

**COMPANY NUMBER: 07130031**

**CHARITY NUMBER: 1134359**

**HOUNDS FOR HEROES  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2014**

**Hounds for Heroes**  
**For the year ended 31 March 2014**

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**Hounds for Heroes  
Trustees' Report  
For the year ended 31 March 2014**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered charity name** Hounds for Heroes  
**Charity number** 1134359  
**Company number** 07130031  
**Principal address** Unit 2B Rookery Farm Buildings  
Ramsdean  
Petersfield  
Hampshire  
GU32 1RU

**Trustees**

Mr A P Parton (Vice-chairman)  
Ms B Cuddy (resigned 24 June 2013)  
Mr G Botterill  
Gp Capt I R Tolfts OBE RAF (resigned 24 June 2013)  
Lt. Col (Retd) J F Wheeley MBE (Chairman)  
Ms L J Cain  
Ms S F Fisher (appointed 13 August 2013 and resigned 7  
March 2014)  
Mr R G King (appointed 13 August 2013 and resigned  
13 September 2013)

**Accountant**

M Richardson  
Accountant  
5 Chapel Street  
Petersfield  
Hampshire  
GU32 3DT

**Auditor**

Nexla Smith & Williamson  
Chartered Accountants  
Statutory Auditor  
No 1 Bishops Wharf  
Walnut Tree Close  
Guildford  
Surrey  
GU1 4RA

**Bankers**

Lloyds Bank plc  
5 The Square  
Petersfield  
Hampshire  
GU32 3HL

**Hounds for Heroes  
Trustees' Report  
For the year ended 31 March 2014**

The trustees, who are also the directors for the purpose of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2014.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The Charity's governing document is its Memorandum and Articles dated 19 January 2010 and amended by special resolution on 15 February 2010, 19 December 2012 and 17 November 2013.

**Organisation and structure**

During the year the Charity reorganised its structure along more cost effective lines by decreasing the number of administrative staff but increasing the number of dog trainers from 2 to 3; some of whom remain on shortened working weeks of around 30 hours. Significant use of volunteer staff continues and this has allowed the Charity to achieve economies within the numbers of paid staff. That said it is recognised that should the Charity lose the high quality and abilities of the present volunteers it may be necessary to increase the number of paid staff in the future.

**Trustee induction and training policy**

The Trustees have continued their policy that requires all staff and volunteers to receive a thorough induction into the Charity's aims, ethos and working practices. That said, until the arrival of the Chief Executive Officer, this was not as thorough as the Trustees would have wished and is one of the reasons that a full-time managerial post was introduced. The Trustees have continued their policy that requires all staff and volunteers to receive a thorough induction into the Charity's aims

**OBJECTIVES AND ACTIVITIES**

**Objects**

The purpose of Hounds for Heroes is to provide specially trained assistance dogs to injured and disabled men and women of both the UK armed forces and emergency services. Through this provision its aims are to provide help and practical support leading to an enhanced quality of life for its clients.

Core to the running of Hounds for Heroes is the need to select and train the best quality dogs to the very best standards possible. Through such selection and training, the charity will be able to meet its mission. Throughout this year – a year that has seen the charity grow significantly – the trustees have been consistent in their desire and insistence that quality training must be at the heart of the charity. This quality training will be delivered through the selection of the best available trainers and careful selection of puppy parents. By adopting this approach, the charity hopes to minimise the failure rate of dogs as they progress through training and thus be able to provide the best possible service to those disabled servicemen and women and members of the emergency services who need the support provided by an assistance dog.

**Volunteers**

The Charity is fortunate to be supported by an enthusiastic and highly qualified band of volunteers. A number provide much needed support to the Charity's full and part-time administrative staff whilst others regularly assist by providing support to, and attendance at, fund raising events. The majority of those who assist with the Charity's administration generally do so on a regular basis, often working one or two half days per week. Not all the Volunteers are local to the Charity's Headquarters with some living as far away as Lancashire. These distance volunteers tend in the main to assist with the major fund raising events, or indeed organise them entirely unsupported.

**Hounds for Heroes  
Trustees' Report  
For the year ended 31 March 2014**

**Support from Sponsors**

During the year the Charity has been extremely fortunate to receive support from: Zoetis who, through a national Kennel Cough vaccination campaign involving UK veterinary practices, raised the not inconsiderable sum of over £20K; Boehringer Ingelheim Ltd who through a national joint supplement campaign involving UK veterinary practices raised considerable funds of over £40K; Petplan, who have shown their commitment to the charity by continuing to sponsor all of the Hounds for Heroes dogs; Burns pet food who continued to provide the Charity's dogs with free food.

**ACHIEVEMENTS AND PERFORMANCE**

**Review of activities**

The Charity aims to continue to raise its profile so that people become aware of the purpose of Hounds for Heroes and donate to the cause. The channels of delivery were the traditional media outlets of magazines, papers and radio, as well as a website, Facebook and Twitter pages created to engage with the public. The Charity also attended a number of fund raising events, including Crufts and the Bournemouth Airshow. These were very successful and the work by the directors has continued to ensure maximum publicity and knowledge within the Armed Forces, Emergency Services and the general public. Donations were extremely good and have steadily risen as the role of the Charity has become known. The Charity has continued to receive funding from Zurich to expand our national volunteer base; Petplan has continued to insure our dogs; and Burns continues to supply /sponsor all the dog food. The training centre and headquarters at Ramsdean in Hampshire has been improved. During this financial year no further puppies entered the programme as the Charity felt it required a period of consolidation with the 14 dogs it already had. The first applications from clients for the Charity's assistance dogs were received and we ran the first Residential Training Course in June and July 2013. This was to have been for two clients but in the end only one was able to attend and was the recipient of our first assistance dog.

**FINANCIAL REVIEW**

The charity had incoming resources of £717,519 (2013: £732,103) in the year and expenditure of £296,834 (2013: £228,876). Part of the surplus has been designated by the trustees to fund future costs of dogs that were in training at the year end to the extent that this is not funded by restricted funds. The trustees are satisfied with the performance of the charity in the year and consider that it is in a strong financial position as it continues to grow and develop.

**Reserves**

It has always been the Charity's policy to support a dog throughout its working life as the costs of dog ownership can be a significant burden on clients who are reliant on disability pensions. It has been estimated that the cost of maintaining a dog for the 10 years of its working life - which includes the training period - is some £30,000, although no accurate data is yet available to the Charity. The Charity therefore continues to hold as a reserve sufficient funds to maintain all dogs in training, plus sufficient funds to run the Charity (infrastructure, salaries etc) for 6 months in the event that a significant decline in donations is experienced.

**Risk Management**

The Trustees have identified and examined the major risks to which the charity is exposed, and have established procedures for taking all reasonable steps to lessen or mitigate them. Trustees review these risk management procedures annually and remain vigilant and prepared to act quickly to adapt to new and unforeseen risks that may arise.

**Hounds for Heroes  
Trustees' Report  
For the year ended 31 March 2014**

**Public Benefit**

The principles of public benefit, as defined by the Charity Commission, have been noted by Trustees. The Trustees confirm having given regard to the Charity Commission's guidance and state their belief that the Charity provides identifiable benefits to a section of the public.

**PLANS FOR THE FUTURE**

The Charity intends to continue to raise funds to maintain its aims and, hopefully, continue to increase the number of dogs it can provide to clients. If successful, this will require further expansion of the training and administrative staff.

**AUDITOR**

Under section 487(2) of the Companies Act 2006, Nexia Smith & Williamson will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

- so far as that trustee is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 17/12/2014 and signed on its behalf by:



**Lt. Col (Retd) J F Wheelley MBE  
Trustee**

**Hounds for Heroes**  
**Statement of trustees' responsibilities**  
**For the year ended 31 March 2014**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable regulations). Under that law the trustees must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records which are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Hounds for Heroes**  
**Independent auditor's report to the members of Hounds for Heroes**  
**For the year ended 31 March 2014**

**Nexia Smith & Williamson**

We have audited the financial statements of Hounds for Heroes for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. 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, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out previously, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Basis for qualified opinion on financial statements**

With respect to opening stock having a carrying value of £14,928 the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 31 March 2013, since that date was prior to our appointment as auditor of the charitable company. Owing to the nature of the charitable company's records, we were unable to obtain sufficient appropriate audit evidence regarding stock quantities by using other audit procedures.

With respect to income and related debtors from collection tins having a carrying value of £7,016 and £nil respectively, the audit evidence available to us was limited because the charitable company did not keep sufficient records to enable us to verify the related income and debtor balances.



**Hounds for Heroes**  
**Independent auditor's report to the members of Hounds for Heroes**  
**For the year ended 31 March 2014**

**Qualified opinion on financial statements**

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

In respect solely of the limitation on our work relating to opening stock and collection tin income and debtors, described above:

- we have not received all the information and explanations that we require for our audit; and
- we were unable to determine whether adequate accounting records had been kept.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime

*Nexia Smith & Williamson*

Jeffrey Selden, Senior Statutory Auditor  
for and on behalf of  
**Nexia Smith & Williamson**

Chartered Accountants  
Statutory Auditor

1 Bishops Wharf  
Walnut Tree Close  
Guildford  
GU1 4RA

Date: *18 December 2014*

**Hounds for Heroes**  
**Statement of Financial Activities**  
**incorporating Income and Expenditure Account**  
**For the year ended 31 March 2014**

	Note	Restricted Funds	Unrestricted Funds	Designated Funds	Total Funds 2014	Total Funds 2013
		£	£	£	£	£
<b>Incoming Resources</b>						
Incoming resources from generated funds						
Voluntary income	2	123,696	562,131		685,827	710,835
Activities for generating funds	2	-	19,900	-	19,900	20,597
Interest receivable	3	-	11,792	-	11,792	671
<b>Total Incoming Resources</b>		<u>123,696</u>	<u>593,823</u>	<u>-</u>	<u>717,519</u>	<u>732,103</u>
<b>Resources Expended</b>						
Cost of generating funds:						
Cost of generating voluntary income	7	-	(108,971)	-	(108,971)	(90,794)
Fundraising trading costs	6	-	(10,396)	-	(10,396)	(10,642)
Charitable Activities	8	(255)	(164,450)	-	(164,705)	(119,684)
Governance Costs	10	-	(12,761)	-	(12,761)	(7,756)
<b>Total Resources Expended</b>		<u>(255)</u>	<u>(296,578)</u>	<u>-</u>	<u>(296,833)</u>	<u>(228,876)</u>
<b>Net Incoming Resources from Operations</b>		<u>123,441</u>	<u>297,245</u>	<u>-</u>	<u>420,686</u>	<u>503,227</u>
<b>Net Incoming Resources for the Year</b>		123,441	297,245	-	420,686	503,227
Transfer between funds	14	(50,000)	230,000	(180,000)	-	-
<b>Total movement on funds</b>		<u>73,441</u>	<u>527,245</u>	<u>(180,000)</u>	<u>420,686</u>	<u>503,227</u>
Total funds brought forward at 1 April as previously stated		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,267</u>
Prior year adjustment		-	-	-	-	191,643
Total funds brought forward at 1 April		<u>168,801</u>	<u>360,336</u>	<u>450,000</u>	<u>979,137</u>	<u>475,910</u>
Total funds carried forward at 31 March	14	<u>242,242</u>	<u>887,581</u>	<u>270,000</u>	<u>1,399,823</u>	<u>979,137</u>

All activities for the current and preceding year derive from continuing operations.

**Hounds for Heroes**  
**Company registration number 07130031**  
**Balance Sheet as at 31 March 2014**

	Note	2014	2013
		£	£
<b>Fixed Assets</b>			
Tangible fixed assets	11	26,959	27,957
		<u>26,959</u>	<u>27,957</u>
<b>Current Assets</b>			
Stocks		30,129	14,928
Debtors	12	123,324	21,687
Cash at bank and in hand		<u>1,240,867</u>	<u>930,063</u>
		1,394,320	966,678
<b>Creditors: Amounts falling due within one year</b>	13	<u>21,456</u>	<u>15,498</u>
<b>Net Current Assets</b>		<u>1,372,864</u>	<u>951,180</u>
<b>Total Assets less Current Liabilities</b>		<u><u>1,399,823</u></u>	<u><u>979,137</u></u>
<b>Funds</b>			
Unrestricted funds:			
General funds	14	887,581	360,336
Designated funds	14	270,000	450,000
Restricted funds	14	242,242	168,801
<b>Total Funds</b>		<u><u>1,399,823</u></u>	<u><u>979,137</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

These financial statements were approved by the Trustees on 17/12/14 and signed on their behalf by



A P Parton  
**Trustee**

# Hounds for Heroes

## Notes to the Financial Statements

### For the year ended 31 March 2014

#### 1 Accounting policies

##### **Basis of preparation**

The financial statements are prepared under the historical convention in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005 and applicable accounting standards.

##### **Fund accounting**

The Charity maintains various types of funds as follows:

##### *Restricted funds*

Restricted funds represent donations received which are allocated by the donor for specific purposes.

##### *General funds*

These represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

##### *Designated funds*

These funds have been designated by the Trustees for use in a particular purpose.

##### **Incoming resources**

All incoming resources are recognised in the statement of financial activities when the conditions for receipt have been met, the amount can be quantified with reasonable accuracy and there is reasonable assurance of receipt.

Donated services are included at the value to the charity where this can be quantified. Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported separately.

Activities for generating funds relates to the income from the sale of merchandise.

Bank interest is accounted for when receivable.

##### **Resources expended**

All expenditure has been accounted for on an accruals basis.

##### **Operating leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **Allocation of support costs**

The Charity's support costs include staff and other related costs as well as general administration and operating costs. Such costs are allocated between expenditure for charitable purposes and costs of generating voluntary income equally.

##### **Cost of generating voluntary income**

Cost of generating voluntary income costs relate to expenditure incurred in motivating individual supporters and trusts to donate to the work of Hounds for Heroes and consist of event costs, specific expenditure on these events and allocated support costs as detailed above.

##### **Fundraising trading costs**

Relates to the purchasing of stock for sale as merchandise.

##### **Governance costs**

Governance costs includes expenditure in relation to constitutional and statutory obligations including audit and statutory accounts preparation.

##### **Stocks**

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

##### **Fixed assets**

All fixed assets are initially recorded at cost. Donated assets are included at their value to the charity.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 20% Straight Line  
Motor vehicles - 20% Straight Line  
Fixtures and fittings - 20% Straight Line

**Hounds for Heroes**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2014**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>2 Incoming Resources</b>		
The income is attributable to the principal activities of the Charity.		
Voluntary income	685,827	710,835
Activities for generating funds	19,900	20,597
Interest receivable	11,792	671
	<u>717,519</u>	<u>732,103</u>

**3 Interest Receivable**

Bank interest	<u>11,792</u>	<u>671</u>
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**4 Net Incoming Resources from Operations before Transfers**

Net incoming resources for the year is stated after charging:

Auditors' remuneration	10,720	5,500
Operating lease - rent of land and building	34,608	25,275
Depreciation of tangible fixed assets	7,461	4,092
	<u>7,461</u>	<u>4,092</u>

**5 Information regarding Employees and Trustees**

Employee costs during the year:

Wages and salaries	104,334	73,575
Social security costs	8,064	4,674
Total Employee costs for the year	<u>112,398</u>	<u>78,249</u>

The average number of full-time equivalent persons employed by Hounds for Heroes during the year was:

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
Dog trainer	3	1
Administration & fundraising	4	4
	<u>7</u>	<u>5</u>

No trustee received any remuneration from the charity during the year (2013: none).

No employee was paid above £60,000 during the year (2013: none).

**Hounds for Heroes**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2014**

	2014	2013
	£	£
<b>6 Fundraising trading costs</b>		
Merchandise cost	<u>10,396</u>	<u>10,642</u>
<b>7 Cost of generating voluntary income</b>		
Great South Run	3,967	4,954
Warrior Ball	-	7,419
Bournemouth Air show	776	128
Crufts	3,727	747
Dog Fight	-	107
Fundraiser salary	8,239	8,001
Fund raising general expenses	2,571	1,870
Fund raising travel	1,561	3,268
	<u>20,841</u>	<u>26,494</u>
Support costs allocated	88,130	64,300
	<u>108,971</u>	<u>90,794</u>
<b>8 Charitable Activities</b>		
Puppy purchase	255	4,500
Puppy costs	10,362	6,802
Puppy kennels	6,527	1,384
Puppy vet fees	8,908	5,169
Puppy travel & mileage	2,303	2,875
Puppy insurance	111	75
Puppy parents claims	3,120	8,617
Puppy AT Costs	9,646	2,100
Dog trainer salary cost	35,343	23,862
	<u>76,575</u>	<u>55,384</u>
Support costs allocated to charitable activities	88,130	64,300
	<u>164,705</u>	<u>119,684</u>

**Hounds for Heroes**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2014**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>9 Support Costs</b>		
Administration	11,842	4,798
Mileage	4,557	2,377
Rent	36,529	25,275
Rates	1,404	3,997
Light & heat	4,541	2,714
Telephone	2,246	3,711
Premises	1,862	2,945
Legal and professional	13,817	7,611
Printing, postage, stationery & website	6,673	9,302
Advertising	4,832	2,097
Insurance	4,840	10,007
Bank charges	575	254
Wages & salaries	68,816	46,386
Equipment depreciation charge	1,846	1,480
Motor vehicle depreciation charge	1,195	1,496
Fixures & fittings depreciation charge	4,420	1,116
Volunteer and employee expenses		3,034
Travel and subsistence	6,264	
	<u>176,259</u>	<u>128,600</u>
<b>10 Governance Costs</b>		
Audit Fees	10,720	5,500
Preparation of statutory accounts	2,000	1,950
Trustee expenses	41	306
	<u>12,761</u>	<u>7,756</u>

**Hounds for Heroes**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2014**

**11 Tangible Fixed Assets**

	Equipment £	Motor vehicles £	Fixtures & Fittings £	Total £
<b>Cost or Valuation</b>				
At 1 April 2013	7,733	19,500	5,976	33,209
Additions	2,999	3,464		6,463
At 31 March 2014	<u>10,732</u>	<u>22,964</u>	<u>5,976</u>	<u>39,672</u>
<b>Accumulated Depreciation</b>				
At 1 April 2013	2,640	1,496	1,116	5,252
Charge for the year	1,846	4,420	1,195	7,461
At 31 March 2014	<u>4,486</u>	<u>5,916</u>	<u>2,311</u>	<u>12,713</u>
<b>Net Book Value</b>				
At 31 March 2014	<u>6,246</u>	<u>17,048</u>	<u>3,665</u>	<u>26,959</u>
At 31 March 2013	<u>5,093</u>	<u>18,004</u>	<u>4,860</u>	<u>27,957</u>

<b>2014</b>	<b>2013</b>
£	£

**12 Debtors: Amounts due within one year**

Prepayments	2,993	3,967
Accrued income	81,579	-
VAT repayable	4,255	6,346
Gift aid debtor	21,575	6,728
Other debtors	12,922	4,646
	<u>123,324</u>	<u>21,687</u>

**13 Creditors: Amounts due within one year**

Accruals	18,667	11,344
Tax and social security	-	2,190
Other	2,789	1,964
	<u>21,456</u>	<u>15,498</u>



## Hounds for Heroes Notes to the Financial Statements (continued) For the year ended 31 March 2014

14 Funds	Brought forward at 1 April 2013 £	Prior year adjustment £	Incoming resources £	Resources expended £	Transfers between funds £	Carried forward at 31 March 2014 £
<b>Unrestricted funds:</b>						
- General funds	360,336		593,823	(296,578)	230,000	887,581
Designated funds:						
- Working life fund	450,000				(180,000)	270,000
<b>Restricted funds:</b>						
- Sponsored dogs	163,801		123,696	(255)	(50,000)	237,242
- Wheelchair	5,000					5,000
	<b>979,137</b>		<b>717,519</b>	<b>(296,833)</b>		<b>1,399,823</b>

The Sponsored dogs restricted fund comprises amounts received to be expended on the costs of named dogs, some of which have not yet been purchased by the charity. The transfer in the year represents the cost incurred in respect of training and maintaining these dogs.

The Wheelchair restricted fund comprises amount received to be expended on a wheelchair for a future client.

The Working life designated fund represents monies set aside to fund future costs of dogs currently in service. A transfer from General funds has been made representing the excess of those costs incurred in charitable activities after allocation of costs against income received for sponsored dogs. A further transfer has been made to represent the fact that the trustees have assessed the cost of maintaining the current level of dogs in the programme at £30,000 per animal.

15 Analysis of net assets between funds	£	£	£	£
	Unrestricted - General	Unrestricted - Designated	Restricted	Total
Tangible fixed assets	26,959			26,959
Current assets	882,078	270,000	242,242	1,394,320
Current liabilities	(21,456)			(21,456)
	<b>887,581</b>	<b>270,000</b>	<b>242,242</b>	<b>1,399,823</b>

**Hounds for Heroes**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2014**

**16 Taxation**

As a charity, Hounds for Heroes is exempt under current tax legislation from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

**17 Trustees' Expenses**

During the year three trustees were reimbursed for costs borne on behalf of the charity totalling £4,967 in respect of travel expenses (2013: three trustees were reimbursed for costs borne on behalf of the charity totalling £3,595).

**18 Operating Lease Commitments**

At 31 March 2014 the charity had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2014</b>	<b>2013</b>
<b>Expiry date:</b>	<b>£</b>	<b>£</b>
Between 2 and 5 years	<u>34,608</u>	<u>24,408</u>

**19 Related Party Transactions**

During the year the charity made purchases from Pet Subjects Limited, trading as Dogs Today, an entity controlled by Mrs B D Smith, a trustee, totalling £247 (2013: £2,105) with no outstanding balance at the year end (2013: nil).