

Chartered Institute of
Environmental Health



Annual Report and Financial Statements

For the year ended 31 December 2018

Registered Charity No. 290350

Find more information about who we are
and what we do at:

cieh.org

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Trustees' Annual Report

The Board of Trustees presents its report together with the Audited Financial Statements for the year ended 31 December 2018.

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.

To support the delivery of our corporate strategy, "Growth with Purpose", the Board of Trustees has agreed the following corporate objectives:

- Ensure that CIEH is recognised as the voice of the environmental health profession by its members, stakeholders, key decision-makers and the public
- Build on our existing membership base, whilst increasing the number and diversity of environmental health professionals joining CIEH
- Create a professional development framework and assets that set the universal standard for professionalism in environmental health
- Provide the best governance, organisational and technical infrastructure to enable and support delivery and excellent customer service.

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 programme of activities. 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

In 2016 CIEH embarked on 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. During 2018 this change programme continued and, thanks to the hard work and dedication of staff, trustees and volunteers, we have started to see significant improvements in all areas of the organisation.

During 2018 we implemented a new membership pathway to support members throughout their career, create a new affiliate grade intended for those interested but not practising environmental health, introduce a new experience route for associate and member grades, reverse the decline in paying members and broaden the membership base across all sectors of the profession. As part of our systems upgrade we have focused on the membership journey allowing members to renew online including signing up for direct debit. We also completed a review of our new network of regional hubs, identifying lead volunteers in each, and as part of the programme to engage with members we ran a series of CEO roadshows across the whole country.

On professional development we have completed a review of our learning offer and launched our professional standards framework to members and employees. We have also launched a new Chartered Environmental Health Programme which will see the replacement of the Environmental Health Registration Board's register with CIEH's register of Environmental Health Practitioners. We also ran our second CIEH Awards ceremony to celebrate the best of the profession and have developed and run a series of workshops and webinars as well as in-house training courses to enhance members' skills and provide CPD opportunities.

As part of our member led approach we have established advisory panels for housing, health and safety, food and air quality. We have continued to campaign on the issues affecting the public including air quality, food and Brexit, private sector housing, plastics and regulating our future and continue to engage with government across the board on these issues. We continue to build relationships with external bodies, work with MPs and peers from across the political spectrum to ensure they are aware of the issues concerning environmental health including tabling over 20 written questions in parliament. We have also delivered a series of national conferences on a range of topics including food standards and safety, noise and cosmetic treatments.

As part of our commitment to good governance we implemented a new governance structure with a unitary board of elected and appointed trustees supported by the Risk and Audit and Appointments and Remuneration committees. These two committees both have external members who bring specific expertise to assist in the scrutiny of the organisation. Across the regions we held elections to appoint lead volunteers and recruited subject matter experts to support our work through our partner network.

As well as the work on governance we introduced a new website to combine the range of diverse sites that had grown up over the years and linked this to a new content management system which manages all our member data, other contacts and customers. This was the first phase of a project to move the organisation to a digital platform, improve security of data and provide online tools for members and customers. We also introduced a new learning management system which provides a platform for our commercial e-learning products, training resources for members and also training resources for staff. We continue to invest in our staff and have undertaken training on cyber security and data management including GDPR for all staff in the organisation. We have also run a series of workshops internally for staff on business planning and budgeting to provide the necessary skills and knowledge to manage devolved budgets, business plans and objectives.

Financial review

Highlights

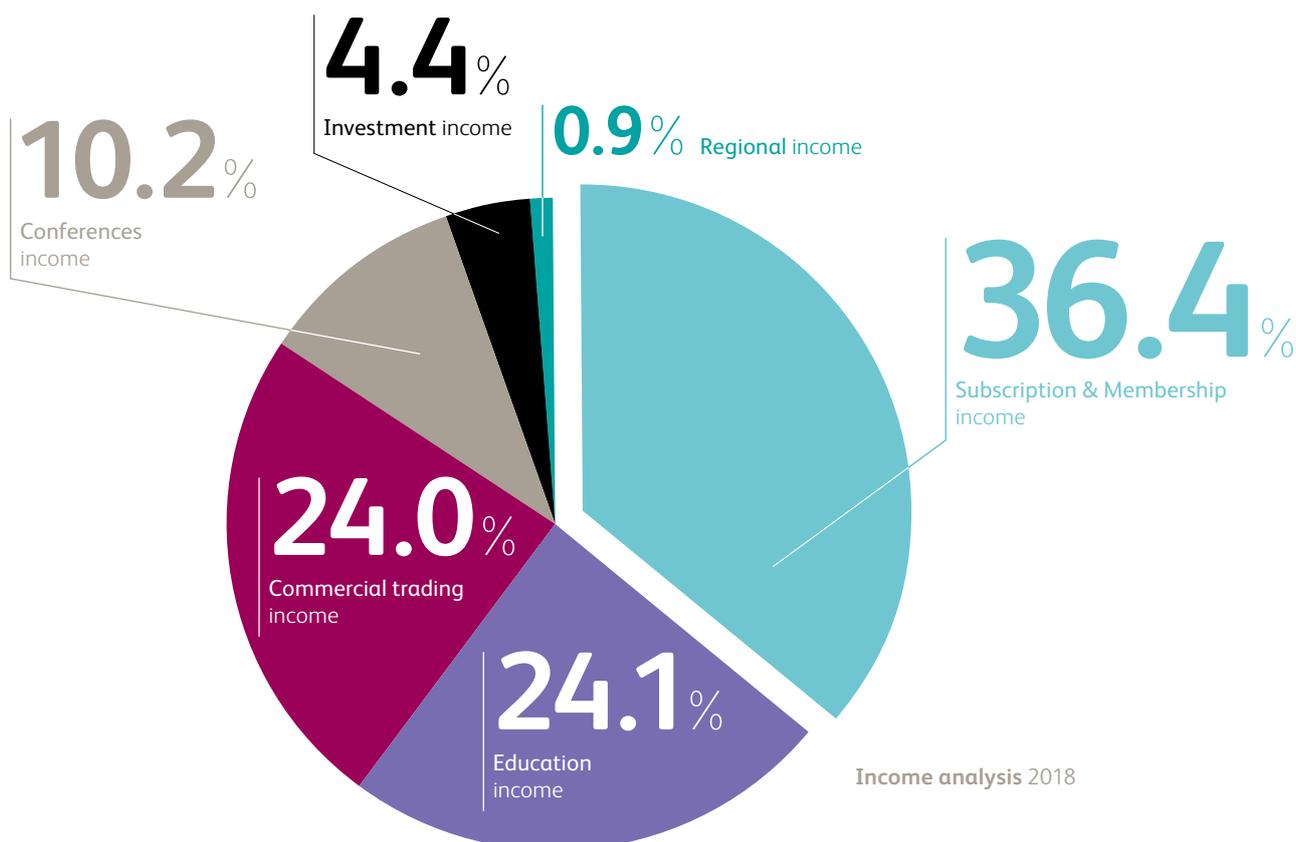
In a year of considerable change, both within CIEH but also in the wider economy, we have seen a drop in income but also a reduction in our operating costs. Work has continued to reduce the cost base of the organisation to ensure we become a sustainable, membership focused, professional body.

Key financial highlights include:

- a group operating loss of £1.2m down from £2.6m in the previous year
- membership income increased to £1.8m from £1.7m last year
- total expenditure down to £6.1m from £8.2m in the previous year
- a fall in investments of £0.6m compared to a gain in 2017 of £0.6m.

Income and expenditure

The consolidated results for the year show that our net expenditure exceeded income by £1.2m, which is an improvement over the previous year's figure of £1.4m. This was achieved whilst also seeing a decrease in total income of £0.7m. The income breakdown is shown in the chart below:



Subscriptions and membership income play an important part in funding the services of CIEH and in 2018 they grew by 6% following an increased focus on membership activity. They now represent 36% of the overall income of the organisation. We have been working hard to refocus the organisation on the members and we continue to see an increase in the number of paying members across all sectors of the economy.

The decline in income from education activities was as a result of our withdrawal from the delivery of externally regulated vocational products. In 2017 we earned some income from our old, externally regulated products whilst also launching the new flexible work-based learning programme under the banner "Partners in Professionalism". This activity has continued to grow and increased by 26% over 2017. In 2018 we also replaced our old learning management system that was at the end of its life. This changeover also gave us the opportunity to review some unprofitable client contracts and we have either renegotiated or cancelled these arrangements. Although this reduced the 2018 income we have started to rebuild this activity, we have updated our e-learning courses and have seen a significant increase in activity over the last quarter of 2018 and into 2019.

Income from conference activity was £0.5m in 2018 down slightly on 2017 from £0.53m due in part to market forces where budgets for attendance at events have been reduced. We reviewed our conference programme in the summer of 2018 and have introduced new events for 2019, including more in-house workshops. This is an important part of our service to members and we will continue to invest in this activity.

Commercial trading income totalled £1.2m in 2018 which was 19% down on 2017. This was mainly because of the difficult trading environment in the early part of 2018 with client budgets being constrained due to economic uncertainty. The majority of this income is generated from our sustainable conference venue, 15Hatfields, we started to see an improvement in the second half of 2018 and this has continued into 2019. However, there is still significant economic uncertainty and we continue to closely monitor this activity.

Our investment portfolio generated income of £0.2m in line with last year but we saw a significant drop in the value of the portfolio towards the end of 2018, due to the global economic uncertainty. The investment portfolio stood at £6.6m at the end of 2018 having withdrawn £1.15m from the portfolio to support operating activities and invest in both new systems and Chadwick Court.

Balance sheet

Total funds for the Group now stand at £0.4m (2017: £1.4m). The pension fund deficit saw a small improvement of £34,000 following the most recent actuarial report, further details of which are set out in note 9 to the financial statements. Our debtors saw a decline of £71,000 due to improvements in our credit control. Trade creditors also fell by £0.6m due to the reduction in total expenditure.

Investments and reserves

The funding provided to CIEH through the sale and leaseback of Chadwick Court has been invested to meet its charitable objectives for the long term. Cazenove Capital Management (an operating division of Schroder & Co) were appointed to advise the Board of Trustees in the construction of a suitable investment portfolio, and to manage the investment into specific funds to be held within the portfolio. Cazenove were selected to ensure that investments were made into funds that followed good corporate social responsibility and that Environmental, Social and Governance (ESG) issues were considered by the organisations in which investments were made. In addition, an explicit ethical restriction applies to the fund excluding all direct investments in tobacco.

The strategic target of the fund 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. 2018 was a particularly difficult year for investment markets and was the worst yearly performance for global equities since the financial crisis in 2008. This had a direct impact on our fund which fell by 6.3% in 2018 (2017: gain of 9.3%) due to the market volatility, particularly around the year end when the final valuation is made.

The Board of Trustees annually reviews the reserves of the charity. This review encompasses the nature of the income and expenditure streams, the need to match variable income with long term commitments and the nature of the reserves. Total funds as at 31 December 2018 were £0.4m (2017: £1.8m) represented by unrestricted general funds of £4.5m (2017: £5.8m) and a pension fund deficit of £4.0m (2017: £4.1m). The general funds are all unrestricted and the Board of Trustees has removed the distinction of designated funds in respect of the lease redemption reserve and the revaluation reserve shown in the prior year financial statements. Any increase in the annual rent charged on Chadwick Court is directly accounted for in the statement of financial activities and the revaluation reserve, which was being released to general reserves in line with the depreciation of the property is now simply combined in one reserve figure.

The reserves policy agreed by the Board of Trustees is to hold six months expenditure within general funds and based upon the 2018 results, this figure is £3.1m (2017: £4.1m). This figure is lower than 2017 due to the reduction in overheads and staff costs following the restructuring programme. Our current total funds, at the end of 2018, stand at £0.4m which is 13.8% of the required reserves. However, this includes the shortfall in the pension fund of £4.1m which is a long term funding issue and does not impact day to day funding requirements. The Board of Trustees plans to build total funds back to 100% of six months expenditure through control of our cost base and expansion of membership along with development of new commercial activities.

Going concern

The Board of Trustees has carefully reviewed the financial position of CIEH Group, including the financial projections for 2019 and 2020, 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 its subsidiary, CIEH Ltd the trading subsidiary for the group. Further details of the financial performance of CIEH Ltd are 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 Board of Trustees that manages 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 that identifies and evaluates 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 opposite.

Plans for future periods

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

Risk

Risk management response

Strategic

Failure to achieve strategic objectives	The Board of Trustees has set out clear strategic objectives which the Executive Management Team (EMT), has incorporated into a clear business plan with individual executives assigned to each area of the plan. The plans are reviewed regularly by the EMT and reported to the Board of Trustees on a regular basis.
Actions of staff, volunteers or trustees negatively impact on CIEH's reputation with members, customers and stakeholders.	Conflict of Interest policy, and Code of Conduct clearly communicated to all new staff, volunteers and trustees at induction and regularly communicated during meetings with adherence monitored on an on-going basis.

Operational

Systems transformation project fails to deliver on time, on budget or fails to perform as specified.	First phase of system transformation completed on time and to budget. Road map in place setting out on-going development including agreed testing plan to reduce likelihood of issues. Detailed project plan in place for accounting system change in line with revised timeline.
Membership retention levels fall due to poor member engagement.	Engagement strategy in place with members locally via Hub meetings, regional events and roadshows to demonstrate the value of membership following the change programme.

Financial

Results not in line with budgets/forecasts resulting in financial constraints and cash flow problems ultimately leading to potential solvency issues.	Improved budgeting process and management accounts reporting along with close control of cash flow. Ownership by individual managers along with quarterly review and presentations on progress. Close control of expenditure in line with both budget and against income as well as regular cash flow monitoring.
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

Inability to recruit and retain staff with the right knowledge, skills and behaviours.	Project scoped and now being implemented to develop new people strategy to support staff to deliver to their full potential.
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Compliance and corporate governance

Failure of the decision making process or lack of understanding of the regulatory and legislative framework.	Formal induction for all new trustees and advisory group members. Rollout of board appraisal process and ongoing training programme.
Compliance breach and cyber security risks including loss of data and breach of regulations including GDPR.	Security programme in place covering identification of staff knowledge, targeted training and ongoing testing of security measures. Improvements in updating and patching systems. Insurance cover also in place to help mitigate financial impact of breach.

Structure, governance and management

In the United Kingdom, each member of CIEH has been allocated a geographic region, referred to as a Hub, based on the former boundaries of the English regional government offices and the Countries of Wales, Scotland and Northern Ireland. The membership network changed in 2018 and the previous regions and branches were merged into new Regional Hubs. All members have access to both the new local Hubs and CIEH specialist communities.

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

The Board of Trustees is composed of six trustees elected by CIEH members, up to six appointed by the Board (on the recommendation of the Appointments and Remuneration Committee) and the President. 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 in addition 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 Board of 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 that 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 Board of 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 Board of Trustees is 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.

Auditors

Haysmacintyre LLP 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 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: 020 7827 5800 Fax: 020 7827 5862 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 20. These funds are excluded from this report.

Employees and Members

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

By order of the Board of Trustees
Siraj Choudhury



2 May 2019

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

Opinion

We have audited the financial statements of the Chartered Institute of Environmental Health for the year ended 31 December 2018 which comprise the Consolidate Statement of Financial Activities, the Charity and Group Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2018 and of the group's 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.

Basis for opinion

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Use of our report

This report is made solely to the charity's trustees, 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 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP
Statutory Auditors
2 May 2019

10 Queen Street Place, London, EC4R 1AG

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

for the year ended 31 December 2018

		Group	
		2018	2017
		Unrestricted funds	Unrestricted funds
		£'000	£'000
	Note		
Income from charitable activities			
Subscription and membership	3	1,784	1,686
Education	3	1,182	1,497
Conferences	3	502	530
Regions	3	42	191
Income from other trading activities			
Commercial trading	3	1,178	1,463
Income from investments			
Investments	3/12.1	215	234
Total income and endowments		4,903	5,601
Expenditure			
Expenditure on charitable activities			
Subscription and membership	4	2,548	2,682
Education	4	1,572	3,001
Conferences	4	1,385	1,675
Regions	4	60	275
Expenditure on raising funds			
Commercial trading operations	4	524	544
Investment management fee	4	53	72
Total expenditure		6,142	8,249
Net expenditure for the year before gains (losses)		(1,239)	(2,648)
(Loss) / Gain on investments	12.1	(601)	595
Net movement in funds before defined benefit scheme gain		(1,840)	(2,053)
Pension scheme – actuarial gain	9	512	600
Net movement in funds		(1,328)	(1,453)
Funds brought forward at 1 January		1,757	3,210
Funds carried forward at 31 December		429	1,757

None of 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 2018

	Note	Group		CIEH	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fixed assets					
Intangible fixed assets	10	319	260	-	9
Tangible fixed assets	11	7,496	7,554	7,471	7,520
Investments	12.1	6,598	8,186	6,598	8,186
		14,413	16,000	14,069	15,715
Current assets					
Stocks		25	33	-	-
Debtors	14	475	546	402	375
Cash at bank and in hand		517	821	490	757
		1,017	1,400	892	1,132
Creditors: amounts falling due within one year	15(i)	(1,361)	(1,967)	(1,040)	(1,554)
Net current assets		(344)	(567)	(148)	(422)
Total assets less current liabilities		14,069	15,433	13,921	15,293
Creditors: amounts falling due after more than one year	15(ii)	(9,615)	(9,617)	(9,615)	(9,617)
Total net assets before pension deficit		4,454	5,816	4,306	5,676
Defined benefit pension scheme liability	9	(4,025)	(4,059)	(4,025)	(4,059)
Total net assets		429	1,757	281	1,617
Funds and reserves					
Unrestricted general funds	16	4,454	5,816	4,306	5,676
Pension fund	16	(4,025)	(4,059)	(4,025)	(4,059)
Total funds	16	429	1,757	281	1,617

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
2 May 2019


Siraj Choudhury,
Chairman, Board of Trustees


Kevin Gould,
Deputy Chairman, Board of Trustees

Consolidated Cash Flow Statement

for the year ended 31 December 2018

	Note	2018		2017	
		£'000	£'000	£'000	£'000
Cash flow from operating activities	19		(1,123)		(2,415)
Cash flow from investing activities					
Purchase of tangible assets	11	(79)		(232)	
Cash withdrawal from investments	12.1	1,150		2,226	
Purchase of intangible assets additions to investments	10	<u>(250)</u>		<u>(178)</u>	
Net cash provided by investing activities			821		1,816
Cash flows from financing activities					
Capital element of finance lease rentals		<u>(2)</u>		<u>(2)</u>	
Net cash provided by financing activities			<u>(2)</u>		<u>(2)</u>
Change in cash and cash equivalents in year			(304)		(601)
Cash and cash equivalents at beginning of year			<u>821</u>		<u>1,422</u>
Cash and cash equivalents at end of year			<u>517</u>		<u>821</u>

Notes to the Financial Statements

for the year ended 31 December 2018

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 Going concern

After reviewing the group's forecasts and projections, the Board of Trustees has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. A more detailed note is set out in the Trustee's Annual Report. The group therefore continues to adopt the going concern basis in preparing this Annual Report and Financial Statements.

1.3 Leasehold property

On 20 December 2013, 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 classified as a long-leasehold property in note 11. The Board of Trustees considers that the risks and rewards of ownership rest with the charity and consequently account for the long-leasehold as a finance lease and 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 on a straight line basis.

1.4 Other fixed assets

Intangible fixed assets:

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

Both software and course development costs are recognised as intangible assets when supplied

by a third party. No depreciation is charged on assets under construction but computer software and course development costs are transferred from under construction to assets when they come into use. At that point in time they start to be depreciated.

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

Both computer software and course development, 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.

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%

Assets under construction are transferred to fixtures and fittings when they come into use and at that point in time they are depreciated.

1.5 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.

1.6 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 CIEH is included in allocated support costs, see note 5.

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 income generation or charitable activity. These costs include Board of Trustee costs, audit costs and other strategic management costs, see note 6.

1.7 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.

Commercial trading income is accounted for on an accruals basis and mainly represents income generated from our conference venue 15Hatfields. Rents receivable are accounted for on an accruals basis.

1.8 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.

1.9 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.

Notes to the Financial Statements

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for the year ended 31 December 2018

1.10 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.

1.11 Pensions

CIEH operates a **defined benefit pension** scheme. The scheme was reopened to new members from 1 May 2014, operating as CIEH's nominated scheme as part of Auto Enrolment. The amounts charged in resources expended are the current service costs. 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.

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.

1.12 Fund accounting

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

1.13 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

CIEH has one wholly owned UK trading subsidiary; CIEH Limited.

CIEH Limited, a company registered in England, carries out mainly primary purpose trading activities, providing learning outcomes and publishing a magazine.

A summary of the trading results for CIEH Limited is shown below.

	CIEH Limited	
	2018 £'000	2017 £'000
Turnover	2,706	3,036
Total expenditure	<u>(2,629)</u>	<u>(4,247)</u>
Profit / (loss) for the year aid	78	(1,211)
Retained profits b/f	<u>140</u>	<u>1,351</u>
Retained in subsidiary	<u>218</u>	<u>140</u>

3 Income and endowments

	2018			2017		
	£'000 CIEH Ltd	£'000 CIEH	£'000 Group	£'000 CIEH Ltd	£'000 CIEH	£'000 Group
Subscriptions and membership	597	1,187	1,784	543	1,143	1,686
Education	1,118	64	1,182	1,436	61	1,497
Conferences	–	502	502	–	530	530
Regions	–	42	42	–	191	191
Commercial trading	899	279	1,178	1,057	406	1,463
Investments	–	215	215	–	234	234
Total income and endowments	<u>2,614</u>	<u>2,289</u>	<u>4,903</u>	<u>3,036</u>	<u>2,565</u>	<u>5,601</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 income arises from 15Hatfields venue and events business, together with rent from letting part of Chadwick Court.

Notes to the Financial Statements

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for the year ended 31 December 2018

4 Expenditure

	2018		2017	
	Memo £'000	Total £'000	Memo £'000	Total £'000
Subscription Membership				
Direct costs	288		288	
Staff costs	558		591	
CIEH Ltd support	506		821	
CIEH support	1,196	2,548	982	2,682
Education				
Direct costs	177		317	
Staff costs	351		701	
CIEH Ltd support	310		903	
CIEH support	734	1,572	1,080	3,001
Conferences				
Direct costs	162		193	
Staff costs	265		270	
CIEH Ltd support	285		551	
CIEH support	673	1,385	661	1,675
Regions		60		275
Commercial trading		524		544
Investment management fee		53		72
Total expenditure		6,142		8,249

Basis of apportionment: Direct costs

5 Support costs

	2018			2017		
	CIEH Ltd £'000	CIEH £'000	Total £'000	CIEH Ltd £'000	CIEH £'000	Total £'000
Staff costs	574	1,465	2,039	1,296	1,616	2,912
Office costs	64	256	320	180	233	413
Printing, postage and stationery	7	7	14	30	16	46
Rent, rates and maintenance	70	119	189	328	105	433
Light and heat	–	58	58	–	60	60
Publicity and marketing	87	54	141	86	46	133
Research and development	8	–	8	34	–	34
Telephones	22	22	44	27	14	41
Computers	5	5	10	3	1	4
Legal and professional	3	9	12	12	14	27
Insurance	22	22	44	34	18	53
Bank charges	27	16	43	26	17	39
Finance lease interest	–	343	343	–	354	354
Governance costs	14	60	74	14	69	84
Irrecoverable VAT	–	35	35	–	49	49
Depreciation of tangible and intangible assets	197	132	329	205	111	316
Support costs	1,100	2,603	3,703	2,275	2,723	4,998

6 Governance costs

	2018 £'000	2017 £'000
Board of Trustees and other meetings	46	57
Auditors' remuneration	28	27
Governance costs	74	84

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.

Notes to the Financial Statements

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for the year ended 31 December 2018

7 Net expenditure for the year

	Group		CIEH	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
<i>This is stated after charging:</i>				
Depreciation of tangible and intangible assets	328	316	132	110
Auditors' remuneration				
– audit work	28	27	15	15
– non-audit work	8	8	3	3
Exchange gains / (losses)	–	5	–	–
Finance lease interest	343	354	343	354
Operating lease rentals	29	32	–	–
Research and development	8	34	–	–

8 Employee and trustee costs

The employee costs for the Group and the charity were:

	Group		CIEH	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Wages and salaries	2,176	2,549	1,248	1,136
Social security	226	278	137	130
Pension costs	788	1,019	686	859
Temporary staff	279	413	112	125
Training and recruitment	31	56	14	21
Redundancy and termination payments	–	370	–	27
	3,500	4,685	2,197	2,298

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

	2018	2017	2018	2017
	Number	Number	£'000	£'000
Subscription and membership	10	19	558	591
Education	15	45	351	701
Conferences	2	5	265	270
Commercial trading	6	11	288	281
Central services	19	28	2,038	2,842
	52	108	3,500	4,685

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

8 Employee and trustee costs *continued*

	2018	2017
	Number	Number
Employees whose emoluments were over £60,000 per annum:		
£60,000 – £69,999	1	5
£70,000 – £79,999	–	1
£80,000 – £89,999	1	2
£140,000 – £149,999	1	1
	<u>3</u>	<u>9</u>

The executive management team of four (2017: four) were remunerated £288,185 (2017: £281,434) with company pension contributions totalling £38,167 (2017: £47,221). They received no other benefits (2017: £0).

No members of staff (2017: twenty eight) were made redundant during 2018. This resulted in a total redundancy payment of £nil (2017: £370,243).

The Group makes pension contributions on behalf of three (2017: nine) of the employees whose emoluments exceed £60,000.

No Board of Trustee member received any remuneration for services as a trustee (2017: 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 £5,655 to 10 trustees (2017: £13,887 to 10 trustees).

Transactions with Board of Trustee members, officers of CIEH, Directors of CIEH Limited are disclosed in note 24, related party transactions.

9 Pensions

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

	Group		CIEH	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
London Pension Fund Authority (LPFA)	735	930	647	797
Aegon UK PLC	43	75	33	53
Other	10	14	6	9
Total pension costs	<u>788</u>	<u>1,019</u>	<u>686</u>	<u>859</u>

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 2016 valuation, CIEH's contributions are 12.8% (2017:12.8%).

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.

Notes to the Financial Statements

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for the year ended 31 December 2018

9 Pensions *continued*

The return on the Fund (on a bid value to bid value basis) for the year to 31 December 2018 is estimated to be 2%. The actual return on the Fund assets over the year may be different. The estimated asset allocation for CIEH as at 31 December 2018 is as follows:

Employer asset share – bid value	31 Dec 2018		31 Dec 2017	
	£'000	%	£'000	%
Equities	5,020	54%	4,842	51%
Target Return Portfolio	2,526	27%	3,142	33%
Infrastructure	601	6%	402	4%
Property	830	9%	660	7%
Cash	308	4%	518	5%
Total	9,285	100%	9,564	100%

The assumed life expectations from age 65 are:

Life expectancy from age 65 years	31 Dec 2018	31 Dec 2017
Retiring today		
Males	21.9	21.8
Females	24.5	24.4
Retiring in 20 years		
Males	24.2	24.1
Females	26.7	26.6

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

Assumptions as at	31 Dec 2018	31 Dec 2017	31 Dec 2016
	% p.a	% p.a	% p.a
Discount rate	2.8%	2.5%	2.7%
Salary increases	3.9%	4.1%	4.2%
Pension increases	2.4%	2.6%	2.7%

9 Pensions *continued*

Statement of financial position as at 31 December 2018

Net pension liability as at	31 Dec 2018	31 Dec 2017	31 Dec 2016
	£'000	£'000	£'000
Present value of the defined benefit obligation	(13,310)	(13,623)	(12,676)
Fair value of Fund assets (bid value)	9,285	9,564	8,598
Deficit	<u>(4,025)</u>	<u>(4,059)</u>	<u>(4,078)</u>
Net defined benefit liability	<u>(4,025)</u>	<u>(4,059)</u>	<u>(4,078)</u>

Statement of profit or loss for the year to 31 December 2018

The amounts recognised in the SoFA are:	Year to 31 Dec 2018	Year to 31 Dec 2017
	£'000	£'000
Service cost	625	809
Net interest on the defined liability	98	110
Administration expenses	12	11
Total	<u>735</u>	<u>930</u>

Asset and benefit obligation reconciliation for the year to 31 December 2018

Reconciliation of opening and closing balance of the present value of the defined Benefit obligation	Year to 31 Dec 2018	Year to 31 Dec 2017
	£'000	£'000
Opening defined benefit obligation	(13,623)	12,676
Current service cost	625	655
Interest cost	338	341
Change in financial assumptions	(1,082)	210
Estimated benefits paid net of transfers in	(321)	(549)
Past service costs, including curtailments	–	154
Contributions by Scheme participants	127	136
Closing defined benefit obligation	<u>13,310</u>	<u>13,623</u>

Notes to the Financial Statements

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for the year ended 31 December 2018

9 Pensions *continued*

Asset and benefit obligation reconciliation for the year to 31 December 2018

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

	Year to 31 Dec 2018	Year to 31 Dec 2017
	£'000	£'000
Opening fair value of Fund assets	9,564	8,598
Interest on assets	240	231
Return on assets less interest	(570)	810
Administration expenses	(12)	(11)
Contributions by employer including unfunded	257	349
Contribution by Fund participants	127	136
Estimated benefits paid plus unfunded net of transfers in	(321)	(549)
Closing fair value of Fund assets	9,385	9,564

The total return on Fund assets for the year to 31 December 2018 is £330,000.

Sensitivity analysis

Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	13,092	13,310	13,531
Projected service cost	544	555	566
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	13,311	13,310	13,309
Projected service cost	555	555	555
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	13,531	13,310	13,093
Projected service cost	566	555	544
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	13,838	13,310	12,802
Projected service cost	573	555	538

9 Pensions *continued*

Remeasurements in other comprehensive income

Remeasurements of the net assets / (defined liability)	Year to 31 Dec 2018	Year to 31 Dec 2017
	£'000	£'000
Return on Fund assets in excess of interest	(570)	810
Change in financial assumptions	<u>1,082</u>	<u>(210)</u>
Remeasurement of the net assets / (defined liability)	<u>512</u>	<u>600</u>

Projections for the year to 31 December 2019

	Year to 31 Dec 2019
	£'000
Service cost	555
Net interest on the defined liability	109
Administration expenses	12
Total loss	<u>676</u>
Employer contributions	<u>264</u>

The projections for the year to 31 December 2019 exclude the capitalised cost of any early retirements or augmentations which may occur after 31 December 2018.

The Aegon UK PLC scheme is a **defined contribution scheme**. CIEH's contributions are 11%. CIEH also contributes 11% to employees' personal pension schemes.

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

Notes to the Financial Statements

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for the year ended 31 December 2018

10 Intangible fixed assets

CIEH	Computer software	Assets under construction	Total assets
Cost or Valuation	£'000	£'000	£'000
At 1 January 2018	181	–	181
Disposals	(137)	–	(137)
At 31 December 2018	<u>44</u>	<u>–</u>	<u>44</u>
Depreciation			
At 1 January 2018	172	–	172
Charge for the year	9	–	9
Disposals	(137)	–	(137)
At 31 December 2018	<u>44</u>	<u>–</u>	<u>44</u>
Net Book Value			
At 31 December 2018	<u>–</u>	<u>–</u>	<u>–</u>
At 31 December 2017	<u>9</u>	<u>–</u>	<u>9</u>

Group	Course development	Computer software	Assets under construction	Total assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1 January 2018	–	1,195	91	1,286
Transfers	–	91	(91)	–
Additions	5	170	75	250
Disposals	–	(761)	–	(761)
At 31 December 2018	<u>5</u>	<u>695</u>	<u>75</u>	<u>775</u>
Depreciation				
At 1 January 2018	–	1,026	–	1,026
Charge for the year	1	190	–	191
Disposals	–	(761)	–	(761)
At 31 December 2018	<u>1</u>	<u>455</u>	<u>–</u>	<u>456</u>
Net Book Value				
At 31 December 2018	<u>4</u>	<u>240</u>	<u>75</u>	<u>319</u>
At 31 December 2017	<u>–</u>	<u>169</u>	<u>91</u>	<u>260</u>

11 Tangible fixed assets

CIEH	Long leasehold property	Equipment Fixtures & Fittings	Assets under construction	Total assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1 January 2018	8,118	429	114	8,661
Transfers	–	114	(114)	–
Additions	–	74	–	74
Disposals	–	(36)	–	(36)
At 31 December 2018	<u>8,118</u>	<u>581</u>	<u>–</u>	<u>8,699</u>
Depreciation				
At 1 January 2018	831	310	–	1,141
Charge for the year	54	69	–	123
Disposals	–	(36)	–	(36)
At 31 December 2018	<u>885</u>	<u>343</u>	<u>–</u>	<u>1,228</u>
Net Book Value				
At 31 December 2018	<u>7,233</u>	<u>238</u>	<u>–</u>	<u>7,471</u>
At 31 December 2017	<u>7,287</u>	<u>119</u>	<u>114</u>	<u>7,520</u>

Group	Long leasehold property	Equipment Fixtures & Fittings	Assets under construction	Total assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1 January 2018	8,118	684	114	8,916
Transfers	–	114	(114)	–
Additions	–	79	–	79
Disposals	–	(114)	–	(114)
At 31 December 2018	<u>8,118</u>	<u>763</u>	<u>–</u>	<u>8,881</u>
Depreciation				
At 1 January 2018	831	531	–	1,362
Charge for the year	54	83	–	137
Disposals	–	(114)	–	(114)
At 31 December 2018	<u>885</u>	<u>500</u>	<u>–</u>	<u>1,385</u>
Net Book Value				
At 31 December 2018	<u>7,233</u>	<u>263</u>	<u>–</u>	<u>7,496</u>
At 31 December 2017	<u>7,287</u>	<u>153</u>	<u>114</u>	<u>7,554</u>

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

Notes to the Financial Statements

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12 Investments

12.1 Investments

Investment portfolio held at Cazenove Capital Management comprises of:

	Listed investments	Cash and cash equivalents	Total 2018
	£'000	£'000	£'000
Value at 1 January 2018	7,678	508	8,186
Investment income	–	215	215
Management fee	–	(52)	(52)
Cash withdrawal	–	(1,150)	(1,150)
Disposal proceeds	(857)	857	–
(Losses) / gains	(601)	–	(601)
Value at 31 December 2018	6,220	378	6,598

12.2 Subsidiary undertakings

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.

13 Interest payable

	Group		CIEH	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Finance lease	343	354	343	354
Total interest payable	343	354	343	354

14 Debtors

	Group		CIEH	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Amounts falling due within one year:				
Trade debtors	363	416	40	45
Amounts owed by subsidiary undertakings	–	–	178	188
Taxes and social security	–	–	93	28
Other debtors	14	20	12	11
Prepayments and accrued income	98	110	79	103
Total debtors	475	546	402	375

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for the year ended 31 December 2018

15 Creditors

	Group		CIEH	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
(i) Amounts falling due within one year				
Obligation under finance lease	345	345	345	345
Trade creditors	98	415	51	345
Taxes and social security	81	69	–	–
Accruals and deferred income	837	1,138	644	864
	1,361	1,967	1,040	1,554
(ii) Amounts falling due after more than one year				
Finance lease	9,615	9,617	9,615	9,617
Obligations under finance lease are payable as follows:				
After more than one year but within five years	1,380	1,380	1,380	1,380
After five years	8,235	8,237	8,235	8,237
	9,615	9,617	9,615	9,617

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 £51,8m.

16 Reconciliation of movement in total funds

	At 1 Jan 2018	Income	Expenditure	Transfers	Gains/ (losses)	At 31 Dec 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted general funds	5,816	4,903	(5,664)	–	(601)	4,454
Pension fund	(4,059)	–	(478)	–	512	(4,025)
Total Funds	1,757	4,903	(6,142)	–	(89)	429

	At 1 Jan 2017	Income	Expenditure	Transfers	Gains/ (losses)	At 31 Dec 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted general funds	2,397	5,601	(7,668)	4,891	595	5,816
Pension fund	(4,078)	–	(581)	–	600	(4,059)
Lease redemption reserve (i)	769	–	–	(769)	–	–
Revaluation reserve	4,122	–	–	(4,122)	–	–
Total Funds	3,210	5,601	(8,249)	–	1,195	1,757

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

17 Financial instruments

	2018 £'000	2017 £'000
Financial assets measured at fair value	7,115	9,007
Financial assets measured at amortised cost	475	546
Financial liabilities measured at amortised cost	(10,976)	(11,573)

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

Financial assets measured at amortised cost comprise debtors.

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

Notes to the Financial Statements

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for the year ended 31 December 2018

18 Analysis of the Group's net assets as at 31 December 2018

2018	General Fund	Pension Fund	Total Funds
	£'000	£'000	£'000
Tangible fixed assets	7,469	–	7,496
Investments	6,598	–	6,598
Intangible assets	319	–	319
Current assets	1,017	–	1,017
Current liabilities	(1,361)	–	(1,361)
Long term liabilities	(9,615)	–	(9,615)
Pension scheme deficit	–	(4,025)	(4,025)
Total net assets	4,454	(4,025)	429

2017	General Funds	Revaluation Reserve	Lease Redemption Reserve	Pension Fund	Total Funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	2,525	4,094	935	–	7,554
Investments	8,186	–	–	–	8,186
Intangible assets	260	–	–	–	260
Current assets	1,400	–	–	–	1,400
Current liabilities	(1,967)	–	–	–	(1,967)
Long term liabilities	(9,617)	–	–	–	(9,617)
Reserve reorganisation	5,029	(4,094)	(935)	–	–
Pension scheme deficit	–	–	–	(4,059)	(4,059)
Total net assets	5,816	–	–	(4,059)	1,757

19 Cash flow resulting from operations

Reconciliation of deficit for the financial year to net cash inflow from operations	Group	
	2018	2017
	£'000	£'000
Cash flows from operating activities		
Surplus/(deficit) for the financial year	(1,328)	(1,453)
Adjustments to exclude:		
Depreciation of intangible assets	191	195
Depreciation of tangible assets	137	122
Interest element of finance lease rentals	343	354
Investment income	(215)	(234)
Pension scheme actuarial gains	(512)	(600)
Investment management fees	52	72
Investment: gains	601	(595)
Debtors decrease / (increase)	73	309
Stock decrease / (increase)	7	(12)
Creditors increase / (decrease)	(606)	(811)
Pension charged to SoFA	735	930
Pension contributions	(257)	(349)
Cash generated from operations	(780)	(2,072)
Interest paid	(343)	(343)
Net cash flow resulting from operations	(1,123)	(2,415)

20 Projects

CIEH administers projects and funds on behalf of other entities as custodian trustee. Funds for two projects are held in separately identifiable accounts and income and expenditure is not included in the Statement of Financial Activities of 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 2018 are as follows:

	2018	2017
	£'000	£'000
Emergency & Relief Fund	5	5
Bonnefoy Fund	21	21
Commonwealth Scholarship	-	11

Notes to the Financial Statements

continued

for the year ended 31 December 2018

21 Controlling party

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

22 Indemnity insurance

The Board of Trustees has affected an indemnity insurance policy to protect CIEH and its subsidiary undertaking 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 £3,028 (2017: £2,650).

23 Capital commitments

At 31 December 2018 group capital commitments of £108,802 (of which £75,247 had been spent at 31 December) had been authorised and contracted for (2017: £300,000 authorised and £90,017 had been spent).

24 Related party transactions

During the year CIEH received Gift Aid payments of £23,000 (2017: £19,600) from The Environmental Health Registration Board, a company connected with 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 2018 no member of the Board of CIEH Limited was paid for services for work on behalf of CIEH.

25 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	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Other assets				
Payable within 1 year	36	57	–	–
Payable during 2 to 5 years	81	28	–	–

About CIEH

President Dawn Welham, FCIEH CEnvH

The trustees who served during the year and continue to serve:

Siraj Choudhury (Chair)
 Kevin Gould (Deputy Chair)
 Jonathan Hayes (appointed 1 January 2018)
 Terenja Humphries
 Graeme Mitchell
 David Newsum (appointed 1 January 2019)
 Timothy Nichols
 Mike Owen (appointed 1 January 2018)
 Nick Pahl
 Jessica Tabois (appointed 1 January 2019)
 Kirpal Tahim (appointed 1 January 2019)
 Dawn Welham (appointed 1 January 2018)
 Joanne Wyatt (appointed 1 January 2018)
 Steve Cooper (resigned 31 December 2018)
 Alan Higgins (resigned 6 March 2018)

CIEH Executive Management Team

Anne Godfrey	Chief Executive
Andrew Herbert	Executive Director of Finance and Corporate Services
Abigail Lammas	Executive Director of Learning and Professional Development
Deborah Wood	Executive Director of Membership and External Affairs

Standing boards / committees for 2018

Risk and Audit Committee

Roy Coulter (Chair)
 Lawrence Manna
 Les Milne
 Robert Spain (appointed 1 January 2018)
 Jonathan Hayes (appointed 1 January 2018)

Appointments and Remunerations Committee

Victoria Stubbs (Chair)
 Steve Othen (appointed 1 January 2018)
 Amanda Porter
 Dawn Welham (appointed 1 January 2018)
 Julie Kortens (resigned 29 May 2018)

Advisers

Bankers

HSBC Bank Plc,
 60 Queen Victoria Street,
 London EC4N 4TR

Auditors

Haysmacintyre LLP,
 10, Queen St. Pl.,
 London, EC4R 1AG

Investment Managers

Cazenove Capital Management,
 1 London Wall Place
 London EC2Y 5AU

To find out more visit:
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cieh.org