

# Medical Detection Dogs

Report of the Trustees and Financial Statements

# 2023



## Report of the Trustees and Financial Statements 2023

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## Report of the Trustees for the year ended 31st March 2023

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

Since the Charity's conception in 2008, Medical Detection Dogs (MDD) has shown remarkable growth and progress.

Our strategy to change the focus from our past work, which gained proof of concept that dogs can detect disease backed by robust empirical evidence, is progressing as planned. MDD is now concentrating on application of our knowledge, converting our research into tangible outcomes in the real world which save and transform peoples' lives. We are delighted to report we are making progress in focusing our work where we believe our dogs will make the most difference. We look forward to continuing our journey and are excited about this new chapter.

Our activities in the year to March 2023 continued to be adversely affected by the difficult economic and fundraising implications of a post pandemic landscape, which resulted in a significant drop in income compared to the prior year, especially for Bio Detection research. This has presented us with many operational and financial challenges, but we have also learned a great deal about optimisation of our internal processes, and possible new applications for our work during this period. We have used this opportunity to assess, restructure, and streamline to ensure the efficiency and effectiveness of our services, and to adapt to new ways of working and the opportunities and challenges that now exist. This has helped us make informed decisions about the progress that can be made in the short and longer term in delivering our charitable objectives and to map out our future direction. We have also invested in developing our fundraising team and activities to generate the vital income we need to maintain and grow our services.

We remain committed to training both Bio Detection and Medical Alert Assistance Dogs, amalgamating the knowledge from each to the benefit of both. Our earlier COVID-19 research proved that MDD trained dogs could find an infected individual very reliably with up to 94% accuracy. The success of this project led us seamlessly onto our current Community Medical Detection Dogs project. This new project looks to find a rapid and innovative canine screen for the elderly and individuals who are vulnerable to the start of potentially life-threatening urinary tract infections (UTI) caused by the bacteria E.coli. The synergies from the two strands of our activities make MDD unique and enables us to consider and implement more innovative and agile options such as this to help people. We are also extremely proud of our ability to refocus and use the knowledge we have gained from our COVID study for something that will save lives in the near future, whilst at the same time helping us prepare for future outbreaks of new viruses.

We continue to investigate ways to increase the number of lifesaving dogs that we can train and the partnerships we can support, and to expand our regional presence to reach and broaden the numbers of volunteers on whom we so heavily rely. The first step towards our long-term goal of being able to help people right across the UK will be to trial the model of a regional 'hub' consisting of trainers, instructor, fundraiser and volunteer co-ordinator. If successful we would look to set these up nationally, although progress has currently been curtailed due to funding constraints.

Our Medical Alert Assistance Dog (MAAD) programme has continued to work to build back after a number of placements were sadly lost during the pandemic lockdowns. We have continued to rebalance our resources with the aim that MAAD will return to pre COVID levels of placements, and are investigating ways of improving our approach so we can place more dogs for lower cost, including a pilot on providing structured and standardised training support for individuals who wish to self train their own dogs to reach the approved level for assistance dog accreditation. Excitingly, with the support of the People's Postcode Lottery, MDD commissioned an independent economic impact assessment validating the true impact of our assistance dogs. This has been completed and demonstrates clearly the enormous benefits our assistance dogs deliver to their partners, as well as the significant savings they make for the NHS. This will assist us in our decision making in placing dogs where they will make the most difference, based on clinical need and where there is no viable diagnostic alternative in the near future. It will also assist us in discussions with stakeholders and future funders.

Whilst improved technology has reduced our placement of dogs with individuals with Type 1 diabetes, as many now have access to continuous glucose monitoring, our waiting list of individuals with the condition Postural Orthostatic Tachycardia Syndrome (PoTS) has significantly increased. Our research has indicated that the early warning that our dogs give prior to a PoTS attack significantly reduces the chance of injury. We have increased the awareness of this service and have had significant media interest in the amazing accuracy of our dogs to detect these otherwise undetectable incidents.

## Report of the Trustees for the year ended 31st March 2023

The pandemic significantly affected many of our Bio Detection collaborators, particularly NHS trusts, but we are pleased to report that a number of these studies have now reopened. We believe we are nearing the completion of our work with our partners at Massachusetts Institute of Technology (MIT) and the University of Texas in El Paso to accelerate the development of a biosensor for the detection of prostate and other cancers. This could lead to genuinely world-changing tools for the detection of a range of cancers and other diseases. The final stage of the Pseudomonas research with Imperial College London is still underway and we are moving towards the hope of a non-invasive screen for individuals with Cystic Fibrosis.

Fundraising for Bio Detection research however in the current environment remains a significant concern for the Charity. Without specific funds to pay for projects the Charity has limited resources from other sources to continue this life-saving research. As a result the Charity has reluctantly taken the decision in the short term to significantly limit its Bio Detection work in areas other than where committed external funds are available, until the financial position changes. The Charity is seeking to ensure we do not need to reduce further the activity levels in Bio Detection as increasing capacity again can take considerable time to rebuild experience of trainers and dogs.

During the past year the Charity has continued to develop and consolidate, improve, and update our processes and structure to delivery our strategy in the difficult environment of a post pandemic world. We have restructured internally to create a new Senior Leadership Team, appointing Heads of Department across the Charity to increase our impact. This structure has replaced the previous model of having a Chief Operating Officer. We have also enhanced our IT infrastructure, enabling MDD to have fit-for-purpose hardware and software solutions to support the organisation's efficiency and security.

The considerable achievements of Dr Claire Guest and of the Charity were recognised by her being deservedly awarded the Order of the British Empire in the King's Honours List in July 2023.

As ever, we thank our donors, staff, and volunteers for their continued support during these challenging times, remember those individuals who have supported the Charity in the past and look forward to updating you on progress made in these exciting projects over the coming year.



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

Clive Everest  
Chairman of Trustees



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

Claire Guest OBE  
Chief Executive and Chief Scientific Officer



# Report of the Trustees for the year ended 31st March 2023

### 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, including, since March 2020, COVID-19 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 peer reviewed research papers, continued our research into the ability and feasibility of dogs to be used in a 'passive' screening model i.e., dogs screening several people at a time for the virus COVID-19, and reviewed the possible applications of this model to other diseases and conditions. We have continued to progress our project to train dogs to work in community settings, where we aim initially to research the detection of urinary tract infections (UTI) caused by the bacteria E-coli. Our trained medical alert assistance dogs are continuing to have significant success in supporting individuals who suffer from a range of conditions, particularly PoTS.

### Background to our work

The aim of the Charity is to train specialist dogs to detect the odour of human disease. Dogs are renowned for their sense of smell. For centuries doctors have known diseases have characteristic odours which dogs may be able to detect. It is well established that cancer cells release small amounts of volatile substances and therefore our Cancer Detection Dogs are trained to detect these volatiles. We hope that this collaboration and programme of research will enable scientists to develop an early cancer screening system to improve patient care.

The Charity has its own premises and employs its own staff. MDD also has access to professionals in a number of relevant healthcare and scientific fields (e.g., cancer specialists, medical statisticians, general practitioners) who provide advice and services on a voluntary basis. The Charity uses its own funds to conduct high quality research studies tailored to the optimum way that the dogs work.

The association between humans and dogs is long and close. Throughout history, dogs have fulfilled a whole range of different functions and the number and diversity is continually expanding. Whilst traditionally dogs have been trained to hunt, herd and guard, more recently canine roles have grown to a range of medical support and disease detection tasks.

As medical usage expands, it is imperative that the value of these dogs is objectively assessed, their potential capabilities are optimised, and we use these abilities to further our understanding of the diseases in question. MDD is the leading charity training dogs, pioneering both medical assistance and disease detection. The training is committed to carrying out empirical research to improve operations and to inform future medical technologies.

To further this aim, MDD are currently working on a range of NHS approved clinical trials, exploring dogs' ability to locate urological cancers – with a promising prostate cancer trial ongoing. MDD have also researched the volatile detection of a number of conditions including COVID-19, Parkinson's disease and Pseudomonas bacteria.

The other arm of MDD, Medical Alert Assistance Dogs (MAAD), uses olfactory alerting ability for day-to-day support for people living with chronic conditions. Historically, the majority of partnerships were trained alert dogs living with people suffering from aggressive Type 1 Diabetes. With advances in technological detection for diabetes, more recently partnerships have been for other chronic conditions including Addison's disease and more recently PoTS.

MDD have also trained dogs to alert to minute airborne levels of nut allergens, which can trigger life-threatening anaphylactic episodes in their nut-allergic clients.

## MEDICAL DETECTION DOGS

### Report of the Trustees for the year ended 31st March 2023

The potential for dogs to assist in the development of electronic systems to identify the volatiles associated with disease is now being harnessed. We are working in collaboration with quantum physicists at the Massachusetts Institute of Technology (MIT) to assist in the creation of the algorithms which will inform machine learning through Artificial Intelligence.

#### 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 (hypoglycemia). The dogs are trained to be highly sensitive to glucose levels, 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 alert to high blood sugars at the level chosen by the client (normally above 10 to 12 millimoles per litre).

Historically clients with diabetes made up the majority of our assistance dog partnerships. However, due to improvements in technology now available for the monitoring of blood sugar, the future of close diabetes management lies with emergent technology. Most individuals can now use a self-scan libre device and continuous glucose monitoring giving them the ability to manage their blood sugars without the need of a dog. Medical detection dogs are therefore no longer required by the same number of individuals.

Our previous work investigating and expanding the range of conditions that we are able to train dogs to help including Addison's disease, Postural Tachycardia Syndrome (PoTS), Mast Cell Activation Syndrome, narcolepsy, pain seizure and idiopathic pancreatitis has meant that we now have clear direction and scope to focus our attention on those individuals with whom we believe our dogs can have the greatest impact.

We are currently placing the majority of our dogs with clients who have severe PoTS and associated conditions. PoTS is a condition where there is currently no available warning system for an impending collapse which then results in injury and often 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, 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.

#### BIO DETECTION RESEARCH

Our Bio Detection Research is at the forefront of innovative research into dogs' ability to detect the smell of human diseases and save lives. Our work is focused on understanding how our highly trained dogs can expand the world of diagnosis through the recognition of volatiles. We are confident that dogs will be able to help scientists and medics develop faster and cheaper ways to detect diseases, such as cancers, neurological diseases and bacterial infections much earlier than is currently possible.

##### Olfactory Detection Of Cancer By Dogs

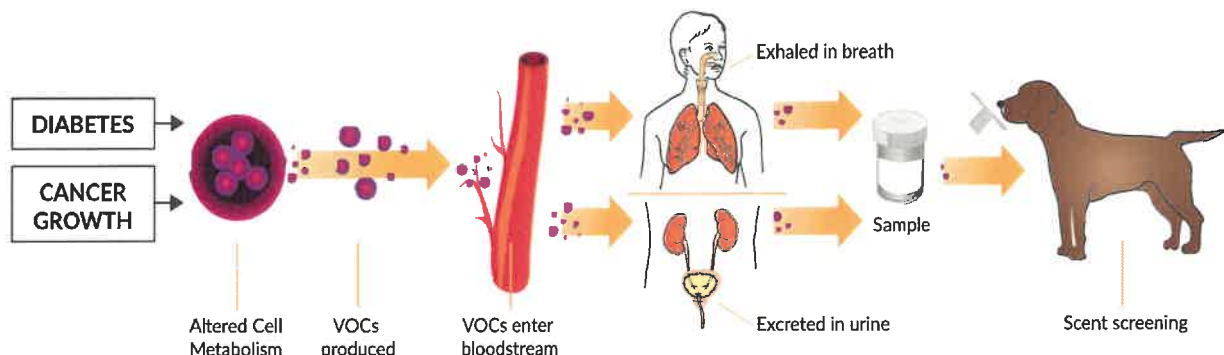
Following the inception of MDD over 15 years ago, and a number of anecdotal reports suggesting that dogs may be able to detect cancer based on the tumour's odour, we began our work in Bio Detection Research.

In 2003, Dr John Church (an early Trustee of Medical Detection Dogs) and Dr Claire Guest brought together a team of clinicians, dog trainers and scientists to conduct a randomised, double-blind "proof of principle" study using bladder cancer as the experimental model. The assumption was made that volatile molecules associated with the tumour would be released into the urine, thus allowing samples to be easily collected and presented to dogs for training and testing purposes. After seven months of training, six dogs underwent rigorous testing in a series of nine double-blind tests. This led to the first clinically robust trial on cancer detected by olfactory methods, and was published in the British Medical Journal (BMJ) in 2004.

## MEDICAL DETECTION DOGS

# Report of the Trustees for the year ended 31st March 2023

### An explanation of our Bio Detection work:



VOCs = volatile organic compounds

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.

There is clear evidence that elevated levels of a 'signature' of VOCs are associated with disease growth. Our research has shown dogs can be trained to detect these odours and identify the signature associated with cancer and other diseases. It is now well established that dogs can detect multiple diseases by associated odour.

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.

Medical Detection Dogs is currently working on two NHS approved clinical trials. Our urological cancer study with Milton Keynes University Hospital NHS Foundation Trust is reaching completion. Our colorectal cancer study in partnership with Hull and East Yorkshire Hospitals NHS Trust is investigating the potential of dogs to detect colorectal cancer accurately from urine samples. Colorectal cancer is the fourth most common form of cancer in the UK. Due to the invasive nature of the current screening process, only just over half of those offered will take it up. A non-invasive method that can detect the cancer at an early stage could both increase uptake of the screening and improve health outcomes.

### The future of our Bio Detection Research

Our work has led to the development of technology and associated Artificial Intelligence (AI) that is on the threshold of delivering an accurate, rapid and non-invasive test to diagnose cancer at an early stage, a test that would be offered to clinicians to use alongside existing diagnostic methods.

An increase in the ageing population, along with widespread screening for prostate-specific antigen (PSA), has contributed to a rise in diagnoses of early-stage prostate cancer. The majority of these newly diagnosed cancers are slow-growing and require no treatment. Identifying the aggressive ones however remains a major challenge for clinicians.

Following our learnings from our work during the COVID-19 pandemic, the focus of our Bio Detection Research is now on researching the use of dogs in community settings. Our 'passive search' work is a fast, accurate and non-invasive identifier of those individuals who should then go on to take a diagnostic, confirmatory tests. The first non-COVID work we are doing in this area is the detection of UTI caused by the bacteria E.coli. We expect early detection in these settings to lead to fewer hospital admissions from community settings, such as care homes, and prevent further infection or harm to vulnerable individuals as a result.



## Report of the Trustees for the year ended 31st March 2023

### ACHIEVEMENTS AND PERFORMANCE

#### Medical Alert Assistance Dogs

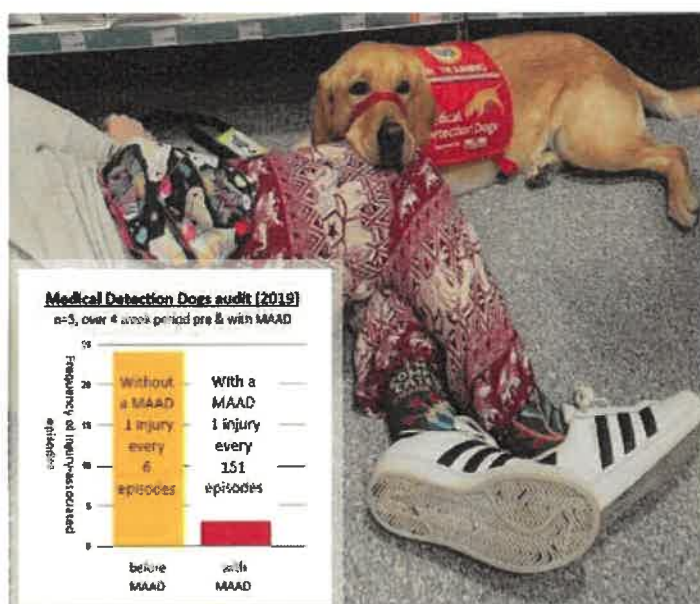
Following the reduction in placing assistance dogs necessitated by the pandemic, we have worked hard during this period to increase the number of our partnerships back to our earlier levels. Despite this we have a growing waiting list.

Our research has shown that before a PoTS 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 and their families but also reduces costs to the NHS.

During the 2022/23 year, we received welcome funding from the People's Postcode Lottery to help us demonstrate robustly that our dogs are not only beneficial to patients, but also provide significant advantages for healthcare funding systems and workforce, too. Healthcare consultancy, Mtech Access, performed an independent economic analysis of the benefits of Medical Alert Assistance Dogs (MAADs).

We wanted to examine the impact of our MAADs and their ability to support a person with PoTS to provide further insight into the anecdotal and subjective measurements we had collected. When applying for an assistance dog, clients are asked to keep a diary of episodes over a four-week period which enables us to assess the impact that their condition has upon their daily life. Once partnered with a MAAD, we routinely ask for data over a four-week period on an annual basis to ensure that the partnership is still effective and meeting the required Assistance Dog International standards for performance and welfare. We therefore conducted a longitudinal within subject comparison (where we continuously measure individuals over prolonged periods of time) of pre- and post-dog data, utilising the partnerships' latest record of episodes. We examined the number of syncope episodes (where individuals faint or pass out) as a whole, and the number of injury related episodes.

For this review we compared data from five clients pre and post partnership with their assistance dogs. All subjects were female with a mean age of 31.6 years and had been partnered with their MAAD for 2.2 years (mean - range 1 to 4 years). The total number of syncope episodes over a four-week period before receiving a MAAD was 149 episodes resulting in 24 reported injuries. This equated to one injury every 6 syncope episodes. Following the placement of a MAAD, the total number of reported episodes across a four-week period in five patients was 452, resulting in only 3 episodes with injury, equating to one injury in every 151 syncope episodes (fig 1). This is an 87% reduction in the frequency of injury related episodes when compared with the expected occurrence of injury projected for this number of syncope events (fig. 2).



Using this data and other published material, a health economics analysis performed by MTech Access indicated that, with the reduction in injuries, ambulance call outs and other associated health care use, placement of a MAAD can save the NHS £33,213 over the working lifetime of the dog (approximately 9 years). If quality of life measures are included, an estimated increase of 0.92 QALYs (Quality-Adjusted Life Years) per person will result in a net monetary benefit of £51,984.

Fig.1 – injury related episodes



## MEDICAL DETECTION DOGS

### Report of the Trustees for the year ended 31st March 2023

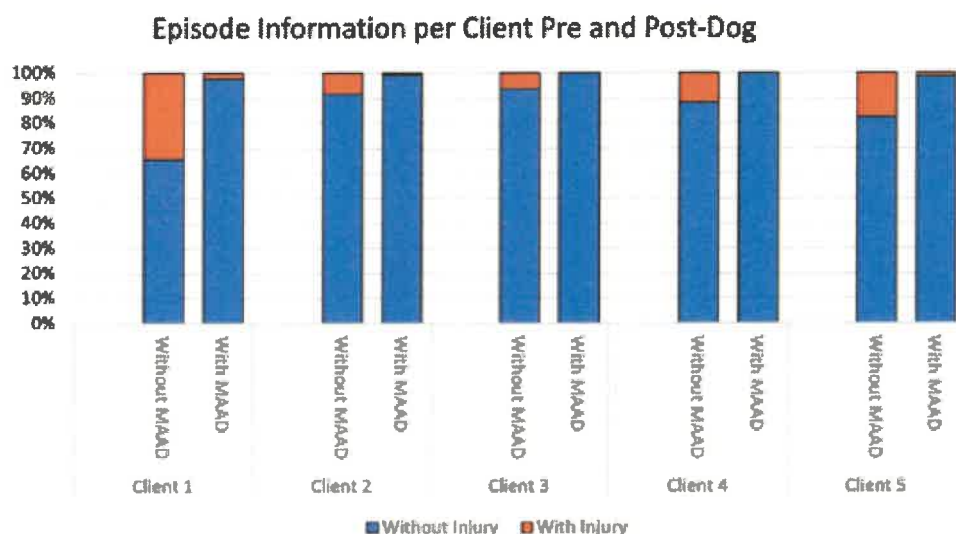


Fig. 2 Episode Information per Client Pre and Post-Dog

What is clear from the results of this analysis is that the use of MAADs reduces the frequency of injuries related to syncope events and therefore improve a person's quality of life.

#### MAAD Accreditation

We are proud that we've once again successfully met all the professional standards and requirements necessary to achieve accreditation from Assistance Dogs International. Every 5 years we have a very thorough inspection of all elements of our work by highly skilled assessors who look at everything from our dog welfare standards to our documentation. Our inspection report started that 'Without hesitation Medical Detection Dog deserves to pass the reaccreditation'.



## MEDICAL DETECTION DOGS

### Report of the Trustees for the year ended 31st March 2023

#### Medical Detection Dogs



**19** puppies joined the MDD family



**563** people sponsored a puppy



**400** people making a regular monthly donation

**11** different breeds working as Bio Detection Dogs



**9** partnerships accredited



#### Medical Detection Dogs by numbers 22/23

**8** conditions being alerted to



**39** counties with MAAD dogs supporting clients

**28%** of own dogs working as MAAD dogs



**2** number of world records broken by Bio Detection Dogs



**81** new volunteers recruited



**527** volunteer talks done

**£46,546** raised

#### Placements per year:

23-24 – target **20**  
22-23 – **13**  
21-22 – **12**  
20-21 – **6**  
19-20 – **14**  
18-19 – **13**  
17-18 – **24**  
16-17 – **24**

#### Medical conditions for 22-23 placements:

Blood glucose – **6**  
PoTS – **2**  
Addisons – **2**  
Mast Cell – **2**  
NEAD – **1**  
**TOTAL - 13**

#### Active partnerships at end of each financial year:

FY22-23 = **72**  
FY21-22 = **78**  
FY20-21 = **78**  
FY19-20 = **85**  
FY18-19 = **82**  
FY17-18 = **81**

*Active partnerships remain at a consistent level, despite new placements each year, due to older partnership dogs retiring or sadly passing away.*



# Report of the Trustees for the year ended 31st March 2023

### Bio Detection Research

As a result of the pandemic, we had to put several of our Bio Detection projects on hold and make the decision to permanently close others to focus resources where we can have the biggest impact. We have focussed our attention on a smaller number of Bio Detection projects that can have a direct and tangible impact rather than continuing proof of concept research. 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, which started in 2021/22.

Dogs that received training using urine samples from patients with bladder cancer have demonstrated promise in the identification of various cancer types, including prostate, skin, and breast cancers. Our partnership with the renowned Massachusetts Institute of Technology (MIT) encompasses collaboration with quantum physicist Dr. Andreas Mershin to advance technologies aimed at harnessing the extraordinary olfactory abilities of dogs in the form of portable bio-electronic noses. By employing cutting-edge AI technology, a device comparable in size to a mobile phone can learn to distinguish a unique "cancer scent," rather than depending solely on pre-programmed knowledge about different molecular compositions. Our work with Dr Mershin continues, and we're excited to be a part of these cutting-edge technology innovations.

During the 2022/23 year, we finalised our COVID-19 research. Following our Phase 1 research which proved that MDD trained dogs could detect whether an individual was infected with COVID-19 with up to 94% accuracy. We ceased work on our passive 'people search' for COVID-19 detection following the successful vaccination program rolled out in the UK, and the mutated strain becoming more transmissible, but generally less life-threatening.

Our COVID-19 projects lead us seamlessly onto our Community Medical Detection Dogs project, first focussing on E.coli. This is work which we believe will make a real difference. We take immense pride in our capacity to adapt and apply our acquired knowledge toward immediate life-saving measures, all the while equipping ourselves to better handle potential future viral outbreaks, including those akin to COVID-19.

Our E.coli Community Medical Detection Dogs project is the focus of our Bio Detection Research work for 2023/24. Detecting UTI's caused by the bacteria E-coli is work which is planned to reduce hospital admissions for vulnerable groups in community settings. Rapid detection in these settings will prevent the need for testing by the NHS once symptoms present. Our aspiration is that by avoiding primary care admissions, we can contribute to the prevention of further infections or harm among these vulnerable individuals.

We are also in the preliminary phases of understanding whether these search methods can assist with the early detection of other bacterial infections such as MRSA.

We're delighted that one of our Bio Detection Dogs, Asher, won the Rescue Dog Hero category in the Kennel Club Hero Dogs awards and was a finalist for the Hero Dog award at Crufts this year.

Asher, a ten-year-old Cocker Spaniel, was taken on by Medical Detection Dogs as a rescue, having been rehomed multiple times by the age of three. He was deemed 'naughty' and 'neurotic', but it was soon realised he just needed to be busy. Asher happily found a home, and a life-saving job, with our CEO Dr Claire Guest.

"Asher is just the sort of dog we love," says Claire. "The reason he was bouncing off the walls is that he just wanted to 'do'. We give them something to do!"

Before his retirement this year, Asher was one of the most experienced members of the Bio Detection team at the organisation and played a huge part in helping to prove that dogs can detect the odour of disease and be a fast, accurate and non-invasive method of diagnosis. Asher has supported MDD's work on Parkinson's disease, malaria and COVID-19.



Bio Detection Dog, Asher



## Report of the Trustees for the year ended 31st March 2023

### 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 31/03/2022 and 31/03/2023)

Canine Diagnostic Innovations Limited  
12646135 (England and Wales) incorporated 4th June 2020  
(Dormant for the year ended 31/03/2022, but active for the year ending 31/03/2023)

The Charity has commissioned its Bio Detection Disease Research services via Canine Diagnostic Innovations Limited ("CDI Ltd") during the year ended 31/03/2023. The limited number of transactions and the total value of the activity undertaken mean that CDI Ltd is entitled to Micro-entity accounts exemptions under the Companies Act. No liabilities exist in CDI Ltd, and the entity is not ever expected to be loss making.

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.

The accounts report on the Charitable group containing wholly owned subsidiaries only and therefore do not consolidate Millfield Greenway Business Park Management Limited on the basis of immateriality.

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

# Report of the Trustees for the year ended 31st March 2023

## Governance

As part of our strategy the Trustees are seeking to develop and improve further the governance of the Charity to meet the demands arising from growth and increasing organisational maturity. Progress has been made during 2022/23 with the further strengthening of the Board through appointing two new trustees and the establishment of a formal Senior Leadership Team in place of a Chief Operating Officer.

## Remuneration Policy for Senior Staff

Remuneration for the Chief Executive and senior staff is reviewed by the Trustees. The review takes 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 Senior Leadership Team, principally the Chief Executive, who manage these risks on a day-to-day basis. The Charity operates a risk register, prepared in line with Charity Commission guidance, which it considers, reviews and updates at least annually at the Board.

Since 2020/21, the Board supplemented the formal quarterly Board meetings with approximately monthly meetings so that decisions could be taken more promptly as events impacting the Charity unfolded. As activities returned to more normal operations in 2022/23 these additional meetings have, as planned, reduced to more occasional meetings as situations demand.

## Principal risks and uncertainties

The following are the principal risks and uncertainties that were considered to be present at the end of 2022/23 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
<b>Insufficient income to operate sustainably, leading to a sustained reduction in free reserves</b>	<p>With the with pressures on the UK economy causing high inflation and cost of living concerns for individuals, the fundraising environment is anticipated to be extremely difficult for all charities.</p> <p>The Charity has established reserves which will support it in the immediate future, but we are aware that generating income will be challenging and that there are a number of areas where we need to invest to position the Charity to meet the next phase of its growth. As a result we are forecasting to need to draw significantly on these reserves in the next one to two years.</p> <p>We are looking to increase and diversify our income streams by enhancing and investing in our fundraising team and activities. Cost reduction measures have also been put in place through FY23 which will be sustained into FY24 and beyond.</p>

## Report of the Trustees for the year ended 31st March 2023

Risk	Actions
<b>Maintaining strong and effective relationships with key stakeholders such as research partners and major donors</b>	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 prostate cancer detection. We are investing in improving and enhancing our communications and relationships with these organisations and individuals to strengthen these links.
<b>Insufficient senior or key staff due to loss of or inability to recruit or retain key personnel.</b>	<p>Recruitment and retention is a major issue for all organisations at the moment. The cost of living crisis and shortage of available skilled personnel is a significant risk both for controlling costs and for maintaining the workforce needed to deliver.</p> <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. 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>Over the past year we have taken several positive steps to address this. Most notably the implementation of a Senior Leadership Team made up of seven key staff members, plus the CEO. This step is a substantial one as it moves the Charity away from having heavy or sole reliance on one or two individuals for the day to day running of operations.</p> <p>We are looking at succession planning and implementing a development pipeline to safeguard against the risk of losing key people. Given the specialised nature and scale of the Charity this represents a particular challenge in some departments, which we are beginning to actively engage in to determine the best way forwards.</p>
<b>Insufficient volunteers to support our service delivery</b>	<p>Like most charities, we rely heavily on a volunteers in many areas of our activities, from fundraising to support in delivering our charitable activities. There is currently a national shortage of volunteers to foster dogs which is beginning to impact on the number of dogs we can train and deploy.</p> <p>We are exploring other models for our MAAD work which do not require the use of any fosterers, without impacting on our core principle that all our dogs should live in homes, not kennels. Greater use of clients' own dogs might help us in this regard. We are also exploring the establishment of regional hubs which could allow us to target new geographic areas for recruiting fosterers.</p>



## Report of the Trustees for the year ended 31st March 2023

Risk	Actions
<b>Investment in Fundraising team to return the charity to a breakeven position</b>	<p>With the charity intentionally recording a deficit for the 2022/23 year (and with a similar projection for 2023/24), a deliberate and coordinated endeavor has been undertaken to increase the proportion of expenditure spent on fundraising activities and related initiatives.</p> <p>With this investment, it is important that the additional expenditure works to yield an increase in our underlying income, and returns the charity to a breakeven position.</p> <p>This supports the overarching objective to return the charity to a state of equilibrium, where underlying income matches underlying expenditure.</p>
<b>Reduction in Bio Research funding and pressures on our NHS partners</b>	<p>During the COVID-19 pandemic, our Bio research team was the focus of the charity and received a high number of donations supporting research into how canine detection could support the UK during the pandemic.</p> <p>Following this period, there has been a significant reduction in the funding available for Bio research projects. This is supplemented by increasing pressures on the NHS, narrowing the ability of NHS Trusts to collaborate with us on research works as their resources are diverted towards front line support.</p> <p>As a result we have reduced the balance of resources allocated to our Bio research department. We expect the current, reduced size of the team to continue until funding for future projects is secured. A risk exists that if the team size needs to be reduced further that the cumulative knowledge and expertise in Bio research, which has been built up over many years, is lost in the short term. This loss of knowledge and team experience would take 18 months or more to replace.</p>



## Report of the Trustees for the year ended 31st March 2023

Risk	Actions
<p><b>Compliance with DBS and Safeguarding standards</b></p>	<p>It is vital that MDD maintains its high standards with regards to safeguarding the vulnerable people we support.</p> <p>As such an ongoing review and renewal of Disclosure and Barring Service (DBS) policies, procedures and checking for all staff and volunteers who encounter vulnerable individuals is in place.</p> <p>Similarly we review all our safeguarding training: all staff delivering our work which MDD has identified as meaning they may have contact with vulnerable adults or children must achieve Level 2 safeguarding training standards (with any other member of staff maintaining Level 1).</p> <p>A leadership structure is in place to oversee the maintenance of safeguarding standards, which includes a Trustee safeguarding lead, as well as an employee lead who sits on the Senior Leadership Team.</p>
<p><b>Data quality improvement</b></p>	<p>To enhance our fundraising capabilities, we acknowledge the imperative of maintaining a robust level of data quality, specifically curated for fundraising purposes, all the while upholding GDPR compliance in the handling of this information.</p> <p>Our commitment to staff proficiency in database systems remains, and is upheld through ongoing training of relevant staff. Additionally, we have undertaken an evaluation of historical data via a data cleansing assessment. While we adhere to all GDPR protocols, further measures can be taken to consistently elevate the quality of our fundraising data. This, in turn, will enable our data to drive decision making.</p>
<p><b>Cyber security and loss of information risk</b></p>	<p>As technology continues to evolve, the demand for an accelerated rate of progress to remain in step, as well as the potential risks linked to not embracing this change, become more pronounced. Cyber security attacks are becoming more regular across all organisations and can have an enormous adverse impact.</p> <p>MDD has recently invested in our IT infrastructure to bring us in line with similarly sized organisations, enabling our staff to work efficiently and effectively, whilst also future proofing the Charity for expected technology developments.</p> <p>In order to continually move with these developments we employ a dedicated IT expert within the charity, and have moved many of our support systems to a dedicated IT support partner.</p>

# Report of the Trustees for the year ended 31st March 2023

### Related Party Transactions

With regard to related party transactions, a register of Trustees' interests is kept. Trustee meetings 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. The Board regularly reviews the range of skills and experience of the trustees and identifies any gaps to meet future needs.

During the year, Professor Meghana Pandit and Kelly Stafford joined the Trustee Board, bringing valuable experience from an NHS medical and administration perspective and Human Resources expertise. Following their appointment, Dr Victoria Holden, a long serving trustee, resigned from the main Board in March 2023. The Charity would like to thank her for her contribution over many years.

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 they confirm a willingness to serve) a decision concerning their 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 they must 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. We could not operate without their kind and generous assistance in many aspects of our work.

At the end of the year, the charity had 715 active volunteers (2021: 678).

### 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



## Report of the Trustees for the year ended 31st March 2023

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.

### FINANCIAL REVIEW

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 £1,889,035 (2022: £2,552,055) includes legacies of £258,405 (2022: £723,798). The net deficit for the year amounted to £605,956 (2022: £268,996 surplus) after expenditure of £2,494,991 (2022: £2,283,996).

The Charity budgeted for a deficit in 2022/23 to allow for investment in developing the processes and systems within the Charity and for expanding and redirecting the fundraising team. The final outturn was broadly in line with the budget, although the decline in income and the future forecasts for income indicated that the Charity could face considerable financial challenges over the next few years, caused by the presently very challenging fundraising environment for charities. The Charity has taken action to address this whilst seeking to maximise public benefit in both the short and long term: a deficit has therefore also been budgeted for 2023/24 but this has been reduced through a significant cost saving initiative that was initiated at the end of 2022/23, and is being sustained into 2023/24. The investment in the fundraising team is expected to begin to deliver benefits in 2023/24 but primarily to pay back from 2024 onwards. The Charity is taking steps to seek to ensure it remains in compliance with its free reserves policy and maintains a sustainable financial position for years to come. In the event of continuing financial pressures in the short term the Board have considered appropriate contingency plans.

At the end of the year, the Charity's net current assets amounted to £2,468,980 (2022: £3,005,037) of which £2,227,904 was held in cash and bank deposits (2022: £2,512,181).

### 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 2023 the Charity held freely available reserves of £1,836,541 equivalent to 9 months of expenditure for the forthcoming year (2022: £2,390,056 – 13 months). This level of reserves is at the top end of the target range. It is expected that free reserves will decrease further, but remain within the target range by March 2024 as the Charity has budgeted for a deficit year in 2023/24.

Restricted funds are unexpended funds that have been donated to the Charity with specific conditions attached as to their use. At 31 March 2023 these funds totalled £584,335 (2022: £594,746).

## Report of the Trustees for the year ended 31st March 2023

### 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.

We know that the cost of living crisis and economic recession will have a significant impact on our ability to raise funds for the foreseeable future and that our income will be adversely affected for some time. We therefore anticipate having to draw on reserves, which will in due course need to be restored. We will continue to invest in our fundraising team and to focus on engaging with our growing supporter network, many of whom have been very generous in response to our recent appeals for help. We are very grateful to the many individuals and charitable trusts who have shown their support for Medical Detection Dogs over the past year and are reliant on their continued support.

In the coming year we intend to focus heavily on increasing the number of MAADs placed with individuals who are in need of and applying for this support. The demand for assistance dogs continues to hugely outweigh our ability to train and place these dogs, and whilst funding is one of the blockers to our expansion, so is the number of volunteers who we have associated with our charity undertaking vital fostering and socialising our dogs.

With this in mind we also continue to plan for regional expansion to attract new sources of income and enable new pools of volunteers to work with us. We are also exploring a number of opportunities to partner with other organisations with aligned values to ours in order to enable and accelerate our expansion.

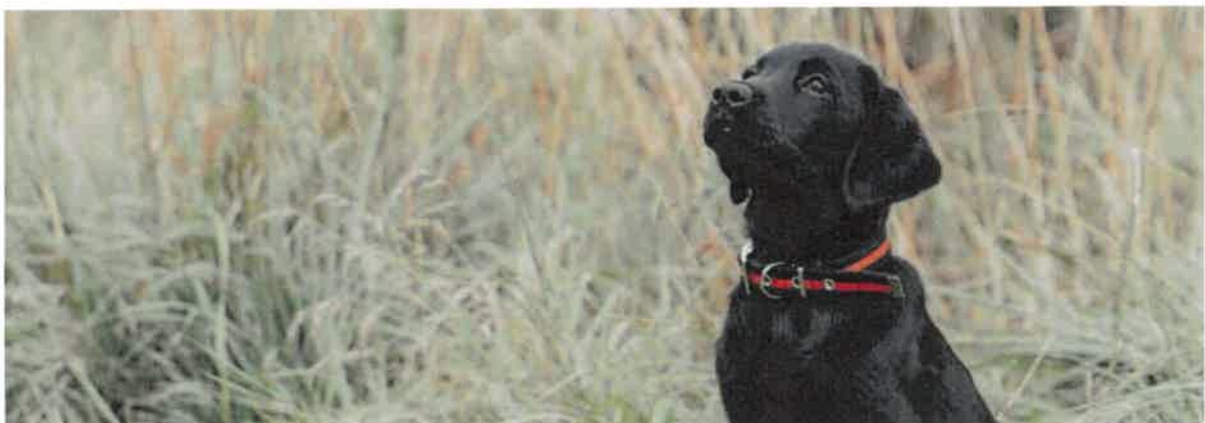
As mentioned earlier in this report, our Bio Detection Research department will work to optimise the community impact of our detection work, starting with E.coli detection in community care settings – a project which we are calling Community Medical Detection Dogs – utilising our learning from our work on COVID-19.

At the end of 2021/22 we began a project to investigate the potential commercial potential of our research; we have noted that commercial possibilities identifiable are currently limited without taking time and resource away from our core purpose. Though commercial opportunities will continue to be monitored, we no longer see this as something which could provide sustainable income streams in the short to medium term.

Internally we continue to focus our resources which are not used for dog training, research or placement on fundraising. The utilisation of our free reserves balance over the past year – bringing us back to within our planned free reserves level of 6-9 months – is planned to slow as the charity moves back towards a breakeven position.

Externally, we want to continue to be a prominent voice for Assistance Dogs International (ADI) and the wider industry. Influencing standards and being positioned to support and embed best practice across the sector.

We are excited about what lies ahead for the Charity and believe we have the foundations in place to continually increase our charitable impact over the short and longer term.



## Report of the Trustees for the year ended 31st March 2023

### 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.

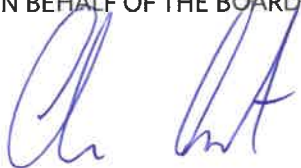
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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:



Clive Everest - Chairman of Trustees

19th October 2023



## Independent auditor's report to the members and the trustees

### Opinion

We have audited the financial statements of Medical Detection Dogs (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise consolidated statement of financial activities, group balance sheet, charity only balance sheet, consolidated 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 state of the affairs of the group and the parent charitable company as at 31 March 2023 and of the group's 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 regulations 6 and 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 group and parent 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 group or the parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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

## Independent auditor's report to the members and the trustees

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 group and parent charitable company and their 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 and the Strategic Report.

### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the trustees (who are also the directors of the parent 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 the 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 group and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as 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 group and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

## Independent auditor's report to the members and the trustees

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 group and parent 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 group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent 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 parent 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 parent 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.

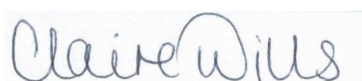
A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## Independent auditor's report to the members and the trustees

### Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the parent 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 parent 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 parent charitable company, the parent 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 LLP

Chartered Accountants

71 Queen Victoria Street

London

EC4V 4BE

Statutory Auditors

Date: 19 October 2023

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

# Consolidated Statement of Financial Activities for the year ended 31st March 2023

		Unrestricted fund	Restricted funds	2023 Total funds	2022 Total funds
	Notes	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	1,137,365	688,492	1,825,857	2,474,281
Other trading activities	4	47,985	-	47,985	63,663
Investment income	5	15,193	-	15,193	672
Government grants	5	-	-	-	13,439
<b>Total</b>		<u>1,200,543</u>	<u>688,492</u>	<u>1,889,035</u>	<u>2,552,055</u>
<b>EXPENDITURE ON</b>					
Raising funds	6	137,920	76,429	214,349	163,202
<b>Charitable activities</b>	7				
Dog training		354,490	174,141	528,631	420,812
Assistance dog placement and aftercare		571,073	318,383	889,456	810,751
Bio Detection research projects		474,376	27,093	501,469	535,131
Education and awareness		136,264	0	136,264	158,483
Volunteer liaison		<u>121,965</u>	<u>102,857</u>	<u>224,822</u>	<u>195,617</u>
<b>Total</b>		<u>1,796,088</u>	<u>698,903</u>	<u>2,494,991</u>	<u>2,283,996</u>
<b>NET INCOME</b>		(595,545)	(10,411)	(605,956)	268,059
<b>Transfers between funds</b>	18	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		(595,545)	(10,411)	(605,956)	268,059
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		4,218,207	594,746	4,812,953	4,544,894
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>3,622,663</u>	<u>584,333</u>	<u>4,206,996</u>	<u>4,812,953</u>

# Group Balance Sheet At 31st March 2023

		Unrestricted fund	Restricted funds	2023 Total funds	2022 Total funds
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12	1,738,013	-	1,738,013	1,807,911
Investments	13	4	-	4	5
		<u>1,738,017</u>	<u>-</u>	<u>1,738,017</u>	<u>1,807,916</u>
<b>CURRENT ASSETS</b>					
Stocks	14	5,992	-	5,992	10,648
Debtors	15	396,625	-	396,625	728,346
Cash at bank and in hand		<u>1,643,571</u>	<u>584,333</u>	<u>2,227,904</u>	<u>2,512,181</u>
		2,163,438	584,333	2,630,521	3,251,175
<b>CREDITORS</b>					
Amounts falling due within one year	16	(161,541)	-	(161,451)	(246,138)
<b>NET CURRENT ASSETS</b>		<u>1,884,647</u>	<u>584,333</u>	<u>2,468,980</u>	<u>3,005,037</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,622,663</u>	<u>584,333</u>	<u>4,206,996</u>	<u>4,812,952</u>
<b>NET ASSETS</b>		<u>3,622,663</u>	<u>584,333</u>	<u>4,206,996</u>	<u>4,812,952</u>
<b>FUNDS</b>					
Unrestricted funds	18			3,622,663	4,218,207
Restricted funds	18			584,333	594,746
<b>TOTAL FUNDS</b>				<u>4,206,996</u>	<u>4,812,952</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 19 October 2023 and were signed on its behalf by:



C M L Everest - Chair



S Dennis - Trustee

Company registration number 6399500



# Charity Only Balance Sheet At 31st March 2023

		Unrestricted fund	Restricted funds	2023 Total funds	2022 Total funds
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12	1,738,013	-	1,738,013	1,807,911
Investments	13	5	-	5	5
		<u>1,738,018</u>	<u>-</u>	<u>1,738,018</u>	<u>1,807,916</u>
<b>CURRENT ASSETS</b>					
Stocks	14	5,992	-	5,992	10,648
Debtors	15	396,625	-	396,625	728,346
Cash at bank and in hand		<u>1,643,571</u>	<u>584,333</u>	<u>2,227,904</u>	<u>2,512,181</u>
		<u>2,046,188</u>	<u>584,333</u>	<u>2,630,521</u>	<u>3,251,175</u>
<b>CREDITORS</b>					
Amounts falling due within one year	16	(161,541)	-	(161,541)	(246,138)
<b>NET CURRENT ASSETS</b>		<u>1,884,647</u>	<u>584,333</u>	<u>2,468,980</u>	<u>3,005,036</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,622,664</u>	<u>584,333</u>	<u>4,206,997</u>	<u>4,812,952</u>
<b>NET ASSETS</b>		<u><b>3,622,664</b></u>	<u><b>584,333</b></u>	<u><b>4,260,997</b></u>	<u><b>4,812,952</b></u>
<b>FUNDS</b>					
Unrestricted funds	18			3,622,664	4,218,207
Restricted funds	18			584,333	594,746
<b>TOTAL FUNDS</b>				<u>4,206,997</u>	<u>4,812,952</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 19 October 2023 and were signed on its behalf by:



C M L Everest - Chair



S Dennis - Trustee

Company registration number 6399500

## Consolidated Cash Flow Statement for the year ended 31st March 2023

	Notes	2023 £	2022 £
<b>Net cash (used in) provided by operating activities</b>	A	(246,340)	(35,371)
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(54,631)	(127,235)
Sale of tangible fixed assets		1,500	-
Investment income		15,193	672
<b>Net cash (used in) investing activities</b>		<u>(37,937)</u>	<u>(126,563)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(284,277)	(161,934)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>2,512,181</u>	<u>2,674,115</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>2,227,904</u>	<u>2,512,181</u>

# Notes to the Cash Flow Statement for the year ended 31st March 2023

## RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
<b>Net income for the reporting period (as per the statement of financial activities)</b>	(605,956)	268,059
<b>Adjustments for:</b>		
Depreciation charges	122,700	109,657
Loss on sale of fixed assets	330	-
Interest received	(15,193)	(672)
(Increase) / Decrease in stocks	4,656	(3,341)
(Increase) / Decrease in debtors	331,721	(511,026)
Increase / (Decrease) in creditors	(84,598)	101,952
<b>Net cash (used in) provided by operating activities</b>	<b>(246,340)</b>	<b>(35,371)</b>

## RECONCILIATION OF NET DEBT

	<u>As at</u> <u>1/4/2022</u>	<u>Cashflow</u>	<u>As at</u> <u>31/3/2023</u>
Cash at bank and in hand	2,512,181	(284,277)	2,227,904
<b>TOTAL</b>	<b>2,512,181</b>	<b>(284,277)</b>	<b>2,227,904</b>



# Notes to the Financial Statements for the year ended 31st March 2023

## 1. CHARITY INFORMATION

Medical Detection Dogs ('the Charity') 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 a charitable group. The charitable group consists of Medical Detection Dogs (the charity) and Canine Diagnostic Innovations Limited (CDI Ltd). CDI Ltd was dormant in previous years, but has been active during the year ended 31 March 2023. CDI Ltd has supplied the charity with Bio Detection Disease Research services. CDI Ltd is eligible to claim research tax credits on this activity. Please see note 13 for more details. The Charity's subsidiary Millfield Greenway Business Park Management Limited has net assets amounting to £136, and has 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.

## Notes to the Financial Statements for the year ended 31st March 2023

### ACCOUNTING POLICIES - continued

Research Tax Credit income is recognised when the likelihood of a successful claim being made to HMRC on eligible expenditure is probable and can be measured reliably. The first claim will be made in respect of the CDI Ltd activities for the year to 31 March 2023. This is awaiting approval from HMRC, and as such no income has been recognised in these accounts as the outcome is not yet deemed to meet the criteria above.

#### 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.

#### Research Tax Credits

The Charity's subsidiary CDI Ltd is eligible to claim Research Tax Credits (RTC) on its activities undertaken during the year. RTC are recognised when the likelihood of a successful claim being made to HMRC on eligible expenditure is probable and can be measured reliably. Where the likelihood of a successful claim being made to HMRC on eligible expenditure is deemed to be reasonably certain, a contingent asset will be recognised in the notes to the accounts.

#### 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.

## Notes to the Financial Statements for the year ended 31st March 2023

### ACCOUNTING POLICIES - continued

#### 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.

#### 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. Activities undertaken by the Charity's subsidiary, Canine Diagnostic Innovations Limited are taxable, but no tax is due for the year. Canine Diagnostic Innovations Limited is eligible for Research Tax Credits due to the research activities which it undertakes.

#### 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.

# Notes to the Financial Statements for the year ended 31st March 2023

## 3. DONATIONS AND LEGACIES – Charitable Group

	2023	2022
	£	£
Donations and grants	1,567,452	1,750,483
Legacies	<u>258,405</u>	<u>723,798</u>
	<u>1,825,857</u>	<u>2,474,281</u>

Income from donations includes donated dog food, dogs and equipment. The value of these donations to the Charity is estimated at £37,771 (2022 - £74,888) and is recognised within incoming resources as a donation and an equivalent charge is included in charitable activities.

As at 31 March 2023, the Charity was not aware of any entitlements to legacies (which did not fully meet the recognition criteria) other than that reported in the above figures.

The value of restricted legacies for 2023 is £15,000 (2022: £300,000).

## 4. OTHER TRADING ACTIVITIES – Charitable Group

	2023	2022
	£	£
Fundraising events	26,760	37,304
Merchandise sales	21,225	19,859
Consultancy	<u>-</u>	<u>6,500</u>
	<u>47,985</u>	<u>63,663</u>

## 5. OTHER INCOME – Charitable Group

	2023	2022
	£	£
<b>Investment Income</b>		
Deposit account interest	15,193	672
<b>Government Grants</b>		
UK Government: Job retention scheme grants	<u>-</u>	<u>13,439</u>

The government's Job Retention Scheme ended on 30 September 2021, so was not utilised during the financial year.



# Notes to the Financial Statements for the year ended 31st March 2023

## 6. RAISING FUNDS

### Raising donations and legacies – Charitable Group

	2023	2022
	£	£
Wages	164,425	124,254
Event costs	7,765	6,648
Travel	3,280	1,030
Online giving admin fees	9,831	9,318
Printing	1,026	1,386
Equipment under £1,000	5,568	1,642
Direct overheads – Deprecation Freehold Property	<u>5,957</u>	<u>5,700</u>
	<u>197,852</u>	<u>149,978</u>

### Other trading activities

	2023	2022
	£	£
Purchases of goods for resale	<u>16,667</u>	<u>13,224</u>

Aggregate amounts	<u>214,349</u>	<u>163,202</u>
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## 7. CHARITABLE ACTIVITIES COSTS – Charitable Group

Current year	Direct Costs	Support costs	2023 Total	2022 Total
	£	£	£	£
Dog training	356,774	171,857	528,631	420,812
Assistance dog placement	600,558	288,897	889,456	810,751
Bio Detection research	338,501	162,968	501,469	535,131
Education and awareness	91,819	44,445	136,264	158,483
Volunteer liaison	152,228	72,594	224,822	195,617
Total	<u>1,539,880</u>	<u>740,761</u>	<u>2,280,642</u>	<u>2,120,794</u>

Comparative year	Direct Costs	Support costs	2022 Total
	£	£	£
Dog training	281,584	139,228	420,812
Assistance dog placement	582,924	227,826	810,751
Bio Detection research	395,903	139,228	535,131
Education and awareness	101,527	56,956	158,483
Volunteer liaison	126,004	69,614	195,617
Total	<u>1,487,942</u>	<u>632,852</u>	<u>2,120,794</u>

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

## Notes to the Financial Statements for the year ended 31st March 2023

### 8. SUPPORT COSTS – Charitable Group

Current year	Management	Finance	Governance	2023 Total	2022 Total
	£	£	£	£	£
Dog training	163,620	575	7,662	288,897	139,228
Assistance dog placement	275,050	967	12,880	162,968	227,826
Bio Detection research	155,157	546	7,265	44,445	139,228
Education and awareness	42,315	149	1,981	72,594	56,956
Volunteer liaison	69,115	243	3,236	288,897	69,614
<b>Total</b>	<b>705,258</b>	<b>2,480</b>	<b>33,024</b>	<b>740,761</b>	<b>632,852</b>

Comparative year	Management	Finance	Governance	2022 Total	
	£	£	£	£	
Dog training	135,435	441	3,352	139,228	
Assistance dog placement	221,620	721	5,485	227,826	
Bio Detection research	135,435	441	3,352	139,228	
Education and awareness	55,405	180	1,371	56,956	
Volunteer liaison	67,718	220	1,676	69,614	
<b>Total</b>	<b>615,613</b>	<b>2,003</b>	<b>15,236</b>	<b>632,852</b>	

# Notes to the Financial Statements for the year ended 31st March 2023

## 8. SUPPORT COSTS (continued)

Support costs include the following governance costs:

### 2023

Governance	Dog training	Assistance dog placement	Bio Detection research	Education and awareness	Volunteer liaison	2023 Total
	£	£	£	£	£	£
Auditors' remuneration - Audit	7,603	12,782	7,210	1,966	3,212	32,773
DBS checks	58	98	55	15	25	251
Board meeting costs	-	-	-	-	-	-
Total	7,662	12,880	7,265	1,981	3,236	33,024

### 2022

Governance	Dog training	Assistance dog placement	Bio Detection research	Education and awareness	Volunteer liaison	2022 Total
	£	£	£	£	£	£
Auditors' remuneration - Audit	3,306	5,411	3,307	1,353	1,653	15,030
DBS checks	38	62	37	15	19	171
Board meeting costs	8	12	8	3	4	35
Total	3,352	5,485	3,352	1,371	1,676	15,236

# Notes to the Financial Statements for the year ended 31st March 2023

## 9. NET INCOME/(EXPENDITURE) – Charitable Group

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

	2023	2022
	£	£
Auditors' remuneration	25,663	15,030
Additional Audit fee in respect of 2022	7,110	-
Depreciation - owned assets	122,700	109,657
Operating lease charges	13,946	7,736

Depreciation was directly allocated to activities as follows:

	2023	2022
	£	£
Raising donations and legacies	5,753	5,700
Dog training	15,375	15,269
Assistance dog placement and aftercare	15,375	15,268
Education and awareness	1,918	1,900
Volunteer liaison	1,918	1,900
Management	82,361	69,620
	122,700	109,657

## 10. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31st March 2023 nor for the year ended 31st March 2022.

### Trustees' expenses

There were no Trustees' expenses paid for the year ended 31st March 2023 nor for the year ended 31st March 2022.



# Notes to the Financial Statements for the year ended 31st March 2023

## 11. STAFF COSTS – Charitable Group

	<u>2022</u>	<u>2021</u>
	£	£
Wages and salaries	1,419,454	1,334,447
Social security costs	131,184	110,646
Pension costs	63,162	48,187
	<u>1,613,801</u>	<u>1,493,280</u>

The average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was 46 (2022: 44). 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 £nil relating to redundancy payments (2022: £nil).

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

	<u>2023</u>	<u>2022</u>
Raising funds	5	4
Dog training, veterinary and welfare	9	9
Assistance dog placement and aftercare	11	13
Bio Detection research projects	11	11
Education and awareness	2	2
Volunteer liaison	4	4
Executive	3	4
Facilities	2	2
Finance	4	4
Information Technology	1	-
Human resources	<u>2</u>	<u>2</u>
	<u>54</u>	<u>55</u>

The Key Management Personnel of the Charity consists solely of the Chief Executive Officer (CEO) and Chief Operating Officer (COO) until the COO's departure in January 2023 (2022: CEO and COO for the full year). They received total remuneration including pension contributions, Employers' National Insurance contributions and benefits in kind of £180,376 (2022: £197,290).

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

	<u>2023</u>	<u>2022</u>
£80,001 - £90,000	1	1
£60,000 - £70,000	0	1

# Notes to the Financial Statements for the year ended 31st March 2023

## 12. FIXED ASSETS – Charity and Group

	<b>Tangible Fixed Assets</b>			
	Freehold property	Fixtures and fittings	Motor vehicles	<b>Total</b>
<b>COST</b>				
At 1 <sup>st</sup> April 2022	1,900,107	357,270	73,233	2,330,610
Additions	17,640	36,992	-	54,631
Disposals	-	-	(5,490)	(5,490)
At 31 <sup>st</sup> March 2023	1,917,747	394,262	67,743	2,379,752
<b>DEPRECIATION</b>				
At 1 <sup>st</sup> April 2022	211,718	248,422	62,559	522,699
Charge for the year	38,355	76,608	7,737	122,700
Disposals	-	-	(3,660)	(3,660)
At 31 <sup>st</sup> March 2023	250,073	325,030	66,636	641,739
<b>NET BOOK VALUE</b>				
At 31 <sup>st</sup> March 2023	1,667,674	69,232	1,107	1,738,013
At 31 <sup>st</sup> March 2022	1,688,389	108,848	10,674	1,807,911

# Notes to the Financial Statements for the year ended 31st March 2023

## 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 (2022: £1)
Millfield Greenway Business Park Management Limited [2]	06312801	Property management	Ordinary	75%	Year ended 31 July 2023: £Nil (2022: £Nil)	Year ended 31 July 2023: £136 (2022: £136)
Canine Diagnostic Innovations Limited [3]	12646135	Bio Detection Disease Research services	Ordinary	100%	£Nil (2022: Dormant)	£1 (2022: £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 (CDI Ltd) was dormant during the prior year, but has been active during the year ended 31 March 2023, and so is consolidated into the Group figures presented at this date. CDI Ltd is eligible to claim Research Tax Credits (RTC) on its activities undertaken during the year, which has been exclusively Bio Detection Disease Research services provided to its parent, Medical Detection Dogs. The results of CDI Ltd are summarised in note 23.

# Notes to the Financial Statements for the year ended 31st March 2023

## 14. STOCKS – Charity and Group

	2023	2022
	£	£
Stocks	<u>5,992</u>	<u>10,648</u>

## 15. DEBTORS - Group

	2023	2022
	£	£
Amounts falling due within one year:		
Legacy debtors	283,519	392,500
Prepayments and accrued income	24,410	232,670
Other debtors	<u>88,696</u>	<u>123,485</u>
	<u>396,625</u>	<u>748,655</u>

## DEBTORS - Charity

	2023	2022
	£	£
Amounts falling due within one year:		
Legacy debtors	283,519	392,500
Prepayments and accrued income	24,410	232,670
Other debtors	<u>88,696</u>	<u>123,485</u>
Net Intercompany Accounts – CDI Ltd	<u>-</u>	<u>-</u>
	<u>396,625</u>	<u>748,655</u>



# Notes to the Financial Statements for the year ended 31st March 2023

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

	2023	2022
	£	£
Trade creditors	64,628	172,520
Social security and other taxes	31,452	28,837
Accruals and deferred income	65,457	44,776
Current accounts with dormant subsidiaries	4	5
	<u>161,541</u>	<u>246,138</u>

## CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – Charity Only

	2023	2022
	£	£
Trade creditors	64,628	172,520
Social security and other taxes	31,452	28,837
Accruals and deferred income	65,457	44,776
Current accounts with subsidiaries	5	5
	<u>161,541</u>	<u>246,138</u>

## 17. LEASING AGREEMENTS

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

	2023	2022
	£	£
Within one year	14,096	12,833
Between one and five years	21,867	7,402
	<u>35,963</u>	<u>20,235</u>

# Notes to the Financial Statements for the year ended 31st March 2023

## 18. MOVEMENT IN FUNDS

Current year	At 1/4/22	Income	Expenditure	Transfers between funds	At 31/3/23
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	4,218,207	1,200,543	(1,796,088)	-	3,622,663
<b>Restricted funds</b>					
Cancer studies	8,308	-	-	-	8,308
Name a puppy	3,070	-	(3,070)	-	-
Medical alert assistance dogs	467,731	62,350	(168,740)	-	346,341
Bio Detection (COVID-19)	-	25,000	(25,000)	-	-
Equipment	5,637	2,441	(2,093)	-	5,984
Regional development	125,000	500,000	(500,000)	-	125,000
Bio Detection Dog sponsorship	-	88,700	-	-	88,700
Government Apprenticeship Levy Scheme	-	10,000	-	-	10,000
	594,746	688,492	(698,903)	-	584,333
<b>TOTAL FUNDS</b>	<b>4,812,953</b>	<b>1,889,035</b>	<b>(2,494,991)</b>	<b>-</b>	<b>4,206,996</b>

Comparative year	At 1/4/21	Income	Expenditure	Transfers between funds	At 31/3/22
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	4,052,280	1,435,585	(1,293,373)	23,715	4,218,207
<b>Restricted funds</b>					
Cancer studies	8,308	-	-	-	8,308
Name a puppy	3,070	-	-	-	3,070
Medical alert assistance dogs	184,531	373,550	(105,350)	-	452,731
Bio Detection (COVID-19)	47,092	232,251	(279,343)	-	-
Equipment	10,472	5,080	-	(9,915)	5,637
Bio Lab refurbishment	14,140	150	(490)	(13,800)	-
Regional development	225,001	475,000	(575,001)	-	125,000
Bio Detection Dog sponsorship	-	30,439	(30,439)	-	-
	492,614	1,116,470	(990,623)	(23,715)	594,746
<b>TOTAL FUNDS</b>	<b>4,544,894</b>	<b>2,552,055</b>	<b>(2,283,996)</b>	<b>-</b>	<b>4,812,953</b>

The transfer from the Equipment Fund and the Bio Lab refurbishment fund relates to the expenditure on these funds which was capitalised during the year.

# Notes to the Financial Statements for the year ended 31st March 2023

## 18. MOVEMENT IN FUNDS – continued

The Cancer Studies Fund is restricted to expenditure relating to canine cancer research (dogs detecting cancer in other dogs). This study is currently on hold and therefore no funds have been spent during the year.

The Name a Puppy Fund is restricted to expenditure relating to the training of named medical alert assistance dogs or cancer research dogs. These funds were not utilised in the year due to delays, but were utilised shortly after year end.

The Medical Alert Assistance Dog Fund is restricted to expenditure on training and placement of medical alert assistance dogs in specific circumstances. Funds being carried forward for Medical alert assistance dogs includes one large legacy of £315,000 which was notified during 2021/22. Expenditure against this individual legacy began in 2022/23, but is likely to continue beyond 2023/24. This fund also includes a £100,000 specifically restricted to undertaking a review of the Socio-Economic impact of the placement of medical alert assistance dogs. Some of this work was carried out during 2022/23, and it will be finalised during 2023/24.

The Bio Detection Fund COVID-19 fund for research works into the detection of COVID-19 has now been fully utilised.

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

The Bio Lab Refurbishment Fund was put towards the cost of a planned refurbishment to the Bio Research Labs adjacent to the Training Centre.

The Regional Development Fund includes funding received from the Peoples Postcode Lottery. The charity is working to establish a local presence in the regions around the UK. This work began in 2021/22 and is ongoing.

The Bio Detection Dog Sponsorship Fund is restricted to expenditure on the training costs of Bio Detection Dogs. The balance outstanding at the end of 2022/23 is all funding received for work on Community Medical Detection Dogs, which is in the planning phase. Work has commenced in 2023/24.

Apprenticeship levy funds are amounts donated by levy paying organisations who have not fully utilised their apprenticeship levy within the required timescale, and have donated their excess levy to Medical Detection Dogs to use for its own apprenticeship scheme which was launched in 2023/24. Funds received in 2022/23 will be utilised from 2023/24 onwards.

## 19. CAPITAL COMMITMENTS

	2023	2022
	£	£
Contracted but not provided for in the financial statements	<u>12,148</u>	<u>-</u>
	<u><b>12,148</b></u>	<u><b>-</b></u>

Capital commitments relate to works which were committed to as at year end, but did not take place until 2023/24. The full amount relates to the replacement of the waste management equipment at the Millfield Greenway Business Park site.

## Notes to the Financial Statements for the year ended 31st March 2023

### 20. RELATED PARTY DISCLOSURES

The aggregate amount of donations received by the Charity from Trustees, or their close relatives or related parties amounted to £nil (2022 - £nil).

CDI Ltd is 100% owned by the Charity. It has a balance owed by Medical Detection Dogs (for Bio Research services provided) for £338,501. There is a corresponding amount owed by CDI Ltd to the charity related to the Charity having paid costs for Bio Research on CDI Ltd's behalf.

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. RESEARCH TAX CREDITS – CONTINGENT ASSET

Research and Development (R&D) tax reliefs support UK companies working on innovative projects in science and technology. Companies are able to claim Corporation Tax relief if the project meets the standard definition of R&D. The work that qualifies for R&D tax relief must be part of a specific project to make an advance in science or technology.

The Charitable Group undertakes Bio Detection Research work which is eligible expenditure as part of Research and Development tax relief regulations.

The value of Research Tax Credits (RTC) is equal to the expected claim to be made to HMRC in this respect. Claims are made by CDI Ltd, a wholly owned subsidiary of Medical Detection Dogs. 2023 will be the first year in which the group is claiming for R&D tax relief, which it expects to receive as a reimbursement from HMRC.

As at 31 March 2023, the expected claim value refundable by HMRC is £110,013, based on qualifying research expenditure taking place between 1 April 2022 and 31 March 2023.

The claim for RTC has not been submitted to HMRC at the date of these financial statements, and therefore the criteria for recognising these funds have not been met. A contingent asset does exist in respect of RTC. The asset will be realisable if HMRC accepts the claim and funds are passed to CDI Ltd.



# Notes to the Financial Statements for the year ended 31st March 2023

## 23. CANINE DIAGNOSTIC INNOVATIONS LIMITED – RESULTS FOR THE YEAR

Canine Diagnostoc Innovations Ltd – Summary Profit and Loss Account For the period ended 31 March 2023		
	2023	9 Months to 31 March 2022
	£	£
Turnover	338,501	0
Cost of Sales	(338,501)	0
<b>Gross Profit / (Loss)</b>	<b>0</b>	<b>0</b>
Tax	0	0
<b>Profit (or loss) for the financial year</b>	<b>0</b>	<b>0</b>

Canine Diagnostoc Innovations Ltd – Summary Balance Sheet For the period ended 31 March 2023		
	2023	9 Months to 31 March 2022
	£	£
Called up share capital not paid	1	1
Prepayments and accrued income	0	0
<b>Total assets less current liabilities</b>	<b>0</b>	<b>1</b>
Creditors: amounts falling due after more than one year	0	0
<b>Total Net Assets</b>	<b>0</b>	<b>0</b>
<b>Called up share capital</b>	<b>1</b>	<b>1</b>

Intercompany debtor and creditor amounts owed to and from CDI Ltd and the Charity have been netted off within the CDI Ltd and Charity only accounts.

## Reference and Administrative details for the year ended 31st March 2023

**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

Clive Everest MA, FCA

(Chair)

Dr Alan Makepeace BSc, MBBS, FRCR, FRCS(Eng), FRCS(Edin)

Dr Victoria Hordern BSc, MBBS, MD, FRCP

(Resigned 3 March 2023)

Paul Steckler BSc (Hons)

Dr Siobhan Dennis MBiol, PhD

Julia McKechnie-Burke MA (Oxon), MBA, MInstF

Prof Meghana Pandit

(Appointed 3 January 2023)

Kelly Stafford FCIPD

(Appointed 3 January 2023)

**Chief Executive and Chief Scientific Officer**

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

**Chief Operating Officer and Company Secretary**

Mark Rawden MBA, B.Sc (Hons), FRSA

(Resigned January 2023)

**Company Secretary**

James Yianni BA, ACA

(Appointed October 2022)

**Independent Auditor**

Saffery LLP

71 Queen Victoria Street

London EC4V 4BE

**Bankers**

Barclays Bank

22-24 Upper Marlborough Road

St Albans

Hertfordshire AL1 3AL

CAF Bank Limited

25 Kings Hill Avenue

Kings Hill

West Malling

Kent, ME19 4JQ

# Medical Detection Dogs

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

[operations@medicaldetectiondogs.org.uk](mailto:operations@medicaldetectiondogs.org.uk)  
[www.medicaldetectiondogs.org.uk](http://www.medicaldetectiondogs.org.uk) | 01296 655888



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



**Assistance Dogs**  
INTERNATIONAL  
EUROPE (ADEU)



**Assistance Dogs**  
INTERNATIONAL



Registered with  
**FUNDRAISING  
REGULATOR**