

COMPANY REGISTRATION NUMBER 07130031

**HOUNDS FOR HEROES
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 MARCH 2012**

Charity Number 1134359

**HOUNDS FOR HEROES
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012**

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HOUNDS FOR HEROES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2012

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 31 March 2012.

REFERENCE AND ADMINISTRATIVE DETAILS

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

THE TRUSTEES

The trustees who served the company during the period were as follows:

Mr A P Parton
Mrs B Smith
Ms C Robinson
Mr D Wright
Mr G Botterill
Gp Capt I R Tolfts OBE RAF
Lt. Col (Retd) J F Wheeley MBE
Ms L J Cain
Sqn Ldr W V Palmer

Mrs B Smith was appointed as a trustee on 19 December 2011.
Mr G Botterill was appointed as a trustee on 19 December 2011.
Ms C Robinson retired as a trustee on 22 May 2011.
Mr D Wright retired as a trustee on 30 May 2011.
Sqn Ldr W V Palmer retired as a trustee on 1 August 2012.

Secretary

Accountant	M Richardson Accountant 5 Chapel Street Petersfield Hampshire GU32 3DT
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STRUCTURE, GOVERNANCE AND MANAGEMENT

HOUNDS FOR HEROES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

OBJECTIVES AND ACTIVITIES

Mission Statement:

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 civilian emergency services. Through this provision its aims are to provide help and practical support leading to an enhanced quality of life for its clients.

Hounds for Heroes:

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 civilian emergency services who need the support provided by an assistance dog.

ACHIEVEMENTS AND PERFORMANCE

The past year has been one of considerable growth for Hounds for Heroes. The profile of the charity has continued to be raised through social media, public engagements and through many positive articles in print media as well as news features on television. The result of this increasing awareness has been burgeoning public support for the charity which has manifested itself in a marked increase in donations. Many of these donations have resulted from wide ranging fundraising activities from a Land's End to John O'Groats walk to staff collections to the Bournemouth Air Festival selecting Hounds for Heroes as one its charities to support. This surge in support has allowed the charity to move from purely fundraising and promotional into an operational posture. The past year has seen the selection - in 2 batches of 6 - of 12 puppies who will become the first dogs to be provided by Hounds for Heroes. After being placed with puppy parents, the puppies have been undergoing basic training as they start their journeys to becoming trained assistance dogs. The first dogs should be placed with clients in late spring 2013. With puppies in training, it became vital for the charity to have both a training base and headquarters. Suitable rental premises were found near Petersfield and these were occupied in May 2011. Coincident with the move into the Headquarters, a training base manager and an administrator were employed as the volume of correspondence and need to ensure procedures for training were in place was beyond the capacity of volunteers and trustees. All told, the past year has seen Hounds for Heroes "come of age". With the prospect of continued and growing public support the future prospects for Hounds for Heroes look positive.

HOUNDS FOR HEROES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

FINANCIAL REVIEW

There is currently £200,167 of net income for the year. Additionally, with an estimated maximum £100,000 needed to support 6 dogs through their full lives, financial provision has been made by "setting aside" a further £200,000 to cover these costs. The adoption of such an approach means that the dogs welfare is guaranteed irrespective of the future financial position of the charity. As noted above, the public awareness and support for the charity has grown exponentially this year with donations exceeding £470,000 this year compared to £94,000 in the previous accounting year. Cognisant of the need to both safeguard the charity's money but maximise its earning potential, they have directed an investment strategy to be developed which will be implemented over the next year.

PLANS FOR FUTURE PERIODS

With the prospects for the charity looking very good and a clear need for assistance dogs given the estimated 900,000 injured servicemen and women in the country, the charity's aim for future periods is to grow at a sustainable rate. Further dogs will be taken into training and, during 2013, the first partnerships between clients and dogs will be formed. With the charity's expected growth, it will become necessary to appoint a Chief Executive Officer as well as professionalise the fundraising and PR PR functions of the charity. Further infrastructure in terms of facilities and vehicles are also likely to be needed. Whilst ambitious, the trustees recognise the need for the any growth to be both considered, sustainable and fully in line with the charity's stated aims.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of Hounds for Heroes for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that 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 trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**HOUNDS FOR HEROES
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

Registered office:
Unit 2B Rookery Farm Buildings
Ramsdean
Petersfield
Hampshire
GU32 1RU

Signed on behalf of the trustees

A PARTON
Director

27 December 2012

**HOUNDS FOR HEROES
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31 MARCH 2012

	Note	Total Funds 2012 £	Total Funds 2011 £
INCOMING RESOURCES			
Incoming resources from generating funds:			
Voluntary income	2	472,518	94,272
Activities for generating funds	3	5,423	690
Investment income	4	6	–
TOTAL INCOMING RESOURCES		<u>477,947</u>	<u>94,962</u>
RESOURCES EXPENDED			
Costs of generating funds:			
Costs of generating voluntary income	5	(215,228)	(465)
Fundraising trading: cost of goods sold and other costs	6	(39,215)	(9,318)
Governance costs	7	(23,337)	(1,079)
TOTAL RESOURCES EXPENDED		<u>(277,780)</u>	<u>(10,862)</u>
NET INCOMING RESOURCES FOR THE YEAR/NET INCOME FOR THE YEAR	8	200,167	84,100
RECONCILIATION OF FUNDS			
Total funds brought forward		–	–
TOTAL FUNDS CARRIED FORWARD		<u>200,167</u>	<u>84,100</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 8 to 11 form part of these financial statements.

HOUNDS FOR HEROES COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 MARCH 2012

	Note	2012 £	£	2011 £
FIXED ASSETS				
Tangible assets	10		4,642	–
CURRENT ASSETS				
Stocks	11	12,272		3,382
Debtors	12	52,688		1,218
Cash at bank		<u>416,194</u>		<u>81,325</u>
		481,154		85,925
CREDITORS: Amounts falling due within one year	13	<u>(1,529)</u>		<u>(1,825)</u>
NET CURRENT ASSETS			479,625	84,100
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>484,267</u>	<u>84,100</u>
CREDITORS: Amounts falling due after more than one year	14		<u>(200,000)</u>	–
NET ASSETS			<u>284,267</u>	<u>84,100</u>
FUNDS				
Unrestricted income funds	15		<u>284,267</u>	<u>84,100</u>
TOTAL FUNDS			<u>284,267</u>	<u>84,100</u>

The trustees are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act.

The trustees acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The Balance sheet continues on the following page.
The notes on pages 8 to 11 form part of these financial statements.

**HOUNDS FOR HEROES
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET *(continued)*

31 MARCH 2012

These financial statements were approved by the members of the committee on the 27 December 2012 and are signed on their behalf by:

MR A P PARTON
Director

Company Registration Number: 07130031

The notes on pages 8 to 11 form part of these financial statements.

**HOUNDS FOR HEROES
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012**

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006.

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Stocks

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

2. VOLUNTARY INCOME

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Donations			
Donations - unrestricted	<u>472,518</u>	<u>472,518</u>	<u>94,272</u>

3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Fundraising events	<u>5,423</u>	<u>5,423</u>	<u>690</u>

4. INVESTMENT INCOME

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Bank interest receivable	<u>6</u>	<u>6</u>	<u>-</u>

**HOUNDS FOR HEROES
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

5. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Donations	–	–	465
Costs of generating income	<u>215,228</u>	<u>215,228</u>	–
	<u>215,228</u>	<u>215,228</u>	<u>465</u>

6. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Support costs	<u>39,215</u>	<u>39,215</u>	<u>9,318</u>

7. GOVERNANCE COSTS

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Salaries and wages	16,759	16,759	–
Employer's NIC	864	864	–
Costs of trustees' meetings	4,530	4,530	1,073
Other financial costs	24	24	6
Depreciation	<u>1,160</u>	<u>1,160</u>	–
	<u>23,337</u>	<u>23,337</u>	<u>1,079</u>

8. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2012	2011
	£	£
Depreciation	<u>1,160</u>	–

9. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2012	2011
	£	£
Wages and salaries	16,759	–
Social security costs	<u>864</u>	–
	<u>17,623</u>	–

**HOUNDS FOR HEROES
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

9. STAFF COSTS AND EMOLUMENTS *(continued)*

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

2012		2011
No		No

No employee received remuneration of more than £60,000 during the year (2011 - Nil).

10. TANGIBLE FIXED ASSETS

		Equipment
		£
COST		
Additions		<u>5,802</u>
At 31 March 2012		<u><u>5,802</u></u>
 DEPRECIATION		
Charge for the year		<u>1,160</u>
At 31 March 2012		<u><u>1,160</u></u>
 NET BOOK VALUE		
At 31 March 2012		<u><u>4,642</u></u>
At 31 March 2011		<u><u>–</u></u>

11. STOCKS

	2012	2011
	£	£
Stock	<u>12,272</u>	<u>3,382</u>

12. DEBTORS

	2012	2011
	£	£
Other debtors	–	1,218
Prepayments	<u>52,688</u>	<u>–</u>
	<u><u>52,688</u></u>	<u><u>1,218</u></u>

13. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Accruals	<u>1,529</u>	<u>1,825</u>

**HOUNDS FOR HEROES
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012**

14. CREDITORS: Amounts falling due after more than one year

	2012 £	2011 £
Accruals and deferred income	<u>200,000</u>	<u>—</u>

15. UNRESTRICTED INCOME FUNDS

	Incoming resources £	Outgoing resources £	Balance at 31 March 2012 £
General Funds	<u>477,941</u>	<u>(277,774)</u>	<u>200,167</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Net current assets £	Total £
Unrestricted Income Funds	<u>200,167</u>	<u>200,167</u>
Total Funds	<u>200,167</u>	<u>200,167</u>

17. COMPANY LIMITED BY GUARANTEE