



Annual Report and Financial Statements

For the year ended 31 December 2016

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Trustees' Annual Report

The Trustees present their report together with the Audited Financial Statements for the year ended 31 December 2016.

Objectives and activities

The Charitable Objects of CIEH are to promote for the public benefit the theory and science of environmental health in all its aspects and the dissemination of knowledge about environmental health.

Our corporate objectives are to:

- Ensure CIEH is recognised as the voice of the environmental health profession by its members, external stakeholders, key decision-makers and the public
- Develop a professional development framework and assets that set the universal standard for professionalism in environmental health
- Maintain CIEH's current membership base, while increasing the number and variety of environmental health professionals joining CIEH
- Provide the best infrastructure, resources and governance to enable CIEH to improve the delivery of products and services to members and other stakeholders

We have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and when planning our programmes of activity. The activities of CIEH are outlined in this report and further details can be found in our Annual Review which is available to download from our website.

Achievements and performance

To achieve real change, CIEH implemented a significant strategic programme to develop our membership proposition, raise CIEH's voice and visibility and improve our learning offer for the profession and the wider workforce. As part of this review we also completed a major restructuring of the organisation.

As a membership body our focus needs to be on members and, as such, we commissioned a survey through YouGov, a leading market research agency, of both our existing members and people who worked in environmental health. The results were brought together in the White Paper - Growth with Purpose.

In order to raise the voice and visibility of the organisation we have mapped out our key stakeholders and produced a new external affairs strategy. In addition, we undertook a review of our brand, including the logo and tone of voice.

As the leading membership organisation for environmental health professionals, CIEH has a responsibility to set professional standards for its members and the wider environmental health community. During 2016 CIEH created a Professional Standards Framework, a set of seven robust, contemporary and achievable standards that clearly define what it means to be an environmental health professional.

By the end of 2016 we completed the second phase of the restructuring and reduced head count from 131 to 108. The final phase will be completed during 2017 further reducing staff numbers to under 60. The operational overheads have also been reduced and further reductions will take place during the coming year.

In November 2016, after many years of delivering learning products regulated by external bodies, CIEH voluntarily surrendered its recognition as a regulated awarding organisation. CIEH took this step following a full review of our product offering and in light of the need to diversify and broaden our market. Importantly, as a chartered body, CIEH remains an awarding body and a member of the Federation of Awarding Bodies and is developing a range of flexible products and services suitable for a modern membership organisation.

Financial review

Highlights

In a year of considerable change we have seen a drop in income as well as a reduction in operating costs. Work continues to reduce the cost base of the organisation to ensure we can become a sustainable, membership focused, professional body.

Key financial highlights include:

- a group operating loss of £2.7m
- restructuring and redundancy costs totalled £1.1m
- a 5% growth in membership income
- a gain on investments, including the sale of our US operations of £1.9m before tax
- an increase in total reserves of £0.3m

Income and expenditure

The consolidated results for the year show that our net expenditure exceeded income by £2.7m, which is an increase over the previous year's figure of £0.6m. This increase in net outgoing resources was due to a decrease of £3.6m in total income compared to a decrease in costs of only £3.0m.

The decline in income was from our educational activities which includes the delivery of learning products regulated by external bodies. Overall education income declined by 46% to £4.5m. This was largely due to our decision to voluntarily surrender recognition as a regulated awarding organisation but also due to increased competition in this area of activity.

Our income increased across all other areas of activity with the exception of regional income which declined slightly. Membership fees play an important part in funding the services of CIEH and in 2016 they represented just under 20% of the overall income of the organisation. We have been working hard to refocus the organisation on our members and we have seen an increase in income in 2016 of 5%. We anticipate a further increase over the coming year as we broaden the membership base.

Conference income was £0.8m which was 6% ahead of 2015 and continues to show good trading results in an increasingly competitive market. Commercial trading income was £1.2m which was 2% ahead of the 2015 income. The majority of this income is generated from our conference venue, 15Hatfields, which continues to maintain a strong flow of business.

Our investment portfolio also saw a significant improvement over the previous year following growth in the markets. Overall we had a gain on investments from our portfolio of £1.0m. We also had a gain on the sale of a US subsidiary company of £1.9m before tax, which has resulted in overall net income for 2016 of just under £0.2m. During 2016 we incurred substantial costs as part of the restructuring which totalled £1.1m. This includes redundancy costs across the group of £0.5m, additional staff costs of £0.1m to assist in the restructuring and asset write off including obsolete stock of £0.1m. During 2016 the Trustees also took the decision to cease trading through TiFSiP Ltd and transfer the activities of this subsidiary company to CIEH. The losses incurred in TiFSiP during 2016 totalled just over £0.3m and coupled with the 2015 losses has meant this business activity has cost CIEH £0.8m.

Balance sheet

Total funds for the Group increased from 2015 by £0.3m to a total of £3.2m. Unrestricted general funds, the funds available to cover the day to day operations of CIEH, were relatively unchanged from the previous year. The pension fund deficit saw a small decline of £91,000. By the end of the year our stock, which mainly relates to the provision of course material had reduced significantly from £208k at the end of 2015 to just £21k at the end of 2016 following our voluntary surrender of recognition. Similarly, our debtors reduced in line with the reduction in trading activity, falling from £1.4m at the end of 2015 to just under £0.9m at the end of 2016. Trade creditors also fell by just under £0.2m although there was an increase in overall creditors due to an outstanding tax payment to the US Internal Revenue Service on the disposal of Environmental Health Testing LLC. Further details on this disposal are set out below under the sub-heading on subsidiaries.

Investments and reserves

The funding provided to CIEH through the sale and leaseback of 15 Hatfields has been invested to meet its charitable objectives for the long term. Cazenove Capital Management (an operating division of Schroder & Co) was appointed to advise the Trustees in the construction of a suitable investment portfolio, and to manage the investment into specific funds to be held within the portfolio. The strategic target is to achieve a long term return of 4% above inflation with a risk profile of less than 5% probability of making a capital loss exceeding 10% of the portfolio value within any one year. During 2016, the fund made a total return of 14.6% (2015: 2.2%).

The Trustees annually review the reserves of the charity. This review encompasses the nature of the income and expenditure streams, the need to match variable income with commitments and the nature of the reserves. The reserves policy agreed by the Trustees is to hold six months expenditure within reserves. Based upon the 2016 results, this figure is estimated to be £5.6m and our current reserves represent 43% of this figure. The Trustees plan to build reserves back to 100% of six months expenditure over the next three years through development of new commercial activities, expanding membership and a reduction in our cost base.

The revaluation reserve has arisen on the previous revaluation of the charity's land and buildings and will be released to general reserves in line with the depreciation of the property.

FRS102 does not permit the impact of future five-yearly rent reviews to be incorporated into the capital lease liability. As the amounts involved over the 150 year period are expected to have a significant financial impact, a Lease Redemption Reserve has been created as a designated reserve to make prudent provision for the additional finance costs associated with these rent reviews.

Free reserves are provided solely by the unrestricted general fund, amounting to £2.4m at 31 December 2016.

Going concern

The Board of Trustees has carefully reviewed the financial position of the CIEH Group, including the financial projections for 2017 and 2018, and concluded that following the restructuring programme and with the new strategic direction of the organisation that there are sufficient funds at the date of signature of the financial statements to manage any foreseeable downturn in the UK and global economy. The Board also considers that there is a reasonable expectation that CIEH has adequate resources to continue in operational existence for the foreseeable future and for these reasons the Board of Trustees continues to adopt the 'going concern' basis in preparing the financial statements.

Subsidiaries

CIEH is the sole member and owns the entire issued share capital of the two subsidiaries, CIEH Ltd and TiFSiP. As mentioned previously, the Board of Trustees made the decision to cease trading through its subsidiary TiFSiP and the company became dormant at the end of 2016.

CIEH Ltd owns the entire share capital of Chadwick Holdings Inc, a US subsidiary which is its self a holding company. On 1 February 2016 Chadwick Holdings Inc. sold its entire investment in Environmental Health Testing LLC (EHT) for a cash consideration of \$3.15million. This resulted in a gain to Chadwick Holdings inc of \$2.3m and a tax liability of \$0.8m. These figures are shown in the consolidated accounts as gain on sale of US subsidiary and taxation respectively. Chadwick Holdings Inc had an outstanding loan of £374k from CIEH Ltd. On the sale of EHT this loan from CIEH Ltd was repaid, a provision was made for the outstanding tax liability on the gain from the sale of EHT and the balance of the proceeds and reserves in Chadwick Holdings Inc was paid to CIEH Ltd by way of a dividend.

Further details of the financial performance of these subsidiaries is disclosed in note 2 to the Consolidated Statement of Financial Activities.

Management of Risk

Good risk management is fundamental to the sustainability of CIEH although it should be recognised that it is impossible to eliminate all risk in an activity. The role of risk management is to identify the key risks facing the organisation and plan how these can be mitigated through specific measures. Overall responsibility for risk management rests with the Trustees who manage the process through formal reviews at board meetings and through the Risk and Audit committee. Day to day responsibility is delegated to the Executive Team who identify and evaluate risks that relate to their areas and manage the mitigation plans accordingly.

The keys risk to the organisation and the principal processes in place to manage these risks are set out in the table below:

Risk	Risk management response
Strategic	
Failure to achieve strategic objectives	The Trustees have set out clear strategic objectives which the executive management team (EMT) have incorporated into a clear project plan with individual executives assigned to each objective with identifiable milestones. The plans are reviewed regularly by the EMT and reported to the Board of Trustees on a regular basis.
Failure to deliver on the restructuring plan	The restructuring plan has been carefully managed through the last 12 months and is now in the final stages. Significant costs have already been removed from the business.
Operational	
Risk associated with systems failures or a cyber-attack	Although we have in place a number of technical solutions, including disaster recovery plans, the key risk is human error which is managed through training
Financial	
Solvency of the organisation due to declining revenues and a high cost base.	This is being addressed through the restructuring programme which is reducing the costs of running the organisation, focusing on membership services to ensure the on-going relevance of the organisation to members and the development of new products to recognise changing customer needs and preferences for how training is delivered.
Pension funding risks	This relates to a shortfall in assets over liabilities for the defined benefits scheme with the LGPS. We make additional contributions to reduce the shortfall and have provided the LGPS with security in the form of a charge over a proportion of our investment portfolio.
Investment risk	This is managed through diversification in accordance with an agreed asset allocation strategy and through a series of funds under the control of a professional investment manager.
People	
Departure of key personnel during a period of significant change.	The EMT and Senior Managers are fully involved in the restructuring plan which is reported at EMT, Senior Management meetings and all staff meetings.
Compliance and corporate governance	
Impact of regulatory and legislative changes	Individual members of the EMT and senior managers have responsibility for monitoring regulatory changes within their areas of activity.

Plans for future periods

CIEH has gone through a period of significant change over the last year and is continuing to evolve into a membership focused organisation. The Board of Trustees has recognised the lessons learned from previous activities and believe that the changes being made to the governance structure, management team and staffing will strength the organisation and set the foundation for CIEH to grow and develop into the future and be better able to serve members and the wider public in order to achieve its mission.

Structure, governance and management

The Board of Trustees is the governing body for CIEH and determines the overall direction and development of the organisation. The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

In the United Kingdom, each member of CIEH is allocated to a geographic region based on the former boundaries of the English regional government offices and the Countries of Wales, Scotland and Northern Ireland. The twelve regions provide a range of activities based primarily on maintaining the skills, competence and continuing professional development of our members and ensuring opportunities for peer review and contact. The regions have democratically elected management boards who determine the regional work programmes and activities to accord with our Royal Charter objects.

In addition to the regional structure, special interest groups (SIGs) provide a national focus to the activities of members working in commerce and industry, port health, international development and research. In total thirty two representatives of the regions and SIGs meet together three times a year as an elected Assembly.

Until 31 December 2016 the Board of Trustees consisted of ten members, constituting the President, six elected by the Assembly of Representatives, who are themselves elected by CIEH membership, and three appointed specialists. It is the ultimate decision making body for the operation of the charity. There are two committees, Risk & Audit and Appointments & Remuneration, reporting through to the Board of Trustees along with two advisory groups, Membership & the Profession and Learning & Qualifications.

As part of their induction programme new Trustees are made aware of their responsibilities as Trustees of CIEH. The induction includes an introduction to the objectives, scope and policies of the charity, the use of charitable funds and they are provided with detailed Charity Commission information on trustee responsibilities.

The Risk and Audit Committee is responsible for overseeing the management of risks arising from all CIEH activities to ensure the charity fulfils its strategic aims and objects. It agrees the audit strategy with the external auditors, receives their management letter and ensures that issues are resolved through the risk management process.

The Appointments & Remuneration Committee has been established to assist the Trustees in reviewing board composition (including skills, knowledge and experience), recommending the remuneration package of the CEO, reviewing the overall human resources strategy and ensuring the remuneration policy for the organisation is in line with market practices.

Charity law 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 law). Under charity 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 group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- observe the methods and principles in the Charities SORP; 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 that 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 them to ensure that the financial statements comply with the Charities Act 2011. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

haysmacintyre will be proposed for reappointment in accordance with the Companies Act 2006 at the next annual meeting.

Statement as to disclosure of information to our auditors

In the case of each of the persons who are Trustees of the charity at the date when this report was approved:

- so far as each of the Trustees is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- each of the Trustees has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information (as defined) and to establish that the charity's auditors are aware of that information.

Reference and administrative details

Name:	The Chartered Institute of Environmental Health is also known as CIEH
Constitution:	CIEH was granted a Royal Charter on 27 July 1984
Status:	CIEH is a registered charity
Number:	290350
The registered office is:	Chadwick Court 15 Hatfields London SE1 8DJ
Contact details are:	Tel: 0207 928 6006 Email: membership@cieh.org

Trustees

The names of CIEH's Trustees are listed on page 35.

Funds held as Custodian Trustee on behalf of others

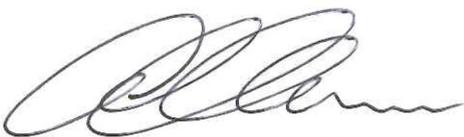
CIEH holds funds as Custodian Trustee on behalf of others as disclosed in note 18. These funds are excluded from this report.

Employees and Members

The Trustees would like to take this opportunity to thank all CIEH employees and all its volunteer members involved in running its regions, special interest groups and branches throughout the UK for their efforts in furthering the aims and objectives of the organisation.

By order of the Board of Trustees

Andrew Statham



27 April 2017

Independent Auditors' Report To The Trustees Of The Chartered Institute Of Environmental Health

We have audited the financial statements of the Chartered Institute of Environmental Health for the year ended 31 December 2016 which comprise the consolidated Statement of Financial Activities, the charity and group Balance Sheets, the consolidated Cash Flow Statement and the related notes. 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 charity's members, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditors' 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 charity's Trustees 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 on page 8, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 Auditing Practices Board'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's and group's affairs as at 31 December 2016, and of its net movement in funds, 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 Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



27 April 2017

haysmacintyre
Statutory Auditor
26 Red Lion Square
London
WC1R 4AG

Consolidated Statement of Financial Activities (SoFA) (Incorporating an Income and Expenditure Account)

for the year ended 31 December 2016

		Group	
		2016	2015
		Unrestricted funds	Unrestricted funds
		£'000	£'000
	Note		
Income from charitable activities			
Subscription and membership income	3	1,648	1,571
Education income	3	4,463	8,208
Conference income	3	792	746
Regional income	3	75	82
Income from other trading activities			
Commercial trading	3	1,199	1,176
Income from investments			
Investments	3	226	225
Total income and endowments		8,403	12,008
Expenditure			
Expenditure on charitable activities			
Membership	5	2,262	2,062
Education	5	5,969	9,472
Conferences	5	2,064	1,707
Regions	5	164	171
Expenditure on raising funds			
Commercial trading operations	5	602	617
Investment management fee	5	75	73
Total expenditure		11,136	14,102
Net (outgoing) resources for the year		(2,733)	(2,094)
Gain / (loss) on investments	13.1	1,030	(14)
Gain on sale of US subsidiary	13.2(iii)	1,879	1
Net (outgoing) resources before taxation and minority interest		176	(2,107)
Taxation	13.2(iii)	(556)	37
Minority interest		-	(20)
Net movement in funds before defined benefit scheme (loss)		(380)	(2,090)
Pension scheme – actuarial gain	10	711	770
Net movement in funds before minority interest		331	(1,320)
Minority interest		-	(42)
Net movement in funds after minority interest		331	(1,362)
Funds brought forward at 1 January		2,879	4,241
Funds carried forward at 31 December		3,210	2,879

None of the CIEH's or the group's activities were acquired or discontinued during the above two financial years. There were no recognised gains or losses other than those shown above.

Balance Sheets

as at 31 December 2016

	Note	Group		CIEH	
		2016 £'000	2015 £'000	2016 £'000	2015 £'000
Fixed assets					
Intangible fixed assets	11	277	487	18	38
Tangible fixed assets	12	7,444	7,578	7,389	7,469
Investments	13.1	9,655	8,411	9,655	8,411
		17,376	16,476	17,062	15,918
Current assets					
Stocks		21	208	-	-
Debtors	16	855	1,371	1,251	828
Cash at bank and in hand		1,422	1,171	760	842
		2,298	2,750	2,011	1,670
Creditors: amounts falling due within one year	17(i)	(2,777)	(2,538)	(3,529)	(2,129)
Net current assets		(479)	212	(1,518)	(459)
Total assets less current liabilities		16,897	16,688	15,544	15,459
Creditors: amounts falling due after more than one year	17(ii)	(9,609)	(9,640)	(9,609)	(9,630)
Total net assets before pension deficit		7,288	7,048	5,935	5,829
Defined benefit pension scheme liability	10	(4,078)	(4,169)	(4,078)	(4,169)
Total net assets		3,210	2,879	1,857	1,660
Funds and reserves					
Unrestricted general funds	19	2,397	2,399	1,044	1,229
Pension fund	19	(4,078)	(4,169)	(4,078)	(4,169)
Lease redemption reserve	19	769	450	769	450
Revaluation reserve	19	4,122	4,150	4,122	4,150
Group funds		3,210	2,830	1,857	1,660
Minority interest	19	-	49	-	-
Total funds	19	3,210	2,879	1,857	1,660

The notes on pages 15 to 34 form an integral part of these financial statements.

Approved and authorised for issue
on behalf of the Board of Trustees on
27 April 2017


Andrew Statham,
Chairman, Board of Trustees


Tim Deveaux,
Deputy Chairman, Board of Trustees

Consolidated Cash Flow Statement

for the year ended 31 December 2016

		2016		2015	
	Note	£'000	£'000	£'000	£'000
Cash flow from operating activities	20		(1,818)		(553)
Cash flow from investing activities					
Purchase of tangible assets	12	(55)		(61)	
Cash withdrawal from investments	13.1	1,601		1,250	
Cash additions to investments		(1,666)		-	
Purchase of intangible assets	11	(87)		(264)	
Sale of EHT (US)		2,293		-	
Net cash provided by investing activities			2,086		925
Cash flows from financing activities					
Capital element of finance lease rentals		(17)		(6)	
Net cash provided by financing activities			(17)		(6)
Change in cash and cash equivalents in year	22		251		366
Cash and cash equivalents at beginning of year			1,171		805
Cash and cash equivalents at end of year	21		1,422		1,171

Notes to the Financial Statements

for the year ended 31 December 2016

1 Accounting Policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015), the Charities Act 2011 and applicable accounting standards (FRS102).

1.2 Leasehold property

On 20 December 2013, the CIEH entered into a sale and leaseback agreement on the charity's property, Chadwick Court, located at 15 Hatfields, London. The property is held by the charity under a 150 year long lease. The property has been reclassified as a long-leasehold property in note 12. The Board of Trustees consider that the risks and rewards of ownership rest with the charity and consequently account for the long-leasehold as a finance lease and continue to recognise the property as a fixed asset in the financial statements of the charity.

Depreciation is charged over its revised useful economic life of 150 years. An adjustment is also made to the revaluation reserve and credited to the general funds in note 19.

1.3 Other fixed assets

Intangible fixed assets:

Intangible fixed assets are measured at cost less accumulated depreciation, and any accumulated impairment losses.

Software costs are recognised as an intangible assets when supplied by a third party. The costs are transferred from under construction to assets when the software comes into use. At that point in time they start to be depreciated.

Depreciation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The principal rate for software is 33%.

IT developments, which are expected to generate future revenues and meet the other criteria allowable under FRS102 s18 'Intangible Assets other than goodwill' have been capitalised as appropriate.

No depreciation is charged on assets under construction.

Purchased goodwill is stated at cost and has now been fully depreciated over its useful life of twelve years.

Tangible fixed assets:

Tangible fixed assets are depreciated or amortised on a straight line basis to write off the cost of these assets over their estimated useful lives. The principal rates are:

Fixtures & Fittings	20%
Office equipment	33%
Computer hardware	33%

1.4 Stocks

Stocks of publications and course material are stated at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items.

All stock items are finished goods held for resale.

1.5 Expenditure

All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered. Any VAT which is not recoverable by the CIEH is included in allocated support costs, see note 6.

Direct expenditure is directly allocated to specific activities and has been included in those cost categories. Indirect costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of the direct usage in the various categories.

Governance costs relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. These costs include Board of Trustee costs, audit

costs and other strategic management costs, see note 7.

1.6 Income and endowments

Subscriptions and membership fees are accounted for on an accruals basis. No income is accrued in relation to unpaid subscriptions at the year-end. Amounts received in advance are deferred to the period to which they relate.

Education income is accounted for on an accruals basis in respect of professional exams and public training courses.

Conference income is accounted for on an accruals basis and is generated from the delivery of CIEH events to its members and the public, as well as from the hire of its facilities (conference and meeting rooms), including the provision of catering, equipment and related services.

Rents receivable are accounted for on an accruals basis.

1.7 Research and development

Research and development expenditure for products is charged to the Consolidated Statement of Financial Activities in the year in which it is incurred.

1.8 Operating leases

Rentals paid under operating leases are included in the Consolidated Statement of Financial Activities on a straight line basis over the term of the lease.

1.9 Finance leases

The obligations under the finance lease for Chadwick Court is carried at amortised carrying value using the 'effective interest method', which allocates the interest expense over the period to maturity at a constant rate on the balance of the liability carried in the balance sheet for the relevant period.

1.10 Pensions

The CIEH operates a **defined benefit pension scheme**. The scheme was reopened to new members from 1 May 2014, operating as the CIEH's

Notes to the Financial Statements

continued

for the year ended 31 December 2016

nominated scheme as part of Auto Enrolment. The amounts charged in resources expended are the current service costs and gains and losses on settlements and curtailments are included as part of staff costs. Vested past service costs are recognised immediately in the Consolidated Statement of Financial Activities. The interest cost and the expected return on assets are charged to net finance charges within support costs. Actuarial gains and losses are recognised immediately as 'Actuarial Losses'. The defined benefit scheme is funded, with the assets of the scheme held separately from those of the group, in separate trustee-administered funds. The pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

The CIEH also operates a **defined contribution** scheme and the amount charged to the Consolidated Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1.11 Foreign currency

Foreign currency transactions are recorded in sterling at the average rate for the year. Monetary assets and liabilities in foreign currencies are translated into sterling at the year-end rate of exchange. Non-monetary assets are translated at the historic exchange rate prevailing at the date of transaction. Exchange differences

on monetary assets and liabilities and trading transactions arising in the ordinary course of business are dealt with through the Consolidated Statement of Financial Activities.

1.12 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or less tax in the future have occurred by the balance sheet date. Deferred tax is calculated at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

1.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

1.14 Investments

Profit or loss on investment is recognised in the Consolidated Statement of Financial Activities on a cash receivable basis.

Investments are stated at market value at the balance sheet date.

A gain or loss is "realised" when the disposal proceeds of investments (at market value) is different from its value at the start of the year.

A gain or loss is "unrealised" when the market value of an investment at the end of the year is different from its value at the start of the year (or from the date it was purchased during the year).

2 Subsidiary activities

The CIEH has two wholly owned UK trading subsidiaries; CIEH Limited and TiFSiP Limited.

CIEH Limited, a holding company registered in England, carries out mainly primary purpose trading activities, providing qualifications, organising seminars and publishing magazines. For the year £1,100,000 (2015: £628,408) was gift aided to the charity.

CIEH Limited has a subsidiary, Chadwick House Incorporated (CHI), a holding company registered in the United States of America. CHI's income and expenditure relating to environmental health qualifications, seminars and publications is not consolidated in these accounts for CIEH Limited, but rather has been included under charitable activities in education and conferences in the group statement of financial activities.

Chadwick Holdings Inc. sold its entire investment in Environmental Health Testing LLC for a cash consideration of USD 3.15million on

1 February 2016. Further details of this transaction are provided in note 13.2.

TiFSiP Limited, was incorporated on 13 March 2014, in the United Kingdom and intended as a new membership organisation carrying out primary purpose trading activities, supporting professionals throughout the food industry. This activity was transferred to CIEH during 2016, along with all the assets and liabilities of the company. TiFSiP ceased trading during 2016 and became dormant at 31 December 2016.

A summary of the trading results for CIEH Limited, its subsidiary, Chadwick Holdings Incorporated, and TiFSiP Limited is shown below.

The positive expenditure figure of £432K shown in the figures for TiFSiP is as a result of the write off of the outstanding balance due to CIEH.

	CIEH Limited		CHI (US)		TiFSiP Limited	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Turnover	5,632	7,041	-	2,794	15	11
Sale of US subsidiary	-	-	1,467	-	-	-
Dividend	1,666	-	(1,666)	-	-	-
Total expenditure	(6,184)	(6,341)	-	(2,857)	432	(458)
Profit before gift aid	1,114	700	(199)	(63)	447	(447)
Gift aid to CIEH	(1,100)	(628)	-	-	-	-
Retained profits/(losses) b/f	1,337	1,265	199	262	(447)	-
Retained in subsidiary	1,351	1,337	-	199	-	(447)

Notes to the Financial Statements *continued*

for the year ended 31 December 2016

3 Income and endowments

	2016			2015
	£'000	£'000	£'000	£'000
	Subscriptions & membership income	Education	Conferences	Total
UK activity	509	4,392	54	4,955
US activity	-	-	-	-
Income from subsidiaries	509	4,392	54	4,955
CIEH activity	1,139	71	738	1,948
	<u>1,648</u>	<u>4,463</u>	<u>792</u>	<u>6,903</u>
Regions				<u>75</u>
Income from charitable activities				6,978
Commercial trading operations				1,199
Investment income				226
Total income and endowments				<u>8,403</u>
				<u>12,008</u>

Subscriptions and membership income consists of membership fees, and other sources of income of a membership nature (including the membership magazine; Environmental Health News).

Education income is in respect of professional exams and public training courses.

Conference income arises from the delivery of events to members and the public.

Commercial trading operations income arises from 15Hatfields venue and events business, together with rent from letting part of Chadwick Court.

4 Regions

A summary of the results of the Regions is detailed below:

	2016	2015
	£'000	£'000
Income		
Turnover	75	82
Expenditure	<u>(164)</u>	<u>(171)</u>
Deficit for the financial year before Head Office funding	(89)	(89)
Head Office funding	112	112
Surplus for the year	<u>23</u>	<u>23</u>
Net assets of the regions on 1 January	<u>334</u>	<u>311</u>
Net assets of the regions on 31 December	<u>357</u>	<u>334</u>

5 Expenditure

	2016				2015	
	Direct costs £'000	Staff costs £'000	UK/US support £'000	Institute support £'000	Total £'000	Total £'000
Membership	340	923	479	520	2,262	2,062
Education	1,011	1,977	1,428	1,553	5,969	9,472
Conferences	426	381	602	655	2,064	1,707
Subsidiary costs	<u>1,777</u>	<u>3,281</u>	<u>2,509</u>	<u>2,728</u>	<u>10,295</u>	13,241
Regions					164	171
Commercial trading operations					602	617
Investment management fee					<u>75</u>	<u>73</u>
Total expenditure					<u>11,136</u>	<u>14,102</u>

Basis of apportionment: Direct costs

6 Support costs

	2016		2015
	UK/US £'000	CIEH £'000	Total £'000
Staff costs	1,162	1,610	2,772
Office costs	594	259	853
Printing, postage and stationery	57	24	81
Rent, rates and maintenance	134	98	232
Light and heat	-	60	60
Publicity and marketing	108	28	136
Research and development	22	-	22
Telephones	23	10	33
Computers	3	1	4
Legal and professional	4	18	22
Insurance	50	22	72
Bank charges	37	17	54
Finance lease interest	-	343	343
Governance costs (see note 7)	14	82	96
Irrecoverable VAT	-	38	38
Depreciation of tangible and intangible assets	<u>301</u>	<u>118</u>	<u>419</u>
Support costs	<u>2,509</u>	<u>2,728</u>	<u>5,237</u>

Total
£'000

3,566

1,412

270

277

63

366

31

27

5

153

96

62

331

114

41

376

7,190

Notes to the Financial Statements *continued*

for the year ended 31 December 2016

7 Governance costs

	2016	2015	
	£'000	£'000	
Board of Trustees and other meetings	68	86	Governance costs are the general running costs of the charity. Included in here are the costs of the Board of Trustees and associated support costs including external audit.
Auditors' remuneration	28	28	
Governance costs	96	114	

8 Net outgoing resources for the year

	Group		CIEH	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
<i>This is stated after charging:</i>				
Depreciation of tangible and intangible assets	419	376	118	112
Auditors' remuneration				
– audit work	28	28	15	16
– non-audit work	4	8	-	3
– audit work USA	4	24	-	-
Exchange (losses)	(7)	(17)	-	-
Finance lease interest	343	331	343	331
Operating lease	60	46	-	-
Research and development	22	31	-	-

9 Employee and trustee costs

The employee costs for the Group and the charity were:

	Group		CIEH	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Wages and salaries	4,209	5,044	1,674	1,516
Social security	407	396	161	134
Pension costs	1,106	1,243	843	933
Temporary staff	98	140	22	79
Training and recruitment	82	169	30	93
Redundancy and termination payments	453	117	287	101
Recharge of seconded staff	-	(5)	-	(5)
	6,355	7,104	3,017	2,851

Central services staff (finance, IT, HR, marketing and administration) are employed by the CIEH and are partially recharged to subsidiary companies on a time basis.

	2016	2015	2016	2015
	Number	Number	£'000	£'000
Membership activities	19	22	923	708
Educational activities	45	68	1,977	2,869
Conferences	5	5	381	357
Commercial	11	9	316	316
Central services	28	27	2,758	2,854
	108	131	6,355	7,104

These costs have been allocated to the most appropriate individual headings within the Statement of Financial Activities.

	2016	2015
	Number	Number
Employees whose emoluments were over £60,000 per annum:		
£60,000 – £69,999	6	9
£70,000 – £79,999	2	1
£80,000 – £89,999	2	2
£90,000 – £99,999	1	-
£100,000 – £109,999	-	1
£110,000 – £119,999	-	1
£140,000 – £149,999	1	-
	12	14

The executive management team of four (2015: four) were remunerated £334,747 (2015: £336,666) with company pension contributions totalling £17,163 (2015: £27,452). They received no other benefits (2015: £0).

Twenty members of staff (2015: four) were made redundant during 2016. This resulted in a total redundancy payment of £453,290 (2015: £117,032).

The Group makes pension contributions on behalf of eleven (2015: fourteen) of the employees whose emoluments exceed £60,000.

No Board of Trustee member received any remuneration for services as a Trustee (2015: none).

Board of Trustee members received reimbursement of their travel and subsistence expenses incurred in the performance of their duties as Board of Trustee members. These expenses totalled £15,032 (2015: £23,162).

Transactions with Board of Trustee members, officers of the CIEH, Directors of CIEH Limited, Directors of TiFSiP Limited are disclosed in note 25, related party transactions.

Notes to the Financial Statements *continued*

for the year ended 31 December 2016

10 Pension

During the year, costs relating to the various pension funds to which CIEH contributes were as follows:

	Group		CIEH	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
London Pension Fund Authority (LPFA)	1,031	1,137	817	906
Aegon UK PLC	62	77	17	19
Other	14	29	9	8
Total pension costs	1,106	1,243	843	933

The LPFA scheme is a successor to the last GLC fund and is a **Career Average Revalued Earnings (CARE) scheme**. It is actuarially valued on a three year cycle. In line with the 2013 valuation, CIEH's contributions are 12.2% (2014: 12.2%).

In accordance with Financial Reporting Standard Number 102, CIEH is required to disclose certain information concerning assets, liabilities, income and expenditure related to defined benefit pension schemes for its employees. Certain employees of CIEH participate in the LPFA scheme, part of the Local Government Pension Scheme, a defined benefit statutory scheme. The Fund is administered by LPFA in accordance with the Local Government Pension Regulations 2007/08, as amended.

The return on the Fund (on a bid value to bid value basis) for the year to 31 December 2016 is estimated to be 2%. The actual return on the Fund assets over the year may be different. The estimated asset allocation for the Chartered Institute of Environmental Health as at 31 December 2016 is as follows:

Employer asset share – bid value	31 Dec 2016		31 Dec 2015	
	£'000	%	£'000	%
Equities	4,597	53%	3,318	48%
LDI/cashflow matching	1,184	14%	865	12%
Target Return Portfolio	1,752	20%	1,412	20%
Infrastructure	608	7%	363	5%
Commodities	51	1%	29	0%
Property	445	5%	220	3%
Cash	(39)	0%	755	11%
Total	8,598	100%	6,962	100%

The assumed life expectations from age 65 are:

	31 Dec 2016	31 Dec 2015
Retiring today		
Males	21.7	23.0
Females	24.3	25.7
Retiring in 20 years		
Males	23.9	25.3
Females	26.5	28.0

10 Pension *continued*

The financial assumptions used to calculate the results are as follows:

Assumptions as at	31 Dec 2016	31 Dec 2015	31 Dec 2014
	% p.a	% p.a	% p.a
Discount rate	2.7%	3.8%	3.4%
Salary increases	4.2%	4.1%	4.2%
Pension increases	2.7%	2.3%	2.4%

Statement of financial position as at 31 December 2016

Net pension asset as at	31 Dec 2016	31 Dec 2015	31 Dec 2014
	£'000	£'000	£'000
Present value of the defined benefit obligation	12,676	11,131	10,648
Fair value of Fund assets (bid value)	8,598	6,962	6,431
Deficit / (Surplus)	4,078	4,169	4,217
Net defined benefit liability / (asset)	4,078	4,169	4,217

Statement of profit or loss for the year to 31 December 2016

The amounts recognised in the SoFA are:	Year to 31 Dec 2016	Year to 31 Dec 2015
	£'000	£'000
Service cost	871	991
Net interest on the defined liability (asset)	151	136
Administration expenses	9	10
Total	1,031	1,137

Notes to the Financial Statements *continued*

for the year ended 31 December 2016

10 Pension *continued*

Asset and benefit obligation reconciliation for the year to 31 December 2016

Reconciliation of opening and closing balance of the present value of the defined benefit obligation

	Year to 31 Dec 2016	Year to 31 Dec 2015
	£'000	£'000
Opening defined benefit obligation	11,131	10,648
Current service cost	868	991
Interest cost	419	362
Change in financial assumptions	2,659	(883)
Change in demographic assumptions	(887)	-
Experience loss/(gain) on defined benefit obligation	(1,299)	-
Estimated benefits paid net of transfers in	(433)	(210)
Past service costs, including curtailments	3	-
Contributions by Scheme participants	215	223
Closing defined benefit obligation	12,676	11,131

Reconciliation of opening and closing balances of the fair value of Fund assets

	Year to 31 Dec 2016	Year to 31 Dec 2015
	£'000	£'000
Opening fair value of Fund assets	6,962	6,431
Interest on assets	268	226
Return on assets less interest	1,001	(113)
Other actuarial gains/(losses)	183	-
Administration expenses	(9)	(10)
Contributions by employer including unfunded	411	415
Contributions by Fund participants	215	223
Estimated benefits paid plus unfunded net of transfers in	(433)	(210)
Closing fair value of Fund assets	8,598	6,962

The total return on Fund assets for the year to 31 December 2016 is £1,269,000.

10 Pension *continued*

Sensitivity analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	12,469	12,676	12,887
Projected service cost	933	952	971
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	12,683	12,676	12,669
Projected service cost	952	952	952
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	12,880	12,676	12,475
Projected service cost	971	952	933
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	13,057	12,676	12,307
Projected service cost	976	952	928

Remeasurements in other comprehensive income

Remeasurements of the net assets / (defined liability)	Year to 31 Dec 2016	Year to 31 Dec 2015
	£'000	£'000
Return on Fund assets in excess of interest	1,001	(113)
Other actuarial gains/(losses) on assets	183	-
Change in financial assumptions	(2,659)	883
Change in demographic assumptions	887	-
Experience gain/(loss) on defined benefit obligation	1,299	-
Remeasurement of the net assets / (defined liability)	711	770

Projections for the year to 31 December 2017	Year to 31 Dec 2017
	£'000
Service cost	952
Net interest on the defined liability (asset)	105
Administration expenses	11
Total loss / (profit)	1,068
Employer contributions	384

The Aegon UK PLC scheme is a **defined contribution scheme**. The CIEH's contributions are 11%. The CIEH offers employees an additional 0.3% contribution to cover waivers of premium insurance. The CIEH also contributes 11% to employees' personal pension schemes.

No employees or directors of the CIEH or CIEH Limited and its subsidiary undertakings, are involved in the control or administration of any of the above funds.

Notes to the Financial Statements *continued*

for the year ended 31 December 2016

11 Intangible fixed assets

CIEH	Goodwill	Computer software	Assets under construction	Total assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1 January 2016	-	189	-	189
Additions	-	3	-	3
Disposals	-	(11)	-	(11)
At 31 December 2016	-	181	-	181
Depreciation				
At 1 January 2016	-	151	-	151
Charge for the year	-	23	-	23
Disposals	-	(11)	-	(11)
At 31 December 2016	-	163	-	163
Net Book Value				
At 31 December 2016	-	18	-	18
At 31 December 2015	-	38	-	38

Group	Goodwill	Computer software	Assets under construction	Total assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1 January 2016	330	1,711	2	2,043
Additions	-	87	-	87
Transfer	-	2	(2)	-
Disposals	(330)	(250)	-	(580)
At 31 December 2016	-	1,550	-	1,550
Depreciation				
At 1 January 2016	330	1,226	-	1,556
Charge for the year	-	251	-	251
Disposals	(330)	(204)	-	(534)
At 31 December 2016	-	1,273	-	1,273
Net Book Value				
At 31 December 2016	-	277	-	277
At 31 December 2015	-	485	2	487

The goodwill arose on the acquisition of part of the business of Professional Testing, Inc. by Environmental Health Testing, LLC, a subsidiary company incorporated in Florida, USA.

12 Tangible fixed assets

CIEH	Long leasehold property	Equipment & IT	Total assets
Cost or Valuation	£'000	£'000	£'000
At 1 January 2016	8,118	349	8,467
Additions	-	15	15
Disposals	-	(9)	(9)
At 31 December 2016	<u>8,118</u>	<u>355</u>	<u>8,473</u>
Depreciation			
At 1 January 2016	724	274	998
Charge for the year	54	41	95
Disposals	-	(9)	(9)
At 31 December 2016	<u>778</u>	<u>306</u>	<u>1,084</u>
Net Book Value			
At 31 December 2016	<u>7,340</u>	<u>49</u>	<u>7,389</u>
At 31 December 2015	<u>7,394</u>	<u>75</u>	<u>7,469</u>

Group	Long leasehold property	Equipment & IT	Total assets
Cost or Valuation	£'000	£'000	£'000
At 1 January 2016	8,118	1,022	9,140
Additions	-	55	55
Disposals	-	(385)	(385)
At 31 December 2016	<u>8,118</u>	<u>692</u>	<u>8,810</u>
Depreciation			
At 1 January 2016	723	839	1,562
Charge for the year	54	75	129
Disposals	-	(325)	(325)
At 31 December 2016	<u>777</u>	<u>589</u>	<u>1,366</u>
Net Book Value			
At 31 December 2016	<u>7,341</u>	<u>103</u>	<u>7,444</u>
At 31 December 2015	<u>7,395</u>	<u>183</u>	<u>7,578</u>

Long leasehold property relates to the CIEH's property, Chadwick Court, held under finance lease from 20 December 2013.

Notes to the Financial Statements *continued*

for the year ended 31 December 2016

13 Investments

13.1 Investments

Investment portfolio held at Cazenove Capital Management comprises of:

	Listed investments	Cash and cash equivalents	Total 2016
	£'000	£'000	£'000
Value at 1 January 2016	7,835	576	8,411
Investment income	-	224	224
Management fee	-	(75)	(75)
Transfer between funds	(1,009)	1,009	-
Cash addition	-	1,666	1,666
Cash withdrawal	-	(1,601)	(1,601)
Realised gains / (losses)	195	-	195
Unrealised gains / (losses)	835	-	835
Value at 31 December 2016	7,856	1,799	9,655

13.2 Subsidiary undertakings

(i) CIEH Limited

CIEH holds the entire equity interest in CIEH Limited, a company incorporated in the United Kingdom. The equity interest was donated to CIEH. The company is currently engaged in the delivery of the charity's primary purpose objectives.

(ii) TiFSiP Limited

CIEH holds the entire equity interest in TiFSiP Limited, a company incorporated in the United Kingdom. The trading activities of the company were transferred to CIEH and the company became dormant at 31 December 2016.

(iii) Details of CIEH Limited's US subsidiaries and financial interests

Name	Holding	Principal activity
Chadwick Holdings Inc.	100 %	Holding company
Chadwick Group (Florida) Inc.*	100 %	Holding company
Environmental Health Testing LLC*	75 %	Exam board
The National Registry of Food Professionals Inc.*	75 %	Dormant

* denotes a sub-subsubsidiary of CIEH Limited.

Chadwick Holdings Inc. sold its entire investment in Environmental Health Testing LLC for a cash consideration of USD 3.15million on 1 February 2016. This was the main trading activity of this group. Chadwick Holdings Inc., which made payments to CIEH Ltd of an outstanding loan of £374k, a dividend payment of £1,644k, and settled the capital gains tax liability of £556k to the US Inland Revenue Services. The group is now dormant.

14 Interest payable

	Group		CIEH	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Finance lease	342	331	342	331
Total interest payable	342	331	342	331

15 Analysis of the Group's net assets as at 31 December 2016

	General funds £'000	Revaluation reserve £'000	Lease redemption reserve £'000	Pension fund £'000	Total funds £'000
Tangible fixed assets	2,623	4,122	699	-	7,444
Investments	9,655	-	-	-	9,655
Intangible assets	277	-	-	-	277
Current assets	2,298	-	-	-	2,298
Current liabilities	(2,777)	-	-	-	(2,777)
Long term liabilities	(9,609)	-	-	-	(9,609)
Pension scheme deficit	-	-	-	(4,078)	(4,078)
Total net assets	2,467	4,122	699	(4,078)	3,210

16 Debtors

	Group		CIEH	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts falling due within one year:				
Trade debtors	672	1,004	5	26
Amounts owed by subsidiary undertakings	-	-	1,100	629
Other debtors	48	84	22	20
Deferred tax asset	-	56	-	-
Prepayments and accrued income	135	227	124	153
Total debtors	855	1,371	1,251	828

Notes to the Financial Statements *continued*

for the year ended 31 December 2016

17 Creditors

	Group		CIEH	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
(i) Amounts falling due within one year				
Obligation under finance lease	345	331	345	331
Instalments due on loans	-	10	-	-
Trade creditors	237	419	166	210
Amounts owed to subsidiary	-	-	1,932	683
Taxes and social security	784	338	(21)	(19)
Accruals and deferred income	1,411	1,440	1,107	924
	2,777	2,538	3,529	2,129
(ii) Amounts falling due after more than one year				
Finance lease	9,609	9,630	9,609	9,630
Other loans	-	10	-	-
	9,609	9,640	9,609	9,630
Obligations under finance lease are payable as follows:				
After more than one year but within five years	1,380	1,319	1,380	1,319
After five years	8,229	8,311	8,229	8,311
	9,609	9,630	9,609	9,630

Finance lease The Charity's property, Chadwick Court, is held under a finance lease from 20 December 2013. This is a 150 year lease. The total value of the minimum lease rentals payable over the life of the lease is £51,750k.

18 Projects

The CIEH administers projects and funds on behalf of other entities as custodian trustee. Funds for four projects are held in separately identifiable accounts and income and expenditure is not included in the Statement of Financial Activities of the CIEH. Funds for the Commonwealth Scholarship are held in the main CIEH account. The balances on the projects and the funds held at 31 December 2016 are as follows:

	2016	2015
	£'000	£'000
WHO Fund	-	1
FLEP	4	4
Emergency & Relief Fund	5	4
Bonnefoy Fund	21	21
Commonwealth Scholarship	11	11

19 Reconciliation of movement in total funds

	At 1 Jan 2016	Incoming resources	Resources expended	Tax/ minority interest	Transfers	Gains/ (losses)	At 31 Dec 2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted general funds	2,399	8,403	(10,516)	(556)	(291)	2,958	2,397
Pension fund	(4,169)	-	(620)	-	-	711	(4,078)
Total unrestricted funds	(1,770)	8,403	(11,136)	(556)	(291)	3,669	(1,681)
Lease redemption reserve (i)	450	-	-	-	319	-	769
Revaluation reserve	4,150	-	-	-	(28)	-	4,122
Total CIEH Group funds	2,830	8,403	(11,136)	(556)	-	3,669	3,210
Minority Interest (ii)	49	-	-	-	-	(49)	-
Total Funds	2,879	8,403	(11,136)	(556)	-	3,620	3,210

i) Amount set aside to cover expected future rent increases on the Chadwick Court lease.

ii) The minority interest relates to CIEH Limited's subsidiary in the USA, see note 2.

Notes to the Financial Statements *continued*

for the year ended 31 December 2016

20 Cash flow resulting from operations

Reconciliation of deficit for the financial year to net cash inflow from operations	Group	
	2016	2015
	£'000	£'000
Cash flows from operating activities		
Surplus/(deficit) for the financial year	331	(1,362)
Adjustments to exclude:		
Depreciation of intangible assets	251	199
Disposal of intangible assets	46	-
Depreciation of tangible assets	129	177
Exchange loss / (gain)	-	(4)
Interest element of finance lease rental	340	331
Investment income	(225)	(219)
Interest received	(1)	(6)
Pension scheme actuarial (gains) / losses	(711)	(770)
Investments management fees	75	73
Investments: losses / (gains)	(1,030)	14
Gain on sale of US subsidiary	(1,879)	-
Debtors decrease / (increase)	280	297
Stock decrease / (increase)	122	34
Creditors increase / (decrease)	174	292
Pension charged to SoFA	1,031	1,137
Pension contributions	(411)	(415)
Cash generated from operations	<u>(1,478)</u>	<u>(222)</u>
Interest paid	<u>(340)</u>	<u>(331)</u>
Net cash flow resulting from operations	<u>(1,818)</u>	<u>(553)</u>

21 Financial instruments

	2016	2015
	£'000	£'000
Financial assets measured at fair value	<u>11,077</u>	<u>9,582</u>
Financial assets measured at amortised cost	<u>855</u>	<u>1,251</u>
Financial liabilities measured at amortised cost	<u>(11,691)</u>	<u>(11,840)</u>

Financial assets measured at fair value comprise listed investments and cash balances.

Financial assets measured at amortised cost comprise tangible assets, intangible assets, stocks and debtors.

Financial liabilities measured at amortised cost comprise creditors, finance leases and pension fund liabilities.

22 Controlling party

CIEH is run by its Board of Trustees, who are appointed by the members of CIEH.

23 Indemnity insurance

The Board of Trustees has affected an indemnity insurance policy to protect the CIEH and its subsidiary undertakings from loss arising from the neglect or defaults of its trustees, directors or employees and to indemnify them against loss arising from any claim against them jointly or severally by reason of any wrongful act in their capacity as trustees, directors or officers. The premium on the insurance policy was £3,869 (2015: £2,756).

24 Capital commitments

At 31 December 2016 group capital commitments of £0 had been authorised and contracted for (2015: £0 authorised and contracted for).

25 Related party transactions

During the year the CIEH received Gift Aid payments of £1,100,000 (2015: £628,408) from CIEH Limited, £14,000 (2015: £20,000) from The Environmental Health Registration Board, a company connected with the CIEH.

As part of the provision of its training courses CIEH Limited commissions books, researches new courses and arranges for examination papers to be marked and moderated. Some of this work is undertaken for payment by persons who are members of the Chartered Institute of Environmental Health.

During 2016 one member of the Board of CIEH Limited provided services to the values detailed below, for work on behalf of the CIEH.

Mr G Ward	£0	(2015: £750)	– Training fees
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During 2016, two members of the Board of Directors of CIEH Limited had interest free season ticket loans (at the same terms open to all staff). C N J Angus had a loan of £3,588 (2015: £3,504), which was repaid in full at 31 December 2016. A C Godfrey had a loan of £3,320 (2015: £0), which was partly repaid at 31 December 2016 (Outstanding £2,490).

Notes to the Financial Statements *continued*

for the year ended 31 December 2016

26 Operating leases

As prescribed by FRS102, total minimum future lease payments under operating leases are analysed below for the following periods; payable within one year; payable after one year but within 5 years; payable after 5 years.

	Group		CIEH	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Land and buildings				
Payable within 1 year	-	15	-	-
Other assets				
Payable within 1 year	59	57	-	-
Payable during 2 to 5 years	86	144	-	-

CIEH Trustees

President: Tim Everett, LLB (Hons) CFCIEH

Chairman of Board of Trustees: Andrew Statham, MBA DMS CFCIEH MIMgt

Deputy Chair of Board of Trustees: Tim Deveaux, LLB (Hons) CFCIEH

The trustees who served during the year and continue to serve are listed below.

Siraj Choudhury	
Steve Cooper	
Roy Coulter	
Tim Deveaux (DC)	
Mark Elliot	
Tim Everett	
Alan Higgins	
Steve Miller	(resigned 31 December 2016)
Terenja Humphries	(appointed 1 January 2017)
Graeme Mitchell	(appointed 1 January 2017)
Tim Nichols	(appointed 1 January 2017)
Andrew Statham (C)	
Bob Young	(resigned 31 October 2016)
Nick Pahl	(appointed 6 February 2017)

CIEH Executive Management Team

Anne Godfrey	Chief Executive (appointed 1 January 2016)
Richard Ashton	Executive Director of Commercial Services (appointed 3 October 2016)
Deborah Wood	Executive Director of Membership and Professional Development (appointed 14 November 2016)
Andrew Herbert	Executive Director of Finance (appointed 11 November 2016)
Abi Lammas	Programme and Learning Director (appointed 1 March 2016)

Standing boards/committees for 2016

Risk and Audit Committee

Roy Coulter (C)	Jonathan Hayes	Roger Wastnedge (DC)
Bob Foster	Stuart Hosking-Durn	Kevin Gould
James Howe	Tim Everett	Andrew Statham

Appointments and Remunerations Committee

Tim Everett	Amanda Porter	Victoria Stubbs
Julie Kortens (C)		

Advisers

Bankers	HSBC Bank Plc, 60 Queen Victoria Street, London EC4N 4TR
Auditors	haysmacintyre, 26 Red Lion Square, London WC1R 4AG
Investment Managers	Cazenove Capital Management, 12 Moorgate, London EC2R 6DA

Chartered Institute of Environmental Health



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