

HEARING DOGS FOR DEAF PEOPLE

England & Wales · Charity number 293358

Details

Other names	HEARING DOGS FOR THE DEAF
Status	Registered
Legal form	Charitable company
Company number	01964878
Registered	1986-01-02
Register	View on the Charity Commission register

Contact

Address	Hearing Dogs For Deaf People The Grange Wycombe Road Saunderton Princes Risborough HP27 9NS
Phone	01844348100
Email	info@hearingdogs.org.uk
Website	www.hearingdogs.org.uk

Activities

Objects: THE ASSOCIATION'S OBJECTS ARE THE PROMOTION OF HEALTH AND THE RELIEF OF SICKNESS IN PARTICULAR BY TRAINING, PROVIDING AND SUPPORTING ANIMAL ASSISTED INTERVENTION IN THE RELIEF OF HUMAN DEAFNESS, DISABILITY, SICKNESS, SUFFERING OR DISTRESS, (SUFFERERS FROM SUCH CONDITIONS HEREIN AFTER CALLED "DEAF OR DISABLED PEOPLE") COLLABORATING WITH OTHER CHARITIES WHERE APPROPRIATE AND IN PURSUANCE OF THE FOREGOING CHARITABLE OBJECTS BUT NOT OTHERWISE.

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

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Animals
- **Who:** People With Disabilities

Geography

- Guernsey
- Ireland
- Jersey
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£16,410,564	£14,631,001	£27,737,699	226
2024-03-31	£13,104,836	£13,281,215	£25,795,539	218
2023-03-31	£12,090,484	£12,192,077	£25,180,373	216
2022-03-31	£13,698,117	£11,228,381	£25,516,243	200
2021-03-31	£12,282,376	£9,486,181	£22,424,723	176

Trustees

Name	Role	Appointed
Andrea Gordon		2025-11-18
Barry Stephen Downes		2018-02-13
Christina Margaret Patricia O'Donovan-Rossa		2018-11-07
Christopher Brocklesby		2025-11-18
Christopher Corbin		2025-11-18
Costas Skouras		2025-11-18
Dr Sarah Elizabeth Heath CCAB FRCVS		2021-05-11
Emily Martha Burness MBA		2021-05-11
Heather Self		2022-05-17
Paul Richard Gillman Davis		2022-05-17
Stephanie Verschoor		2025-11-18
Stephen Anthony Leslie Marshall		2024-07-16
Thomas Werner Bruno Schultz		2024-07-16

HEARING DOGS FOR DEAF PEOPLE

England & Wales - Charity number 293358

Accounts



HEARING DOGS FOR DEAF PEOPLE
(A COMPANY limited by guarantee)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2025

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

HEARING DOGS FOR DEAF PEOPLE
THE TRUSTEES' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

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HEARING DOGS FOR DEAF PEOPLE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

CHAIR AND CEO'S INTRODUCTION

Our charity's vision is clear. Living well with hearing loss. It is this vision that has guided our work over the past year and remains our north star.

An estimated 1 in 3 people in the UK is deaf or has hearing loss¹. It is likely that every person in the country is connected to someone who experiences hearing loss. Hearing loss often results in people feeling isolated and disconnected, losing confidence and independence. Our core focus is to support people to rebuild connection, companionship, and confidence through our trained hearing dogs and our practical and emotional support services.

We rely entirely on public donations and our work would not be possible without the many individuals, companies, and foundations, who support the charity because they want to make a difference. To these people, we offer a sincerely heartfelt thank you for their continued support.

The world around us is rapidly changing. We are experiencing political and economic volatility, as well as facing fundamental changes in the delivery of social care. As with all charities, this external environment challenges both our service delivery as well as our finances. It is both essential that the Charity remains abreast of this impact on the people we are here to support, in order that our services remain relevant, impactful, and efficient. As always, our ability to raise money is fundamental to our sustainability.

The Charity completed a full organisational review and strategy refresh during 2024. This resulted in a realignment of our capabilities and leadership to deliver. We will progress the strategy and embed these changes during 2025/6.

The review was supported by an objective external agency. It included extensive analysis of the external environment, a review of the strategies of like organisations, and a review of the needs of those who use or who might use our services.

We are intentional in not wanting to duplicate the work of others. Where available, we will support and signpost to other organisations. We will bridge the needed gaps in services to support those with hearing loss, particularly in the emotional and practical support area, where research evidences this to be much needed. We will:

- Create 200 new assistance dog partnerships annually, with 3-4% growth post-2027 and continue to support our more than 1,200 existing partnerships.
- Provide emotional and practical support services, information, and guidance. We will signpost to others where services are available and will support those organisations with relevant expertise and research where needed.
- Ensure all services are needs based and co-created with those who use our services. We will rigorously measure the impact of all services to ensure relevance, efficiency, and continuous improvement.
- We will work together with lived experience volunteers and other organisations to catalyse change in awareness, practice, and policy.

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2025

Much has been achieved during 2024 to underpin the strategy with the operational infrastructure required to deliver.

- We have aligned our internal structures and leadership to provide the capabilities and experience to deliver.
- We have worked together with the Board of Trustees to refresh the governance structure and have established key sub-committees to support each area of the Charity. A capabilities audit informed the need for new skillsets to support the new strategy and the recruitment for six new trustees is underway.
- We have designated investment in fundraising capabilities to mitigate a current high dependency on legacy income and to diversify our fundraising, seizing identified opportunities in high net worth and commercial funding.
- We have reviewed the status of our digital estate and capabilities to modernise and future-proof the Charity and to drive further efficiencies. We will seek funding and pro bono support from 2025 to help us to deliver a comprehensive digital roadmap.

People: our paid colleagues and our volunteers are our most important asset, without whom we would be unable to deliver our services. We continue to invest in our people, to build pathways for their continuous development and frameworks to enable co-creation and decision-making.

Of particular importance to us is our role in communities across the UK. It is here that we build connections, confidence, and companionship with and on behalf of those we support. Over the year ahead we will be doing more to strengthen the awareness of Hearing Dogs for Deaf People both nationally and locally.

During 2024/5, thousands of people have donated, volunteered, sponsored a hearing dog puppy, played our lottery or raffles, run marathons and taken on other fundraising challenges, bought from our online shop, supported us through their company or foundation, and more. Many have shared their personal experience of hearing loss to help us build awareness, support, and income through our storytelling. It has been a tremendously successful year for the Charity and our heartfelt thanks goes to each and every one of you who has made this possible.

We hope that you will continue to support us during the coming year and would love to hear from you.



Christina O'Donovan-Rossa
Chair of the Board of Trustees



Tracy Griffin
Chief Executive Officer

¹ RNID, Prevalence of deafness and hearing loss (<https://rnid.org.uk/get-involved/research-and-policy/facts-and-figures/prevalence-of-deafness-and-hearing-loss/>)

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2025

TRUSTEES' REPORT

The Trustees (who are also Directors of the Charitable Company for the purpose of Company law) present their annual report together with the audited financial statements for the year ended 31 March 2025.

Objectives, Aims and Activities

Charitable Objectives

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

The aims of the charity are reviewed each year by the Trustees. In 2024 we refreshed our aims:

'To offer greater independence, confidence and companionship to deaf people by:

- **the continued training of hearing assistance dogs and the creation of assistance dog partnerships**, based on need
- **the provision of emotional and practical support**, information and guidance, focusing on needs that are less well met by the wider sector; and
- **collaborating** with our service users, and relevant organisations and groups to catalyse change in awareness, practice and policy

To ensure that our work delivers the intended benefits, we will work to the following principles. We will:

- work together with our stakeholders to ensure our offer remains relevant, is informed by lived experience and continuously improves. We will be rigorously insight-led and impact driven;
- Facilitate peer collaboration as being the most effective way to co-create our services, build relevance, reach and impact;
- value connection and companionship and will reflect this in our service offer, in our media work and in our warm and welcoming brand-personality;
- collaborate with other organisations to increase our singular and our shared impact by supporting each other; and
- not duplicate the work of others, but we will signpost to others where they are set up to provide support, and we will encourage others to do likewise.

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2025

Our Vision, Mission and Values

Our vision

We have a vision of a world where anyone can live well with hearing loss.

Our mission

We rebuild connection, companionship, and confidence through our trained hearing dogs, and our practical and emotional support services; transforming the lives of people who are deaf or have hearing loss.

Our values

We celebrate individuality

Everyone is uniquely themselves. At Hearing Dogs, we prioritise the individual, personalising our interactions and support to suit their specific needs where we can. We believe in building relationships based on mutual respect, care, and open communication, taking the time to listen and to truly understand.

We build connections

We come together around a shared vision and set of common values. We create opportunities and foster genuine connections. By collaborating and combining our resources, we generate benefits that are both far-reaching and enduring. We remain receptive to new ideas and deeply appreciate individual experiences.

We unleash potential

We are committed to doing our utmost for those we support and for each other. We concentrate on finding solutions and speak up to effect meaningful change. We embrace curiosity and proactively seek opportunities to learn and to innovate. By holding ourselves and one another accountable, we foster an environment built on trust and respect.

We are always professional

We are guided by insight and a commitment to making a real difference. We listen to those we support and work alongside them to ensure our efforts are both meaningful and effective. By measuring our progress, we continuously refine and improve what we do. We prioritise the well-being of both the individuals we support and our dogs, backed by professional research and expertise.

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2025

Our impact in 2024/25

This year, we helped 3,197 people who are deaf or have hearing loss, through our specially trained hearing dogs and our practical and emotional support services; Hearing Link Services. A further 142,000 visitors accessed lived experience led hearing loss information through our website, including over 5,000 downloads of support information and video content;

All other activities, including fundraising, were carried out to support this programme and ensure we can continue to develop and grow our service offering in a unified way that is audience and needs-led.

Assistance dogs

Each hearing dog takes some 18-24 months to train. This year, we placed 142 dogs into a core role supporting a person who is deaf or has hearing loss. We placed a further 20 dogs into our breeding scheme.

1,116 hearing dog partnerships, including 48 dogs helping children, were supported throughout the UK, through in-person and digital one-to-one support from their dedicated Partnership Advisor, and access to supplementary online support resources designed specifically for those who are partnered with our dogs.

Emotional and practical support, information and guidance

Thousands of people received emotional and practical support, information and guidance through our Hearing Link Services. These included:

- 1,295 people who attended our Community Days, outreach drop-ins, or dog walks, for information, support and essential social interaction;
- 164 people benefitted from our Hearing Support Sessions and a further 88 people were supported through sessions held in our Hearing Hub at our southern training centre;
- 132 people were supported through our group support sessions held across the country and online; and
- 220 people accessed our Helpful Hours webinars.

Scotland

Hearing Dogs has three members of services team staff permanently based in Scotland, supplemented as necessary by management and staff from both the northeast of England and both the northern and southern training centres. There is an active dog training area around Edinburgh and Recipient support needs are covered by a partnership instructor who supports around 65 Scottish partnerships, while fundraising activities are undertaken by a full-time fundraiser based in the North of England and a local branch run by volunteers, with plans to appoint a Scottish based fundraiser in 2025. Fundraising activities include the generation of funds some of which are restricted for use in Scotland

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2025

Collaboration

We continued to collaborate this year with different groups and organisations that share our goal of helping deaf people and people with hearing loss, or who work in the assistance dog space. Two examples are our memberships of the Deafness and Hearing Loss Alliance and Assistance Dogs UK. Through both groups we have engaged on various issues via different committees and working groups to share insights and experience, and to collaborate on different areas of work, related to topics including assistance dog access rights, dog welfare and training, issues relating to hearing loss, and communications and campaigns.

This year we also began a research collaboration with Manchester Metropolitan University to develop a Relational Training Model that will improve the outcomes for hearing dogs in training and working hearing dog partnerships.

Lived experience stories

Sharing the lived experience of people who are deaf or have hearing loss, and those who volunteer and fundraise with us, is a vital part of our communications and fundraising activity. Over 50 people shared their stories with us this year and allowed us to tell them to our supporters and wider audiences. This not only helps us to raise valuable awareness of the charity and our cause but enables people to connect with the charity and our work.

We are hugely grateful those who share their stories, by doing so they leave a lasting memory and increased insight and understanding of the impact hearing loss can have for those struggling, and also the effect for their families, in all those that hear the volunteer's story.

[Impacts of Deafness](#) Telling these stories has prompted donations, supported our work with our corporate partners, helped drive our engagement on social media and through the press, and enabled our supporters to see the real difference their support makes.

Our people and culture

The charity employs 226 (2024: 218) members of staff who are involved in the labour-intensive process of creating and supporting hearing dog partnerships and supporting people affected by hearing loss. This equates to an average of 209 FTE staff (2024: 201 FTE) throughout the financial year and ended the year with a turnover rate of 11.5%. The charity had 236 staff as at 31 March 2025.

During the year we took the first steps to establishing a strengthened People and Culture team and a new strategy, reflecting the needs set out in our organisational strategy as well as those voiced from staff and volunteers. A new Internal Communications and Engagement function was created to support our organisational development and change activity.

Our HR Management systems continue to be improved in response to the needs of our growing hybrid, regional roles. 2024/25 saw the final stages of the installation of Sage People an HR management system.

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2025

Going forwards the priorities for people and culture will include growth and development opportunities, sustainable high performance with high support, and greater focus on inclusion and disability awareness. Investment in resources for the team will support this.

Pay policy

An annual pay review was undertaken with benchmarking data gathered from similar organisations and organisations in the wider working environment.

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

Our volunteers

All our services around the country are delivered with the invaluable help of volunteers. From training puppies and providing peer support to people with hearing loss, to fundraising and working in our grounds, they are all instrumental in our efforts to improve the lives of people who are deaf or have hearing loss.

The charity had 3,030 (2024: 3,083) volunteers as at 31 March 2025. The majority of volunteers 2,818 (2024: 2,827) have entered into a formal agreement with the charity. In addition, we have 212 micro volunteers (2024: 256).

During the year, 448 (2024: 451) volunteers ceased working with us, but we recruited 502 (2024: 435) new volunteers.

These figures are encouraging considering the nationwide downturn in formal volunteering reported by the Office of National Statistics and NCVO, plus related socioeconomic and lifestyle factors. However, due to these factors, recruiting volunteers, especially into long-term commitment roles, remains challenging.

The recruitment of full-time dog care homes remains of particular strategic importance to the charity, and as such we will be taking a cross-organisational approach to continue engaging and recruiting individuals who are right for this role on an ongoing basis.

Some notable recognition of our volunteers this year included an individual winning Time2Volunteer Award and a group of volunteers attending the Christmas Carol Service at Westminster Abbey at the invitation of our Royal Patron, HRH The Princess Royal.

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2025

Our fundraising

Our income this year was £15.1 million and includes £11.0 million donated to the charity through legacy gifts, £1.3 million raised for puppy sponsorship; other donations of £2.4 million included £1.5 million from corporate partnerships, Trusts and Foundations and philanthropy; and £0.9 million through community fundraising and events, which includes third-party fundraisers and income raised by our valued fundraising volunteers. We received £346,600 in gift aid.

Our income excluding legacies this year was £4.1 million (2024: £4.5m). This was down by 11% on last year. This reflects in part the national trend where the number of people that are donating or sponsoring someone for charity across the sector has seen a decline. Puppy sponsorship remained steady, but we received around £397,800 less in corporate donations, due to our two-year Charity of the Year partnership with Pets at Home concluding in 2023-24.

All fundraising activity is carried out to support our strategic goals around providing help and support to people who are deaf or have hearing loss. Every donation, sponsorship or gift in a Will is put to use as effectively as possible to help more deaf people.

Hearing Dogs for Deaf People is registered with the Fundraising Regulator, and we follow the Regulator's Code of Practice which sets out the standards members are expected to adhere to when raising money, taking all reasonable steps to protect vulnerable people from persistent approaches, unreasonable intrusion or undue pressure. In cases where volunteers fundraise on our behalf, we ensure our volunteers also abide by all relevant regulations and best practices.

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

During the financial year, the charity received no complaints requiring escalation by the Fundraising Regulator.

Our IT and systems team work diligently to ensure we retain a strong understanding of, and remain fully compliant with, GDPR requirements across fundraising and all other areas of our work.

Working in partnership

We continued to engage with, and work alongside, businesses that share our values and can help us achieve our strategic goals. Businesses we worked with in 2024/25 included Aviva, CVS, Hidden Hearing, Lakeshore Leisure, Specsavers, Kennelpak and Elite Hotels.

These businesses made donations, fundraised for us, enabled us to reach new audiences, and ran deaf awareness sessions with employees.

**HEARING DOGS FOR DEAF PEOPLE
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025**

The year ahead

All of our activity in the year ahead, and beyond, will be guided by our mission to help deaf people and people with hearing loss rebuild connection, companionship, and confidence.

We will continue training and partnering assistance dogs with deaf people and developing and delivering our emotional and practical support services.

We will invest in our new Service Design & Development team, drawing together activities around service and content design, lived experience co-creation and impact & insight.

We will embed our new Impact measurement framework, which will measure how well we are meeting our mission to build connection, companionship and confidence. This will increase our evidence-based decision-making process and help inform our service design methodology to ensure we are designing improvements with, and not for people.

We'll invest in and grow our fundraising capabilities, with the intention over time to reduce our dependency on legacies and assure our stability into the future.

We'll grow our networks and increase collaboration with other organisations and groups by sharing expertise, insights and the lived experience of our service users, to influence changes in awareness, practice and policy.

We will continue to invest in and develop our people; both our colleagues and our volunteers, who are instrumental in our ability to help deaf people and people with hearing loss.

We'll continue developing and actioning our digital, data and technology roadmap, alongside internal expertise, in order to keep abreast of the latest technologies and improve our efficiency and impact.

We will develop and strengthen our regional presence, across service delivery, dog training, volunteering recruitment and retention, fundraising, supporter stewardship and awareness and engagement.

HEARING DOGS FOR DEAF PEOPLE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

Financial review

The charity recorded a net excess of £1,942,160 (2024: £615,166 excess), of which gains on investments accounted for £162,597 (2024: £791,545 gains).

The primary reasons for the change in compared to the previous year are:

- 1) The value of legacies received and receivable increased by £3.8 million to £11.0 million (2024: £7.2 million).
- 2) This was offset by:
 - a. lower fundraising receipts (down by £0.5 million);
 - b. increases in payroll related costs by £0.6 million, due to salaries keeping pace with the cost of living and a small increase in the number of staff;
 - c. lower gains in the value of our investment portfolio of £0.2 million (2024: £0.8 million);
 - d. utilising the skills and expertise of consultants on specific areas of research to facilitate the development of our new strategy (£0.3 million)
 - e. higher depreciation charges (up £0.1 million)
- 3) Spend on charitable activities during the 2024/25 year increased by £1.1million.

Total income £16.4 million (2024: £13.1 million). The main change in the year relates to the increase in legacies received and receivable. We remain very grateful to all our supporters who provide us with the financial resources we need to continue to maintain and develop our work. Their many contributions are essential given that there is continuing demand for the charity's hearing dog and hearing loss services for which it receives only a small amount of government funding.

Total net assets of the group increased by £1.9 million to £27.7 million (2024: £25.8 million) at the year end. Total fixed assets increased by £0.2 million to £17.6 million (2024: £17.4 million) principally due to the investment in our new website. Net current assets increased by £1.7 million to £10.1 million (2024: £8.4 million).

Designated funds increased by £2.2million to £19.9 million (2024: £17.8 million) and the operational reserve and restricted funds amounted to £6.8 million (2024: £6.9 million) and £1.0 million (2024: £1.1 million) respectively.

Reserves policy

The charity operates to provide immediate benefit to hearing dog deaf partners followed by a lifetime of partnership support for them and their families. With plans to increase the number of dogs being trained each year and 1,023 (2024: 1,050) working partnerships located throughout the country this level of support is expensive to maintain and will require both capital and revenue expenditure as a continuing investment for the future. In addition, it is dependent on voluntary income, principally legacies, which can be subject to considerable fluctuation from year to year.

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2025

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

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

Designated Funds for Tangible and Intangible Fixed Assets

This represents unrestricted reserves set aside by the Trustees for the functional fixed assets and capital commitments of the charity required to carry out its principal activities. At 31 March 2025 this reserve stood at £7.4 million (2024: £7.5 million).

Designated Funds for Existing Partnerships

These funds have been set aside to cover future long-term commitments, principally relating to existing hearing dog partnerships, which as at 31 March 2025 were estimated at £6.4 million (2024: £6.8 million) over the next 10 years. This reserve is calculated before taking into account the potential availability of a pipeline of legacy income, which is currently £9.8 million (2024: £8.4 million).

Designated funds for Development

We are utilising the surplus generated in recent years to reinvest in the core infrastructure necessary to deliver our mission effectively and efficiently in the future. The fund totals £6.1 million (2024: £3.5 million).

There are plans currently being formulated to alter dilapidated parts of the sites in Buckinghamshire and Yorkshire. The operating environment has changed since the Coronavirus pandemic and neither site now use their kennel buildings, which are quickly falling into disrepair. A fund of **£3.5 million** has been established to support the plans. This is in addition to c £0.6 million held in restricted funds for enhancing our properties.

In addition, this year we have set aside funds **£1.6 million** to invest in improving our data and digital capabilities, which have historically suffered from significant underinvestment. Our CRM system is now 10 years-old and we must take advantage of new technologies and software to deliver our services and supporter stewardship in a manner which is both contemporary, relevant, and secure.

Our income is heavily legacy dependant, which in the current external environment leaves us potentially exposed. Our cost base is annually increasing and donation trends in the sector are falling. We will reserve **£1.0 million** to build the infrastructure needed to diversify our funding base. This will enable us to reach markets (major donor, trusts, corporate, commercial) that have hitherto not been developed. We will need to underwrite some expenditure in advance of new income being realised and which will be recouped as these areas develop towards end of year two.

HEARING DOGS FOR DEAF PEOPLE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

Operational (Free) Reserve

The policy of the Trustees is to hold an operational reserve equivalent to 6-12 months operating expenditure. At 31 March 2025 this reserve stood at £6.8 million (2024: £6.9 million) which represents 6.0 months running costs, based on the 2024/25 expenditure budget.

The objective is, therefore, to maintain this reserve to ensure that sufficient funds are available at all times to cover the charity's operating expenditure.

Investment policy and performance

For the last twenty years, the Trustees have given their appointed investment managers, Evelyn (formerly Tilney), discretion to manage the Income and Growth Portfolio with a cautious growth risk profile providing both income and capital growth. The Trustees have also invested additional funds in a more aggressive Growth Portfolio which is also managed on a discretionary basis by Evelyn.

Decisions are taken in accordance with the charity's investment policy document which has been approved by the Board of Trustees. The charity's overriding policy remains to maximise returns whilst ensuring that as far as possible the funds invested are adequately safeguarded.

After conducting a tendering process in autumn 2024, the Board has now appointed Quilter Cheviot as our new investment manager, with the goal of reducing overall. The portfolios were in the process of being transferred at the end of March 2025.

The table below records the value of the various portfolios at 31 March 2025:

Portfolio	Investment Manager	Stocks	Cash awaiting reinvestment	Total 2025	Total 2024
		£	£	£	£
Income and Growth	Evelyn	1,554,504	1,718,165	3,272,669	8,634,271
Growth	Evelyn	292,102	527,524	819,626	1,328,249
In transfer / other	n/a	270,681	-	270,681	-
Global charity portfolio	Quilter Cheviot	4,091,354	1,762,070	5,853,424	-
Total		6,208,641	4,007,759	10,216,400	9,962,520

The total return for the combined portfolios over the year 2024/25 was 5.26%. This is down from 10% the previous year, reflecting changes in global markets, particularly in the first three months of 2025.

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2025

Structure, Governance and Management

Governing Document

Hearing Dogs for Deaf People is a charitable company limited by guarantee and registered as a charity. The charity was incorporated on 26 November 1985 and its governing document is its Articles of Association which were adopted on 11 November 2015 and as amended by special resolutions passed 25 July 2017, 18 February 2020, 03 September 2020 and 01 May 2025.

Governing Body

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

The Trustees meet formally four times a year. In addition, the Trustees hold ad hoc 'away days' where governance and the future strategy of the charity are discussed.

During the year the Board reviewed the structure of its sub-Committees and established four groups, each with specific terms of reference aimed at enhancing oversight of Hearing Dogs activities. The sub-committees are: 1) Audit, Risk and Finance, 2) Services, 3) Marketing, Comms, Tech and Data and 4) People and Culture sub-committees. Each sub-Committee will meet at least 4 times per year. All sub-committees report into the Trustee Board.

From time to time, certain authority from the Trustees is delegated to the Chief Executive, who is responsible for the day-to-day running of the charity.

Recruitment and Training of Trustees

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

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

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2025

Group structure and relationships

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

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

organisations working with deaf people. Other collaborative relationships with which the charity is actively involved include the Deaf Alliance and the Microchipping Alliance

Principal risks and risk management

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

- A quarterly review of the risks which the charity may face
- The establishment of systems and procedures to mitigate identified risks, including oversight by Board sub-committees of risks pertinent to their terms of reference;
- The implementation of procedures designed to minimise any potential impact on the charity of adverse factors; and
- Reporting on the level of risk remaining after implementing the systems and procedures above.

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

- a shortage of suitable dogs to enter the training program.
- a shortage of skilled volunteers to train the potential hearing dogs;
- financial instability; and
- potential breaches in our cyber security

HEARING DOGS FOR DEAF PEOPLE
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Risk Description	Controls and Mitigations in place
Availability of suitable dogs to enter the training programme, constraining our ability to support new and replacement partnerships. Compounded by new ADI changes to breeding regulations.	The breeding programme actively monitored in monthly reporting to identify potential shortfalls and so trigger corrective actions. Investment and action in increasing "buffer" of puppies by a third, plus 20% contingency for early retirements. Small budget allocated to for the purchase of puppies to cover short-term gaps in the breeding programme. Work with Guide Dogs who are outperforming in breeding number and who have offered to transfer suitable puppies to Hearing Dogs if / when needed
Shortage of volunteers to train the potential hearing dogs. In particular, fluctuating numbers of volunteers and their availability.	Revamped volunteer recruitment process in place to speed the process, complemented by a new integrated marketing campaign to attract new volunteers.
Financial instability due to: 1. Reliance on legacy income in spite of a strong pipeline, risks stability in the long term. 2. The external economic and political environment is volatile – this has potential to impact in investment performance and therefore reduce financial stability.	Review of our reserves policy into order to divert surplus funds to income generation and projects related to organisational sustainability. New strategy for Income Generation in place to immediately begin a diversification of income sources.
Potential breaches of our cyber security leads to potential for systems breach and potential loss of data or ability to use website or computer systems, and consequential inability to deliver benefits or continue fundraising activities for a protracted period. Potential risk of ransom demands.	Regular internal cyber security health check and associated corrective actions in place, including continuous update of MS security software. Cyber insurance cover and continuous educational training of staff.

The Audit, Risk and Finance sub-committee reports into the Trustee Board. It meets at least four times annually and monitors financial performance of the organisation, including progress against fundraising targets, and the overall status of risk and risk management.

**HEARING DOGS FOR DEAF PEOPLE
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025**

Auditors

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

Approved by the Board on 23 July 2025

and signed on their behalf by



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

HEARING DOGS FOR DEAF PEOPLE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF HEARING DOGS FOR DEAF PEOPLE

Opinion

We have audited the financial statements of Hearing Dogs for Deaf People ('the charitable company') and its subsidiary ('the group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2025 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept [or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for

such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations

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

we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

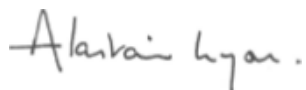
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Lyon

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor, Reading

Date: 11 August 2025

HEARING DOGS FOR DEAF PEOPLE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Income from:					
Donations and legacies	4	12,768,366	2,339,562	15,107,928	11,763,569
Grants receivable	4	2,000	-	2,000	500
Charitable activities	4	12,020	-	12,020	11,157
Trading and fundraising	4	774,997	-	774,997	794,666
Investments	4	459,692	-	459,692	464,980
Other	4	53,927	-	53,927	69,964
Total income		<u>14,071,002</u>	<u>2,339,562</u>	<u>16,410,564</u>	<u>13,104,836</u>
Expenditure on:					
Raising funds	5	3,205,354	-	3,205,354	2,962,672
Charitable activities	5	8,959,215	2,466,432	11,425,647	10,318,543
Total expenditure		<u>12,164,569</u>	<u>2,466,432</u>	<u>14,631,001</u>	<u>13,281,215</u>
Net gains / (losses) on investments		162,597	-	162,597	791,545
Net income		2,069,030	(126,870)	1,942,160	615,166
Transfers between funds	18	-	-	-	-
Net movement in funds		2,069,030	(126,870)	1,942,160	615,166
Reconciliation of funds:					
Total funds brought forward		24,678,310	1,117,229	25,795,539	25,180,373
Total funds carried forward	18	<u>26,747,340</u>	<u>990,359</u>	<u>27,737,699</u>	<u>25,795,539</u>

The notes on pages 28 to 48 form part of these financial statements

HEARING DOGS FOR DEAF PEOPLE

BALANCE SHEETS AT 31 MARCH 2025

	Note	The Group		The Charity	
		2025 £	2024 £	2025 £	2024 £
Fixed assets:					
Intangible assets	9	180,079	-	180,079	-
Tangible assets	10	7,197,167	7,459,727	7,182,191	7,459,727
Investments	11	10,216,400	9,962,520	10,216,400	9,962,520
Total fixed assets		17,593,646	17,422,247	17,578,670	17,422,247
Current assets:					
Stocks	12	30,172	26,410	-	-
Debtors	13	1,550,054	1,817,107	1,863,401	2,036,306
Short term deposits		9,467,429	7,214,865	9,467,429	7,214,865
Cash at bank and in hand		41,011	111,371	38,036	109,263
Total current assets		11,088,666	9,169,753	11,368,866	9,360,434
Liabilities:					
Creditors: Amounts falling due within one year	14	(944,613)	(796,461)	(919,685)	(787,405)
Net current assets		10,144,053	8,373,292	10,449,181	8,573,029
Total net assets	15	27,737,699	25,795,539	28,027,851	25,995,276
Funds:					
Restricted funds	18	990,359	1,117,229	990,359	1,117,229
Unrestricted funds:	18				
Designated funds	18	19,915,842	17,802,853	19,915,842	17,802,853
Operational reserve	18	6,831,498	6,875,457	7,121,650	7,075,194
Total funds	18	27,737,699	25,795,539	28,027,851	25,995,276

The excess in the year relating to the parent charity was £2,032,578 (2024: excess £731,682)

The financial statements were approved and authorised for issue by the board on 23 July 2025 and were signed on its

behalf by:



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



.....
H Self

Honorary Treasurer

The notes on pages 28 to 48 form part of these financial statements

HEARING DOGS FOR DEAF PEOPLE

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2025

CONSOLIDATED STATEMENT OF CASH FLOWS				
	Notes	2025 £	2025 £	2024 £
Cash flows from operating activities:				
Net cash provided by/(used in) operating activities	19a		2,273,055	(1,226,463)
Cash flows from investing activities:				
Dividends and interest from investments		459,692		464,980
Proceeds from the sale of tangible assets		3,397		8,339
Purchase of Intangible assets		(180,079)		-
Purchase of tangible assets		(282,578)		(347,207)
Proceeds from the sale of investments		6,235,971		1,607,833
Purchase of investments		(2,448,535)		(1,820,018)
Net cash provided by / (used in) investing activities			3,787,868	(86,073)
Change in cash and cash equivalents in the reporting period	19c		6,060,923	(1,312,536)
Cash and cash equivalents at the beginning of the reporting period	19b		7,455,276	8,767,812
Cash and cash equivalents at the end of the reporting period	19b		13,516,199	7,455,276

The notes on pages 28 to 48 form part of these financial statements

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting policies

a) Basis of preparation

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

b) Income

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

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

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

Grants receivable are accounted for under the performance model as permitted by the Charities SORP.

c) Volunteers

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

1. Accounting policies (continued)

d) Unrestricted funds

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

e) Designated funds

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

f) Restricted funds

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

g) Expenditure and irrecoverable VAT

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

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

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

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

h) Allocation of support costs

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

i) Operating leases

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

1. Accounting policies (continued)

j) Intangible assets and amortisation

Intangible assets include investment in our website. Amortisation is provided on intangible assets at rates calculated to write off the cost of the assets over its estimated useful life.

k) Fixed assets and depreciation

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

Motor vehicles	25% per annum on a straight-line basis
Furniture, Fittings, Equipment	20% per annum on a straight-line basis
Freehold property	2-10% per annum on a straight-line basis

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

l) Investments

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

m) Stocks

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

n) Debtors

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

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

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

p) Creditors

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

q) Branches

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

1. Accounting policies (continued)

r) Pensions

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

s) Financial instruments

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

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

3. Comparative statement of financial activities

	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Income from:			
Donations and legacies	8,579,803	3,183,766	11,763,569
Grants receivable	500	-	500
Charitable activities	11,157	-	11,157
Trading and fundraising	791,221	3,445	794,666
Investments	464,980	-	464,980
Other	61,118	8,846	69,964
Total income	9,908,779	3,196,057	13,104,836
Expenditure on:			
Raising funds	2,962,672	-	2,962,672
Charitable activities	7,247,745	3,070,798	10,318,543
Total expenditure	10,210,417	3,070,798	13,281,215
Net gains / (losses) on investments	791,545	-	791,545
Net income	489,907	125,259	615,166
Transfers between funds	-	-	-
Net movement in funds	489,907	125,259	615,166
Reconciliation of funds			
Total funds brought forward	24,188,403	991,970	25,180,373
Total funds carried forward	24,678,310	1,117,229	25,795,539

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

4. Income

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Donations and legacies				
Donations	1,524,142	891,419	2,415,561	2,762,665
Income from branches	42,249	-	42,249	116,672
Sponsorship	-	1,302,193	1,302,193	1,284,805
Legacies	10,855,393	145,950	11,001,343	7,156,835
Gift Aid	346,582	-	346,582	442,592
	<u>12,768,366</u>	<u>2,339,562</u>	<u>15,107,928</u>	<u>11,763,569</u>
Grants receivable				
Local Authority Grants	2,000	-	2,000	500
	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>500</u>
Charitable activities				
Sale of hearing equipment	12,020	-	12,020	11,157
Services to other charities	-	-	-	-
	<u>12,020</u>	<u>-</u>	<u>12,020</u>	<u>11,157</u>
Trading and fundraising				
Fundraising events	229,011	-	229,011	185,877
Trading subsidiary income	545,986	-	545,986	608,789
	<u>774,997</u>	<u>-</u>	<u>774,997</u>	<u>794,666</u>
Investment income				
UK listed securities	157,398	-	157,398	134,198
UK bank interest	302,294	-	302,294	330,782
	<u>459,692</u>	<u>-</u>	<u>459,692</u>	<u>464,980</u>
Other income				
Rent received	45,045	-	45,045	46,163
Profit on sale of tangible assets	3,396	-	3,396	5,375
Other income	5,486	-	5,486	18,426
	<u>53,927</u>	<u>-</u>	<u>53,927</u>	<u>69,964</u>
Total income	<u>14,071,002</u>	<u>2,339,562</u>	<u>16,410,564</u>	<u>13,104,836</u>

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

5. Expenditure

Expenditure on:	Direct Costs £	Staff Costs £	Depreciation £	Support Costs £	Total 2025 £	Total 2024 £
Raising funds:						
Donations and legacies	802,096	1,223,610	80,869	386,625	2,493,200	2,184,380
Fundraising trading	584,179	27,031	1,916	48,323	661,449	736,610
Investment management	50,705	-	-	-	50,705	41,682
	<u>1,436,981</u>	<u>1,250,641</u>	<u>82,785</u>	<u>434,947</u>	<u>3,205,354</u>	<u>2,962,672</u>
Charitable activities:						
Provision of hearing dogs	1,620,817	6,777,898	391,696	2,199,422	10,989,833	9,923,218
Supporting people affected by hearing loss	24,526	229,928	22,557	158,803	435,814	395,325
	<u>1,645,342</u>	<u>7,007,826</u>	<u>414,253</u>	<u>2,358,226</u>	<u>11,425,647</u>	<u>10,318,543</u>
Total expenditure 2025	<u>3,082,323</u>	<u>8,258,467</u>	<u>497,038</u>	<u>2,793,173</u>	<u>14,631,001</u>	<u>13,281,215</u>
Total expenditure 2024	<u>3,092,246</u>	<u>7,657,840</u>	<u>360,570</u>	<u>2,170,559</u>	<u>13,281,215</u>	

5a. Support costs

Support costs included in the above are analysed as follows:

	Facilities £	General Management £	Legal & Professional £	IT £	Total 2025 £	Total 2024 £
Raising funds:						
Donations and legacies	104,640	126,867	74,999	80,118	386,625	271,650
Fundraising trading	19,046	23,047	2,400	3,829	48,323	36,842
	<u>123,686</u>	<u>149,914</u>	<u>77,400</u>	<u>83,947</u>	<u>434,947</u>	<u>308,492</u>
Charitable activities:						
Provision of hearing dogs	567,836	710,129	566,434	355,024	2,199,422	1,763,318
Supporting people affected by hearing loss	30,236	72,931	34,581	21,055	158,803	98,749
	<u>598,072</u>	<u>783,060</u>	<u>601,015</u>	<u>376,079</u>	<u>2,358,226</u>	<u>1,862,067</u>
Total expenditure 2025	<u>721,758</u>	<u>932,974</u>	<u>678,415</u>	<u>460,026</u>	<u>2,793,173</u>	<u>2,170,559</u>
Total expenditure 2024	<u>708,642</u>	<u>777,715</u>	<u>332,997</u>	<u>351,205</u>	<u>2,170,559</u>	

Total governance costs included above are £103,768 (2024: £102,036).

Costs have been allocated across activities based on a combination of direct allocation and where appropriate apportionment based mainly on the average number of employees.

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

The cost percentage allocated to each cost heading is as follows:

	2025	2024
	%	%
Raising funds:		
Donations and legacies	17.1	16.5
Fundraising trading	4.5	5.5
Investment management	0.3	0.3
Charitable activities:		
Provision of hearing dogs	75.1	74.7
Supporting people affected by hearing loss	<u>3.0</u>	<u>3.0</u>

6. Net income

This is stated after charging/(crediting):

	2025	2024
	£	£
Profit on sale of fixed assets	(44,449)	(5,375)
Depreciation	497,038	360,570
Auditors' remuneration		
- audit	26,033	25,685
-other services	2,930	1,800
Operating lease rentals		
- equipment	36,414	34,017
-property	<u>3,453</u>	<u>2,511</u>

7. Staff costs and numbers

Staff costs were as follows:

	2025	2024
	£	£
Salaries and wages	7,242,716	6,726,552
Social security costs	736,802	670,942
Pension contributions	<u>278,948</u>	<u>260,346</u>
	<u>8,258,466</u>	<u>7,657,840</u>

There were termination costs in the year of £70,467 (2024: £91,044). Termination costs include any payments in lieu of notice and pension contributions paid on termination.

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

7. Staff costs and numbers (continued)

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

	2025	2024
	Number	Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	2
£80,001 - £90,000	1	2
£90,001 - £100,000	-	-
£100,001 - £110,000	-	2
£110,001 - £120,000	1	-
£120,001 - £130,000	-	-
£130,001 - £140,000	1	-

Contributions to the charity's defined contribution pension scheme for the highest paid employee amounted to £8,367 (2024: £5,729).

The key management personnel of the charity are the trustees and the executive team led by the Chief Executive. Five (2024: One) members of the executive team earned a salary of less than £60,000 and are not included in the table above. Total employee benefits (gross salaries, employers NI and employers pension contributions) of all the key management personnel of the charity and the group were £599,815 (2024: £628,854).

The Trustees did not receive any remuneration during the year to 31 March 2025 (2024: £Nil).

Trustees received reimbursed travel and subsistence expenses in 2025 of £633 (2024: £1,031).

	2025		2024	
	Average	Number	Average	Number
		FTE		FTE
Hearing Dogs: supply, training, welfare and aftercare	173	160	163	150
Fundraising	23	22	22	21
Communications and marketing	7	6	11	10
Management and administration	23	21	22	20
Total	226	209	218	201

The charity operates a defined contribution pension scheme for all eligible employees which was set up in April 2014 in order to comply with auto-enrolment regulations. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension charge represents contributions payable by the charity to the fund. Pension contributions outstanding at 31 March 2025 amounted to £51,240 (2024: £Nil).

HEARING DOGS FOR DEAF PEOPLE **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

8. Taxation

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

9. Intangible Assets – Charity and Group

	Intangible assets under construction £
Cost	
At 1 April 2024	-
Additions	180,079
Disposals	-
At 31 March 2025	180,079
	0
Amortisation	
At 1 April 2024	-
Charge for the year	-
Disposals	-
At 31 March 2025	-
Net book value	
At 31 March 2025	180,079
At 31 March 2024	-

Intangible assets comprise investment in our new website which will be launched in 2025.

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

10. Tangible assets – Group

	Freehold property £	Motor vehicles £	Furniture and Fixtures and Fittings £	Equipment £	Total £
Cost					
At 1 April 2024	9,815,664	319,985	1,589,127	-	11,724,776
Additions	60,379	140,045	66,671	15,230	282,325
Transfers	(25,232)	8,372	(659,722)	676,582	-
Disposals	(24,604)	(59,405)	(402,291)	-	(486,300)
At 31 March 2025	9,826,207	408,997	593,785	691,812	11,520,801
Depreciation					
At 1 April 2024	2,838,627	179,965	1,246,457	-	4,265,049
Charge for the year	251,509	56,564	157,998	30,967	497,038
Transfers	10,746	8,372	(595,213)	576,095	-
Disposals	(5,884)	(59,405)	(373,166)	-	(438,455)
At 31 March 2025	3,094,998	185,496	436,076	607,062	4,323,632
Net book value					
At 31 March 2025	6,731,208	223,501	157,709	84,750	7,197,169
At 31 March 2024	6,977,037	140,020	342,670	-	7,459,727

Freehold property comprises:

	Beatrice Wright Centre £	The Grange £	Total £
Net book value			
At 1 April 2024	1,997,484	4,979,553	6,977,037
Additions at cost	-	60,379	60,379
Disposals at net book value	-	(14,486)	(14,486)
Transfers	-	(25,232)	(25,232)
Depreciation charge	(57,802)	(208,688)	(266,490)
Net book value at 31 March 2025	1,939,682	4,791,526	6,731,208

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

11. Fixed asset investments

	Group	
	2025	2024
	£	£
Quoted investments		
Market value at 1 April	9,833,480	8,829,750
Purchases	2,448,535	1,820,018
Sales	(6,235,971)	(1,607,833)
Net investment (losses)/gains	162,597	791,545
Market value at 31 March	6,208,641	9,833,480
Cash awaiting investment	4,007,759	129,040
Total at 31 March	10,216,400	9,962,520

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

The historic cost of quoted investments at 31 March 2025 was £10,216,400 (2024: £7,847,794).

Included in the operational reserve shown in the balance sheet (see page 20) is a revaluation reserve of £2,239,566 (2024: £1,985,686) which is calculated by comparing the historical cost of quoted investments with their market value as shown above.

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

	2025	2024
	£	£
Total dividend and interest income for basic financial assets	459,692	464,980
Total gains / (losses) in respect of basic financial assets	162,597	791,545

12. Stocks

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Goods for resale	30,172	26,410	-	-

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

13. Debtors

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	10,113	6,870	4,500	2,434
Loan to subsidiary	-	-	310,905	136,510
Other amounts due from subsidiary	-	-	11,978	84,080
Prepayments	302,235	256,852	301,735	255,868
Other debtors and accrued income	<u>1,237,706</u>	<u>1,557,414</u>	<u>1,234,283</u>	<u>1,557,414</u>
	<u>1,550,054</u>	<u>1,821,136</u>	<u>1,863,401</u>	<u>2,036,306</u>

Total debtors include £310,905 (2024: £136,510) receivable after more than one year. This represents the loan to the subsidiary trading company that is secured by a fixed and floating charge over the assets of that subsidiary, with interest charged at 2% over Barclays Bank base rate.

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

14. Creditors: Amounts falling due within one year

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	483,612	396,229	475,820	394,794
Taxation and social security	195,384	174,820	195,384	174,820
Other creditors and accruals	<u>265,616</u>	<u>229,441</u>	<u>248,479</u>	<u>217,791</u>
	<u>944,612</u>	<u>800,490</u>	<u>919,683</u>	<u>787,405</u>

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

15. Analysis of group net assets between funds

	Restricted funds	Unrestricted designated funds	Unrestricted operational reserve	Total funds
2025	£	£	£	£
Intangible Assets	-	180,079		180,079
Tangible fixed assets	-	7,197,169	-	7,197,169
Investments	-	10,216,400	-	10,216,400
Current assets	990,359	2,322,196	7,776,111	11,088,666
Current liabilities	-	-	(944,613)	(944,613)
Group funds at 31 March 2025	990,359	19,915,844	6,831,498	27,737,701
Add: Subsidiary net liabilities			290,152	290,152
Charity funds at 31 March 2025	990,359	19,915,844	7,121,650	28,027,853

	Restricted funds	Unrestricted designated funds	Unrestricted operational reserve	Total funds
2024	£	£	£	£
Tangible fixed assets	-	7,459,727	-	7,459,727
Investments	-	9,962,520	-	9,962,520
Current assets	1,117,229	380,606	7,671,918	9,169,753
Current liabilities	-	-	(796,461)	(796,461)
Group funds at 31 March 2024	1,117,229	17,802,853	6,875,457	25,795,539
Add: Subsidiary net liabilities			199,737	199,737
Charity funds at 31 March 2024	1,117,229	17,802,853	7,075,194	25,995,276

16. Other financial commitments

At 31 March 2025 the ageing of total minimum lease payments was as follows:

	Property leases £	2025 Other £	Total £	Property leases £	2024 Other £	Total £
Operating leases due:						
Within one year	108	6,393	6,501	3,897	6,717	10,614
Between 2 - 5 years	-	15,768	15,768	-	16,716	16,716
	108	22,161	22,269	3,897	23,433	27,330

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

17. Subsidiary undertaking

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

	2025 £	2024 £
Turnover	554,970	621,180
Cost of sales	<u>(492,594)</u>	<u>(581,729)</u>
Gross Profit	62,376	39,451
Administrative expenses	<u>(138,863)</u>	<u>(145,936)</u>
Operating Loss	(76,487)	(106,485)
Interest payable	<u>(13,931)</u>	<u>(10,031)</u>
Loss on ordinary activities	(90,418)	(116,516)
Retained losses brought forward	<u>(199,738)</u>	<u>(83,222)</u>
Retained losses carried forward	<u>(290,156)</u>	<u>(199,738)</u>
 Balance sheet		
Total assets	52,346	34,250
Total liabilities	<u>(342,500)</u>	<u>(233,987)</u>
 Net liabilities	<u>(290,154)</u>	<u>(199,737)</u>
 Share capital	2	2
Retained losses	<u>(290,156)</u>	<u>(199,739)</u>
 Capital and reserves	<u>(290,154)</u>	<u>(199,737)</u>

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

18. Movement in funds

	2024 £	Total Income £	Total Expenditure £	Transfers £	2025 £
Restricted funds:					
<u>Hearing Dogs:</u>					
<u>By project / activity</u>					
Hearing Dog training	-	1,362,829	(1,362,829)		-
Hearing Dogs for Deaf Children	-	51,000	(51,000)		-
Physical Facility	290,000	-	-		290,000
BWC	-	17,588	(17,588)		-
Purchase & Training of HD	90,000	-	-		90,000
Training, partnership and salaries	-	425,695	(425,695)		-
Operations Development Team	20,831	20,000	(18,025)		22,806
Upgrade: The Grange Farmhouse	300,000	-	-		300,000
Lifetime Partnership Support	-	20,000	(20,000)		-
Name a puppy	-	54,060	(54,060)		-
Vets and Welfare	-	67,302	(67,302)		-
<u>By location</u>					
Scotland	405,480	36,529	(164,874)	1,000	278,135
Buckinghamshire	-	22,800	(22,800)		-
Bedfordshire	-	17,000	(17,000)		-
Berkshire	-	6,500	(6,500)		-
Cheshire	-	9,480	(9,480)		-
Glasgow	-	13,500	(13,500)		-
Jersey	9,418	-	-		9,418
Leicestershire	-	19,500	(19,500)		-
Lincolnshire	-	11,000	(11,000)		-
Merseyside	-	11,500	(11,500)		-
Norfolk	-	12,000	(12,000)		-
North West of England	-	10,000	(10,000)		-
Nottinghamshire	-	6,500	(6,500)		-
Peterborough	-	10,000	(10,000)		-
Sussex	-	7,000	(7,000)		-
Suffolk	-	5,750	(5,750)		-
Wales	-	17,500	(17,500)		-
Amounts £5,000 or less	1,500	104,530	(105,030)	(1,000)	
Hearing Dogs Total	1,117,229	2,339,562	(2,466,432)	-	990,359

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

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

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

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

18. Movement in funds (continued)

	2024 £	Total Income £	Total Expenditure £	Investment Gains / Transfers £	2025 £
Unrestricted funds:					
Designated funds:					
Intangible assets	-	-	-	180,079	180,079
Freehold - BWC	1,997,484	-	(57,802)	-	1,939,682
Freehold - The Grange	4,979,553	-	(208,688)	20,661	4,791,526
Other functional fixed assets	482,690	-	(245,529)	228,800	465,961
Sub-total fixed assets	7,459,727	-	(512,019)	429,540	7,377,248
Capital commitments	-	-	-	53,590	53,590
Total fixed assets	7,459,727	-	(512,019)	483,130	7,430,838
Partnership commitments	6,843,126	-	-	(458,584)	6,384,542
Development fund	3,500,000	-	-	2,600,208	6,100,208
Total designated	17,802,853	-	(512,019)	2,624,754	19,915,588
Operational reserve	6,875,457	14,071,002	(11,652,550)	(2,462,157)	6,831,752
Total unrestricted	24,678,310	14,071,002	(12,164,569)	162,597	26,747,340
Total restricted and unrestricted funds	25,795,539	16,410,564	(14,631,001)	162,597	27,737,699

Designated funds of £7,377,248 (2024: £7,459,727) have been set aside from the group's unrestricted funds by the Directors for the functional tangible and intangible fixed assets required to carry out the principal activities of the charity. Contractual commitments of £53,590 existed at 31 March 2025 (2024: £Nil). An amount of £483,130 (2024: £344,243) was transferred from general funds to designated funds in respect of fixed assets during the year.

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

- An amount to cover the charity's future long-term commitments relating to its existing hearing dog partnerships. At 31 March 2025 this amount was calculated at £6,384,542 (2024: £6,843,126) representing the projected costs over a 10-year period. An amount of £458,584 was transferred out in the year. (2024: £399,758 was transferred from general funds to designated funds in respect of future partnership liabilities.)
- The operating environment has changed since the Coronavirus pandemic, and it is planned to redevelop parts of both sites that are no longer used. A designated fund of £3.5m was established in 2022/23 to support the plans. The redevelopments are currently at various stages of planning.
- In addition, this year we have set aside funds £1.6 million to invest in improving our data and digital capabilities. Our CRM system is now 10 years old and we want to take advantage of new technologies and software to modernise how we capture, manage and utilise data relating to all our stakeholders – dogs, recipients, volunteers and supporters.

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

18. Movement in funds (continued)

- We have also identified the need to expand our fundraising activities and have reserved £1.0 million to kick-start our efforts over 2025 and 2026, recognising that we will need to underwrite some expenditure in advance of new income streams being realised.

Prior year movement in funds - restricted

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

18. Movement in funds (continued)

Prior year movement in funds - unrestricted

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

19a. Reconciliation of net income to net cash flow from operating activities

	2025 £	2024 £
Net income / (expenditure)	1,942,160	615,166
Adjustments for:		
Depreciation charges	497,292	360,570
(Gains) on investments	(162,597)	(791,545)
Dividends and interest from investments	(459,692)	(464,980)
Loss / (Profit) on sale of tangible fixed assets	44,449	(5,375)
(Increase) / decrease in stock	(3,762)	18,897
Decrease/ (Increase) in debtors	271,082	(1,053,153)
Increase in creditors	144,123	93,957
Net cash provided by operating activities	2,273,055	(1,226,463)

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

19b. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash awaiting investment	4,007,759	129,040
Short term deposits	9,467,429	7,214,865
Cash at bank and in hand	41,011	111,371
	<u>13,516,199</u>	<u>7,455,276</u>

19c. Movement in net funds

	At 1 April 2024 £	Cash flow £	At 31 March 2025 £
Short term deposits	7,214,865	2,252,564	9,467,429
Cash at bank and in hand	111,371	(70,360)	41,011
Cash held awaiting investment	129,040	3,878,719	4,007,759
Total net cash	<u>7,455,276</u>	<u>6,060,923</u>	<u>13,516,199</u>

20. Capital commitments

	2025 £	2024 £
Contracted capital commitments for the group and the charity	£53,590	£-

21. Related parties

In the year to 31 March 2025 the following transactions took place between the charity and its wholly owned trading subsidiary:

- a. Management charges from the charity to the trading subsidiary £18,000 (2024: £18,000).
- b. Interest payable by the trading subsidiary to the charity £13,931 (2024: £10,031).

At 31 March 2025 the amount owed by the trading subsidiary to the charity amounted to £8,553 (2024: £84,080).

In addition, the charity has loaned the trading subsidiary £310,905 which has no fixed repayment date, but which is secured on its assets, attracting interest at 2% over bank base rate.

Mr P Davis (charity trustee) is a director of the charity's wholly owned trading subsidiary.

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

21. Related parties (continued)

During the year the charity has used a veterinary practice owned by Ms S Heath (charity trustee). Invoiced amounts totalled £14,573 (2024: £3,474)

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

£180 (2024: £25) of donations from Trustees were received during the year.

22. Contingent assets – Legacies

At the balance sheet date, the charity had received notification that it is a beneficiary of a number of legacies. It is not possible to quantify these accurately or to ascertain the date on which the charity will receive them. The estimated value of the legacies notified as at 31 March 2025 was £8.8 million (2024: £7.1 million) and is not included in the accounts.

HEARING DOGS FOR DEAF PEOPLE REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY

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

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

Chief Executive	T Griffin
Principal bankers	Barclays Bank plc PO Box 885, Mortlock House, Vision Park, Histon, Cambridge, CB24 9DE

HEARING DOGS FOR DEAF PEOPLE

Solicitors	Penningtons Manches LLP	Wilsons Solicitors
	9400 Garsington Road, Oxford Business Park, Oxford, OX4 2HN	Alexandra House, St Johns Street, Salisbury, SP1 2SB
Auditors		Crowe U.K. LLP, R+ Building, 2 Blagrove Street, Reading, RG1 1AZ

ⁱ RNID, Prevalence of deafness and hearing loss (<https://rnid.org.uk/get-involved/research-and-policy/facts-and-figures/prevalence-of-deafness-and-hearing-loss/>)

HEARING DOGS FOR DEAF PEOPLE

England & Wales - Charity number 293358

Accounts



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

COMPANY NUMBER: 01964878

CHARITY NUMBER - ENGLAND: 293358

CHARITY NUMBER - SCOTLAND: SC040486

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

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

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

Reference and administrative details of the charity

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

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

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

Reference and administrative details of the charity (continued)

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

Structure, Governance and Management

Governing Document

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

Governing Body

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

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

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

Structure, Governance and Management (continued)

Recruitment and Training of Trustees

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

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

Pay policy for senior staff

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

Organisation and Structure

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

Group structure and relationships

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

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

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

Structure, Governance and Management (continued)

Risk Management

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

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

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

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

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

Objectives, Aims and Activities

Charitable Objectives

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

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

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

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

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

Aim and Intended Impact

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

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

Objectives, Aims and Activities (continued)

Our principal aim is:

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

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

Principal activities of the year

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

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

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

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

Activities in Scotland – Registered Charity Number: SC040486

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

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

Volunteer Support

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

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

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

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

Volunteer Support (continued)

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

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

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

Provision of information to auditors

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

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

Auditors

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

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



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

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

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

Objectives for the year

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

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

Strategies to achieve the year's objectives

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

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

What we achieved during the year

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

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

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

Fundraising practices and performance

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

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

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

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

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

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

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

Operational performance

Canine Services (Hearing Dogs)

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

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

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

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

Hearing Loss Services

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

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

Objectives for the Year:

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

Tactics to achieve this year's objectives:

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

Outcomes:

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

HEARING DOGS FOR DEAF PEOPLE

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Human Resources

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

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

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

Investment performance

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

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

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

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

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

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

HEARING DOGS FOR DEAF PEOPLE

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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

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

The primary reasons for the change in results are:

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

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

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

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

Reserves policy

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

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

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

Reserves policy (continued)

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

Designated Funds for Tangible Fixed Assets.

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

Designated Funds for Existing Partnerships.

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

Property Development Fund

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

Operational (Free) Reserve.

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

Investment policy

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

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

Future plans

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

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

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

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



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

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

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

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

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

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

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

Opinion

We have audited the financial statements of Hearing Dogs for Deaf People ('the charitable company') and its subsidiary ('the group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Other information (continued)

information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept [or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

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

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

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

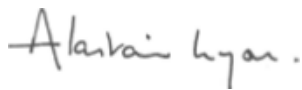
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date 30 July 2024

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

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

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

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

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

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

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



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



.....
H Self
Honorary Treasurer

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

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

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

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

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

1. Accounting policies

a) Basis of preparation

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

b) Income

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

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

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

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

c) Volunteers

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

d) Unrestricted funds

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

e) Designated funds

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

f) Restricted funds

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

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting policies (continued)

g) **Expenditure and irrecoverable VAT**

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

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

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

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

h) **Allocation of support costs**

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

i) **Operating leases**

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

j) **Fixed assets and depreciation**

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

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

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

k) **Investments**

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

l) **Stocks**

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

m) **Debtors**

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

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

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

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

1. Accounting policies (continued)

o) Creditors

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

p) Branches

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

q) Pensions

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

r) Financial instruments

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

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

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

3. Comparative statement of financial activities

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

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

4. Income

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

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

5. Expenditure

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

5a. Support costs

Support costs included in the above are analysed as follows:

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

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

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

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

HEARING DOGS FOR DEAF PEOPLE

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FOR THE YEAR ENDED 31 MARCH 2024

6. Net income

This is stated after charging/(crediting):

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

7. Staff costs and numbers

Staff costs were as follows:

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

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

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

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

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

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

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

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

7. Staff costs and numbers (continued)

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

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

8. Taxation

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

9. Tangible assets – Charity and Group

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

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

9. Tangible assets (continued)

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

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

10. Fixed asset investments

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

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

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

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

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

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

11. Stocks

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

12. Debtors

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

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

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

13. Creditors: Amounts falling due within one year

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

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

HEARING DOGS FOR DEAF PEOPLE

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FOR THE YEAR ENDED 31 MARCH 2024

14. Analysis of group net assets between funds

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

15. Other financial commitments

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

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

HEARING DOGS FOR DEAF PEOPLE
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16. Subsidiary undertaking

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

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

HEARING DOGS FOR DEAF PEOPLE

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FOR THE YEAR ENDED 31 MARCH 2024

17. Movement in funds

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

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

17. Movement in funds (continued)

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

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

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

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

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

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

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

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

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

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

17. Movement in funds (continued)

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

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

17. Movement in funds (continued)

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

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

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

18b. Analysis of cash and cash equivalents

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

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

18c. Movement in net funds

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

19. Capital commitments

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

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

20. Related parties

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

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

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

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

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

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

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

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

21. Contingent assets – Legacies

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

HEARING DOGS FOR DEAF PEOPLE

England & Wales - Charity number 293358

Accounts



**HEARING DOGS FOR DEAF PEOPLE
(A COMPANY LIMITED BY GUARANTEE)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023**

COMPANY NUMBER: 01964878

CHARITY NUMBER - ENGLAND: 293358

CHARITY NUMBER - SCOTLAND: SC040486

**HEARING DOGS FOR DEAF PEOPLE
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FOR THE YEAR ENDED 31 MARCH 2023**

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**HEARING DOGS FOR DEAF PEOPLE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees (who are also Directors of the Charitable Company for the purpose of Company law) present their annual report together with the audited financial statements for the year ended 31 March 2023.

Reference and administrative details of the charity

Company number:	01964878
Charity number:	England: 293358 Scotland: SC040486
Registered office:	The Grange Wycombe Road Saunderton Princes Risborough Buckinghamshire HP27 9NS
Royal patron:	HRH The Princess Royal
President:	Sir Stuart Hampson CVO
Life vice-presidents:	F B Clark D A McInnes
Vice-presidents:	R Bourne Air Vice-Marshal D Crwys-Williams CB FCIPD FCIM Dr H Harris MB ChB FRCGP K W Keir OBE
Trustees:	F B Clark (Resigned 19 July 2022) Dr B Fogle MBE DVM MRCVS G P Burchett MBA FCMI (Resigned 19 July 2022) E M Burness R Casey BVSc DipECAWBM FRCVS (Appointed 17 May 2022) M S Coote BSc P R G Davis BSc FCA BFP (Appointed 17 May 2022) B S Downes LL.B FSHAA K A England RVN DipCIM D L Hay S E Heath BVSc PgCertVE DipECAWBM(BM) CCAB FHEA FRCVS A M Horsley JP DL C McKay (Appointed 17 May 2022) K B Milsom BHSc Hons MSc C M P O'Donovan-Rossa BA Hons MA ACIB FCIPD DMS H Self MA, FCA, CTA(Fellow), FRSA (Appointed 17 May 2022) Professor R T Ramsden MBE FRCS

In accordance with the Articles of Association, A M Horsley retires at the Annual General Meeting (AGM) and being eligible, offer themselves for re-election.

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

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Reference and administrative details of the charity (continued)

Executive team:	Chief Executive	M Jennings (resigned 29 th July 2022)
	Interim Chief Executive	M Farrow 13 th December 2022–3 rd July 2023
		T Griffin (appointed 3 rd July 2023)
	Finance & IT Director (and Company Secretary)	
		C M Hedley BA ACMA
	Director of Operations	J Tommey BSc
	Director of Services & Partnerships	A Platten
	Director of Quality & Human Resources	J Gray MBA VN
	Director of Income Generation and Communications	S Heyes BSc
Principal bankers:	Barclays Bank plc	
	PO Box 885	
	Mortlock House, Vision Park	
	Histon, Cambridge	
	CB24 9DE	
Solicitors:	Penningtons Manches LLP	Wilsons Solicitors
	9400 Garsington Road	Alexandra House
	Oxford Business Park	St Johns Street
	Oxford, OX4 2HN	Salisbury, SP1 2SB
Auditors:	Crowe U.K. LLP	
	Aquis House	
	49-51 Blagrove Street	
	Reading	
	Berkshire RG1 1PL	

Structure, Governance and Management

Governing Document

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

Governing Body

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

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

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Structure, Governance and Management (continued)

Recruitment and Training of Trustees

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

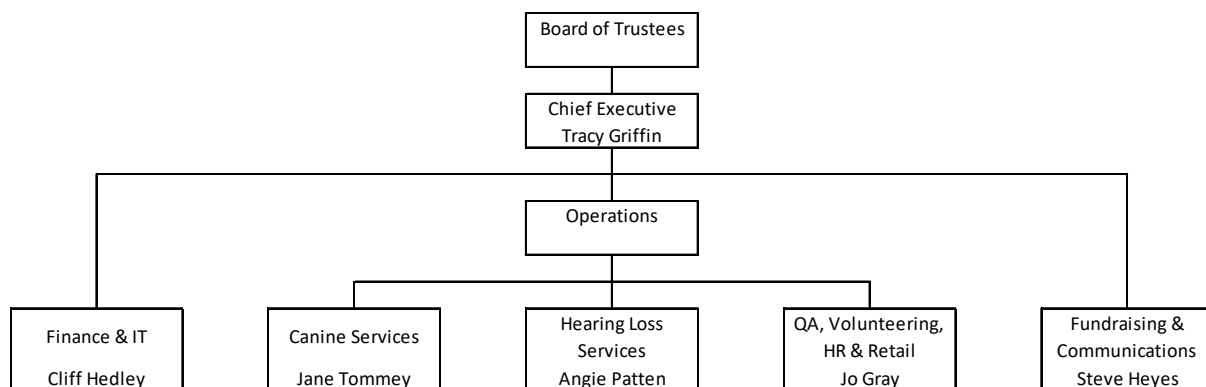
The Trustees consider it to be best practice to make every effort to have representation of the charity's beneficiaries on the Board of Trustees.

Pay policy for senior staff

The pay of the Executive Board is reviewed annually by the Remuneration Committee and normally increased according to agreed benchmarks and the percentage annual pay award to all staff are taken into consideration.

Organisation and Structure

The charity employs 196 (2022: 184) members of staff (full-time equivalent) who are involved in the labour-intensive process of creating and supporting hearing dog partnerships and supporting people affected by hearing loss. Members of staff operate within three main departments as indicated in the following organisation chart.



Michele Jennings stepped down as Chief Executive on 29th July 2022. The role was covered by Jo Gray and Cliff Hedley until 13th December 2022 when Martin Farrow took over as Interim Chief Executive. Tracy Griffin joined as permanent Chief Executive on 3rd July 2023.

Group structure and relationships

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

Hearing Dogs for Deaf People is a member of Assistance Dogs UK (ADUK) and plays a full and active role in this umbrella organisation which is open to assistance dog charities. Under the auspices of ADUK collaboration takes place on several fronts including access, public relations and training issues. The charity is also a fully accredited member of Assistance Dogs Europe (ADEu) and Assistance Dogs International

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Structure, Governance and Management (continued)

(ADI) and is therefore involved with assistance dogs organisations worldwide. Hearing Dogs for Deaf People is also a member of the UK Council on Deafness, a national infrastructure organisation for voluntary sector organisations working with deaf people. Other collaborative relationships with which the charity is actively involved include the Deaf Alliance and the Microchipping Alliance.

Risk Management

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

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

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

- A shortage of suitable dogs to enter the training program.
- A shortage of skilled staff to train the potential hearing dogs.
- Financial disruption associated with Covid-19, Brexit, investment performance and the recent cost of living rises.
- Threats to the IT systems including cyber security, misuse of systems and the cost of continual investment in systems and hardware.

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

Objectives, Aims and Activities

Charitable Objectives

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

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

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

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

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

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Objectives, Aims and Activities (continued)

Aim and Intended Impact

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

Our principal aim is:

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

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

Principal activities of the year

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

In addition, the charity's activities have been expanded through a merger with Hearing Link to reach out to people with hearing loss and their families to help them improve their lives. This is achieved by connecting people with one another, providing information, advice and training and raising awareness and understanding of the profound impact of hearing loss on every aspect of life.

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

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

2022/23 saw the celebration of the charity's 40th birthday. There were a considerable number of events arranged for the year with marquees erected on both sites owned by the charity, hosting a number of events involving staff, beneficiaries and volunteers. The charity also made an appearance at Crufts in 2022. The highlight of the celebrations was a visit to The Grange by our Royal Patron, HRH The Princess Royal on 3rd March 2023. HRH The Princess Royal met many of the Hearing Dogs family present on the day with all enjoying the event.

Activities in Scotland – Registered Charity Number: SC040486

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

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

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Volunteer Support

The charity had 3,046 (2022: 3,093) volunteers at 31 March 2023 which includes 235 micro-volunteers (2022: 135).

Overall volunteer numbers remain static at just over 3,000 however, for the third year since the Covid-19 pandemic, there is a decrease -147 (2022: -154) in the number of registered volunteers (i.e. those who have entered into a formal agreement with the charity) to 2,811 (2022: 2,958) however this net decrease masks volunteer turnover which recorded 337 (2022: 403) new volunteers and 484 (2022: 557) departures. Volunteer recruitment into long term commitment roles remains challenging. That said, almost 600 current volunteers have given ten years' service or over.

The charity's 40th Anniversary celebrations this year were great reward for our volunteer family who proved themselves to be exceptionally resilient, generous, and loyal. The charity has 35 different roles that volunteers are engaged in and 15% of our volunteers carry out more than one role.

The newly formed Volunteer Awards Team also had success bringing public recognition to more than 25 individual stars, including a Points of Light award by the Prime Minister, a Midlothian Volunteer Award, and a Volunteer of the Year award in East Yorkshire.

Community based dog care became our standard modus operandi, with excellent feedback from our volunteers regarding having both a training and welfare dedicated member of staff. This being in addition to the big emphasis we have continued to place on volunteer communication through portals, quarterly updates, monthly departmental newsletters and social media, in particular Yammer (1,600 members) and our ever-popular volunteers' Facebook group (2,200 members).

Volunteering puppy training was expanded to Darlington, Northampton and Barnet & Herford bringing new volunteers into the fold. New volunteer enquiries reached pre-pandemic levels of over 3,000 enquiries in total, peaking in October 2022. The prevalence of working-from-home, the notable trend in pet dog ownership and other lifestyle changes since 2020 meant that conversion rates have lowered.

Provision of information to auditors

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

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

Auditors

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

Approved by the board on 18 July 2023
and signed on their behalf by



C M P O'Donovan-Rossa (Chairman)

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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

Objectives for the year

The charity maintains a balance between the resources required to meet its commitments to the people with hearing loss it seeks to serve and those required to train and support the dogs which are an integral and vital part of the success of the organisation. The key aspects of the charity's plans in 2022/23 were to:

1. increase the charity's impact in helping people experiencing mild to moderate hearing loss as well as those with profound hearing loss.
2. continue to train some 200 dogs per annum for core deaf support roles.
3. maintain the charity's financial performance and its strong balance sheet by developing and expanding new and existing income streams, constraining costs and ensuring all charity assets are fully utilised.
4. increase public awareness of the charity and maximise the resulting fundraising opportunities.
5. re-open The Grange restaurant/café and gift shop and return the trading subsidiary to profitability so as to deliver a sustainable income stream for the charity in the longer-term.
6. build on the existing volunteer network and expand the breadth and depth of the charity's services including further development of micro-volunteering.
7. Continue to work towards the objectives of the Hearing Dogs Five Year Plan which was initiated in 2021

Strategies to achieve the year's objectives

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

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

What we achieved during the year

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

1. Total number of dogs completing training during the year was 156 (2022: 202). Each hearing dog takes some 18-24 months to train.
2. 1,144 Hearing Dog Partnerships were supported throughout the UK.
3. Over 300,000 people accessed our Hearing Loss Services for support.
4. The number of volunteers continued to exceed 3,000. Their support in all areas of our work is vital and very gratefully received.

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Fundraising practices and performance

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

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

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

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

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

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

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

Operational performance

Canine Services (Hearing Dogs)

In the last financial year, we trained 156 dogs for deaf clients.

This is slightly less than the number originally aimed for. Dogs have continued to take slightly longer to finish all their training if they were born during Covid restrictions, however, the vast majority of dogs have succeeded in developing sufficiently for a working role. During the year we had 138 puppies born.

In this time, we have also focused on the continued development of our training course for new partnerships. This activity now has a dedicated team based at our two centres that specialise in supporting the course, and in particular the final week which is based at both our Buckinghamshire and Yorkshire centres.

In 2023/24 we aim to train 185 dogs for deaf clients. We will also invest in our Learning & Development infrastructure for dog training staff and volunteers, setting up a nationally accessible support framework to provide a clear, confident & connected experience for the operations team in future years. This will be a combination of dedicated staff and technology solutions.

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Hearing Loss Services

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

We have reintroduced many 1-1 sessions now named 'Hearing Support Sessions' and opened the Hearing Hub for technical and emotional support sessions.

Objectives for the Year:

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

Strategies to achieve this year's objectives:

- Produced new assets which complement the range of services including new graphics, marketing materials and digital resources.
- Hearing Support Sessions running both online and in person supported by staff and volunteers.
- Community Support Days throughout the UK including some welcoming members of the public.
- National Information Days held in 2 key locations, welcoming members of the public as well as our potential beneficiaries to come and learn about the support available for people with hearing loss.
- Helpful Hours sessions have been piloted towards the end of the year, focusing on key topics which our beneficiaries may value and learn from
- A range of new videos have been introduced to share information about our services 'What is a LinkUp' as well as information about important topics 'Your first audiology appointment'.
- We invested in creating a Membership portal to offer our supporters a unique site to learn about our work, benefit from a first glimpse of new updates and access their membership benefits.
- Recognise the importance of good volunteer training and development and therefore new training modules developed to enhance their preparation and understanding.
- Attended major sector events to showcase our work and build relationships including the British Academy of Audiology, Association of Teachers of Lipreading to Adults and The Association of Independent Hearing Healthcare Professionals.

Outcomes:

- 1,144 Hearing Dog Partnerships successfully supported in the community, including 54 children.
- 1,141 people attended our community events or information and essential social interaction.
- 319,017 visitors to the Hearing Loss Services website to access information.
- 10,330 Information downloads from people accessing useful information and viewing support videos.
- 282 Hearing Support Sessions conducted.
- 85 Linkup group participants benefitted from 10 programs across the UK and online.
- 260 people attended our Hearing Information Days

HEARING DOGS FOR DEAF PEOPLE

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Human Resources

The charity employed 262 staff throughout the financial year and ended the year with a turnover rate of 13.6%. The charity had 218 staff at 31 March 2023. Hybrid working was trialed for specific roles and successfully made permanent. This has strengthened the charity's commitment to staff wellbeing and employee engagement.

A detailed pay review was completed across the organisation with positive feedback received. Our HR Management systems continue to be strengthened to respond to the needs of our growing hybrid, regional roles.

Recruitment for a new permanent CEO was successful, as was the appointment of an interim CEO to provide leadership over a 6-month period. The Executive team have a combined total of over 60 years of service to the charity which has provided stability and success for the organisation during this period.

Investment performance

Evelyn (formally Tilney) have been the charity's investment managers for the last nineteen years having been re-appointed in 2010 after conducting a tendering process. The table below records the performance of the Income and Growth Portfolio valued at £7.9 million (2022: £8.1 million), including cash awaiting investment, against four indices for last year and the last nineteen years.

	Year 2022/23 (Total Return)	Nineteen Year Period (Total Return)
Income and Growth Portfolio	- 1.98%	+187.54%
MSCI WMA Private Investor Balanced	- 3.23%	+128.85%
ARC Balanced PCI	- 4.52%	+131.50%
ARC Balanced ACI	- 4.52%	+157.61%
MSCI United Kingdom TR	+ 5.60%	+246.88%

The favoured benchmarks are currently the ARC Balanced indices as these are comparable with the underlying asset allocation of the Hearing Dogs portfolio. Performance over the past nineteen years has exceeded the benchmarks and a satisfactory result was achieved in 2022/23, given the cautious growth investment strategy which has been followed for some time. Comparative figures are also shown for the MSCI WMA Private Investors Balanced and MSCI United Kingdom TR indices. The charity has reviewed its investment strategy for the coming year and will continue to monitor performance against the agreed benchmarks.

In addition, the charity has invested in more recent years in a more aggressive Growth Portfolio. The table below records the performance of this portfolio valued at £1.2 million (2022: £1.2 million), including cash awaiting investment, against four indices for last year and the six years since inception.

	Year 2022/23 (Total Return)	Eight Year Period (Total Return)
Growth Portfolio	- 0.85%	+53.02%
MSCI WMA Private Investor Growth	- 1.35%	+70.97%
ARC Steady Growth PCI	- 4.52%	+39.86%
ARC Steady Growth ACI	- 4.04%	+45.73%
MSCI United Kingdom TR	+ 5.60%	+57.36%

A satisfactory result considering the market conditions was achieved in 2022/23 and the charity has reviewed its investment strategy for the coming year and will continue to monitor performance against the agreed benchmarks.

HEARING DOGS FOR DEAF PEOPLE

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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

The charity recorded a net deficit of £335,870 (2022: £3,091,520 surplus). Expenditure exceeded income by £101,593 (2022: £2,508,213 excess of income over expenditure) and investment losses amounted to £234,277 (2022: £583,307 gains).

The primary reasons for the change in results are:

- 1) A year-end accounting adjustment relating to legacies not yet received at the year end. In 2022 the accounting adjustment increased income by £278,230 whereas the adjustment at the end of 2023 reduced income by £868,927. This equates to a reduction in income of £1,147,157 between the two years.
- 2) The performance in the investment portfolio moved from a gain of £583,307 to a loss of £234,277, a negative swing of £817,584.
- 3) Spend on charitable activities during the 2022/23 year increased by £1,163,338 of which £606,217 related to payroll. Increased staff numbers in dog training / welfare and pay increases to partially keep pace with inflation caused much of the increase. Non-payroll costs also increased significantly with veterinary costs and dog food costs rising significantly.

Total income decreased by £1.6 million to £12.1 million (2022: £13.7 million). The major movements were an increase in donations of £0.8 million relating to the receipt of two major donations from trusts and foundations, and a decrease in legacies of £2.7 million partially due to year end accounting adjustments. We remain very grateful to all our supporters who provide us with the financial resources we need to continue to maintain and develop our work. Their many contributions are essential given that there is continuing demand for the charity's hearing dog and hearing loss services for which it receives only a relatively small amount of government funding.

Total net assets reduced by £0.3 million to £25.2 million (2022: £25.5 million) at the year end. Total fixed assets decreased by £0.4 million to £16.6 million (2022: £17.0 million) principally due to investment loss. Net current assets increased by £0.1 million to £8.6 million (2022: £8.5 million).

Designated funds increased by £2.2million to £17.5 million (2022: £15.3 million) and the operational reserve and restricted funds amounted to £6.6 million (2022: £9.3 million) and £1.0 million (2022: £0.9 million) respectively.

Reserves policy

The charity operates to provide immediate benefit to hearing dog deaf partners followed by a lifetime of partnership support for them and their families. With plans to increase the number of dogs being trained each year and 1,019 (2022: 974) working partnerships located throughout the country this level of support is expensive to maintain and will require both capital and revenue expenditure as a continuing investment for the future. In addition, it is dependent on voluntary income, principally legacies, which can be subject to considerable fluctuation from year to year.

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

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Reserves policy (continued)

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

Designated Funds for Tangible Fixed Assets.

This represents unrestricted reserves set aside by the Trustees for the functional fixed assets and capital commitments of the charity required to carry out its principal activities. At 31 March 2023 this reserve stood at £7.5 million (2022: £7.7 million).

Designated Funds for Existing Partnerships.

These funds have been set aside to cover future long-term commitments, principally relating to existing hearing dog partnerships, which at 31 March 2023 were estimated at £6.4 million (2022: £5.9 million) over the next 10 years.

Designated Fund for Recovery from the Coronavirus Pandemic.

During 2021 the Trustees approved the creation of a £2.0 million Coronavirus Recovery Fund to provide for the consequences of the pandemic, some of which may not materialise for some time, as it takes eighteen months to two years to fully train a hearing dog. In the lead up to the end of the current accounting period it was felt that it was unlikely that any further expenditure would be required that was directly related to the Covid-19 outbreak. As such the fund was returned to undesignated funds.

Property Development Fund

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

Operational (Free) Reserve.

The policy of the Trustees is to hold an operational reserve equivalent to 6-12 months operating expenditure. At 31 March 2023 this reserve stood at £6.6 million (2022: £9.3 million) which represents 6.5 months running costs, based on the 2023/24 expenditure budget. The objective is, therefore, to maintain this reserve to ensure that sufficient funds are available at all times to cover the charity's operating expenditure.

Investment policy

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

**HEARING DOGS FOR DEAF PEOPLE
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Future plans

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

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

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

Approved by the board on 18 July 2023
and signed on their behalf by



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

**HEARING DOGS FOR DEAF PEOPLE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023**

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

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

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

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

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

Opinion

We have audited the financial statements of Hearing Dogs for Deaf People ('the charitable company') and its subsidiary ('the group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Other information (continued)

information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept [or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Janette Joyce
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor, Reading

Date: 29 August 2023

HEARING DOGS FOR DEAF PEOPLE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from:					
Donations and legacies	4	7,578,341	2,872,800	10,451,141	12,388,828
Grants receivable	4	-	-	-	38,477
Charitable activities	4	89,417	-	89,417	69,561
Trading and fundraising	4	1,203,577	-	1,203,577	1,119,345
Investments	4	271,999	-	271,999	70,479
Other	4	74,350	-	74,350	49,904
Total income		9,217,684	2,872,800	12,090,484	13,736,594
Expenditure on:					
Raising funds	5	2,688,224	-	2,688,224	2,887,866
Charitable activities	5	6,749,434	2,754,419	9,503,853	8,340,515
Total expenditure		9,437,658	2,754,419	12,192,077	11,228,381
Net (losses)/gains on investments		(234,277)	-	(234,277)	583,307
Net income		(454,251)	118,381	(335,870)	3,091,520
Transfers between funds	17	-	-	-	-
Net movement in funds		(454,251)	118,381	(335,870)	3,091,520
Reconciliation of funds:					
Total funds brought forward		24,642,654	873,589	25,516,243	22,424,723
Total funds carried forward	17	24,188,403	991,970	25,180,373	25,516,243

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

HEARING DOGS FOR DEAF PEOPLE
BALANCE SHEET
31 MARCH 2023
COMPANY NUMBER: 01964878

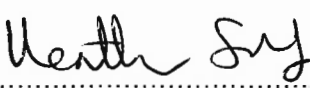
	Note	The Group		The Charity	
		2023 £	2022 £	2023 £	2022 £
Fixed assets:					
Tangible assets	9	7,476,054	7,731,285	7,476,054	7,731,285
Investments	10	9,092,117	9,295,040	9,092,117	9,295,040
Total fixed assets		16,568,171	17,026,325	16,568,171	17,026,325
Current assets:					
Stocks	11	45,307	38,155	-	-
Debtors	12	761,520	1,520,176	882,558	1,646,356
Short term deposits		8,487,014	8,298,852	8,487,014	8,298,852
Cash at bank and in hand		18,431	(83,799)	14,140	(90,783)
Total current assets		9,312,272	9,773,384	9,383,712	9,854,425
Liabilities:					
Creditors: Amounts falling due within one year	13	(700,070)	(1,283,466)	(688,289)	(1,287,928)
Net current assets		8,612,202	8,489,918	8,695,423	8,566,497
Total net assets	14	25,180,373	25,516,243	25,263,594	25,592,822
Funds:					
Restricted funds	17	991,970	873,589	991,970	873,589
Unrestricted funds:					
Designated funds	17	17,539,339	15,304,842	17,539,339	15,304,842
Operational reserve	17	6,649,064	9,337,812	6,732,285	9,414,391
Total funds	17	25,180,373	25,516,243	25,263,594	25,592,822

The deficit in the year relating to the parent charity was £329,228 (2022: surplus £3,067,559)

The financial statements were approved and authorised for issue by the board on 18 July 2023 and were signed on its behalf by:



 C M P O'Donovan-Rossa
 Chairman



 H Self
 Honorary Treasurer

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

HEARING DOGS FOR DEAF PEOPLE
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2023 £	2022 £
Cash flows from operating activities:				
Net cash provided by/(used in) operating activities	18a		164,034	3,036,065
Cash flows from investing activities:				
Dividends and interest from investments		271,999		70,479
Proceeds from the sale of tangible assets		6,550		1,155
Purchase of tangible assets		(120,837)		(594,079)
Proceeds from the sale of investments		1,573,624		1,462,468
Purchase of investments		(1,530,173)		(1,355,197)
Net cash provided by / (used in) investing activities			201,163	(415,174)
Change in cash and cash equivalents in the reporting period	18c		365,197	2,620,891
Change in cash and cash equivalents at the beginning of the reporting period	18b		8,402,615	5,781,724
Cash and cash equivalents at the end of the reporting period	18b		8,767,812	8,402,615

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies

a) Basis of preparation

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

b) Income

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

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

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

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

c) Volunteers

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

d) Unrestricted funds

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

e) Designated funds

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

f) Restricted funds

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

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

g) **Expenditure and irrecoverable VAT**

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

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

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

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

h) **Allocation of support costs**

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

i) **Operating leases**

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

j) **Fixed assets and depreciation**

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

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

Fixed assets costing under £500 are not capitalised and treated as revenue expenditure.

k) **Investments**

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

l) **Stocks**

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

m) **Debtors**

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

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

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

**HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Accounting policies (continued)

o) Creditors

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

p) Branches

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

q) Pensions

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

r) Financial instruments

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

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Comparative statement of financial activities

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Income from:			
Donations and legacies	10,252,757	2,136,071	12,388,828
Grants receivable	38,477	-	38,477
Charitable Activities	69,561	-	69,561
Trading and fundraising	1,119,345	-	1,119,345
Investments	70,479	-	70,479
Other	49,904	-	49,904
Total income	<u>11,600,523</u>	<u>2,136,071</u>	<u>13,736,594</u>
Expenditure on:			
Raising funds	2,887,866	-	2,887,866
Charitable activities	5,977,829	2,362,686	8,340,515
Total expenditure	<u>8,865,695</u>	<u>2,362,686</u>	<u>11,228,381</u>
Net gains on investments	<u>583,307</u>	<u>-</u>	<u>583,307</u>
Net income	3,318,135	(226,615)	3,091,520
Transfers between funds	<u>289,677</u>	<u>(289,677)</u>	<u>-</u>
Net movement in funds	3,607,812	(516,292)	3,091,520
Reconciliation of funds:			
Total funds brought forward	<u>21,034,842</u>	<u>1,389,881</u>	<u>22,424,723</u>
Total funds carried forward	<u>24,642,654</u>	<u>873,589</u>	<u>25,516,243</u>

HEARING DOGS FOR DEAF PEOPLE
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4. Income

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Donations and legacies				
Donations	862,111	1,482,266	2,344,377	1,584,975
Income from branches	19,614		19,614	59,966
Sponsorship	2	1,390,534	1,390,536	1,374,097
Legacies	6,466,300		6,466,300	9,130,692
Gift Aid	230,314		230,314	239,098
	<u>7,578,341</u>	<u>2,872,800</u>	<u>10,451,141</u>	<u>12,388,828</u>
Grants receivable				
Coronavirus Job Retention Scheme	-	-	-	14,477
Local Authority Grants	-	-	-	24,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,477</u>
Charitable activities				
Sale of hearing equipment	13,313	-	13,313	19,857
Services to other charities	76,104	-	76,104	49,704
	<u>89,417</u>	<u>-</u>	<u>89,417</u>	<u>69,561</u>
Trading and fundraising				
Fundraising events	441,932	-	441,932	365,599
Trading subsidiary income	761,645	-	761,645	753,746
	<u>1,203,577</u>	<u>-</u>	<u>1,203,577</u>	<u>1,119,345</u>
Investment income				
UK listed securities	84,918	-	84,918	60,764
UK bank interest	187,081	-	187,081	9,715
	<u>271,999</u>	<u>-</u>	<u>271,999</u>	<u>70,479</u>
Other income				
Rent received	48,495	-	48,495	46,674
Profit on sale of tangible assets	6,550	-	6,550	1,155
Other income	19,305	-	19,305	2,075
	<u>74,350</u>	<u>-</u>	<u>74,350</u>	<u>49,904</u>
Total income	<u>9,217,684</u>	<u>2,872,800</u>	<u>12,090,484</u>	<u>13,736,594</u>

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

5. Expenditure

Expenditure on:	Direct Costs £	Staff Costs £	Depreciation £	Support Costs £	Total 2023 £	Total 2022 £
Raising funds:						
Donations and legacies	906,110	730,392	40,877	121,897	1,799,276	2,042,042
Fundraising trading	708,287	97,649	-	27,713	833,649	790,525
Investment management	55,299	-	-	-	55,299	55,299
	<u>1,669,696</u>	<u>828,041</u>	<u>40,877</u>	<u>149,610</u>	<u>2,688,224</u>	<u>2,887,866</u>
Charitable activities:						
Provision of hearing dogs	1,359,798	5,922,751	335,191	1,547,685	9,165,425	8,024,315
Supporting people affected by hearing loss	31,016	238,384	-	69,028	338,428	316,200
	<u>1,390,814</u>	<u>6,161,135</u>	<u>335,191</u>	<u>1,616,713</u>	<u>9,503,853</u>	<u>8,340,515</u>
Total expenditure 2023	<u>3,060,510</u>	<u>6,989,176</u>	<u>376,068</u>	<u>1,766,323</u>	<u>12,192,077</u>	<u>11,228,381</u>
Total expenditure 2022	2,948,774	6,348,371	355,117	1,566,119	11,218,381	

5a. Support costs

Support costs included in the above are analysed as follows:

	Facilities £	General Management £	Legal & Professional £	IT £	Total 2023 £	Total 2022 £
Raising funds:						
Donations and legacies	55,912	29,928	12,208	23,849	121,897	76,426
Fundraising trading	22,713	2,500	-	2,500	27,713	25,222
	<u>78,625</u>	<u>32,428</u>	<u>12,208</u>	<u>26,349</u>	<u>149,610</u>	<u>101,648</u>
Charitable activities:						
Provision of hearing dogs	510,029	458,542	247,474	331,640	1,547,685	1,426,260
Supporting people affected by hearing loss	12,109	44,670	11,070	1,179	69,028	38,211
	<u>522,138</u>	<u>503,212</u>	<u>258,544</u>	<u>332,819</u>	<u>1,616,713</u>	<u>1,464,471</u>
Total expenditure 2023	<u>600,763</u>	<u>535,640</u>	<u>270,752</u>	<u>359,168</u>	<u>1,766,323</u>	<u>1,566,119</u>
Total expenditure 2022	536,936	400,408	299,639	329,136	1,566,119	

Total governance costs included above are £77,418 (2022: £77,174).

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

	2023 %	2022 %
Raising funds:		
Donations and legacies	14.7	18.2
Fundraising trading	6.8	7.0
Investment management	0.5	0.5
Charitable activities:		
Provision of hearing dogs	75.2	71.5
Supporting people affected by hearing loss	<u>2.8</u>	<u>2.8</u>

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
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6. Net income

This is stated after charging/(crediting):

	2023	2022
	£	£
Profit on sale of fixed assets	(6,550)	(1,155)
Depreciation	376,068	365,117
Auditors' remuneration	23,365	20,320
- audit	3,835	3,450
-other services	12,182	12,182
Operating lease rentals	2,832	2,832
- equipment		
-property		

7. Staff costs and numbers

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	6,074,679	5,578,849
Social security costs	613,118	549,280
Pension contributions	266,791	220,242
	6,954,588	6,348,371

There were termination costs in the year of £154,693 (2022: £Nil). Termination costs include any payments in lieu of notice and pension contributions paid on termination.

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

	2023	2022
	Number	Number
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	-
£140,001 - £150,000	-	1
£160,001 - £170,000	1	-

Contributions to the charity's defined contribution pension scheme for the highest paid employee amounted to £40,058 (2022: £11,084).

The key management personnel of the charity are the trustees and the executive team led by the Chief Executive. No (2022: one) member of the executive team earned salaries of less than £60,000 and are not included in the table above. Total employee benefits (gross salaries, employers NI and employers pension contributions) of all the key management personnel of the charity and the group were £739,617 (2022: £578,708).

The Trustees did not receive any remuneration during the year to 31 March 2023 (2022: £Nil). Trustees received reimbursed travel and subsistence expenses in 2023 of £1,742 (2022: £Nil).

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

7. Staff costs and numbers (continued)

	2023 Number		2022 Number	
	Average	FTE	Average	FTE
Hearing Dogs: supply, training, welfare and aftercare	147	132	151	139
Hearing Link: supporting people affected by hearing loss	16	15	6	5
Fundraising	20	18	21	20
Communications and marketing	12	11	8	6
Management and administration	21	20	14	14
Total	216	196	200	184

The charity operates a defined contribution pension scheme for all eligible employees which was set up in April 2014 in order to comply with auto-enrolment regulations. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension charge represents contributions payable by the charity to the fund. Pension contributions outstanding at 31 March 2023 amounted to £Nil (2022: £Nil).

8. Taxation

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

9. Tangible assets – Charity and Group

	Freehold property £	Motor vehicles £	Furniture and equipment £	Total £
Cost				
At 1 April 2022	9,663,715	299,423	1,886,028	11,849,166
Additions	32,850	10,838	77,149	120,837
Disposals	-	(54,348)	-	(54,348)
At 31 March 2023	9,696,565	255,913	1,963,177	11,915,655
Depreciation				
At 1 April 2022	2,449,640	284,105	1,384,136	4,117,881
Charge for the year	193,276	5,958	176,834	376,068
Disposals	-	(54,348)	-	(54,348)
At 31 March 2023	2,642,916	235,715	1,560,970	4,439,601
Net book value				
At 31 March 2023	7,053,649	20,198	402,207	7,476,054
At 31 March 2022	7,214,075	15,318	501,892	7,731,285

HEARING DOGS FOR DEAF PEOPLE
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FOR THE YEAR ENDED 31 MARCH 2023

9. Tangible assets (continued)

	Beatrice Wright Centre £	The Grange £	Total £
Net book value			
At 1 April 2022	2,050,515	5,163,560	7,214,075
Additions at cost	14,356	18,494	32,850
Disposals at net book value	-	-	-
Depreciation charge	(56,578)	(136,698)	(193,276)
Net book value at 31 March 2023	<u>2,008,293</u>	<u>5,045,356</u>	<u>7,053,649</u>

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

10. Fixed asset investments

	Group	
	2023 £	2022 £
Quoted investments		
Market value at 1 April	9,107,478	8,631,442
Purchases	1,530,173	1,355,197
Sales	(1,573,624)	(1,462,468)
Net investment (losses)/gains	<u>(234,277)</u>	<u>583,307</u>
Market value at 31 March	8,829,750	9,107,478
Cash awaiting investment	<u>262,367</u>	<u>187,562</u>
Total at 31 March	<u>9,092,117</u>	<u>9,295,040</u>

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

The historic cost of quoted investments at 31 March 2023 was £7,643,870 (2022: £7,450,981). Included in the operational reserve shown in the balance sheet (see page 20) is a revaluation reserve of £1,185,880 (2022: £1,656,497) which is calculated by comparing the historical cost of quoted investments with their market value as shown above.

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

	2023 £	2022 £
Total dividend and interest income for basic financial assets	<u>271,999</u>	<u>70,479</u>
Total (losses) / gains in respect of basic financial assets	<u>(234,277)</u>	<u>583,307</u>

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Stocks

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Goods for resale	<u>45,307</u>	<u>38,155</u>	<u>-</u>	<u>-</u>

12. Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	8,186	8,001	-	-
Loan to subsidiary	-	-	85,010	135,010
Other amounts due from subsidiary	(11)	-	45,421	-
Prepayments	195,461	500	194,243	-
Other debtors and accrued income	<u>557,884</u>	<u>1,511,675</u>	<u>557,884</u>	<u>1,511,346</u>
	<u>761,520</u>	<u>1,520,176</u>	<u>882,558</u>	<u>1,646,356</u>

Total debtors includes £85,010 (2022: £135,010) receivable after more than one year. This represents the loan to the subsidiary trading company that is secured by a fixed and floating charge over the assets of that subsidiary, with interest charged at 2% over Barclays Bank base rate.

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

13. Creditors: Amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	265,343	281,723	264,952	279,439
Taxation and social security	158,494	267,926	158,494	267,926
Other creditors and accruals	<u>276,233</u>	<u>733,817</u>	<u>264,843</u>	<u>740,563</u>
	<u>700,070</u>	<u>1,283,466</u>	<u>688,289</u>	<u>1,287,928</u>

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

HEARING DOGS FOR DEAF PEOPLE
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FOR THE YEAR ENDED 31 MARCH 2023

14. Analysis of group net assets between funds

	Restricted funds	Unrestricted designated funds	Unrestricted operational reserve	Total funds
	£	£	£	£
2023				
Tangible fixed assets	-	7,476,054	-	7,476,054
Investments	-	9,092,117	-	9,092,117
Current assets	991,970	971,168	7,349,134	9,312,272
Current liabilities	-	-	(700,070)	(700,070)
Group funds at 31 March 2023	991,970	17,539,339	6,649,064	25,180,373
Add: Subsidiary net liabilities			83,221	83,221
Charity funds at 31 March 2023	991,970	17,539,339	6,732,285	25,263,594
	-	-	-	-
	Restricted funds	Unrestricted designated funds	Unrestricted operational reserve	Total funds
	£	£	£	£
2022				
Tangible fixed assets	-	7,731,285	-	7,731,285
Investments	-	7,573,557	1,721,483	9,295,040
Current assets	873,589	-	8,899,795	9,773,384
Current liabilities	-	-	(1,283,466)	(1,283,466)
Group funds at 31 March 2022	873,589	15,304,842	9,337,812	25,516,243
Add: Subsidiary net liabilities	-	-	76,579	76,579
Charity funds at 31 March 2022	873,589	15,304,842	9,414,391	25,592,822

15. Other financial commitments

At 31 March 2023 the ageing of total minimum lease payments was as follows:

	2023			2022		
	Property Leases	Other	Total	Property Leases	Other	Total
	£	£	£	£	£	£
Operating leases due:						
Within one year	2,832	1,092	3,924	2,832	8,116	10,948
Between 2-5 years	-	1,277	1,277	-	2,772	2,772
Total	2,832	2,369	5,201	2,832	10,888	13,720

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Subsidiary undertaking

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

	2023	2022
	£	£
Trading and profit and loss account		
Turnover	761,645	753,746
Cost of sales	(567,788)	(542,905)
Gross profit	193,857	210,841
Grants receivable	-	24,000
Administrative expenses	(194,388)	(207,827)
Operating loss	(531)	27,014
Interest payable	(6,111)	(3,053)
(Loss) / Profit on ordinary activities	(6,642)	23,961
Retained losses brought forward	(76,581)	(100,542)
Retained losses carried forward	(83,223)	(76,581)
Balance sheet		
Total assets	59,002	72,128
Total liabilities	(142,223)	(148,707)
Net liabilities	(83,221)	(76,579)
Share capital	2	2
Retained losses	(83,223)	(76,581)
Capital and reserves	(83,221)	(76,579)

HEARING DOGS FOR DEAF PEOPLE
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FOR THE YEAR ENDED 31 MARCH 2023

17. Movement in funds

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

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

17. Movement in funds (continued)

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

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

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

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

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

Designated funds of £7,476,054 (2022: £7,731,285) have been set aside from the group's unrestricted funds by the Directors for the functional fixed assets required to carry out the principal activities of the charity. No contractual commitments existed at 31 March 2023 (2022: £Nil). An amount of £120,837 (2022: £594,079) was transferred from general funds to designated funds in respect of fixed assets during the year.

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

An amount to cover the charity's future long-term commitments relating to its existing hearing dog partnerships. At 31 March 2023 this amount was calculated at £6,443,368 (2022: £5,868,982) representing the projected costs over a 10-year period. An amount of £574,386 (2022: £489,106) was transferred from general funds to designated funds in respect of future partnership liabilities during the year.

A Coronavirus Recovery Fund of £2,000,000 was created in 2020/21 to provide for the consequences of the pandemic. In the lead up to the end of the current accounting period it was felt that it was unlikely that any further expenditure would be required that was directly related to the Covid-19 outbreak. As such the fund was returned to undesignated funds.

The operating environment has changed since the Coronavirus pandemic and it is planned to redevelop parts of both sites that are no longer used. A designated fund of £3.5m has been established to support the plans.

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

17. Movement in funds (continued)

	2021 £	Total Income £	Total Expenditure £	Investment Gains / Transfers £	2022 £
Restricted funds:					
<u>Hearing Dogs:</u>					
<u>By project / activity</u>					
Physical Facility	290,000				290,000
Hearing Dogs for Deaf Children	-	40,888	(40,888)		-
Breeding and Genetics Centre	19,983	92,834	(112,817)		-
Hearing Dogs Training	-	1,387,097	(1,387,097)		-
Puppy Socialising Areas	212,000	50,000	(237,000)		25,000
Assistance Dogs Access	45,000		(45,000)		-
Community Fundraising Officer	11,934	8,421	(20,355)		-
Dog Welfare	-				-
Upgrade: Training Flats and Fencing	175,280			(175,280)	-
Upgrade: The Grange Farmhouse	300,000				300,000
Upgrade: The Stables		101,897		(101,897)	-
Upgrade: Kennels		10,000			10,000
Lifetime Partnership Support	275,000		(125,000)		150,000
Training and / or name a dog		65,000	(25,000)		40,000
Pawilian		12,500		(12,500)	-
Other projects less than £10,000	4,793	16,631	(13,000)		8,424
<u>By location</u>					
Buckinghamshire	-	12,700	(12,700)		-
Devon & Cornwall	-	28,500	(28,500)		-
Dundee	2,681	4,000	(6,681)		-
Greater Manchester	-	22,500	(22,500)		-
Hampshire	-	5,750	(5,750)		-
Jersey	10,918		(1,500)		9,418
Leicestershire	-	6,250	(6,250)		-
Merseyside	-	17,887	(17,887)		-
Nottinghamshire		8,500	(8,500)		-
Oxfordshire	-	6,000	(6,000)		-
Scotland	-	9,150	(9,150)		-
South East England		15,000	(15,000)		-
Wales	-	12,248	(12,248)		-
Yorkshire	-	33,941	(27,268)		6,673
Amounts £5,000 or less	2,127	50,500	(52,627)		-
Hearing Dogs Total	1,349,716	2,018,194	(2,238,718)	(289,677)	839,515
<u>Hearing Link:</u>					
<u>By project / activity</u>					
Hearing Aid Liaison Outreach	8,498				8,498
Hearing Link		89,274	(89,274)		-
Website Development	25,576				25,576
<u>By location</u>					
Northern Ireland	4,950	9,413	(14,363)		-
Scotland	1,141	19,190	(20,331)		-
Hearing Link Total	40,165	117,877	(123,968)	-	34,074
Total restricted	1,389,881	2,136,071	(2,362,686)	(289,677)	873,589

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Movement in funds (continued)

	2021 £	Total Income £	Total Expenditure £	Investment Gains / Transfers £	2022 £
Unrestricted funds:					
Designated funds:					
Freehold - BWC	2,107,093	-	(56,578)	-	2,050,515
Freehold - The Grange	4,970,629	-	(133,569)	326,500	5,163,560
Other functional fixed assets	424,601	-	(174,970)	267,579	517,210
Sub-total fixed assets	7,502,323	-	(365,117)	594,079	7,731,285
Capital commitments	243,941	-	(243,941)	-	-
Total fixed assets	7,746,264	-	(609,058)	594,079	7,731,285
Partnership commitments	6,057,065	-	(677,189)	489,106	5,868,982
Coronavirus Recovery Fund	2,000,000	-	(295,425)	-	1,704,575
Total designated	15,803,329	-	(1,581,672)	1,083,185	15,304,842
Operational reserve	5,231,513	11,600,523	(7,284,023)	(210,201)	9,337,812
Total unrestricted	21,034,842	11,600,523	(8,865,695)	872,984	24,642,654
Total funds	22,424,723	13,736,594	(11,228,381)	583,307	25,516,243

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

	2023 £	2022 £
Net (expenditure) / income	(335,870)	3,091,520
Adjustments for:		
Depreciation charges	376,068	365,117
Losses / (Gains) on investments	234,277	(583,307)
Dividends and interest from investments	(271,999)	(70,479)
(Profit)/loss on sale of tangible fixed assets	(6,550)	(1,155)
(Increase) in stock	(7,152)	(2,591)
Decrease / (Increase) in debtors	758,656	(171,563)
(Decrease) / increase in creditors	(583,396)	408,523
Net cash provided by operating activities	164,034	3,036,065

18b. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash awaiting investment	262,367	187,562
Short term deposits	8,487,014	8,298,852
Cash at bank and in hand	18,431	(83,799)
	8,767,812	8,402,615

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

18c. Movement in net funds

	At 1 April 2022 £	Cash flow £	At 31 March 2023 £
Short term deposits	8,298,852	188,162	8,487,014
Cash at bank and in hand	(83,799)	102,230	18,431
Cash held awaiting investment	187,562	74,805	262,367
Total net cash	<u>8,402,615</u>	<u>365,197</u>	<u>8,767,812</u>

19. Capital commitments

	2023 £	2022 £
Contracted capital commitments for the group and the charity	<u>£ 119,917</u>	<u>£ -</u>

There were capital commitments of £119,917 relating to the purchase of four motor vehicles as at 31 March 2023 (2022: £Nil).

20. Related parties

In the year to 31 March 2023 the following transactions took place between the charity and its wholly owned trading subsidiary:

- a. Management charges from the charity to the trading subsidiary £60,000 (2022: £60,000).
- b. Interest payable by the trading subsidiary to the charity £6,111 (2022: £3,053).

At 31 March 2023 the amount owed by the trading subsidiary to the charity amounted to £42,626 (2022: £18,159 owed by the charity to the trading company).

In addition, the charity has loaned the trading subsidiary £85,010 which has no fixed repayment date, but which is secured on its assets, attracting interest at 2% over bank base rate.

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

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

£496 (2022: £264) of donations from Trustees were received during the year. £350 of books written by trustee Bruce Fogle were sold through the gift shop in the period.

21. Contingent assets – Legacies

At the balance sheet date, the charity had received notification that it is a beneficiary of a number of legacies. It is not possible to quantify these accurately or to ascertain the date on which the charity will receive them. The estimated value of the legacies notified as at 31 March 2023 was £6.1 million (2022: £5.0 million) and is not included in the accounts.

HEARING DOGS FOR DEAF PEOPLE

England & Wales - Charity number 293358

Accounts



INCORPORATING:



**HEARING DOGS FOR DEAF PEOPLE
(A COMPANY LIMITED BY GUARANTEE)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022**

COMPANY NUMBER: 01964878

CHARITY NUMBER - ENGLAND: 293358

CHARITY NUMBER - SCOTLAND: SC040486

**HEARING DOGS FOR DEAF PEOPLE
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FOR THE YEAR ENDED 31 MARCH 2022**

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HEARING DOGS FOR DEAF PEOPLE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees (who are also Directors of the Charitable Company for the purpose of Company law) present their annual report together with the audited financial statements for the year ended 31 March 2022.

Reference and administrative details of the charity

Company number:	01964878
Charity number:	England: 293358 Scotland: SC040486
Registered office:	The Grange Wycombe Road Saunderton Princes Risborough Buckinghamshire HP27 9NS
Royal patron:	HRH The Princess Royal
President:	Sir Stuart Hampson CVO
Life vice-presidents:	A G Blunt MBE D A McInnes
Vice-presidents:	R Bourne Air Vice-Marshal D Crwys-Williams CB FCIPD FCIM Dr H Harris MB ChB FRCGP K W Keir OBE
Trustees:	F B Clark (Resigned 19 July 2022) Dr B Fogle MBE DVM MRCVS A C Bowers BSc ACA (Resigned 1 October 2021) G P Burchett MBA FCMI E M Burness (Appointed 11 May 2021) R Casey BVSc DipECAWBM FRCVS (Appointed 17 May 2022) M S Coote BSc (Appointed 11 May 2021) P Davies BSc FCA BFP (Appointed 17 May 2022) B S Downes LL.B FSHAA K A England RVN DipCIM Dr V Harrison MA DPhil (Resigned 1 October 2021) D L Hay S E Heath BVSc PgCertVE DipECAWBM(BM) CCAB FHEA FRCVS (Appointed 11 May 2021) A M Horsley JP DL V A Hunt (Resigned 1 October 2021) C McKay (Appointed 17 May 2022) K B Milsom BHSc Hons MSc (Appointed 11 May 2021) C M P O'Donovan-Rossa BA Hons MA ACIB FCIPD DMS H Self MA, FCA, CTA(Fellow), FRSA (Appointed 17 May 2022) Professor R T Ramsden MBE FRCS

V A Hunt was also a stakeholder in the charity being a deaf partner in receipt of a hearing dog.

In accordance with the Articles of Association, F B Clark, Dr B Fogle, A M Horsley, K A England, D L Hay, C M P O'Donovan-Rossa, R Casey, P Davies, C McKay and H Self retire at the Annual General Meeting (AGM) and being eligible, offer themselves for re-election. G P Burchett retires at the AGM and is not seeking re-election.

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

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Reference and administrative details of the charity (continued)

Executive team:	Chief Executive	M Jennings BA LL.B MBA
	Director of Corporate Services	P R Hester FCA
	and Company Secretary	(Resigned 28/01/22)
	Finance & IT Director	C M Hedley BA ACMA
		(Appointed 13/01/22)
	Director of Operations	J Tommey BSc
	Director of Services & Partnerships	A Platten
	Director of Quality & Human Resources	J Gray MBA VN
	Director of Income Generation and	S Heyes BSc
	Communications	
Principal bankers:	Barclays Bank plc	
	PO Box 885	
	Mortlock House, Vision Park	
	Histon, Cambridge	
	CB24 9DE	
Solicitors:	Penningtons Manches LLP	Wilsons Solicitors
	9400 Garsington Road	Alexandra House
	Oxford Business Park	St Johns Street
	Oxford, OX4 2HN	Salisbury, SP1 2SB
Auditors:	Crowe U.K. LLP	
	Aquis House	
	49-51 Blagrove Street	
	Reading	
	Berkshire RG1 1PL	

Structure, Governance and Management

Governing Document

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

Governing Body

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

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

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Structure, Governance and Management (continued)

Recruitment and Training of Trustees

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

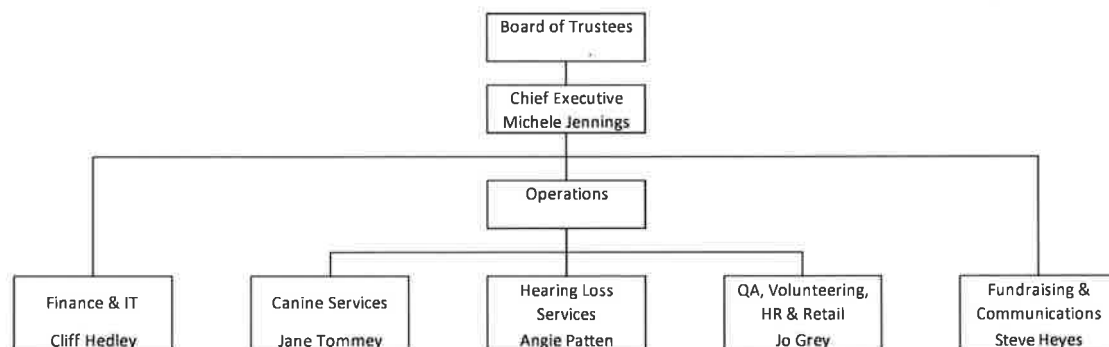
The Trustees consider it to be best practice to make every effort to have representation of the charity's beneficiaries on the Board of Trustees.

Pay policy for senior staff

The pay of the Chief Executive is reviewed annually by the Remuneration Committee and normally increased according to agreed benchmarks and the percentage annual pay award to all staff are taken into consideration. Pay increases for the executive team are approved by the Chief Executive after reviewing performance, benchmarking against other charities and taking into account the annual pay award to all staff.

Organisation and Structure

The charity employs 184 members of staff (full-time equivalent) who are involved in the labour intensive process of creating and supporting hearing dog partnerships and supporting people affected by hearing loss. Members of staff operate within three main departments as indicated in the following organisation chart.



After 10 ½ years as Chief Executive of Hearing Dogs, our Chief Executive, Michele Jennings will be stepping down from her role on 29 July 2022. Since her arrival in 2012, the charity has grown significantly and now helps thousands more deaf and hard-of-hearing people and is now in the top 1% of UK charities by income. Michele led the charity safely and successfully through the severe challenges of the Covid pandemic and has emerged stronger than ever thanks to her leadership. She leaves the charity in a strong financial position and with a widely respected operational and reputational basis from which to move forward. Her many qualities will be greatly missed.

Group structure and relationships

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

Hearing Dogs for Deaf People is a member of Assistance Dogs UK (ADUK) and plays a full and active role in this umbrella organisation which is open to assistance dog charities. Under the auspices of ADUK collaboration takes place on several fronts including access, public relations and training issues. The charity is also a fully accredited member of Assistance Dogs Europe (ADEu) and Assistance Dogs International

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Structure, Governance and Management (continued)

(ADI) and is therefore involved with assistance dogs organisations worldwide. Hearing Dogs for Deaf People is also a member of the UK Council on Deafness, a national infrastructure organisation for voluntary sector organisations working with deaf people. Other collaborative relationships with which the charity is actively involved include the Deaf Alliance and the Microchipping Alliance.

Risk Management

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

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

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

- A shortage of suitable dogs to enter the training program
- A shortage of skilled staff to train the potential hearing dogs
- Financial disruption associated with Covid-19, Brexit, investment performance and the recent cost of living rises
- Threats to the IT systems including cyber security, misuse of systems and the cost of continual investment in systems and hardware

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

Objectives, Aims and Activities

Charitable Objectives

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

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

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

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

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

HEARING DOGS FOR DEAF PEOPLE TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Objectives, Aims and Activities (continued)

Aim and Intended Impact

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

Our principal aim is:

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

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

Principal activities of the year

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

In addition, the charity's activities have been expanded through a merger with Hearing Link to reach out to people with hearing loss and their families to help them improve their lives. This is achieved by connecting people with one another, providing information, advice and training and raising awareness and understanding of the profound impact of hearing loss on every aspect of life.

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

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

Activities in Scotland – Registered Charity Number: SC040486

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

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

**HEARING DOGS FOR DEAF PEOPLE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Volunteer Support

As ever, we are indebted to our volunteer family. Due to the Covid pandemic the operation of the organisation has changed significantly since March 2019. The willingness of our volunteers to adapt and change practices has been astounding. The time and effort required in the training of puppies, assisting with hearing link activities, fundraising, and speaking on our behalf is significant and is greatly appreciated throughout the organisation. Many volunteers have been busier than ever, whilst unfortunately some volunteering has been on hold or severely limited since the first lockdown. In both instances, we have continued to champion and thank our volunteers for their incredible capability and resilience.

The charity had 3,093 (2021: 3,112) volunteers at 31 March 2022 which for the first year ever includes 135 micro volunteers. Overall volunteer numbers remain static however, for the second year since the Covid pandemic, there is a decrease -154 (2021: -250) in the number of registered volunteers (i.e., those who have entered into a formal agreement with the charity) to 2,958 (2021: 3,112) however this net decrease masks volunteer turnover which recorded 403 (2021: 286) new volunteers and 557 (2021: 536) departures.

Provision of information to auditors

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

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

Auditors

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

Approved by the board on 19 July 2022
and signed on their behalf by



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

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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

Objectives for the year

The charity maintains a balance between the resources required to meet its commitments to the people with hearing loss it seeks to serve and those required to train and support the dogs which are an integral and vital part of the success of the organisation. The key aspects of the charity's plans in 2021/22 were to:

1. increase the charity's impact in helping people experiencing mild to moderate hearing loss as well as those with profound hearing loss.
2. continue to train some 200 dogs per annum for core deaf support roles;
3. maintain the charity's financial performance and its strong balance sheet by developing and expanding new and existing income streams, constraining costs and ensuring all charity assets are fully utilised;
4. increase public awareness of the charity and maximise the resulting fundraising opportunities;
5. re-open The Grange restaurant/café and gift shop and return the trading subsidiary to profitability so as to deliver a sustainable income stream for the charity in the longer-term;
6. build on the existing volunteer network and expand the breadth and depth of the charity's services including further development of micro-volunteering.
7. Continue to work towards the objectives of the Hearing Dogs Five Year Plan which was initiated in 2021

Strategies to achieve the year's objectives

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

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

What we achieved during the year

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

1. This year has seen the continuing development of our online Hearing Loss Services through Hearing Link including the helpdesk which is supported by our volunteer helpdesk responders and client advisors and received 3,176 enquiries during the year.
2. Total number of dogs completing training during the year was 202 (2021: 182). Each hearing dog takes some 18-24 months to train.
3. The net movement in funds for the year was a surplus of £3,091,520 (2021: £4,191,170). Income exceeded expenditure by £2,508,213 (2021: £2,796,195) and investment gains amounted to £583,307 (2021: £1,394,975).

HEARING DOGS FOR DEAF PEOPLE

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

What we achieved during the year (continued)

4. The performance of the charity's trading subsidiary was satisfactory given the disruption caused by Covid-19. The response from customers has remained very encouraging and the profit on ordinary activities for the year was £23,961 (2021: £16,455 loss).
5. The past year was a challenging one for volunteers due to Covid-19. The number of registered volunteers reduced to 2,958 which was 154 less than at the end of the previous year.

Fundraising practices and performance

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

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

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

In addition, the charity has created its own Supporter Promise setting out the standards that we as an organisation follow. We pride ourselves on not using aggressive fundraising techniques; we never use professional fundraisers to undertake street fundraising (chuggers) nor to carry out door to door fundraising, we never sell on the names of our supporters to other organisations and will not enter into any commercial undertakings that would be detrimental to our beneficiaries or supporters.

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

We work with an external company to run 2 or 3 raffles a year, as well as our Weekly Lottery which launched in the summer of 2021. The company is accredited by the Gambling Commission, Institute of Fundraising, the Lotteries Council and Responsible Gambling Trust.

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

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

Total income was £1.45 million above last year at £13.7 million. Legacies increased by £2.3 million to £9.1m but donations reduced due to receiving restricted grants for specific projects in previous years.

Sales by the Trading Company were £0.5m higher than last year due the re-opening of operations in line with Covid-19 restrictions being lifted. The increased income resulted in a £23,961 profit for the year (2021: loss £(16,455)).

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Operational performance

Canine Services (Hearing Dogs)

In the last financial year the operational focus was supporting the volunteers and staff through the changes relating to Covid guidelines and the effects they had on day to day routines of their roles. We focused on flexible approaches towards teaching and on progressing our older dogs who had delays due to lockdowns.

We had originally had the aim to finish the training of 190 dogs for placement with deaf clients. We managed to exceed this and train 202 due to our flexible approach bring on the older delayed dogs whilst still being able to train our younger ones who had been less affected by the timings of Covid 19 restrictions.

Our training course provided to our new deaf partners when they receive their matched dog also took a flexible approach and has developed into a mix of home visit, video calls, and on line materials. Our aim for 2022/23 is to optimize this course package by returning part of this course to an onsite stage to help deaf partners with areas they still have queries on from earlier parts of the course. This onsite section will be delivered from our two sites in Buckinghamshire and Yorkshire.

In 2022/23 we also aim to finish the training of a further 220 dogs for placing with deaf clients.

Hearing Loss Services

Objectives for the year were:

- to reach and support more deaf people than ever before with the provision of our personalised services, which may include the lifetime support of a hearing dog
- continue to grow the charities reputation whilst embracing the Hearing Link Services legacy to engage more health professionals and industry contacts to increase referrals to our support services
- to develop and grow our digital services such as LiveChat, and access to virtual services such as LinkUp online and Video's

Strategies to achieve this year's objectives were:

- changes to departmental structure and objectives to create a more client focused approach to offering service. Investment in the central support team to ensure staff provision to manage growth in incoming enquiries. Growth of the community support initiative both for our hearing dog partners and potential new beneficiaries through the launch of our Hearing Loss Information Days.
- Investment in and refreshing of the brand to incorporate Hearing Link Services to create better symbiosis and cohesion, this includes updates to the charity mission and aims. Hearing Link website reskinned to reflect the developed relationship.
- Attendance at major industry event to showcase the charities work and develop networks. This includes Audiology conferences and engagement with manufacturers across the sector.
- Refresh of the hearing link website to better reflect our position as a charity supporting deaf people in 2022. This includes the use of the new brand, updated information on services and improved navigability. Development to merge the charities shops onto a single platform. Relaunch of the membership scheme to improve user experience, engage more people and provide a hearing loss specific support mechanism for those committed to supporting hearing loss. Growth of the LiveChat feature to expand hours and marketing. Production of a marketing and recruitment video on LinkUps to engage a wider audience.

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Hearing Loss Services (continued)

What we achieved

- 3,176 people supported (1,069 partnerships, 571 Supported potential beneficiaries, 1536 1-1 support inc. Helpdesk)
- HL website visitors 497,908
- 289 active members
- HL news subscribers 9764
- 907 shop customers
- 1376 engagement at events

Investment performance

Tilney have been the charity's investment managers for the last eighteen years having been re-appointed in 2010 after conducting a tendering process. The table below records the performance of the Income and Growth Portfolio valued at £8.1 million (2021: £7.6 million), including cash awaiting investment, against four indices for last year and the last seventeen years.

	Year 2021/22 (Total Return)	Eighteen Year Period (Total Return)
Income and Growth Portfolio	+ 7.16%	+193.35%
MSCI WMA Private Investor Balanced	+ 7.80%	+136.47%
ARC Balanced PCI	+ 3.46%	+142.46%
ARC Balanced ACI	+ 5.37%	+169.82%
MSCI United Kingdom TR	+19.10%	+228.48%

The favoured benchmarks are currently the ARC Balanced indices as these are comparable with the underlying asset allocation of the Hearing Dogs portfolio. Performance over the past seventeen years has exceeded the benchmarks and a satisfactory result was achieved in 2021/22, given the cautious growth investment strategy which has been followed for some time. Comparative figures are also shown for the MSCI WMA Private Investors Balanced and MSCI United Kingdom TR indices. The charity has reviewed its investment strategy for the coming year and will continue to monitor performance against the agreed benchmarks.

In addition, the charity has invested in more recent years in a more aggressive Growth Portfolio. The table below records the performance of this portfolio valued at £1.2 million (2021: £1.1 million), including cash awaiting investment, against four indices for last year and the six years since inception.

	Year 2021/22 (Total Return)	Seven Year Period (Total Return)
Growth Portfolio	+ 6.19%	+54.33%
MSCI WMA Private Investor Growth	+10.49%	+73.31%
ARC Steady Growth PCI	+ 4.64%	+46.48%
ARC Steady Growth ACI	+ 6.29%	+51.86%
MSCI United Kingdom TR	+19.10%	+49.01%

A satisfactory result was achieved in 2021/22 and the charity has reviewed its investment strategy for the coming year and will continue to monitor performance against the agreed benchmarks.

HEARING DOGS FOR DEAF PEOPLE

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

The charity is pleased to report a net surplus of £3,091,520 (2021: £4,191,170). Income exceeded expenditure by £2,508,213 (2021: £2,796,195) and investment gains amounted to £583,307 (2021: £1,394,975).

Total income increased by £1.4 million to £13.7 million (2021: £12.3 million). The major movements were; a decrease in donations of £1.2 million relating to the receipt of grants for specific projects in 2021, an increase in legacies of £2.3 million, a reduction in Coronavirus Job Retention grants of £0.4m and an increase in trading income of £0.5m. We remain very grateful to all our supporters who provide us with the financial resources we need to continue to maintain and develop our work. Their many contributions are essential given that there is continuing demand for the charity's hearing dog and hearing loss services for which it receives only a relatively small amount of government funding.

Expenditure for the year increased by £1.7 million to £11.2 million (2021: £9.5 million). Spending on staffing increased by £0.7 million and fundraising by £0.2m.

Total net assets increased by £3.1 million to £25.5 million (2021: £22.4 million) at the year end. Total fixed assets increased by £0.8 million to £17.0 million (2021: £16.2 million) principally due to investment gains and net current assets increased by £2.3 million to £8.5 million (2021: £6.2 million) most notably a £2.6 million increase in short term deposits generated by the operating surplus.

Designated funds decreased by £0.5million to £15.3 million (2021: £15.8 million) and the operational reserve and restricted funds amounted to £9.3 million (2021: £5.2 million) and £0.9 million (2021: £1.4 million) respectively.

Reserves policy

The charity operates to provide immediate benefit to hearing dog deaf partners followed by a lifetime of partnership support for them and their families. With plans to increase the number of dogs being trained each year and 974 (2021: 1,012) working partnerships located throughout the country this level of support is expensive to maintain and will require both capital and revenue expenditure as a continuing investment for the future. In addition, it is dependent on voluntary income, principally legacies, which can be subject to considerable fluctuation from year to year.

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

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

Designated Funds for Tangible Fixed Assets.

This represents unrestricted reserves set aside by the Trustees for the functional fixed assets and capital commitments of the charity required to carry out its principal activities. At 31 March 2022 this reserve stood at £7.7 million (2021: £7.7 million).

Designated Funds for Existing Partnerships.

These funds have been set aside to cover future long-term commitments, principally relating to existing hearing dog partnerships, which at 31 March 2022 were estimated at £5.9 million (2021: £6.1 million) over the next 10 years.

HEARING DOGS FOR DEAF PEOPLE

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Designated Fund for Recovery from the Coronavirus Pandemic.

During 2021 the Trustees approved the creation of a £2.0 million Coronavirus Recovery Fund to provide for the consequences of the pandemic, some of which may not materialise for some time, as it takes two years or more to fully train a hearing dog. The charity's labour costs will increase to cover the cost of additional training of dogs or the scaling up of the breeding programme (which was forced to halt during the crisis) in order to meet the demand for the charity's services. The charity also sees opportunities to accelerate its development by investing in additional capital and revenue projects over the next 5 years in line with the charity's strategic plan. Project spending will be over and above amounts approved annually as part of the charity's budgeting procedures and will be approved in advance by the Trustees. As at 31 March 2022 £830,000 had been approved for spend and £ 295,425 actually spent.

Operational (Free) Reserve.

The policy of the Trustees is to hold an operational reserve equivalent to 6 months operating expenditure. At 31 March 2022 this reserve stood at £9.3 million (2021: £5.2 million) which represents 10.4 months running costs, based on the 2022/23 expenditure budget. The objective is, therefore to maintain this reserve to ensure that sufficient funds are available at all times to cover the charity's operating expenditure.

Investment policy

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

Future plans

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

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

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

Approved by the board on 19 July 2022
and signed on their behalf by



C M P O'Donovan-Rossa (Chairman)

**HEARING DOGS FOR DEAF PEOPLE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022**

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

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

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

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

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

Opinion

We have audited the financial statements of Hearing Dogs for Deaf People ('the charitable company') and its subsidiary ('the group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Other information (continued)

information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept [or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Janette Joyce
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor, Reading

Date: 5 August 2022 

HEARING DOGS FOR DEAF PEOPLE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	4	10,252,757	2,136,071	12,388,828	11,021,906
Grants receivable	4	38,477	-	38,477	473,634
Charitable activities	4	69,561	-	69,561	51,601
Trading and fundraising	4	1,119,345	-	1,119,345	546,005
Investments	4	70,479	-	70,479	83,756
Other	4	49,904	-	49,904	105,474
Total income		11,600,523	2,136,071	13,736,594	12,282,376
Expenditure on:					
Raising funds	5	2,887,866	-	2,887,866	2,153,453
Charitable activities	5	5,977,829	2,362,686	8,340,515	7,332,728
Total expenditure		8,865,695	2,362,686	11,228,381	9,486,181
Net gains/(losses) on investments		583,307	-	583,307	1,394,975
Net income		3,318,135	(226,615)	3,091,520	4,191,170
Transfers between funds	17	289,677	(289,677)	-	-
Net movement in funds		3,607,812	(516,292)	3,091,520	4,191,170
Reconciliation of funds:					
Total funds brought forward		21,034,842	1,389,881	22,424,723	18,233,553
Total funds carried forward	17	24,642,654	873,589	25,516,243	22,424,723

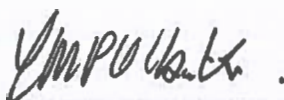
The notes on pages 21 to 37 form part of these financial statements

HEARING DOGS FOR DEAF PEOPLE
BALANCE SHEET
31 MARCH 2022
COMPANY NUMBER: 01964878

	Note	The Group		The Charity	
		2022 £	2021 £	2022 £	2021 £
Fixed assets:					
Tangible assets	9	7,731,285	7,502,323	7,731,285	7,502,323
Investments	10	<u>9,295,040</u>	<u>8,706,292</u>	<u>9,295,040</u>	<u>8,706,294</u>
Total fixed assets		<u>17,026,325</u>	<u>16,208,615</u>	<u>17,026,325</u>	<u>16,208,617</u>
Current assets:					
Stocks	11	38,155	35,564	-	-
Debtors	12	1,520,176	1,348,613	1,646,356	1,470,120
Short term deposits		8,298,852	5,690,195	8,298,852	5,688,077
Cash at bank and in hand		<u>(83,799)</u>	<u>16,679</u>	<u>(90,783)</u>	<u>16,677</u>
Total current assets		<u>9,773,384</u>	<u>7,091,051</u>	<u>9,854,425</u>	<u>7,174,874</u>
Liabilities:					
Creditors: Amounts falling due within one year	13	<u>(1,283,466)</u>	<u>(874,943)</u>	<u>(1,287,928)</u>	<u>(858,228)</u>
Net current assets		<u>8,489,918</u>	<u>6,216,108</u>	<u>8,566,497</u>	<u>6,316,646</u>
Total net assets	14	<u>25,516,243</u>	<u>22,424,723</u>	<u>25,592,822</u>	<u>22,525,263</u>
Funds:					
Restricted funds	17	873,589	1,389,881	873,589	1,389,881
Unrestricted funds:					
Designated funds	17	15,304,842	15,803,329	15,304,842	15,803,329
Operational reserve	17	<u>9,337,812</u>	<u>5,231,513</u>	<u>9,414,391</u>	<u>5,332,053</u>
Total funds	17	<u>25,516,243</u>	<u>22,424,723</u>	<u>25,592,822</u>	<u>22,525,263</u>

The surplus in the year relating to the parent charity was £3,067,559 (2021: surplus £4,207,625)

The financial statements were approved and authorised for issue by the board on 19 July 2022 and were signed on its behalf by



C M P O'Donovan-Rossa
Chairman

The notes on pages 21 to 37 form part of these financial statements

**HEARING DOGS FOR DEAF PEOPLE
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2022 £	2021 £
Cash flows from operating activities:				
Net cash provided by/(used in) operating activities	18a		3,036,065	2,742,640
Cash flows from investing activities:				
Dividends and interest from investments		70,479		83,756
Proceeds from the sale of tangible assets		1,155		14,859
Proceeds from the sale of tangible assets for resale		-		959,852
Purchase of tangible assets		(594,079)		(243,495)
Proceeds from the sale of investments		1,462,468		2,556,903
Purchase of investments		(1,355,197)		(2,535,125)
Net cash (used in)/provided by investing activities			(415,174)	836,750
Change in cash and cash equivalents in the reporting period	18c		2,620,891	3,579,390
Change in cash and cash equivalents at the beginning of the reporting period	18b		5,781,724	2,202,334
Cash and cash equivalents at the end of the reporting period	18b		8,402,615	5,781,724

The notes on pages 21 to 37 form part of these financial statements

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

a) Basis of preparation

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The Trustees have considered how COVID-19 could affect the accounting policies that underlie these financial statements, and have reviewed income budgets, asset valuations and made assessments regarding possible material uncertainties and the adequacy of disclosures. Following this review the Trustees consider that there are sufficient reserves at 31 March 2022 to manage any foreseeable downturn in the UK and global economy and that there is a reasonable expectation that Hearing Dogs for Deaf People has adequate resources to continue in operational existence for the foreseeable future and for this reason, the Trustees continue to adopt the 'going concern' basis in preparing the accounts.

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

b) Income

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

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

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

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

c) Volunteers

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

d) Unrestricted funds

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

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

e) Designated funds

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

f) Restricted funds

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

g) Expenditure and irrecoverable VAT

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

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

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

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

h) Allocation of support costs

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

i) Operating leases

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

j) Fixed assets and depreciation

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

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

Fixed assets costing under £500 are not capitalised and treated as revenue expenditure.

k) Investments

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

l) Stocks

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

**HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. Accounting policies (continued)

m) Debtors

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

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

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

o) Creditors

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

p) Branches

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

q) Pensions

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

r) Financial instruments

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

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Comparative statement of financial activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Income from:			
Donations and legacies	7,407,237	3,614,669	11,021,906
Grants receivable	473,634	-	473,634
Charitable Activities	51,601	-	51,601
Trading and fundraising	546,005	-	546,005
Investments	83,756	-	83,756
Other	105,474	-	105,474
Total income	8,667,707	3,614,669	12,282,376
Expenditure on:			
Raising funds	2,153,453	-	2,153,453
Charitable activities	4,594,971	2,737,757	7,332,728
Total expenditure	6,748,424	2,737,757	9,486,181
Net gains/(losses) on investments	1,394,975	-	1,394,975
Net income	3,314,258	876,912	4,191,170
Transfers between funds	25,117	(25,117)	-
Net movement in funds	3,339,375	851,795	4,191,170
Reconciliation of funds:			
Total funds brought forward	17,695,467	538,086	18,233,553
Total funds carried forward	21,034,842	1,389,881	22,424,723

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Income

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Donations and legacies				
Donations	823,001	761,974	1,584,975	2,747,461
Income from branches	59,966		59,966	38,131
Sponsorship	-	1,374,097	1,374,097	1,189,636
Legacies	9,130,692		9,130,692	6,844,345
Gift Aid	239,098		239,098	202,333
	<u>10,252,757</u>	<u>2,136,071</u>	<u>12,388,828</u>	<u>11,021,906</u>
Grants receivable				
Coronavirus Job Retention Scheme	14,477	-	14,477	450,599
Local Authority Grants	24,000	-	24,000	23,035
	<u>38,477</u>	<u>-</u>	<u>38,477</u>	<u>473,634</u>
Charitable activities				
Sale of hearing equipment	19,857	-	19,857	26,601
Services to other charities	49,704	-	49,704	25,000
	<u>69,561</u>	<u>-</u>	<u>69,561</u>	<u>51,601</u>
Trading and fundraising				
Fundraising events	365,599	-	365,599	289,498
Trading subsidiary income	753,746	-	753,746	256,507
	<u>1,119,345</u>	<u>-</u>	<u>1,119,345</u>	<u>546,005</u>
Investment income				
UK listed securities	60,764	-	60,764	82,477
UK bank interest	9,715	-	9,715	1,279
	<u>70,479</u>	<u>-</u>	<u>70,479</u>	<u>83,756</u>
Other income				
Rent received	46,674	-	46,674	36,324
Profit on sale of tangible assets	1,155	-	1,155	63,235
Other income	2,075	-	2,075	5,915
	<u>49,904</u>	<u>-</u>	<u>49,904</u>	<u>105,474</u>
Total income	<u>11,600,523</u>	<u>2,136,071</u>	<u>13,736,594</u>	<u>12,282,376</u>

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

5. Expenditure

Expenditure on:	Direct Costs £	Staff Costs £	Depreciation £	Support Costs £	Total 2022 £	Total 2021 £
Raising funds:						
Donations and legacies	1,186,424	739,505	39,687	76,426	2,042,042	1,758,170
Fundraising trading	693,785	71,518	-	25,222	790,525	347,087
Investment management	55,299	-	-	-	55,299	48,196
	<u>1,935,508</u>	<u>811,023</u>	<u>39,687</u>	<u>101,648</u>	<u>2,887,866</u>	<u>2,153,453</u>
Charitable activities:						
Provision of hearing dogs	994,746	5,277,879	325,430	1,426,260	8,024,316	7,050,472
Supporting people affected by hearing loss	18,520	259,469	-	38,211	316,200	282,256
	<u>1,013,266</u>	<u>5,537,348</u>	<u>325,430</u>	<u>1,464,471</u>	<u>8,340,515</u>	<u>7,332,728</u>
Total expenditure 2022	<u>2,948,774</u>	<u>6,348,371</u>	<u>365,117</u>	<u>1,566,119</u>	<u>11,228,381</u>	<u>9,486,181</u>
Total expenditure 2021	<u>2,264,042</u>	<u>5,667,422</u>	<u>370,577</u>	<u>1,184,140</u>	<u>9,486,181</u>	

5a. Support costs

Support costs included in the above are analysed as follows:

	Facilities £	General Management £	Legal & Professional £	IT £	Total 2022 £	Total 2021 £
Raising funds:						
Donations and legacies	49,796	26,386	139	105	76,426	102,669
Fundraising trading	20,222	2,500	-	2,500	25,222	24,738
	<u>70,018</u>	<u>28,886</u>	<u>139</u>	<u>2,605</u>	<u>101,648</u>	<u>127,407</u>
Charitable activities:						
Provision of hearing dogs	455,897	359,126	285,250	325,987	1,426,260	1,032,902
Supporting people affected by hearing loss	11,021	12,396	14,250	544	38,211	23,831
	<u>466,918</u>	<u>371,522</u>	<u>299,500</u>	<u>326,531</u>	<u>1,464,471</u>	<u>1,056,733</u>
Total expenditure 2022	<u>536,936</u>	<u>400,408</u>	<u>299,639</u>	<u>329,136</u>	<u>1,566,119</u>	<u>1,184,140</u>
Total expenditure 2021	<u>555,400</u>	<u>253,406</u>	<u>175,712</u>	<u>199,622</u>	<u>1,184,140</u>	

Total governance costs included above are £77,174 (2021: £73,832).

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

	2022 %	2021 %
Raising funds:		
Donations and legacies	18.2	18.5
Fundraising trading	7.0	3.7
Investment management	0.5	0.5
Charitable activities:		
Provision of hearing dogs	71.5	74.3
Supporting people affected by hearing loss	<u>2.8</u>	<u>3.0</u>

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Net income

This is stated after (charging)/(crediting):

	2022 £	2021 £
(Profit)/Loss on sale of fixed assets	(1,155)	(3,383)
Depreciation	365,117	370,577
Auditors' remuneration		
- audit	20,320	19,345
- other services	3,450	7,563
Operating lease rentals		
- equipment	12,182	37,527
- property	2,832	3,072
	2,832	3,072

7. Staff costs and numbers

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	5,578,849	5,002,352
Social security costs	549,280	471,637
Pension contributions	220,242	193,433
	6,348,371	5,667,422

There were no termination costs in the year (2021: £9,000).

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

	2022 Number	2021 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	1	-
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£140,001 - £150,000	1	1
	1	1

Contributions to the charity's defined contribution pension scheme for the highest paid employee amounted to £11,084 (2021: £10,873).

The key management personnel of the charity are the trustees and the executive team led by the Chief Executive. One (2021: two) member(s) of the executive team earned salaries of less than £60,000 and are not included in the table above. Total employee benefits (gross salaries, employers NI and employers pension contributions) of all the key management personnel of the charity and the group were £578,708 (2021: £521,304).

The Trustees did not receive any remuneration during the year to 31 March 2022 (2021: £Nil).
No Trustees received reimbursed travel and subsistence expenses in 2022 (2021: £Nil).

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

7. Staff costs and numbers (continued)

	Average	2022 Number	FTE	Average	2021 Number	FTE
Hearing Dogs: supply, training, welfare and aftercare	151		139	147		131
Hearing Link: supporting people affected by hearing loss	6		5	7		6
Fundraising	21		20	20		19
Communications and marketing	8		6	9		7
Management and administration	14		14	13		13
Total	200		184	196		176

The charity operates a defined contribution pension scheme for all eligible employees which was set up in April 2014 in order to comply with auto-enrolment regulations. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension charge represents contributions payable by the charity to the fund. Pension contributions outstanding at 31 March 2022 amounted to £Nil (2021: £Nil).

8. Taxation

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

9. Tangible assets – Charity and Group

	Freehold property £	Motor vehicles £	Furniture and equipment £	Total £
Cost				
At 1 April 2021	9,337,215	307,823	1,618,449	11,263,487
Additions	326,500	-	267,579	594,079
Disposals	-	(8,400)	-	(8,400)
At 31 March 2022	9,663,715	299,423	1,886,028	11,849,166
Depreciation				
At 1 April 2021	2,259,493	284,337	1,217,334	3,761,164
Charge for the year	190,147	8,168	166,802	365,117
Disposals	-	(8,400)	-	(8,400)
At 31 March 2022	2,449,640	284,105	1,384,136	4,117,881
Net book value				
At 31 March 2022	7,214,075	15,318	501,892	7,731,285
At 31 March 2021	7,077,722	23,486	401,115	7,502,323

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Tangible assets (continued)

Freehold property comprises:

	Beatrice Wright Centre	The Grange	Total
	£	£	£
Net book value			
At 1 April 2021	2,107,093	4,970,629	7,077,722
Additions at cost	-	326,500	326,500
Disposals at net book value	-	-	-
Depreciation charge	(56,578)	(133,569)	(190,147)
Net book value at 31 March 2022	2,050,515	5,163,560	7,214,075

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

10. Fixed asset investments

	Group	
	2022	2021
	£	£
Quoted investments		
Market value at 1 April 2021	8,631,442	7,258,245
Purchases	1,355,197	2,535,125
Sales	(1,462,468)	(2,556,903)
Net investment (losses)/gains	583,307	1,394,975
Market value at 31 March 2022	9,107,478	8,631,442
Cash awaiting investment	187,562	74,850
Total at 31 March 2022	9,295,040	8,706,292

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

The historic cost of quoted investments at 31 March 2022 was £7,450,981 (2021: £7,325,362). Included in the operational reserve shown in the balance sheet (see page 19) is a revaluation reserve of £1,656,497 (2021: £1,306,080) which is calculated by comparing the historical cost of quoted investments with their market value as shown above.

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

	2022	2021
	£	£
Total dividend and interest income for basic financial assets	70,479	83,756
Total gains in respect of basic financial assets	583,307	1,394,975

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Stocks

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Goods for resale	<u>38,155</u>	<u>35,564</u>	<u>-</u>	<u>-</u>

12. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	8,001	-	-	-
Loan to subsidiary	-	-	135,010	135,010
Other amounts due from subsidiary	-	-	-	13,949
Prepayments	500	50,761	-	50,261
Other debtors and accrued income	<u>1,511,675</u>	<u>1,297,852</u>	<u>1,511,346</u>	<u>1,270,900</u>
	<u>1,520,176</u>	<u>1,348,613</u>	<u>1,646,356</u>	<u>1,470,120</u>

Total debtors includes £135,010 (2021: £135,010) receivable after more than one year. This represents the loan to the subsidiary trading company that is secured by a fixed and floating charge over the assets of that subsidiary, with interest charged at 2% over Barclays Bank base rate.

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

13. Creditors: Amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	281,723	321,763	279,439	312,196
Taxation and social security	267,926	130,410	267,926	130,410
Other creditors and accruals	<u>733,817</u>	<u>422,770</u>	<u>740,563</u>	<u>415,622</u>
	<u>1,283,466</u>	<u>874,943</u>	<u>1,287,928</u>	<u>858,228</u>

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Analysis of group net assets between funds

	Restricted funds	Unrestricted designated funds	Unrestricted operational reserve	Total funds
	£	£	£	£
2022				
Tangible fixed assets	-	7,731,285	-	7,731,285
Investments	-	7,573,557	1,721,483	9,295,040
Current assets	873,589	-	8,899,795	9,773,384
Current liabilities	-	-	(1,283,466)	(1,283,466)
Group funds at 31 March 2022	873,589	15,304,842	9,337,812	25,516,243
Add: Subsidiary net liabilities	-	-	76,579	76,579
Charity funds at 31 March 2022	873,589	15,304,842	9,414,391	25,592,822
	Restricted funds	Unrestricted designated funds	Unrestricted operational reserve	Total funds
	£	£	£	£
2021				
Tangible fixed assets	-	7,502,323	-	7,502,323
Investments	-	8,057,065	649,227	8,706,292
Current assets	1,389,881	243,941	5,457,229	7,091,051
Current liabilities	-	-	(874,943)	(874,943)
Group funds at 31 March 2021	1,389,881	15,803,329	5,231,513	22,424,723
Add: Subsidiary net liabilities	-	-	100,540	100,540
Charity funds at 31 March 2021	1,389,881	15,803,329	5,332,053	22,525,263

15. Other financial commitments

At 31 March 2022 the ageing of total minimum lease payments was as follows:

	2022			2021		
	Property Leases	Other	Total	Property Leases	Other	Total
	£	£	£	£	£	£
Operating leases due:						
Within one year	2,832	8,116	10,948	2,832	24,202	27,034
Between 2-5 years	-	2,772	2,772	-	3,748	3,748
Total	2,832	10,888	13,720	2,832	27,950	30,782

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Subsidiary undertaking

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

	2022 £	2021 £
Trading and profit and loss account		
Turnover	753,746	256,507
Cost of sales	<u>(542,905)</u>	<u>(191,470)</u>
Gross profit	210,841	65,037
Grants receivable	24,000	23,035
Administrative expenses	<u>(207,827)</u>	<u>(101,609)</u>
Operating loss	27,014	(13,537)
Interest payable	<u>(3,053)</u>	<u>(2,918)</u>
Profit / (Loss) on ordinary activities	23,961	(16,455)
Retained losses brought forward	<u>(100,542)</u>	<u>(84,087)</u>
Retained losses carried forward	(76,581)	(100,542)
Balance sheet		
Total assets	72,128	65,134
Total liabilities	<u>(148,707)</u>	<u>(165,674)</u>
Net liabilities	<u>(76,579)</u>	<u>(100,540)</u>
Share capital	2	2
Retained losses	<u>(76,581)</u>	<u>(100,542)</u>
Capital and reserves	<u>(76,579)</u>	<u>(100,540)</u>

**HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Movement in funds

	2021 £	Total Income £	Total Expenditure £	Investment Gains / Transfers £	2022 £
Restricted funds:					
<u>Hearing Dogs:</u>					
<u>By project / activity</u>					
Physical Facility	290,000				290,000
Hearing Dogs for Deaf Children	-	40,888	(40,888)		-
Breeding and Genetics Centre	19,983	92,834	(112,817)		-
Hearing Dogs Training	-	1,387,097	(1,387,097)		-
Puppy Socialising Areas	212,000	50,000	(237,000)		25,000
Assistance Dogs Access	45,000		(45,000)		-
Community Fundraising Officer	11,934	8,421	(20,355)		-
Dog Welfare	-				-
Upgrade: Training Flats and Fencing	175,280			(175,280)	-
Upgrade: The Grange Farmhouse	300,000				300,000
Upgrade: The Stables		101,897		(101,897)	-
Upgrade: Kennels		10,000			10,000
Lifetime Partnership Support	275,000		(125,000)		150,000
Training and / or name a dog		65,000	(25,000)		40,000
Pawvillian		12,500		(12,500)	-
Other projects less than £10,000	4,793	16,631	(13,000)		8,424
<u>By location</u>					
Buckinghamshire	-	12,700	(12,700)		-
Devon & Cornwall	-	28,500	(28,500)		-
Dundee	2,681	4,000	(6,681)		-
Greater Manchester	-	22,500	(22,500)		-
Hampshire	-	5,750	(5,750)		-
Jersey	10,918		(1,500)		9,418
Leicestershire	-	6,250	(6,250)		-
Merseyside	-	17,887	(17,887)		-
Nottinghamshire	-	8,500	(8,500)		-
Oxfordshire	-	6,000	(6,000)		-
Scotland	-	9,150	(9,150)		-
South East England	-	15,000	(15,000)		-
Wales	-	12,248	(12,248)		-
Yorkshire	-	33,941	(27,268)		6,673
Amounts £5,000 or less	2,127	50,500	(52,627)		-
Hearing Dogs Total	1,349,716	2,018,194	(2,238,718)	(289,677)	839,515
<u>Hearing Link:</u>					
<u>By project / activity</u>					
Hearing Aid Liaison Outreach	8,498				8,498
Hearing Link		89,274	(89,274)		-
Website Development	25,576				25,576
<u>By location</u>					
Northern Ireland	4,950	9,413	(14,363)		-
Scotland	1,141	19,190	(20,331)		-
Hearing Link Total	40,165	117,877	(123,968)	-	34,074
Total restricted	1,389,881	2,136,071	(2,362,686)	(289,677)	873,589

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2022

	2021 £	Total Income £	Total Expenditure £	Investment Gains / Transfers £	2022 £
Unrestricted funds:					
Designated funds:					
Freehold - BWC	2,107,093	-	(56,578)	-	2,050,515
Freehold - The Grange	4,970,629	-	(133,569)	326,500	5,163,560
Other functional fixed assets	424,601	-	(174,970)	267,579	517,210
Sub-total fixed assets	7,502,323	-	(365,117)	594,079	7,731,285
Capital commitments	243,941	-	(243,941)	-	-
Total fixed assets	7,746,264	-	(609,058)	594,079	7,731,285
Partnership commitments	6,057,065	-	(677,189)	489,106	5,868,982
Coronavirus Recovery Fund	2,000,000	-	(295,425)	-	1,704,575
Total designated	15,803,329	-	(1,581,672)	1,083,185	15,304,842
Operational reserve	5,231,513	11,600,523	(7,284,023)	(210,201)	9,337,812
Total unrestricted	21,034,842	11,600,523	(8,865,695)	872,984	24,642,654
Total funds	22,424,723	13,736,594	(11,228,381)	583,307	25,516,243

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

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

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

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

Designated funds of £7,731,285 (2021: £7,502,323) have been set aside from the group's unrestricted funds by the Directors for the functional fixed assets required to carry out the principal activities of the charity. No contractual commitments existed at 31 March 2022 (2021: £243,941). An amount of £594,079 (2021: £409,975) was transferred from general funds to designated funds in respect of fixed assets during the year.

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

An amount to cover the Charity's future long-term commitments relating to its existing hearing dog partnerships. At 31 March 2022 this amount was calculated at £5,868,982 (2021: £6,057,065) representing the projected costs over a 10 year period. An amount of £489,106 (2021: £1,121,601) was transferred from general funds to designated funds in respect of future partnership liabilities during the year.

A Coronavirus Recovery Fund of £2,000,000 was created in 2020/21 to provide for the consequences of the pandemic, some of which may not be seen for some time. Expenditure will be over and above amounts approved annually as part of the charity's budgeting procedures and will be approved in advance by the Trustees to enable the charity to plan to meet the increased demand for its services in the coming years. To 31 March 2022 spend of £830,000 had been approved and £295,425 actually spent.

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2021

	2020 £	Total Income £	Total Expenditure £	Investment Gains / Transfers £	2021 £
Restricted funds:					
<u>Hearing Dogs:</u>					
<u>By project / activity</u>					
Physical Facility	275,000	15,000	-	-	290,000
Hearing Dogs for Deaf Children	-	101,118	(101,118)	-	-
Breeding and Genetics Centre	22,333	58,000	(58,000)	(2,350)	19,983
Hearing Dogs Training	-	1,742,867	(1,742,867)	-	-
Puppy Socialising Areas	170,897	424,000	(382,897)	-	212,000
Assistance Dogs Access	-	45,000	-	-	45,000
Community Fundraising Officer	-	11,934	-	-	11,934
Dog Welfare	-	30,165	(30,165)	-	-
Upgrade: Training Flats and Fencing	-	198,047	-	(22,767)	175,280
Upgrade: The Grange Farmhouse	-	300,000	-	-	300,000
Lifetime Partnership Support	-	400,000	(125,000)	-	275,000
Other projects less than £10,000	3,000	14,407	(12,614)	-	4,793
<u>By location</u>					
Jersey	12,291	-	(1,373)	-	10,918
Oxfordshire	14,724	7,500	(22,224)	-	-
Bedfordshire	-	13,500	(13,500)	-	-
Dundee	-	6,800	(4,119)	-	2,681
Glasgow	-	5,000	(5,000)	-	-
Greater Manchester	-	10,500	(10,500)	-	-
Hampshire	-	5,000	(5,000)	-	-
Kent	-	6,340	(6,340)	-	-
Leicestershire	-	6,100	(6,100)	-	-
Merseyside	-	11,500	(11,500)	-	-
Scotland	-	12,650	(12,650)	-	-
Yorkshire	-	7,220	(7,220)	-	-
Amounts less than £5,000	-	78,637	(76,510)	-	2,127
Hearing Dogs Total	498,245	3,511,285	(2,634,697)	(25,117)	1,349,716
Hearing Link:					
<u>By project / activity</u>					
Hearing Aid Liaison Outreach	3,658	14,350	(9,510)	-	8,498
Website Development	-	25,576	-	-	25,576
<u>By location</u>					
Northern Ireland	33,713	42,995	(71,758)	-	4,950
Scotland	2,470	20,463	(21,792)	-	1,141
Hearing Link Total	39,841	103,384	(103,060)	-	40,165
Total restricted	538,086	3,614,669	(2,737,757)	(25,117)	1,389,881

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2021

	2020 £	Total Income £	Total Expenditure £	Investment Gains / Transfers £	2021 £
Unrestricted funds:					
Designated funds:					
Freehold - BWC	2,163,671	-	(56,578)	-	2,107,093
Freehold - The Grange	5,087,905	-	(129,996)	12,720	4,970,629
Other functional fixed assets	389,305	-	(184,003)	219,299	424,601
Sub-total fixed assets	7,640,881	-	(370,577)	232,019	7,502,323
Capital commitments	65,985	-	-	177,956	243,941
Total fixed assets	7,706,866	-	(370,577)	409,975	7,746,264
Partnership commitments	5,973,697	-	(1,038,233)	1,121,601	6,057,065
Coronavirus Recovery Fund	-	-	-	2,000,000	2,000,000
Total designated	13,680,563	-	(1,408,810)	3,531,576	15,803,329
Operational reserve	4,014,904	8,667,707	(5,339,614)	(2,111,484)	5,231,513
Total unrestricted	17,695,467	8,667,707	(6,748,424)	1,420,092	21,034,842
Total funds	18,233,553	12,282,376	(9,486,181)	1,394,975	22,424,723

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

	2022 £	2021 £
Net income	3,091,520	4,191,170
Adjustments for:		
Depreciation charges	365,117	370,577
(Gains)/losses on investments	(583,307)	(1,394,975)
Dividends and interest from investments	(70,479)	(83,756)
(Profit)/loss on sale of tangible fixed assets	(1,155)	(3,383)
Profit on sale of tangible assets held for resale	-	(59,852)
(Increase)/decrease in stock	(2,591)	(5,763)
(Increase)/decrease in debtors	(171,563)	(426,018)
Increase in creditors	408,523	154,640
Net cash provided by/(used in) operating activities	3,036,065	2,742,640

18b. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash awaiting investment	187,562	74,850
Short term deposits	8,298,852	5,690,195
Cash at bank and in hand	(83,799)	16,679
	8,402,615	5,781,724

HEARING DOGS FOR DEAF PEOPLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

18c. Movement in net funds

	At 1 April 2021	Cash flow	At 31 March 2022
	£	£	£
Short term deposits	5,690,195	2,608,657	8,298,852
Cash at bank and in hand	16,679	(100,478)	(83,799)
Cash held awaiting investment	74,850	112,712	187,562
Total net cash	<u>5,781,724</u>	<u>2,620,891</u>	<u>8,402,615</u>

19. Capital commitments

	2022 £	2021 £
Contracted capital commitments for the group and the charity	<u>£ -</u>	<u>£ 243,941</u>

There were no capital commitments at 31 March 2022. *Capital commitments at 31 March 2021 related to an upgrade to high speed broadband at BWC £21,819 and £222,122 for site improvements at The Grange, Saunderton HP27 9NS.*

20. Related parties

In the year to 31 March 2022 the following transactions took place between the charity and its wholly owned trading subsidiary:

- a. Management charges from the charity to the trading subsidiary £60,000 (2021: £14,000).
- b. Interest payable by the trading subsidiary to the charity £3,053 (2021: £2,918).

At 31 March 2022 the amount owed by the charity to its trading subsidiary amounted to £18,159 (2021: £13,949 owed by the trading subsidiary to the charity).

In addition, the charity has loaned the trading subsidiary £135,010 which has no fixed repayment date, but which is secured on its assets, attracting interest at 2% over bank base rate.

Mr G Burchett (Honorary Treasurer) and Mrs M Jennings (Chief Executive) are directors of the charity's wholly owned trading subsidiary.

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

£264 of donations from Trustees were received during the year.

21. Contingent assets – Legacies

At the balance sheet date, the charity had received notification that it is a beneficiary of a number of legacies. It is not possible to quantify these accurately or to ascertain the date on which the charity will receive them. The estimated value of the legacies notified as at 31 March 2022 was £5.0 million (2021: £5.2 million) and is not included in the accounts.

HEARING DOGS FOR DEAF PEOPLE

England & Wales - Charity number 293358

Accounts



INCORPORATING:



**HEARING DOGS FOR DEAF PEOPLE
(A COMPANY LIMITED BY GUARANTEE)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021**

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

**HEARING DOGS FOR DEAF PEOPLE
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FOR THE YEAR ENDED 31 MARCH 2021**

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HEARING DOGS FOR DEAF PEOPLE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (who are also Directors of the Charitable Company for the purpose of Company law) present their annual report together with the audited financial statements for the year ended 31 March 2021.

Reference and administrative details of the charity

Company number:	01964878
Charity number:	England: 293358 Scotland: SC040486
Registered office:	The Grange Wycombe Road Saunderton Princes Risborough Buckinghamshire HP27 9NS
Royal patron:	HRH The Princess Royal
President:	Sir Stuart Hampson CVO
Life vice-presidents:	A G Blunt MBE D A McInnes
Vice-presidents:	R Bourne Air Vice-Marshal D Crwys-Williams CB FCIPD FCIM Dr H Harris MB ChB FRCGP K W Keir OBE
Trustees:	F B Clark Dr B Fogle MBE DVM MRCVS A C Bowers BSc ACA G P Burchett MBA FCMI E M Burness (Appointed 11 May 2021) M S Coote BSc (Appointed 11 May 2021) B S Downes LL.B FSHAA K A England RVN DipCIM Dr V Harrison MA DPhil D L Hay S E Heath BVSc PgCertVE DipECAWBM(BM) CCAB FHEA FRCVS (Appointed 11 May 2021) A M Horsley JP DL V A Hunt K B Milsom BHSc Hons MSc (Appointed 11 May 2021) C M P O'Donovan-Rossa BA Hons MA ACIB FCIPD DMS Professor R T Ramsden MBE FRCS

V A Hunt was also a stakeholder in the charity being a recipient of a hearing dog.

In accordance with the Articles of Association, F B Clark, G P Burchett, Dr B Fogle, A M Horsley, B S Downes, Professor R T Ramsden, E M Burness, M S Coote, S E Heath and K B Milsom retire at the Annual General Meeting (AGM) and being eligible, offer themselves for re-election. A C Bowers retires at the AGM and is not seeking re-election. Dr V Harrison and V A Hunt retire at the AGM and are not eligible for re-election.

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

Executive team:	Chief Executive Director of Corporate Services and Company Secretary Director of Operations Director of Services & Partnerships Director of Quality & Human Resources Director of Income Generation and Communications	M Jennings BA LL.B MBA P R Hester FCA J Tommey BSc A Platten J Gray MBA VN S Heyes BSc from 01 January 2021
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**HEARING DOGS FOR DEAF PEOPLE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Reference and administrative details of the charity (continued)

Principal bankers:	Barclays Bank plc PO Box 885 Mortlock House, Vision Park Histon, Cambridge CB24 9DE	
Solicitors:	Penningtons Manches LLP 9400 Garsington Road Oxford Business Park Oxford, OX4 2HN	Wilsons Solicitors LLP Alexandra House St Johns Street Salisbury, SP1 2SB
Auditors:	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL	

Structure, Governance and Management

Governing Document

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

Governing Body

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

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

Recruitment and Training of Trustees

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

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

Pay policy for senior staff

The pay of the Chief Executive is reviewed annually by the Remuneration Committee and normally increased according to agreed benchmarks and the percentage annual pay award to all staff are taken into consideration. Pay increases for the executive team are approved by the Chief Executive after reviewing performance, benchmarking against other charities and taking into account the annual pay award to all staff.

HEARING DOGS FOR DEAF PEOPLE

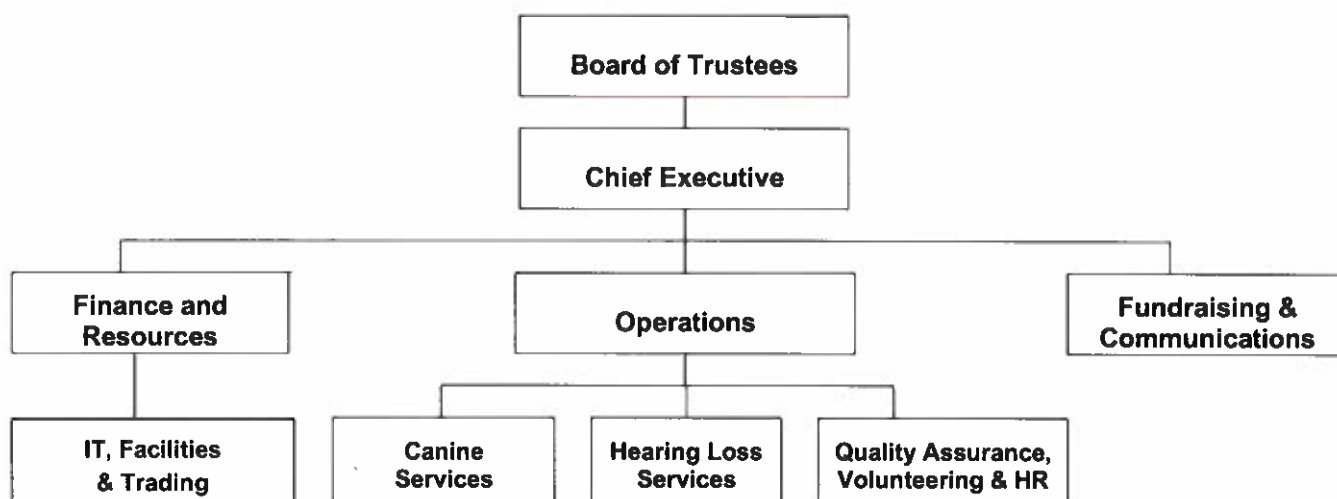
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Structure, Governance and Management (continued)

Organisation and Structure

The charity employs 176 members of staff (full-time equivalent) who are involved in the labour intensive process of creating and supporting hearing dog partnerships and supporting people affected by hearing loss. Members of staff operate within three main departments as indicated in the following organisation chart.



Group structure and relationships

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

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

Risk Management

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

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

The Governance and Audit sub-committee oversees these formal reviews and meets at least twice annually and monitors the ongoing operational management decisions which make suitable adjustments and amendments to systems and procedures as and when risks are identified in everyday operations.

HEARING DOGS FOR DEAF PEOPLE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Objectives, Aims and Activities

Charitable Objectives

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

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

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

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

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

Aim and Intended Impact

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

Our principal aim is:

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

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

Principal activities of the year

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

In addition, the charity's activities have been expanded through a merger with Hearing Link to reach out to people with hearing loss and their families to help them improve their lives. This is achieved by connecting people with one another, providing information, advice and training and raising awareness and understanding of the profound impact of hearing loss on every aspect of life.

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

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

Activities in Scotland - Registered Charity Number: SC040486

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

In addition, the Hearing Link operations have two members of staff permanently based in Scotland with the work being supported primarily by a grant from the Scottish Government.

**HEARING DOGS FOR DEAF PEOPLE
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Volunteer Support

We are indebted to our volunteer family more than ever. There is no underestimating how quickly volunteers adapted and stepped up to the challenges of 2020 - puppy training moved from village halls to video calls, 'bed and breakfast' volunteers started training from home, speaker bookings went virtual, fundraising and LinkUps moved online - many volunteers have been busier than ever, whilst unfortunately some volunteering has been on hold or severely limited since the first lockdown in March 2020. In both instances, we have continued to champion and thank our volunteers for their incredible capability and resilience.

Hearing Link volunteers are being welcomed into our community and its friendly culture. Throughout December, Hearing Link volunteers were brought to the fore through our Virtual Advent Calendar. We celebrated Christmas and Volunteers' Week with no less gusto for being remote.

Communicating with all our volunteers has been especially imperative and we have done that through new portals, monthly updates and social media, in particular our exceptionally popular volunteers' Facebook group.

Volunteer recruitment has been mostly on hold during the uncertainties of this past year, and therefore enquiries greatly reduced. We have very sadly lost members of our volunteer family to Covid-19, people have reassessed their circumstances, decided to get their own pet dog, moved to a new house, and we continue to keep our database updated, which has led to us recording reduced volunteer numbers for the first time: the charity had 3,112 registered volunteers at 31 March 2021 which was 250 less than in 2020.

The charity had 3,112 (2020: 3,362) volunteers at 31 March 2021 who, in line with best practice, have entered into a formal agreement with the charity, setting out the responsibilities of both the charity and the volunteer. This year's exceptional decrease in the number of registered volunteers was -250 (2020: +350), however this net decrease masks volunteer turnover which recorded 286 (2020: 805) new volunteers and 536 (2020: 455) departures.

Provision of information to auditors

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

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

Auditors

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

Approved by the board on 01 October 2021
and signed on their behalf by



.....F B Clark (Chairman)

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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

Objectives for the year

The charity maintains a balance between the resources required to meet its commitments to the people with hearing loss it seeks to serve and those required to train and support the dogs which are an integral and vital part of the success of the organisation. The key aspects of the charity's plans in 2020/21 were to:

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

Strategies to achieve the year's objectives

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

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

What we achieved during the year

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

1. This year has seen the continuing development of our online Hearing Loss Services through Hearing Link including the helpdesk which is supported by our volunteer helpdesk responders and client advisors and received 1,769 enquiries during the year.
2. Total number of dogs completing training during the year was 182 (2020: 221) including 159 (2020: 193) dogs working specifically with deaf clients. Each hearing dog takes some 18-24 months to train.
3. The net movement in funds for the year was a surplus of £4,191,170 (2020: £12,503). Income exceeded expenditure by £2,796,195 and investment gains amounted to £1,394,975.
4. The charity continued to enjoy significant media coverage from its virtual fundraising events and communications activities. Core campaigns included the continuing promotion of the charity's puppy sponsorship regular giving scheme via social media. Our national and community events were adversely impacted by Covid-19.

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

What we achieved during the year (continued)

5. The performance of the charity's trading subsidiary was satisfactory given the disruption caused by Covid-19. The response from customers has remained very encouraging and the loss on ordinary activities for the year was £(16,455) (2020: £(16,385)).
6. The past year was a challenging one for volunteers due to Covid-19. The number of registered volunteers reduced for the first time to 3,112 which was 250 less than at the end of the previous year.

Fundraising practices and performance

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

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

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

In addition, the charity has created its own Supporter Promise setting out the standards that we as an organisation follow. We pride ourselves on not using aggressive fundraising techniques; we never use professional fundraisers to undertake street fundraising (chuggers) nor to carry out door to door fundraising, we never sell on the names of our supporters to other organisations and will not enter into any commercial undertakings that would be detrimental to our beneficiaries or supporters.

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

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

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

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

Total income was £1.9 million above last year at £12.3 million. Legacies increased by £1.2 million and donations were £0.4m higher than last year mainly as a result of grants received to fund specific projects. Sponsorship increased by £0.2m principally from the further development of the puppy sponsorship regular giving scheme.

Sales by the Trading Company were £0.4m lower than last year due to the closure of operations in line with Covid-19 restrictions. Operating costs for the year were also significantly reduced resulting in a net loss for the year of £(16,455) (2020: loss £(16,385)).

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Operational performance

Canine Services (Hearing Dogs)

The senior operational management team was in a strong position to adapt to the changing environment created by Covid-19 with key aspects of its training model and support processes already in place and embedded prior to 2020.

From the start of the year the charity was forced to suspend its breeding and adoption programme due to lockdowns and Government restrictions however the scheme remains in a strong position to resume and reach its full-size in 2021/22.

A major challenge for the year was the need to place hearing dogs with deaf people given the circumstances relating to Covid-19. As a result, the team went back to basics and developed the Companion Starter Plan a home based, step by step training course for new clients which uses a training approach supported remotely by video conferencing and the charity's intranet. As a result, we are delighted have trained 159 dogs (2020: 193 dogs) for core deaf support roles.

The department is committed to providing improved learning materials for volunteer trainers/ training assistants through its online portal, virtual dog club, written materials and video which is in addition to group classes and in-person topic led workshops. Staff and volunteers continue to working hard and adapt to support the growth that is being planned for in the future.

The aim of the Partnership Services teams remains to support the many people who ask for our help with their hearing loss. As a merged services team tasked with supporting more deaf people each year, we have continued to channel enquiries to ensure the most appropriate services are offered to those in need. Enquiries have remained high for hearing dog applications and for client support services.

The Quality Assurance team were furloughed full time from April to August 2020 with some staff members remaining on flexi furlough until March 2021. Between August 2020 and March 2021, 130 Hearing Dog Accreditations (HDA) were performed.

The QA team adapted the HDA to become a virtual assessment allowing the operational pipeline to have some movement, whilst reducing the risk of placing a dog with an unsuitable match.

Hearing Loss Services

Hearing Loss Services provides practical and emotional support to those affected by hearing loss through the services of its team of kind and experienced staff and volunteers. Some services are provided on an occasional basis, while others require a longer-term partnership approach where we stay in touch and offer services, advice and information to help when needed.

The past year was one of high intensity activity and focus on adapting and responding to environmental restrictions to allow the intake and fast-tracking of hearing dog applications. During the year we were able to provide support to 3,263 people which included our existing hearing dog partnerships and applicants.

We have continued to maintain a diverse partnership network totalling 1,012 dogs (2020: 981) made up of accredited hearing dogs for adults and children, sound support dogs, family friends and confidence companions. The team also carried out 355 face to face visits in between lockdowns for Covid-19 and in response to emergency situations. Our client support model continues to evolve from a predominantly in the home-based model to a community-based support model.

The development of our LinkUp courses continued with an online trial involving 24 participants. An annual schedule of activity is planned which will help us reach many more people nationwide. We also launched LiveChat on the Hearing Link website during the year and began work on the creation and development of new videos to help support our beneficiaries.

HEARING DOGS FOR DEAF PEOPLE STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Operational performance (continued)

Hearing Loss Services (continued)

The online helpdesk is now fully embedded into the Hearing Loss Services team, co-ordinated and supported by a network of volunteer helpdesk responders and the client advisors. This past year saw a continuing high volume of enquiries which reached 1,769 in total.

We engaged with 3,528 people through our communication support 'giveaway' events where we supplied free materials on request to help improve communications with deaf people. We also introduced clear facemasks through the Hearing Link shop which received 1,180 customers during the year.

Investment performance

Tilney have been the charity's investment managers for the last seventeen years having been re-appointed in 2010 after conducting a tendering process. The table below records the performance of the Income and Growth Portfolio valued at £7.6 million (2020: £6.4 million), including cash awaiting investment, against four indices for last year and the last seventeen years.

	<u>Year 2020/21</u> <u>(Total Return)</u>	<u>Seventeen Year Period</u> <u>(Total Return)</u>
Income and Growth Portfolio	+18.5%	+173.7%
MSCI WMA Private Investor Balanced	+22.1%	+119.4%
ARC Balanced PCI	+18.5%	+135.6%
ARC Balanced ACI	+19.0%	+156.9%
MSCI United Kingdom TR	+20.1%	+175.8%

The favoured benchmarks are currently the ARC Balanced indices as these are comparable with the underlying asset allocation of the Hearing Dogs portfolio. Performance over the past seventeen years has exceeded the benchmarks and a satisfactory result was achieved in 2020/21, given the cautious growth investment strategy which has been followed for some time. Comparative figures are also shown for the MSCI WMA Private Investors Balanced and MSCI United Kingdom TR indices. The charity has reviewed its investment strategy for the coming year and will continue to monitor performance against the agreed benchmarks.

In addition, the charity has invested in more recent years in a more aggressive Growth Portfolio. The table below records the performance of this portfolio valued at £1.1 million (2020: £0.9 million), including cash awaiting investment, against four indices for last year and the six years since inception.

	<u>Year 2020/21</u> <u>(Total Return)</u>	<u>Six Year Period</u> <u>(Total Return)</u>
Growth Portfolio	+27.7%	+45.3%
MSCI WMA Private Investor Growth	+26.2%	+55.9%
ARC Steady Growth PCI	+24.8%	+41.4%
ARC Steady Growth ACI	+24.5%	+43.5%
MSCI United Kingdom TR	+20.1%	+25.1%

A satisfactory result was achieved in 2020/21 and the charity has reviewed its investment strategy for the coming year and will continue to monitor performance against the agreed benchmarks.

**HEARING DOGS FOR DEAF PEOPLE
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

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

The charity is pleased to report a net surplus of £4,191,170 (2020: £12,503) made up of an operating surplus of £2,796,195 (2020: £537,676) and investment gains of £1,394,975 (2020: losses £(525,173)) reflecting higher stock market values.

Total income increased by £1.9 million to £12.3 million (2020: £10.4 million). The major movements were; an increase in donations of £0.4 million relating to grants received for specific projects, an increase of £0.2 million in sponsorship principally from the puppy sponsorship regular giving scheme, an increase in legacies of £1.2 million and an increase in other income of £0.1 million. In addition, trading and fundraising decreased by £0.5 million due to impact of Covid-19 however this was offset by an increase in grants receivable of £0.5 million mainly from the Coronavirus Job Retention Scheme. We remain very grateful to all our supporters who provide us with the financial resources we need to continue to maintain and develop our work. Their many contributions are essential given that there is continuing demand for the charity's hearing dog and hearing loss services for which it receives only a relatively small amount of government funding.

Expenditure for the year decreased by £0.4 million to £9.5 million (2020: £9.9 million). Spending on fundraising increased by £0.1 million with higher spending on puppy sponsorship recruitment and fulfilment being largely offset by savings related to community fundraising. Other cost savings, mainly related to Covid-19, were fundraising trading £0.3 million, and £0.2 million relating to charitable activities.

Total net assets increased by £4.2 million to £22.4 million (2020: £18.2 million) at the year end. Total fixed assets increased by £1.3 million to £16.2 million (2020: £14.9 million) principally due to investment gains and net current assets increased by £2.9 million to £6.2 million (2020: £3.3 million) most notably a £3.5 million increase in short term deposits generated by the operating surplus and the sale of assets held for resale at the previous year end.

Designated funds increased by £2.1million to £15.8 million (2020: £13.7 million) with the creation of the new £2.0 million Coronavirus Recovery Fund and the operational reserve and restricted funds amounted to £5.2 million (2020: £4.0 million) and £1.4 million (2020: £0.5 million) respectively.

HEARING DOGS FOR DEAF PEOPLE

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Reserves policy

The charity operates to provide immediate benefit to hearing dog recipients followed by a lifetime of partnership support for them and their families. With plans to increase the number of dogs being trained each year and 1,012 (2020: 981) working partnerships located throughout the country this level of support is expensive to maintain and will require both capital and revenue expenditure as a continuing investment for the future. In addition, it is dependent on voluntary income, principally legacies, which can be subject to considerable fluctuation from year to year.

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

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

Designated Funds for Tangible Fixed Assets.

This represents unrestricted reserves set aside by the Trustees for the functional fixed assets and capital commitments of the charity required to carry out its principal activities. At 31 March 2021 this reserve stood at £7.7 million (2020: £7.7 million).

Designated Funds for Existing Partnerships.

These funds have been set aside to cover future long-term commitments, principally relating to existing hearing dog partnerships, which at 31 March 2021 were estimated at £6.1 million (2020: £6.0 million) over the next 10 years.

Designated Fund for Recovery from the Coronavirus Pandemic.

During the year the Trustees approved the creation of a £2.0 million Coronavirus Recovery Fund to provide for the consequences of the pandemic, some of which may not materialise for some time, as it takes two years or more to fully train a hearing dog. The charity's labour costs will increase to cover the cost of additional training of dogs or the scaling up of the breeding programme (which was forced to halt during the crisis) in order to meet the demand for the charity's services. The charity also sees opportunities to accelerate its development by investing in additional capital and revenue projects over the next 5 years in line with the charity's strategic plan. Project spending will be over and above amounts approved annually as part of the charity's budgeting procedures and will be approved in advance by the Trustees.

Operational (Free) Reserve.

The policy of the Trustees is to hold an operational reserve equivalent to 6 months operating expenditure. At 31 March 2021 this reserve stood at £5.2 million (2020: £4.0 million) which represents 6.6 months running costs, based on the 2021/22 expenditure budget. The objective is, therefore to maintain this reserve to ensure that sufficient funds are available at all times to cover the charity's operating expenditure.

Investment policy

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

Principal risks and uncertainties facing the business

Risks are assessed for impact and probability and the following principal risks have been identified. These principal risks have arisen from the situation caused by the COVID-19 pandemic:

Risks:	Comments:
Dog supply pipeline.	Affected by temporary suspension the charity's breeding scheme and the availability of dogs from external breeders. Breeding scheme re-started/growing, improved dog selection, Creation of Companion Starter programme.
Availability of skilled dog training staff.	Efficient HR recruitment process in place with an emphasis on transferable skills to help with staff retention.
Availability of applicant population to receive their hearing dogs and matching processes impacted by Covid-19.	Hearing Loss Services now taking responsibility. New panel selection criteria have been developed.

HEARING DOGS FOR DEAF PEOPLE

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Impact of COVID-19

The direct impact of Covid-19 on the financial results for the year are summarised below:

Income

- Grants receivable +£0.5 million mainly from the Coronavirus Job Retention Scheme. 76 members of staff were furloughed during lockdowns on a full-time or flexi-furlough basis and all staff had returned to work by the year end. There were no job losses or redundancies due to Covid-19 during the year. Sadly, one resignation was received as a direct result of the effects of long Covid.
- Sponsorship +£0.2 million mainly from puppy sponsorship. Cost savings from operational activities released additional funds for investment in the puppy sponsorship scheme.
- Trading and fundraising -£0.5 million as a result of the suspension of face to face community fundraising and the closure of the charity's trading operations due to Government restrictions.

Expenditure

- Fundraising cost increased +£0.1 million net with higher spending on puppy sponsorship recruitment and fulfilment being largely offset by savings related to community fundraising.
- Fundraising trading -£0.3 million due to closure of the charity's trading operations.
- Charitable activities -£0.2 million due to a reduction in activities during the year.

The impact of Covid-19 on the value of the charity's assets has again been assessed and has not resulted in any material write-down in value as at 31 March 2021. There was a recovery of £1.4 million in the value of the charity's investments during the year and the charity continues to maintain cash reserves of a least two months operating expenditure. Investments may only be sold if the available cash amount falls below £1.0m.

The 2021/22 financial year has started in line with expectations and the cash flow forecast for the remainder of the year remains optimistic with income being well supported by legacy notifications already received.

The charity's sites at The Grange and BWC closed on 23 March 2020 and re-opened on 01 June 2020. Prior to re-opening the charity carried out risk assessments at both sites and confirmed that it had complied with the government's guidance on managing the risk of COVID-19.

In December 2020 and January 2021, the sites were again closed due to the second and third national lockdowns and from March/April 2021 both sites were again re-opened with reception and administration support activities back on site as the lockdown restrictions eased in line with the Government road map.

During the recent lockdown period the charity has also taken the opportunity to carry out planned maintenance and refurbishment to its buildings and equipment.

The charities operational activities have adapted significantly over the past year most notably with the creation of the Companion Starter programme and the move to remote delivery of our services online. A gradual return to full capacity for our operational activities and hearing loss services is expected during the coming year as our clients, staff and volunteers continue to re-engage more fully as restrictions are relaxed.

Future plans

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

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

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

Approved by the board on 01 October 2021
and signed on their behalf by



F B Clark (Chairman)

**HEARING DOGS FOR DEAF PEOPLE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021**

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HEARING DOGS FOR DEAF PEOPLE

Opinion

We have audited the financial statements of Hearing Dogs for Deaf People ('the charitable company') and its subsidiary ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HEARING DOGS FOR DEAF PEOPLE

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept [or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HEARING DOGS FOR DEAF PEOPLE

We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Janette Joyce
Senior Statutory Auditor

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

Date: 23.11.21

HEARING DOGS FOR DEAF PEOPLE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	4	7,407,237	3,614,669	11,021,906	9,199,195
Grants receivable	4	473,634	-	473,634	-
Charitable activities	4	51,601	-	51,601	21,679
Trading and fundraising	4	546,005	-	546,005	1,029,871
Investments	4	83,756	-	83,756	89,039
Other	4	105,474	-	105,474	52,683
Total income		£ 8,667,707	£ 3,614,669	£12,282,376	£10,392,467
Expenditure on:					
Raising funds	5	2,153,453	-	2,153,453	2,305,808
Charitable activities	5	4,594,971	2,737,757	7,332,728	7,548,983
Total expenditure		£ 6,748,424	£ 2,737,757	£ 9,486,181	£ 9,854,791
Net gains/(losses) on investments		1,394,975	-	1,394,975	(525,173)
Net income		3,314,258	876,912	4,191,170	12,503
Transfers between funds	17	25,117	(25,117)	-	-
Net movement in funds		3,339,375	851,795	4,191,170	12,503
Reconciliation of funds:					
Total funds brought forward		17,695,467	538,086	18,233,553	18,221,050
Total funds carried forward	17	£ 21,034,842	£ 1,389,881	£ 22,424,723	£ 18,233,553

The notes on pages 20 to 35 form part of these financial statements

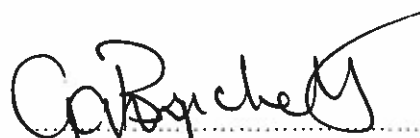
HEARING DOGS FOR DEAF PEOPLE
BALANCE SHEET
31 MARCH 2021
COMPANY NUMBER: 01964878

		The Group		The Charity	
	Note	2021 £	2020 £	2021 £	2020 £
Fixed assets:					
Tangible assets	9	7,502,323	7,640,881	7,502,323	7,640,881
Investments	10	8,706,292	<u>7,277,086</u>	8,706,294	<u>7,277,088</u>
Total fixed assets		<u>16,208,615</u>	<u>14,917,967</u>	<u>16,208,617</u>	<u>14,917,969</u>
Current assets:					
Assets held for resale		-	900,000	-	900,000
Stocks	11	35,564	29,801	-	-
Debtors	12	1,348,613	922,595	1,470,120	1,018,380
Short term deposits		5,690,195	2,159,494	5,688,077	2,149,732
Cash at bank and in hand		16,679	<u>23,999</u>	16,677	<u>23,997</u>
Total current assets		7,091,051	4,035,889	7,174,874	4,092,109
Liabilities:					
Creditors: Amounts falling due within one year	13	(874,943)	<u>(720,303)</u>	(858,228)	<u>(692,440)</u>
Net current assets		<u>6,216,108</u>	<u>3,315,586</u>	<u>6,316,646</u>	<u>3,399,669</u>
Total net assets	14	<u>£ 22,424,723</u>	<u>£ 18,233,553</u>	<u>£ 22,525,263</u>	<u>£ 18,317,638</u>
Funds:					
Restricted funds	17	1,389,881	538,086	1,389,881	538,086
Unrestricted funds:					
Designated funds	17	15,803,329	13,680,563	15,803,329	13,680,563
Operational reserve	17	5,231,513	<u>4,014,904</u>	5,332,053	<u>4,098,989</u>
Total funds	17	<u>£ 22,424,723</u>	<u>£ 18,233,553</u>	<u>£ 22,525,263</u>	<u>£ 18,317,638</u>

The surplus in the year relating to the parent charity was £4,207,625 (2020: surplus £28,888)

The financial statements were approved and authorised for issue by the board on 01 October 2021 and were signed on its behalf by


F B Clark
Chairman


G Burchett
Honorary Treasurer

The notes on pages 20 to 35 form part of these financial statements

**HEARING DOGS FOR DEAF PEOPLE
CONSOLIDATED STATE
MENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	£	2021 £	2020 £
Cash flows from operating activities:				
Net cash provided by/(used in) operating activities	18a		2,742,640	1,527,365
Cash flows from investing activities:				
Dividends and interest from investments		83,756		89,039
Proceeds from the sale of tangible assets		14,859		10,312
Proceeds from the sale of tangible assets for resale		959,852		-
Purchase of tangible assets		(243,495)		(209,187)
Purchase of tangible assets for resale		-		(900,000)
Proceeds from the sale of investments		2,556,903		1,766,197
Purchase of investments		(2,535,125)		(1,876,505)
Net cash (used in)/provided by investing activities			<u>836,750</u>	<u>(1,120,144)</u>
Change in cash and cash equivalents in the reporting period	18c		3,579,390	407,221
Cash and cash equivalents at the beginning of the reporting period	18b		<u>2,202,334</u>	<u>1,795,113</u>
Cash and cash equivalents at the end of the reporting period	18b		<u>£ 5,781,724</u>	<u>£ 2,202,334</u>

The notes on pages 20 to 35 form part of these financial statements

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

a) Basis of preparation

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The Trustees have considered how COVID-19 could affect the accounting policies that underlie these financial statements, and have reviewed income budgets, asset valuations and made assessments regarding possible material uncertainties and the adequacy of disclosures. Following this review the Trustees consider that there are sufficient reserves at 31 March 2021 to manage any foreseeable downturn in the UK and global economy and that there is a reasonable expectation that Hearing Dogs for Deaf People has adequate resources to continue in operational existence for the foreseeable future and for this reason, the Trustees continue to adopt the 'going concern' basis in preparing the accounts.

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

b) Income

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

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

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

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

c) Volunteers

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

d) Unrestricted funds

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

e) Designated funds

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

f) Restricted funds

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

g) Expenditure and irrecoverable VAT

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

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

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

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

h) Allocation of support costs

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

i) Operating leases

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

j) Fixed assets and depreciation

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

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

Fixed assets costing under £500 are not capitalised and treated as revenue expenditure.

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

k) Investments

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

l) Stocks

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

m) Debtors

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

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

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

o) Creditors

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

p) Branches

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

q) Pensions

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

r) Financial instruments

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

3. Comparative Statement of financial activities

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income from:				
Donations and legacies	4	6,765,300	2,433,895	9,199,195
Charitable activities	4	21,679	-	21,679
Trading and fundraising	4	1,029,871	-	1,029,871
Investments	4	89,039	-	89,039
Other	4	52,683	-	52,683
Total income		<u>£ 7,958,572</u>	<u>£ 2,433,895</u>	<u>£10,392,467</u>
Expenditure on:				
Raising funds	5	2,305,808	-	2,305,808
Charitable Activities	5	5,431,236	2,117,747	7,548,983
Total expenditure		<u>£ 7,737,044</u>	<u>£ 2,117,747</u>	<u>£9,854,791</u>
Net (losses)/gains on investments		<u>(525,173)</u>	<u>-</u>	<u>(525,173)</u>
Net income/(expenditure)		(303,645)	316,148	12,503
Transfers between funds	17	<u>132,836</u>	<u>(132,836)</u>	<u>-</u>
Net movement in funds		(170,809)	183,312	12,503
Reconciliation of funds:				
Total funds brought forward		<u>17,866,276</u>	<u>354,774</u>	<u>18,221,050</u>
Total funds carried forward	17	<u>£17,695,467</u>	<u>£538,086</u>	<u>£18,233,553</u>

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4. Income

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Donations and legacies				
Donations	767,158	1,980,303	2,747,461	2,313,874
Income from branches	38,131	-	38,131	77,152
Sponsorship	-	1,189,636	1,189,636	942,689
Legacies	6,399,615	444,730	6,844,345	5,675,053
Gift Aid	202,333	-	202,333	190,427
	<u>£ 7,407,237</u>	<u>£ 3,614,669</u>	<u>£11,021,906</u>	<u>£ 9,199,195</u>
Grants receivable				
Coronavirus Job Retention Scheme	450,599	-	450,599	-
Local authority grants	23,035	-	23,035	-
	<u>£ 473,634</u>	<u>£ -</u>	<u>£ 473,634</u>	<u>£ -</u>
Charitable activities				
Sale of hearing equipment	26,601	-	26,601	21,679
Services to other charities	25,000	-	25,000	-
	<u>£ 51,601</u>	<u>£ -</u>	<u>£ 51,601</u>	<u>£ 21,679</u>
Trading and fundraising				
Fundraising events	289,498	-	289,498	393,164
Trading subsidiary income	256,507	-	256,507	612,149
Staff/Volunteer Restaurant	-	-	-	24,558
	<u>£ 546,005</u>	<u>£ -</u>	<u>£ 546,005</u>	<u>£ 1,029,871</u>
Investment income				
UK listed securities	82,477	-	82,477	77,702
UK bank interest	1,279	-	1,279	11,337
	<u>£ 83,756</u>	<u>£ -</u>	<u>£ 83,756</u>	<u>£ 89,039</u>
Other income				
Rent received	36,324	-	36,324	52,683
Profit on sale of tangible assets	63,235	-	63,235	-
Other income	5,915	-	5,915	-
	<u>£ 105,474</u>	<u>£ -</u>	<u>£ 105,474</u>	<u>£ 52,683</u>
Total income	<u>£ 8,667,707</u>	<u>£ 3,614,669</u>	<u>£12,282,376</u>	<u>£10,392,467</u>

Donations include grants received from The Steel Charitable Trust, The Ostacchini Family Charitable Trust, The Hobson Charity Limited and BBC Children in Need.

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

5. Expenditure

Expenditure on:	Direct Costs £	Staff Costs £	Depreciation £	Support Costs £	Total 2021 £	Total 2020 £
Raising funds:						
Donations and legacies	999,847	615,649	40,005	102,669	1,758,170	1,616,239
Fundraising trading	279,079	43,270	-	24,738	347,087	640,780
Investment management	48,196	-	-	-	48,196	48,789
	<u>1,327,122</u>	<u>658,919</u>	<u>40,005</u>	<u>127,407</u>	<u>2,153,453</u>	<u>2,305,808</u>
Charitable activities:						
Provision of hearing dogs	925,851	4,761,147	330,572	1,032,902	7,050,472	7,124,099
Supporting people affected by hearing loss	11,069	247,356	-	23,831	282,256	424,884
	<u>936,920</u>	<u>5,008,503</u>	<u>330,572</u>	<u>1,056,733</u>	<u>7,332,728</u>	<u>7,548,983</u>
Total expenditure 2021	£ 2,264,042	£5,667,422	£ 370,577	£ 1,184,140	£ 9,486,181	£ 9,854,791
<i>Total expenditure 2020</i>	<i>£ 2,597,925</i>	<i>£5,460,236</i>	<i>£ 401,815</i>	<i>£ 1,394,815</i>	<i>£ 9,854,791</i>	

5a. Support costs

Support costs included above are analysed as follows:

	Facilities £	General Management £	Legal & Professional £	IT £	Total 2021 £	Total 2020 £
Raising funds:						
Donations and legacies	46,537	28,073	6,509	21,550	102,669	111,958
Fundraising trading	20,470	2,000	-	2,268	24,738	22,236
	<u>67,007</u>	<u>30,073</u>	<u>6,509</u>	<u>23,818</u>	<u>127,407</u>	<u>134,194</u>
Charitable activities:						
Provision of hearing dogs	480,478	213,740	164,013	174,671	1,032,902	1,162,370
Supporting people affected by hearing loss	7,915	9,593	5,190	1,133	23,831	98,251
	<u>488,393</u>	<u>223,333</u>	<u>169,203</u>	<u>175,804</u>	<u>1,056,733</u>	<u>1,260,621</u>
Total support costs 2021	£ 555,400	£ 253,406	£ 175,712	£ 199,622	£ 1,184,140	£ 1,394,815
<i>Total support costs 2020</i>	<i>£ 751,952</i>	<i>£ 261,374</i>	<i>£ 168,715</i>	<i>£ 212,774</i>	<i>£ 1,394,815</i>	

Total governance costs included above are £73,832 (2020: £67,476).

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

	2021 %	2020 %
Raising funds:		
Donations and legacies	18.5	16.4
Fundraising trading	3.7	6.5
Investment management	0.5	0.5
Charitable activities:		
Provision of hearing dogs	74.3	72.3
Supporting people affected by hearing loss	<u>3.0</u>	<u>4.3</u>

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

6. Net Income

This is stated after (crediting)/charging:-

	2021 £	2020 £
(Profit)/loss on sale of fixed assets	(3,383)	21,746
Depreciation	370,577	401,815
Auditors' remuneration - audit	18,785	18,240
- other services	7,563	2,420
Operating lease rentals - equipment	37,527	41,246
- property	<u>3,072</u>	<u>5,532</u>

7. Staff costs and numbers

Staff costs were as follows:-

	2021 £	2020 £
Salaries and wages	5,002,352	4,824,319
Social security costs	471,637	442,596
Pension contributions	<u>193,433</u>	<u>193,321</u>
	<u>£ 5,667,422</u>	<u>£ 5,460,236</u>

Salaries and wages include termination costs of £9,000 (2020: £Nil).

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

	2021 Number	2020 Number
£60,001 - £70,000	2	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	<u>1</u>	<u>-</u>

Contributions to the charity's defined contribution pension scheme for the highest paid employee amounted to £10,873 (2020: £10,873).

The key management personnel of the charity are the trustees and the executive team led by the Chief Executive. Two members of the executive team earned salaries of less than £60,000 and are not included in the table above. Total employee benefits (gross salaries, social security costs, and pension contributions) of all the key management personnel of the charity and the group were £521,304 (2020: £455,730). This figure includes the total employee benefits of an additional employee promoted from middle management to the executive team during the year.

The Trustees did not receive any remuneration during the year to 31 March 2021 (2020: £Nil). Nil (2020: Seven) Trustees received reimbursed travel and subsistence expenses totalling £Nil (2020: £1,700).

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7. Staff costs and numbers (continued)

The average weekly number of employees for the year and full-time equivalents were as follows:

	2021		2020	
	Number		Number	
	Average	FTE	Average	FTE
Hearing Dogs: supply, training, welfare and aftercare	147	131	150	135
Hearing Link: supporting people affected by hearing loss	7	6	8	7
Fundraising	20	19	20	19
Communications and marketing	9	7	9	7
Management and administration	13	13	12	11
Total	196	176	199	179

The charity operates a defined contribution pension scheme for all eligible employees which was set up in April 2014 in order to comply with auto-enrolment regulations. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension charge represents contributions payable by the charity to the fund. Pension contributions outstanding at 31 March 2021 amounted to £Nil (2020: £Nil).

8. Taxation

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

9. Tangible assets

Group	Freehold property £	Motor vehicles £	Furniture and equipment £	Total £
Cost				
<i>At 1 April 2020</i>	9,327,129	347,523	1,601,081	11,275,733
Additions	24,196	22,930	196,369	243,495
Disposals	(14,110)	(62,630)	(179,001)	(255,741)
At 31 March 2021	9,337,215	307,823	1,618,449	11,263,487
Depreciation				
<i>At 1 April 2020</i>	2,075,553	340,229	1,219,070	3,634,852
Charge for the year	186,574	6,738	177,265	370,577
Disposals	(2,634)	(62,630)	(179,001)	(244,265)
At 31 March 2021	2,259,493	284,337	1,217,334	3,761,164
Net book value				
At 31 March 2021	£7,077,722	£ 23,486	£ 401,115	£ 7,502,323
<i>At 31 March 2020</i>	<i>£7,251,576</i>	<i>£ 7,294</i>	<i>£ 382,011</i>	<i>£ 7,640,881</i>
Freehold property comprises:	BWC £	The Grange £	Total £	
<i>Net book value</i>				
<i>At 1 April 2020</i>	2,163,671	5,087,905		7,251,576
Additions at cost	-	24,196		24,196
Disposals at net book value	-	(11,476)		(11,476)
Depreciation charge	(56,578)	(129,996)		(186,574)
Net book value at 31 March 2021	£2,107,093	£4,970,629		£7,077,722

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

10. Fixed asset investments

	Group	
	2021 £	2020 £
Quoted investments:		
Market value at 1 April 2020	7,258,245	7,673,110
Purchases	2,535,125	1,876,505
Sales	(2,556,903)	(1,766,197)
Net investment (losses)/gains	<u>1,394,975</u>	<u>(525,173)</u>
Market value at 31 March 2021	8,631,442	7,258,245
Cash awaiting investment	<u>74,850</u>	<u>18,841</u>
Total at 31 March 2021	<u>£8,706,292</u>	<u>£7,277,086</u>

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

The historic cost of quoted investments at 31 March 2021 was £7,325,362 (2020: £7,210,377). Included in the operational reserve shown in the balance sheet (see page 18) is a revaluation reserve of £1,306,080 (2020: £47,868) which is calculated by comparing the historical cost of quoted investments with their market value as shown above.

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

	2021 £	2020 £
Total dividend and interest income for basic financial assets	<u>£ 83,756</u>	<u>£ 89,039</u>
Total gains/(losses) in respect of basic financial assets	<u>£1,394,975</u>	<u>£ (525,173)</u>

11. Stocks

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Goods for resale	<u>£ 35,564</u>	<u>£ 29,801</u>	<u>£ -</u>	<u>£ -</u>

12. Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	-	171	-	-
Loan to subsidiary	-	-	135,010	90,010
Other amounts due from subsidiary	-	-	13,949	14,486
Prepayments	50,761	75,538	50,261	75,038
Other debtors and accrued income	<u>1,297,852</u>	<u>846,886</u>	<u>1,270,900</u>	<u>838,846</u>
	<u>£1,348,613</u>	<u>£ 922,595</u>	<u>£1,470,120</u>	<u>£1,018,380</u>

Total debtors includes £135,010 (2020: £90,010) receivable after more than one year. This represents the loan to the subsidiary trading company that is secured by a fixed and floating charge over the assets of that subsidiary, with interest charged at 2% over Barclays Bank base rate.

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

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

13. Creditors: Amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	321,763	305,948	312,196	287,130
Taxation and social security	130,410	116,823	130,410	116,823
Other creditors and accruals	<u>422,770</u>	<u>297,532</u>	<u>415,622</u>	<u>288,487</u>
	<u>£ 874,943</u>	<u>£ 720,303</u>	<u>£ 858,228</u>	<u>£ 692,440</u>

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

14. Analysis of group net assets between funds

2021	Restricted funds	Unrestricted designated funds	Unrestricted operational reserve	Total Funds
	£	£	£	£
Tangible fixed assets	-	7,502,323	-	7,502,323
Investments	-	8,057,065	649,227	8,706,292
Current assets	1,389,881	243,941	5,457,229	7,091,051
Current liabilities	<u>-</u>	<u>-</u>	<u>(874,943)</u>	<u>(874,943)</u>
Group funds at 31 March 2021	1,389,881	15,803,329	5,231,513	22,424,723
Add: Subsidiary net liabilities	<u>-</u>	<u>-</u>	<u>100,540</u>	<u>100,540</u>
Charity funds at 31 March 2021	<u>£1,389,881</u>	<u>£15,803,329</u>	<u>£5,332,053</u>	<u>£22,525,263</u>
2020				
Tangible fixed assets	-	7,640,881	-	7,640,881
Investments	-	5,973,697	1,303,389	7,277,086
Current assets	538,086	65,985	3,431,818	4,035,889
Current liabilities	<u>-</u>	<u>-</u>	<u>(720,303)</u>	<u>(720,303)</u>
Group funds at 31 March 2020	538,086	13,680,563	4,014,904	18,233,553
Add: Subsidiary net liabilities	<u>-</u>	<u>-</u>	<u>84,085</u>	<u>84,085</u>
Charity funds at 31 March 2020	<u>£ 538,086</u>	<u>£13,680,563</u>	<u>£4,098,989</u>	<u>£18,317,638</u>

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

15. Other financial commitments

At 31 March 2021 the ageing of total minimum lease payments was as follows:

	2021			2020		
	Property leases £	Other £	Total £	Property leases £	Other £	Total £
Operating leases due:						
Within one year	2,832	24,202	27,034	5,628	31,951	37,579
Between 2 – 5 years	-	3,748	3,748	-	19,676	19,676
Total	£ 2,832	£ 27,950	£ 30,782	£ 5,628	£ 51,627	£ 57,255

16. Subsidiary undertaking

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

	2021 £	2020 £
Trading and profit and loss account		
Turnover	256,507	612,149
Cost of sales	(191,470)	(475,120)
Gross profit	65,037	137,029
Grants receivable	23,035	-
Administrative expenses	(101,609)	(150,693)
Operating loss	(13,537)	(13,664)
Interest payable	(2,918)	(2,721)
Loss on ordinary activities	(16,455)	(16,385)
Retained losses brought forward	(84,087)	(67,702)
Retained losses carried forward	£ (100,542)	£ (84,087)
Balance sheet		
Total assets	65,134	48,274
Total liabilities	(165,674)	(132,359)
Net liabilities	£ (100,540)	£ (84,085)
Share capital	2	2
Retained losses	(100,542)	(84,087)
Capital and reserves	£ (100,540)	£ (84,085)

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

17. Movement in funds

2021				Investment	
	2020	Total	Total	Gains/	2021
Restricted funds:	£	Income	Expenditure	Transfers	£
		£	£	£	
<u>Hearing Dogs:</u>					
<u>By project/activity</u>					
Physical Facility	275,000	15,000	-	-	290,000
Hearing Dogs for Deaf Children	-	101,118	(101,118)	-	-
Breeding and Genetics Centre	22,333	58,000	(58,000)	(2,350)	19,983
Hearing Dogs Training	-	1,742,867	(1,742,867)	-	-
Puppy Socialising Areas	170,897	424,000	(382,897)	-	212,000
Assistance Dogs Access	-	45,000	-	-	45,000
Community Fundraising Officer	-	11,934	-	-	11,934
Dog Welfare	-	30,165	(30,165)	-	-
Upgrade: Training Flats and Fencing	-	198,047	-	(22,767)	175,280
Upgrade: The Grange Farmhouse	-	300,000	-	-	300,000
Lifetime Partnership Support	-	400,000	(125,000)	-	275,000
Other projects less than £10,000	3,000	14,407	(12,614)	-	4,793
<u>By location</u>					
Jersey	12,291	-	(1,373)	-	10,918
Oxfordshire	14,724	7,500	(22,224)	-	-
Bedfordshire	-	13,500	(13,500)	-	-
Dundee	-	6,800	(4,119)	-	2,681
Glasgow	-	5,000	(5,000)	-	-
Greater Manchester	-	10,500	(10,500)	-	-
Hampshire	-	5,000	(5,000)	-	-
Kent	-	6,340	(6,340)	-	-
Leicestershire	-	6,100	(6,100)	-	-
Merseyside	-	11,500	(11,500)	-	-
Scotland	-	12,650	(12,650)	-	-
Yorkshire	-	7,220	(7,220)	-	-
Amounts less than £5,000	-	78,637	(76,510)	-	2,127
Hearing Dogs Total	498,245	3,511,285	(2,634,697)	(25,117)	1,349,716
<u>Hearing Link:</u>					
<u>By project/activity</u>					
Hearing Aid Liaison Outreach	3,658	14,350	(9,510)	-	8,498
Website Development	-	25,576	-	-	25,576
<u>By location</u>					
Northern Ireland	33,713	42,995	(71,758)	-	4,950
Scotland	2,470	20,463	(21,792)	-	1,141
Hearing Link Total	39,841	103,384	(103,060)	-	40,165
Total restricted	538,086	3,614,669	(2,737,757)	(25,117)	1,389,881

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

17. Movement in funds (continued)

	2020 £	Total Income £	Total Expenditure £	Investment Gains/ Transfers £	2021 £
Unrestricted funds:					
Designated funds:					
Freehold – BWC	2,163,671	-	(56,578)	-	2,107,093
Freehold – The Grange	5,087,905	-	(129,996)	12,720	4,970,629
Other functional fixed assets	<u>389,305</u>	-	<u>(184,003)</u>	<u>219,299</u>	<u>424,601</u>
Sub-total fixed assets	7,640,881	-	(370,577)	232,019	7,502,323
Capital Commitments	<u>65,985</u>	-	-	<u>177,956</u>	<u>243,941</u>
Total fixed assets	7,706,866	-	(370,577)	409,975	7,746,264
Partnership Commitments	5,973,697	-	(1,038,233)	1,121,601	6,057,065
Coronavirus Recovery Fund	<u>-</u>	-	-	<u>2,000,000</u>	<u>2,000,000</u>
Total designated	13,680,563	-	(1,408,810)	3,531,576	15,803,329
Operational reserve	<u>4,014,904</u>	<u>8,667,707</u>	<u>(5,339,614)</u>	<u>(2,111,484)</u>	<u>5,231,513</u>
Total unrestricted	<u>17,695,467</u>	<u>8,667,707</u>	<u>(6,748,424)</u>	<u>1,420,092</u>	<u>21,034,842</u>
Total funds	<u>£18,233,553</u>	<u>£12,282,376</u>	<u>£(9,486,181)</u>	<u>£1,394,975</u>	<u>£22,424,723</u>

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

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

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

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

Designated funds of £7,502,323 (2020: £7,640,881) have been set aside from the group's unrestricted funds by the Directors for the functional fixed assets required to carry out the principal activities of the charity. In addition, an amount of £243,941 (2020: £65,985) has been set aside to cover the future cost of fixed assets where contractual commitments existed at 31 March 2021. An amount of £409,975 (2020: £269,124) was transferred from general funds to designated funds in respect of fixed assets during the year.

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

An amount to cover the Charity's future long-term commitments relating to its existing hearing dog partnerships. At 31 March 2021 this amount was calculated at £6,057,065 (2020: £5,973,697) representing the projected costs over a 10 year period. An amount of £1,121,601 (2020: £1,218,186) was transferred from general funds to designated funds in respect of future partnership liabilities during the year.

A Coronavirus Recovery Fund of £2,000,000 which was created during the year to provide for the consequences of the pandemic, some of which may not be seen for some time. This fund will cover, amongst other aspects, increased labour costs to carry out the training of dogs who have not reached the required standard during the pandemic, or to scale up the charity's breeding programme which was halted during the crisis, in order to supply sufficient dogs to meet the demand for the charity's services. The charity also sees opportunities to accelerate its development by investing in additional capital and revenue projects over the next 5 years in line with its strategic plan. Expenditure will be over and above amounts approved annually as part of the charity's budgeting procedures and will be approved in advance by the Trustees to enable the charity to plan to meet the increased demand for its services in the coming years.

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

17. Movement in funds (continued)

Transfers from restricted funds during the year amounted to £25,117 (2020: £132,836) and related to capital expenditure principally on the upgrade of training flats and fencing at The Grange. Designated funds received net transfers of £3,531,576 (2020: £1,487,310) for additions and future commitments relating to functional fixed assets £409,975 (2020: £269,124), £1,121,601 (2020: £1,218,186) in respect of future partnership liabilities and £2,000,000 for the new Coronavirus Recovery Fund. £(2,111,484) (2020: £(1,879,647)) was transferred (from) the operational reserve during the year after deducting investment gains of £1,394,975 (2020: losses £525,173).

2020

	2019	Total	Total	Investment	
Restricted funds:	£	Income	Expenditure	Gains/ Transfers	2020
		£	£	£	£
<u>Hearing Dogs:</u>					
<u>By project/activity</u>					
Physical Facility	200,000	75,000	-	-	275,000
Hearing Dogs for Deaf Children	-	64,033	(64,033)	-	-
New Breeding and Genetics Centre	-	181,000	(28,861)	(129,806)	22,333
Hearing Dogs Training	-	194,398	(194,398)	-	-
Puppy Socialising and Training	-	1,062,689	(1,062,689)	-	-
Puppy Socialising Areas	-	498,500	(327,603)	-	170,897
Other projects less than £5,000	5,030	10,710	(9,710)	(3,030)	3,000
<u>By location</u>					
Jersey	13,658	-	(1,367)	-	12,291
Devon and Cornwall	3,548	17,500	(21,048)	-	-
Oxfordshire	31,596	5,000	(21,872)	-	14,724
Bedfordshire	-	8,500	(8,500)	-	-
Birmingham	-	7,500	(7,500)	-	-
Buckinghamshire	-	7,896	(7,896)	-	-
Essex	-	7,000	(7,000)	-	-
Glasgow	-	9,000	(9,000)	-	-
Greater Manchester	-	15,500	(15,500)	-	-
Great Yarmouth and Norfolk	-	6,980	(6,980)	-	-
Leicestershire	-	5,500	(5,500)	-	-
Lincolnshire	-	6,000	(6,000)	-	-
North West England	-	10,412	(10,412)	-	-
Scotland	-	18,525	(18,525)	-	-
Shropshire	-	5,500	(5,500)	-	-
South East England	-	12,500	(12,500)	-	-
Wales	-	6,000	(6,000)	-	-
Amounts less than £5,000	-	45,926	(45,926)	-	-
Hearing Dogs Total	253,832	2,281,569	(1,904,320)	(132,836)	498,245
<u>Hearing Link:</u>					
<u>By project/activity</u>					
Let's Hear Project	42,902	11,962	(54,864)	-	-
Helpdesk	5,000	8,000	(13,000)	-	-
Hearing Aid Liaison Outreach	-	7,175	(3,517)	-	3,658
<u>By location</u>					
Northern Ireland	33,040	101,019	(100,346)	-	33,713
Wales (Awards for All)	10,000	-	(10,000)	-	-
England (Awards for All)	10,000	-	(10,000)	-	-
Scotland	-	24,170	(21,700)	-	2,470
Hearing Link Total	100,942	152,326	(213,427)	-	39,841
Total restricted	354,774	2,433,895	(2,117,747)	(132,836)	538,086

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

17. Movement in funds (continued)

2020	2019 £	Total Income £	Total Expenditure £	Investment Gains/ Transfers £	2020 £
<i>Unrestricted funds:</i>					
<i>Designated funds:</i>					
Freehold – BWC	2,215,735	-	(56,526)	4,462	2,163,671
Freehold – The Grange	5,117,202	-	(128,580)	99,283	5,087,905
Leasehold	29,239	-	(29,239)	-	-
Other functional fixed assets	503,391	-	(219,528)	105,442	389,305
Sub-total fixed assets	7,865,567	-	(433,873)	209,187	7,640,881
Capital Commitments	6,048	-	-	59,937	65,985
Total fixed assets	7,871,615	-	(433,873)	269,124	7,706,866
Partnership Commitments	5,296,439	-	(540,928)	1,218,186	5,973,697
 Total designated	 13,168,054	 -	 (974,801)	 1,487,310	 13,680,563
Operational reserve	4,698,222	7,958,572	(6,762,243)	(1,879,647)	4,014,904
Total unrestricted	17,866,276	7,958,572	(7,737,044)	(392,337)	17,695,467
Total funds	<u>£18,221,050</u>	<u>£10,392,467</u>	<u>£ (9,854,791)</u>	<u>£ (525,173)</u>	<u>£18,233,553</u>

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

	2021 £	2020 £
Net income	4,191,170	12,503
Adjustments for:		
Depreciation charges	370,577	401,815
(Gains)/losses on investments	(1,394,975)	525,173
Dividends and interest from investments	(83,756)	(89,039)
(Profit)/loss on sale of tangible fixed assets	(3,383)	21,746
(Profit) on sale of tangible assets held for resale	(59,852)	-
(Increase)/decrease in stock	(5,763)	8,215
(Increase)/decrease in debtors	(426,018)	645,806
Increase in creditors	154,640	1,146
 Net cash provided by/(used in) operating activities	<u>£ 2,742,640</u>	<u>£ 1,527,365</u>

18b. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash awaiting investment (note 10)	74,850	18,841
Short term deposits	5,690,195	2,159,494
Cash at bank and in hand	16,679	23,999
Total cash and cash equivalents	<u>£ 5,781,724</u>	<u>£ 2,202,334</u>

HEARING DOGS FOR DEAF PEOPLE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

18c. Movement in net funds

	At 01 April 2020 £	Cash flow £	At 31 March 2021 £
Short term deposits	2,159,494	3,530,701	5,690,195
Cash at bank and in hand	23,999	(7,320)	16,679
Cash held awaiting investment	<u>18,841</u>	<u>56,009</u>	<u>74,850</u>
Total net cash	<u>£2,202,334</u>	<u>£ 3,579,390</u>	<u>£5,781,724</u>

19. Capital commitments

	2021 £	2020 £
Contracted capital commitments for the group and the charity	<u>£ 243,941</u>	<u>£ 86,259</u>

Capital commitments at 31 March 2021 relate to an upgrade to high speed broadband at BWC £21,819 (2020: £20,274) and £222,122 for site improvements at The Grange, Saunderton HP27 9NS. *Capital commitments for 2020 included the cost purchasing of four new cars for £65,985, three of these cars were not delivered as had originally been planned.*

20. Related parties

In the year to 31 March 2021 the following transactions took place between the charity and its wholly owned trading subsidiary:

- a. Management charges from the charity to the trading subsidiary £14,000 (2020: £56,000).
- b. Interest payable by the trading subsidiary to the charity £2,918 (2020: £2,721).

At 31 March 2021 the amount owed to the charity by its trading subsidiary amounted to £13,949 (2020: £14,486).

In addition, the charity has loaned the trading subsidiary £135,010 which has no fixed repayment date, but which is secured on its assets, attracting interest at 2% over bank base rate.

Mr G Burchett (Honorary Treasurer) and Mrs M Jennings (Chief Executive) are directors of the charity's wholly owned trading subsidiary.

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

21. Contingent assets – Legacies

At the balance sheet date the charity had received notification that it is a beneficiary of a number of legacies. It is not possible to quantify these accurately or to ascertain the date on which the charity will receive them. The estimated value of the legacies notified at 31 March 2021 was £5.2 million (2020: £3.7 million) and is not included in the accounts.

