------|-----------------------|----------------|--------------|
| | Freehold property | Fixtures and fittings | Motor vehicles | Total |
| COST | | | | |
| At 1 st April 2020 | 1,714,079 | 151,956 | 57,223 | 1,923,258 |
| Additions | 181,276 | 98,841 | - | 280,117 |
| Revaluation | - | - | - | - |
| Disposals | - | - | - | - |
| At 31 st March 2021 | 1,895,355 | 250,797 | 57,223 | 2,203,375 |
| DEPRECIATION | | | | |
| At 1 st April 2020 | 135,772 | 132,562 | 49,918 | 318,252 |
| Charge for the year | 37,944 | 51,941 | 4,905 | 94,790 |
| Disposals | - | - | - | - |
| At 31 st March 2021 | 173,716 | 184,503 | 54,823 | 413,042 |
| NET BOOK VALUE | | | | |
| At 31 st March 2021 | 1,721,639 | 66,294 | 2,400 | 1,790,333 |
| At 31 st March 2020 | 1,578,307 | 19,394 | 7,305 | 1,605,006 |

Additions to freehold property of £181,276 related to the cost of remedial works to the roof of the training centre, which had been damaged at the end of the previous financial year. The storm damage had necessitated an impairment adjustment of £185,233 in the FY 20 Accounts.

Included in the additions to fixtures and fittings for the year, was an amount of £37,536 representing the cost of adaptations to the Bio Lab facility specifically in connection with the Coronavirus detection research programme. This expenditure was funded out of grants made specifically for COVID-19 detection as referred to in note 18.

13. INVESTMENTS

| Name | Company registration number [1] (England and Wales) | Nature of business | Class of shares | % held directly | Result for the year | Capital and reserves |
|---|--|---------------------|-----------------|-----------------|---|---|
| MDD Enterprises Limited [2] | 08709010 | Dormant | Ordinary | 100% | - | £1 (2020: £1) |
| Millfield Greenway Business Park Management Limited [2] | 06312801 | Property management | Ordinary | 75% | Year ended 31 July 2020: £Nil (2019: £Nil) | Year ended 31 July 2020: £136 (2019: £136) |
| Canine Diagnostic Innovations Limited [3] | 12646135 | Dormant | Ordinary | 100% | - | £1 (2020: £1) |

[1] The registered office for all of the above companies is:
Unit 3, Millfield, Greenway Business Park Winslow Road Great Horwood Milton Keynes MK17 0NP

[2] The holdings in MDD Enterprises Limited and Millfield Greenway Business Park Management Limited are historic holdings which are now shown separately on the balance sheet. The cost of the investment in Millfield Greenway Business Park Management is £3.

[3] The holding in Canine Diagnostic Innovations Limited was acquired during the current year.

14. STOCKS

| | 2021 | 2020 |
|--------|--------------|--------------|
| | £ | £ |
| Stocks | <u>7,307</u> | <u>9,575</u> |

15. DEBTORS

| | 2021 | 2020 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Legacy debtors | 86,312 | 359,568 |
| Insurance recovery – buildings damage | 7,387 | 210,519 |
| Prepayments and accrued income | 24,663 | 113,740 |
| Other debtors | <u>98,958</u> | <u>41,471</u> |
| | <u>217,320</u> | <u>725,298</u> |

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 57,003 | 90,858 |
| Social security and other taxes | 23,219 | 30,750 |
| Accruals and deferred income | 63,959 | 31,625 |
| Current accounts with subsidiaries | <u>5</u> | <u>0</u> |
| | <u>144,186</u> | <u>153,233</u> |

17. LEASING AGREEMENTS

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

| | 2021 | 2020 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Within one year | 8,851 | 13,573 |
| Between one and five years | <u>6,496</u> | <u>16,820</u> |
| | <u>15,347</u> | <u>30,393</u> |

18. MOVEMENT IN FUNDS

| | At 1/4/20 | Net movement in funds | Transfers between funds | At 31/3/21 |
|-------------------------------|-------------------------|--------------------------|----------------------------|-------------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General fund | 3,199,084 | 815,660 | 37,536 | 4,052,280 |
| Restricted funds | | | | |
| Cancer studies | 12,753 | (4,445) | - | 8,308 |
| Name a puppy | 3,070 | - | - | 3,070 |
| Medical alert assistance dogs | 79,031 | 105,500 | - | 184,531 |
| Bio Detection (COVID-19) | - | 84,628 | (37,536) | 47,092 |
| Equipment | 5,656 | 4,816 | - | 10,472 |
| Bio Lab refurbishment | 13,800 | 340 | - | 14,140 |
| Regional development | 187,500 | 37,501 | - | 225,001 |
| | <u>301,810</u> | <u>228,340</u> | <u>(37,536)</u> | <u>492,614</u> |
| TOTAL FUNDS | <u>3,500,894</u> | <u>1,044,000</u> | <u>-</u> | <u>4,544,894</u> |

The transfer to the General Fund from the Bio Detection Fund of £37,536 represents the cost of adaptations to the Bio Lab facility specifically in connection with the Coronavirus detection research programme. This amount was also capitalised under fixtures and fittings as referred to in note 13.

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

| | Incoming resources £ | Resources expended £ | Net Movement in funds £ |
|-------------------------------|----------------------------|----------------------------|-------------------------------|
| Unrestricted funds | | | |
| General fund | <u>1,622,299</u> | <u>(806,639)</u> | <u>815,660</u> |
| Restricted funds | | | |
| Cancer Studies | 1,500 | (5,945) | (4,445) |
| Medical Alert Assistance Dogs | 268,438 | (162,938) | 105,500 |
| Bio Detection (COVID-19) | 727,007 | (642,379) | 84,628 |
| Equipment Fund | 7,000 | (2,184) | 4,816 |
| Bio Lab refurbishment | 340 | - | 340 |
| Regional Development Fund | <u>325,000</u> | <u>(287,499)</u> | <u>37,501</u> |
| | <u>1,329,285</u> | <u>(1,100,945)</u> | <u>228,340</u> |
| TOTAL FUNDS | <u>2,951,584</u> | <u>(1,907,584)</u> | <u>1,044,000</u> |

18. MOVEMENT IN FUNDS – continued
Comparatives for movement in funds

| | At 1/4/19 £ | Net movement in funds £ | Transfers between funds £ | At 31/3/20 £ |
|-------------------------------|------------------|-------------------------------|---------------------------------|------------------|
| Unrestricted funds | | | | |
| General fund | 3,497,966 | (298,882) | - | 3,199,084 |
| Restricted funds | | | | |
| Cancer studies | 40,667 | (27,914) | - | 12,753 |
| Name a puppy | 3,070 | | - | 3,070 |
| Medical alert assistance dogs | 47,815 | 31,216 | - | 79,031 |
| Bio Detection | 28,603 | (28,603) | - | - |
| Equipment | 14,308 | (8,652) | - | 5,656 |
| Bio Lab refurbishment | | 13,800 | - | 13,800 |
| Regional development | 247,425 | (59,925) | - | 187,500 |
| | 381,888 | (80,078) | - | 301,810 |
| TOTAL FUNDS | 3,879,854 | (378,960) | - | 3,500,894 |

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

| | Incoming resources £ | Resources expended £ | Net Movement in funds £ |
|-------------------------------|----------------------------|----------------------------|-------------------------------|
| Unrestricted funds | | | |
| General fund | 1,174,110 | (1,472,992) | (298,882) |
| Restricted funds | | | |
| Cancer Studies | - | (27,914) | (27,914) |
| Medical Alert Assistance Dogs | 117,320 | (86,104) | 31,216 |
| Bio Detection | 91,690 | (120,293) | (28,603) |
| Equipment Fund | 3,000 | (11,652) | (8,652) |
| Bio Lab refurbishment | 16,232 | (2,432) | 13,800 |
| Parkinson's Disease Study | 5,000 | (5,000) | |
| Regional Development Fund | 250,000 | (309,925) | (59,925) |
| | 483,242 | (563,320) | (80,078) |
| TOTAL FUNDS | 1,657,352 | (2,036,312) | (378,960) |

18. MOVEMENT IN FUNDS – continued

The Cancer Studies Fund is restricted to expenditure relating to cancer research.

The Name a Puppy Fund is restricted to expenditure relating to the training of named medical alert assistance dogs or cancer research dogs.

The Medical Alert Assistance Dog Fund is restricted to expenditure on training and placement of medical alert assistance dogs in specific circumstances.

The Bio Detection Fund receives donations specifically to fund new work on the detection of human diseases and other life-limiting medical conditions. During the year, all receipts and expenditure in this fund related to the canine detection of the Coronavirus in humans.

The Equipment Fund receives donations for and meets the cost of specific items of equipment, highlighted in fundraising campaigns.

The Bio Lab Refurbishment Fund will be put towards the cost of a planned refurbishment to the Bio Research Labs adjacent to the Training Centre. Plans for this capital project have been delayed as a result of activities being focussed on COVID-19 detection.

The Parkinson's Disease Study fund had been used to fund a research paper which, at the end of the previous financial year (2020), had been prepared in draft, subject to peer review. Further work on this study was suspended during the current year (ended 31st March 2021), whilst research activities have been prioritised to the detection of COVID-19.

The Regional Development Fund receives grants from the Postcode Animal Trust. The grants received during the year were intended by the donor to be put towards expenditure on the establishment and ongoing support of local volunteer-led community support groups throughout the UK including the costs of regional support instructors employed by the Charity. During March 2020 the Trust agreed to the relaxation of the stipulations for the use of the grant, which now can be used to support the work of Medical Alert Assistance Dogs more generally, with the exception that grants may not be applied towards work on bio detection.

19. CAPITAL COMMITMENTS

| | 2021 | 2020 |
|---|------|------|
| | £ | £ |
| Contracted but not provided for in the financial statements | - | - |

20. RELATED PARTY DISCLOSURES

Payments in respect of the provision of key management personnel services comprised £Nil (2020: £69,824) to Auxilium Advisers Limited. The Charity contracted with Auxilium Advisers Limited (Company number 09705627) to act as COO. This contract for the provision of the services of the COO came to an end on 31st January 2020 and from 1st February 2020 the COO was directly employed by the Charity.

An interest free loan of £12,000 was made to the Chief Executive Officer in 2017 for the purchase of a car. The balance owed to the Charity as at 31 March 2021 was £Nil (2020 - £290).

The aggregate amount of donations received by the Charity from Trustees, or their close relatives or related parties amounted to £1,244 (2020 - £3,144).

Millfield Greenway Business Park Management Ltd is 75% owned by the Charity. It manages certain common areas and shared works of the Millfield Greenway Business Park site. The company has minimal activity and a very low level of net assets.

21. COMPANY LIMITED BY GUARANTEE

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

22. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES (FY20)

| | Unrestricted fund | Restricted funds | Total funds |
|--|----------------------|---------------------|------------------|
| | £ | £ | £ |
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 1,059,542 | 483,242 | 1,542,784 |
| Other trading activities | 110,384 | - | 110,384 |
| Investment income | <u>4,184</u> | <u>-</u> | <u>4,184</u> |
| Total | 1,174,110 | 483,242 | 1,657,352 |
| EXPENDITURE ON | | | |
| Raising funds | 118,538 | - | 118,538 |
| Charitable activities | | | |
| Dog training | 305,427 | 121,450 | 426,877 |
| Assistance dog placement and aftercare | 382,677 | 309,925 | 692,602 |
| Bio Detection research projects | 299,900 | 120,293 | 420,193 |
| Education and awareness | 175,845 | - | 175,845 |
| Volunteer liaison | <u>190,605</u> | <u>11,652</u> | <u>202,257</u> |
| Total | 1,472,992 | 563,320 | 2,036,312 |
| NET INCOME | (298,882) | (80,078) | (378,960) |
| Transfers between funds | <u>-</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | (298,882) | (80,078) | (378,960) |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 3,497,966 | 381,888 | 3,879,854 |
| TOTAL FUNDS CARRIED FORWARD | <u>3,199,084</u> | <u>301,810</u> | <u>3,500,894</u> |

23. COMPARATIVES FOR THE BALANCE SHEET (FY20)

| | Unrestricted fund | Restricted fund | Total funds |
|--|----------------------|--------------------|------------------|
| | £ | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 1,605,006 | | 1,605,006 |
| CURRENT ASSETS | | | |
| Stocks | 9,575 | | 9,575 |
| Debtors | 725,298 | | 725,298 |
| Cash at bank and in hand | 1,012,438 | 301,810 | 1,314,248 |
| | <u>1,747,311</u> | <u>301,810</u> | <u>2,049,121</u> |
| CREDITORS | | | |
| Amounts falling due within one year | (153,223) | | (153,223) |
| NET CURRENT ASSETS | <u>1,594,078</u> | <u>301,810</u> | <u>1,895,888</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 3,199,084 | 301,810 | 3,300,894 |
| NET ASSETS | <u>3,199,084</u> | <u>301,810</u> | <u>3,500,894</u> |
| FUNDS | | | |
| Unrestricted funds | | | 3,199,084 |
| Restricted funds | | | 301,810 |
| TOTAL FUNDS | | | <u>3,500,894</u> |

Medical Detection Dogs
Reference and Administrative details
for the year ended 31st March 2021

Registered Company number

6399500 (England and Wales)

Registered Charity numbers

1124533 (England and Wales)

SC044434 (Scotland)

Principal and Registered office

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

Trustees serving during the year and up to the date of signing of these accounts

The Hon. Lady Duncan Smith (Chair) (resigned June 2021)
Clive Everest MA, FCA (Chair from June 2021) *
Dr Victoria Hordern BSc, MBBS, MD, FRCP
Andrew Keegan ACMA, CGMA* (resigned June 2021)
Dr Alan Makepeace BSc, MBBS, FRCR, FRCS(Eng), FRCS(Edin)*
Paul Steckler BSc (Hons)
Asvin Morjaria BAcc (Hons), FCA (appointed 3 December 2021)
Dr Siobhan Dennis MBiol, PhD (appointed 21 January 2022)

*Members of the Audit and Risk Committee. Since June 2021 the responsibilities of this committee have been subsumed back into the main Board.

Honorary Treasurer

Andrew Keegan ACMA, CGMA (resigned June 2021)

Chief Executive and Chief Scientific Officer

Dr Claire Guest BSc (Hons), MSc HonDSc, DHP, BCAh, FRSA

Chief Operating Officer and Company Secretary

Andrew Whitby-Collins BA (Hons), FRSA (resigned July 2021)
Mark Rawden MBA, B.Sc (Hons), FRSA (appointed August 2021)

Independent Auditor

Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent, ME19 4JQ

HSBC Bank plc
22 West Street
Dunstable
Bedfordshire
LU6 1SY

Nationwide Building Society
Nationwide House,
Pipers Way,
Swindon SN38 1NW

Barclays Bank (from May 2021)
22-24 Upper Marlborough Road
St Albans
Hertfordshire AL1 3AL



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

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