



Annual Report and Financial Statements

For the year ended 31 December 2017

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Trustees' Annual Report

The Trustees present their report together with the Audited Financial Statements for the year ended 31 December 2017.

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 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

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 2017 this change programme continued and, thanks to the hard work and dedication of staff, trustees and volunteers, we have been able to spend the last 12 months re-building and preparing for the future.

By the end of 2017 we completed the final phase of the restructuring programme and reduced head count from an average of 108 during 2016 to 66 during 2017 and 55 by December 2017. We consolidated all of the operational and support staff, excluding the conference venue staff in 15 Hatfields, onto one floor of Chadwick Court, refurbished the second floor of Chadwick Court to provide a modern, open plan environment for staff and visitors to improve collaboration and communication between different teams and refurbished the third floor of the building which is now available to let. We continued to reduce our overheads but also made significant commitments to invest in new systems to ensure CIEH manages its resources as efficiently as possible, provides the best experience for users of our services and secures all the data we control.

We expanded our conference venue, reconfiguring the lower ground floor to improve space utilisation but also to provide a new offering to public and third sector organisations on limited budgets to complement our high end ground floor venue. 15Hatfields remains Central London's most sustainable venue and continues to attract a wide range of organisations.

In May 2017 we launched our flexible work-based learning programmes covering Food Safety, Occupational Health & Safety, HACCP and First Aid. CIEH is an awarding body at the forefront of environmental health with 144 years of expertise in supporting employers, trainers and individuals. We will continue to develop 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 become a sustainable, membership focused professional body.

Key financial highlights include:

- a group operating loss of £2.6m
- membership income remaining strong at £1.7m
- commercial trading income increasing by 18% to £1.5m
- redundancy costs totalling £0.4m
- a gain on investments of £0.6m

Income and expenditure

The consolidated results for the year show that our net expenditure exceeded income by £2.6m, which is a decrease over the previous year's figure of £2.7m. This was achieved whilst also seeing a decrease in total income of £2.8m. This loss included a number of one off costs including redundancy costs of £0.4m, refurbishment of part of Chadwick Court of £0.1m and costs involved in replacing the core operating systems which had all reached the end of their life. The first phase of the systems transformation project will be completed by the end of May 2018 and cost in the region of £0.3m.

The decline in income was as a result of our withdrawal from the delivery of externally regulated vocational products. In spring 2017 we launched our new flexible work-based learning programmes under the banner "Partners in Professionalism". Our current portfolio includes Food Safety, Occupational Health & Safety, HACCP and First Aid at Work. Although our educational income was significantly lower than the previous year, sales of new products are now increasing and, along with our e-learning activity, generated £1.5m.

Membership fees play an important part in funding the services of CIEH and in 2017 they represented just over 30% 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 member numbers.

Income from conferences and events declined during 2017 to £0.5m following the end of a contract to provide specialist training events for an external agency. This activity is an important part of our service to members and we will continue to develop new conferences and events in 2018. Commercial trading income was £1.5m which was 18% ahead of 2016. The majority of this income is generated from our conference venue, 15Hatfields, which continues to maintain a strong flow of business.

Our investment portfolio generated income of £0.2m and saw gains of £0.6m which whilst we continued to make draw-downs on the fund was a good result. The investment portfolio stood at £8.2m at the end of 2017.

Balance sheet

Total funds for the Group decreased from 2016 by £1.4m. The main impact was on general funds, the funds available to cover the day to day operations of CIEH, which declined by £1.6m. The pension fund deficit saw a small decline of £19,000 and the lease redemption reserve increased in line with plan to £0.9m. Our debtors saw a decline of £0.3m partly due to the reduction in education income but also due to improvements in our credit control. Trade creditors also fell by £0.8m 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 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 2017, the fund made a total return of 9.3% (2016: 14.6%).

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. Total funds as at 31 December 2017 were £1.8m (2016: £3.2m) represented by unrestricted general funds of £5.8m (2016: £7.3m) and a pension fund deficit of £4.0m (2016: £4.1m). The funds are all unrestricted but the Trustees have chosen to designate some of the funds as set out in note 18 to the Consolidated Statement of Financial Activities. 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. A Lease Redemption Reserve has been created as a designated reserve to make prudent provision for the additional finance costs associated with the future five-yearly rent reviews on the 150 year lease for Chadwick Court.

The reserves policy agreed by the Trustees is to hold six months expenditure within general funds. Based upon the 2017 results, this figure is estimated to be £4.1m (2016: £5.6m) and our current unrestricted, undesignated reserves represent 19.4% of this figure. This is a decline from the previous year due in part to the costs of restructuring and the high level of expenditure over income. The restructuring programme has significantly reduced expenditure and 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 control of our cost base.

Going concern

The Board of Trustees has carefully reviewed the financial position of the CIEH Group, including the financial projections for 2018 and 2019, 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 two subsidiaries, CIEH Ltd the trading subsidiary for the group and TiFSip Ltd a dormant subsidiary. TiFSiP has been dormant through 2017 and is now in the process of being removed from the register at Companies House.

Further details of the financial performance of the trading subsidiary 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 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 key risks 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.
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, to be clearly communicated and adherence monitored.
Operational	
Cyber security breach	Security programme in place covering identification of staff knowledge, targeted training and ongoing testing of security measures.
Systems transformation project fails to deliver on time, on budget or fails to perform as specified	Strong change control to reduce scope creep. Agile methodology with work packages to defined scope that fit the schedule for delivery and budget and is supported by all managers within the organisation.
Financial	
Results not in line with budgets/forecasts resulting in financial constraints and ultimately leading to potential solvency issues.	Improved budgeting process and management accounts reporting along with close control of cash flow.
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	Implement matrix working and encourage cross-functional teams. HR Panel to monitor recruitment to ensure best use of resources.
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 including loss of data, breach of current DPA or new legislation including GDPR	Data management project commenced in order to identify, manage and mitigate compliance issues.

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 have 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 has been allocated a geographic region based on the former boundaries of the English regional government offices and the Countries of Wales, Scotland and Northern Ireland. Our membership network is changing and from April 2018 the current regions and branches will be merged into new Regional Hubs. All members will have access to both the new local Hubs and CIEH specialist communities.

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), the President and the Chief Executive. 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 as CIEH's auditors 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: 020 7827 5800 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 17. 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

Siraj Choudhury



26 April 2018

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 2017 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 2017 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.

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.

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.

26 April 2018



haysmacintyre
Statutory Auditors

10 Queen Street Place
London EC4R 1AG

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

for the year ended 31 December 2017

		Group	
		2017	2016
		Unrestricted funds	Unrestricted funds
		£'000	£'000
	Note		
Income from charitable activities			
Subscription and membership income	3	1,686	1,648
Education income	3	1,497	4,463
Conference income	3	530	792
Regional income	3	191	75
Income from other trading activities			
Commercial trading	3	1,463	1,199
Income from investments			
Investments	3/12.1	234	226
Total income and endowments		5,601	8,403
Expenditure			
Expenditure on charitable activities			
Membership	4	2,682	2,262
Education	4	3,001	5,969
Conferences	4	1,675	2,064
Regions	4	275	164
Expenditure on raising funds			
Commercial trading operations	4	544	602
Investment management fee	4	72	75
Total expenditure		8,249	11,136
Net expenditure for the year		(2,648)	(2,733)
Gain on investments	12.1	595	1,030
Gain on sale of US subsidiary	12.2(iii)	-	1,879
Net expenditure before taxation		(2,053)	176
Taxation	12.2(iii)	-	(556)
Net movement in funds before defined benefit scheme gain		(2,053)	(380)
Pension scheme – actuarial gain	9	600	711
Net movement in funds after defined benefit scheme gain		(1,453)	331
Funds brought forward at 1 January		3,210	2,879
Funds carried forward at 31 December		1,757	3,210

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 2017

	Note	Group		CIEH	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
Fixed assets					
Intangible fixed assets	10	260	277	9	18
Tangible fixed assets	11	7,554	7,444	7,520	7,389
Investments	12.1	8,186	9,655	8,186	9,655
		16,000	17,376	15,715	17,062
Current assets					
Stocks		33	21	–	–
Debtors	15	546	855	375	1,251
Cash at bank and in hand		821	1,422	757	760
		1,400	2,298	1,132	2,011
Creditors: amounts falling due within one year	16(i)	(1,967)	(2,777)	(1,554)	(3,529)
Net current assets		(567)	(479)	(422)	(1,518)
Total assets less current liabilities		15,433	16,897	15,293	15,544
Creditors: amounts falling due after more than one year	16(ii)	(9,617)	(9,609)	(9,617)	(9,609)
Total net assets before pension deficit		5,816	7,288	5,676	5,935
Defined benefit pension scheme liability	9	(4,059)	(4,078)	(4,059)	(4,078)
Total net assets		1,757	3,210	1,617	1,857
Funds and reserves					
Unrestricted general funds	18	5,816	7,288	5,676	5,935
Pension fund	18	(4,059)	(4,078)	(4,059)	(4,078)
Total funds	18	1,757	3,210	1,617	1,857

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
26 April 2018


Siraj Choudhury,
Chairman, Board of Trustees


Kevin Gould,
Deputy Chairman, Board of Trustees

Consolidated Cash Flow Statement

for the year ended 31 December 2017

		2017		2016	
	Note	£'000	£'000	£'000	£'000
Cash flow from operating activities	19		(2,415)		(1,818)
Cash flow from investing activities					
Purchase of tangible assets	11	(232)		(55)	
Cash withdrawal from investments	12.1	2,226		1,601	
Cash additions to investments		–		(1,666)	
Purchase of intangible assets	10	(178)		(87)	
Sale of EHT (US)		–		2,293	
Net cash provided by investing activities			1,816		2,086
Cash flows from financing activities					
Capital element of finance lease rentals		(2)		(17)	
Net cash provided by financing activities			(2)		(17)
Change in cash and cash equivalents in year			(601)		251
Cash and cash equivalents at beginning of year			1,422		1,171
Cash and cash equivalents at end of year			821		1,422

Notes to the Financial Statements

for the year ended 31 December 2017

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, 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 11. 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 18.

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 asset 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.

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

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

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

Notes to the Financial Statements

continued

for the year ended 31 December 2017

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.

1.11 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.

1.12 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 and one dormant subsidiary TiFSiP Limited.

CIEH Limited, a company registered in England, carries out mainly primary purpose trading activities, providing learning outcomes, and publishing a magazine. For the year £Nil (2016: £1,100,000) was gift aided to the charity.

TiFSiP has remained dormant throughout 2017 and is now in the process of being removed from the register at Companies House.

CIEH Limited had a subsidiary, Chadwick House Incorporated (CHI), a holding company registered in the United States of America which ceased trading in 2016 and was dissolved on 31 December 2016.

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

	CIEH Limited		CHI (US)		TiFSiP Limited	
	2017	2016	2017	2016	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	3,036	5,632	–	–	–	15
Sale of US subsidiary	–	–	–	1,467	–	–
Dividend	–	1,666	–	(1,666)	–	–
Total expenditure	<u>(4,247)</u>	<u>(6,184)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>432</u>
Profit before gift aid	(1,211)	1,114	–	(199)	–	447
Gift aid to CIEH	–	(1,100)	–	–	–	–
Retained profits/(losses) b/f	<u>1,351</u>	<u>1,337</u>	<u>–</u>	<u>199</u>	<u>–</u>	<u>(447)</u>
Retained in subsidiary	<u>140</u>	<u>1,351</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

Notes to the Financial Statements *continued*

for the year ended 31 December 2017

3 Income and endowments

	2017			2016		
	£'000 CIEH Ltd	£'000 CIEH	£'000 Group	£'000 CIEH Ltd	£'000 CIEH	£'000 Group
Subscriptions and members	543	1,143	1,686	509	1,139	1,648
Education	1,436	61	1,497	4,392	71	4,463
Conferences	–	530	530	54	738	792
Regions	–	191	191	–	75	75
Commercial trading	1,057	406	1,463	1,074	125	1,199
Investments	–	234	234	–	226	226
Total income and endowments	3,036	2,565	5,601	6,029	2,374	8,403

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 Expenditure

	2017				2016	
	Direct costs £'000	Staff costs £'000	CIEH Ltd support £'000	Institute support £'000	Total £'000	Total £'000
Membership	288	591	821	982	2,682	2,262
Education	317	701	903	1,080	3,001	5,969
Conferences	193	270	551	661	1,675	2,064
	798	1,562	2,275	2,723	7,358	10,295
Regions					275	164
Commercial trading operations					544	602
Investment management fee					72	75
Total expenditure					8,249	11,136

Basis of apportionment: Direct costs

5 Support costs

			2017	2016
	CIEH Ltd	CIEH	Total	Total
	£'000	£'000	£'000	£'000
Staff costs	1,296	1,616	2,912	2,772
Office costs	180	233	413	853
Printing, postage and stationery	30	16	46	81
Rent, rates and maintenance	328	105	433	232
Light and heat	–	60	60	60
Publicity and marketing	87	46	133	136
Research and development	34	–	34	22
Telephones	27	14	41	33
Computers	3	1	4	4
Legal and professional	13	14	27	22
Insurance	35	18	53	72
Bank charges	22	17	39	54
Finance lease interest	–	354	354	343
Governance costs (see note 6)	15	69	84	96
Irrecoverable VAT	–	49	49	38
Depreciation of tangible and intangible assets	205	111	316	419
Support costs	2,275	2,723	4,998	5,237

6 Governance costs

	2017	2016
	£'000	£'000
Board of Trustees and other meetings	57	68
Auditors' remuneration	27	28
Governance costs	84	96

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 *continued*

for the year ended 31 December 2017

7 Net expenditure for the year

	Group		CIEH	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
<i>This is stated after charging:</i>				
Depreciation of tangible and intangible assets	316	419	110	118
Auditors' remuneration				
– audit work	27	28	15	15
– non-audit work	8	4	3	–
– audit work USA	–	4	–	–
Exchange gains / (losses)	5	(7)	–	–
Finance lease interest	354	343	354	343
Operating lease	32	60	–	–
Research and development	34	22	–	–

8 Employee and trustee costs

The employee costs for the Group and the charity were:

	Group		CIEH	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Wages and salaries	2,549	4,209	1,136	1,674
Social security	278	407	130	161
Pension costs	1,019	1,106	859	843
Temporary staff	413	98	125	22
Training and recruitment	56	82	21	30
Redundancy and termination payments	370	453	27	287
	4,685	6,355	2,298	3,017

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

	2017	2016	2017	2016
	Number	Number	£'000	£'000
Membership activities	10	19	591	923
Educational activities	25	45	701	1,977
Conferences	3	5	270	381
Commercial	7	11	281	316
Central services	21	28	2,842	2,758
	66	108	4,685	6,355

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

8 Employee and trustee costs *continued*

	2017	2016
	Number	Number
Employees whose emoluments were over £60,000 per annum:		
£60,000 – £69,999	5	6
£70,000 – £79,999	1	2
£80,000 – £89,999	2	2
£90,000 – £99,999	–	1
£140,000 – £149,999	1	1
	<u>9</u>	<u>12</u>

The executive management team of four (2016: four) were remunerated £281,434 (2016: £334,747) with company pension contributions totalling £47,221 (2016: £17,163). They received no other benefits (2016: £0).

Twenty eight members of staff (2016: twenty) were made redundant during 2017. This resulted in a total redundancy payment of £370,243 (2016: £453,290).

The Group makes pension contributions on behalf of nine (2016: eleven) of the employees whose emoluments exceed £60,000.

No Board of Trustee member received any remuneration for services as a Trustee (2016: 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 £13,887 to 10 trustees (2016: £15,032 to 10 trustees).

Transactions with Board of Trustee members, officers of CIEH, Directors of CIEH Limited, Directors of TiFSiP 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	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
London Pension Fund Authority (LPFA)	930	1,031	797	817
Aegon UK PLC	75	62	53	17
Other	14	13	9	9
Total pension costs	<u>1,019</u>	<u>1,106</u>	<u>859</u>	<u>843</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% (2016:12.2%).

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.

Notes to the Financial Statements *continued*

for the year ended 31 December 2017

9 Pensions *continued*

The return on the Fund (on a bid value to bid value basis) for the year to 31 December 2017 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 2017 is as follows:

Employer asset share – bid value	31 Dec 2017		31 Dec 2016	
	£'000	%	£'000	%
Equities	4,842	51%	4,597	53%
LDI/cashflow matching	–	n/a	1,184	14%
Target Return Portfolio	3,142	33%	1,752	20%
Infrastructure	402	4%	608	7%
Commodities	–	n/a	51	1%
Property	660	7%	445	5%
Cash	518	5%	(39)	0%
Total	9,564	100%	8,598	100%

The assumed life expectations from age 65 are:

Life expectancy from age 65 years	31 Dec 2017	31 Dec 2016
Retiring today		
Males	21.8	21.7
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	23.9
Females	26.6	26.5

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

Assumptions as at	31 Dec 2017	31 Dec 2016	31 Dec 2015
	% p.a	% p.a	% p.a
Discount rate	2.5%	2.7%	3.8%
Salary increases	4.1%	4.2%	4.1%
Pension increases	2.6%	2.7%	2.3%

9 Pensions *continued*

Statement of financial position as at 31 December 2017

Net pension asset as at	31 Dec 2017	31 Dec 2016	31 Dec 2015
	£'000	£'000	£'000
Present value of the defined benefit obligation	13,623	12,676	11,131
Fair value of Fund assets (bid value)	9,564	8,598	6,962
Deficit	4,059	4,078	4,169
Net defined benefit liability	4,059	4,078	4,169

Statement of profit or loss for the year to 31 December 2017

The amounts recognised in the SoFA are:	Year to 31 Dec 2017	Year to 31 Dec 2016
	£'000	£'000
Service cost	809	871
Net interest on the defined liability	110	151
Administration expenses	11	9
Total	930	1,031

Asset and benefit obligation reconciliation for the year to 31 December 2017

Reconciliation of opening and closing balance of the present value of the defined benefit obligation	Year to 31 Dec 2017	Year to 31 Dec 2016
	£'000	£'000
Opening defined benefit obligation	12,676	11,131
Current service cost	655	868
Interest cost	341	419
Change in financial assumptions	210	2,659
Change in demographic assumptions	–	(887)
Experience loss/(gain) on defined benefit obligation	–	(1,299)
Estimated benefits paid net of transfers in	(549)	(433)
Past service costs, including curtailments	154	3
Contributions by Scheme participants	136	215
Closing defined benefit obligation	13,623	12,676

Notes to the Financial Statements *continued*

for the year ended 31 December 2017

9 Pensions *continued*

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

	Year to 31 Dec 2017	Year to 31 Dec 2016
	£'000	£'000
Opening fair value of Fund assets	8,598	6,962
Interest on assets	231	268
Return on assets less interest	810	1,001
Other actuarial gains/(losses)	–	183
Administration expenses	(11)	(9)
Contributions by employer including unfunded	349	411
Contributions by Fund participants	136	215
Estimated benefits paid plus unfunded net of transfers in	(549)	(433)
Closing fair value of Fund assets	9,564	8,598

The total return on Fund assets for the year to 31 December 2017 is £1,041,000.

Sensitivity analysis

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	13,400	13,623	13,850
Projected service cost	656	669	682
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	13,623	13,623	13,623
Projected service cost	669	669	669
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	13,850	13,623	13,400
Projected service cost	682	669	656
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	14,164	13,623	13,103
Projected service cost	690	669	648

9 Pensions *continued*

Remeasurements in other comprehensive income

Remeasurements of the net assets / (defined liability)	Year to 31 Dec 2017	Year to 31 Dec 2016
	£'000	£'000
Return on Fund assets in excess of interest	810	1,001
Other actuarial gains/(losses) on assets	–	183
Change in financial assumptions	(210)	(2,659)
Change in demographic assumptions	–	887
Experience gain/(loss) on defined benefit obligation	–	1,299
Re-measurement of the net assets / (defined liability)	600	711

Projections for the year to 31 December 2018

	Year to 31 Dec 2018
	£'000
Service cost	669
Net interest on the defined liability	98
Administration expenses	12
Total loss	779
Employer contributions	279

The projections for the year to 31 December 2018 exclude the capitalised cost of any early retirements or augmentations which may occur after 31 December 2017.

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

No employees or directors of 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 2017

10 Intangible fixed assets

CIEH	Computer software	Assets under construction	Total assets
Cost or Valuation	£'000	£'000	£'000
At 1 January 2017	181	–	181
At 31 December 2017	181	–	181
Depreciation			
At 1 January 2017	163	–	163
Charge for the year	9	–	9
At 31 December 2017	172	–	172
Net Book Value			
At 31 December 2017	9	–	9
At 31 December 2016	18	–	18

Group	Computer software	Assets under construction	Total assets
Cost or Valuation	£'000	£'000	£'000
At 1 January 2017	1,550	–	1,550
Additions	87	91	178
Disposals	(442)	–	(442)
At 31 December 2017	1,195	91	1,286
Depreciation			
At 1 January 2017	1,273	–	1,273
Charge for the year	195	–	195
Disposals	(442)	–	(442)
At 31 December 2017	1,026	–	1,026
Net Book Value			
At 31 December 2017	169	91	260
At 31 December 2016	277	–	277

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 2017	8,118	355	–	8,473
Additions	–	118	114	232
Disposals	–	(44)	–	(44)
At 31 December 2017	<u>8,118</u>	<u>429</u>	<u>114</u>	<u>8,661</u>
Depreciation				
At 1 January 2017	777	307	–	1,084
Charge for the year	54	47	–	101
Disposals	–	(44)	–	(44)
At 31 December 2017	<u>831</u>	<u>310</u>	<u>–</u>	<u>1,141</u>
Net Book Value				
At 31 December 2017	<u>7,287</u>	<u>119</u>	<u>114</u>	<u>7,520</u>
At 31 December 2016	<u>7,340</u>	<u>49</u>	<u>–</u>	<u>7,389</u>
Group				
Cost or Valuation	£'000	£'000	£'000	£'000
At 1 January 2017	8,118	692	–	8,810
Additions	–	118	114	232
Disposals	–	(126)	–	(126)
At 31 December 2017	<u>8,118</u>	<u>684</u>	<u>114</u>	<u>8,916</u>
Depreciation				
At 1 January 2017	777	589	–	1,366
Charge for the year	54	68	–	122
Disposals	–	(126)	–	(126)
At 31 December 2017	<u>831</u>	<u>531</u>	<u>–</u>	<u>1,362</u>
Net Book Value				
At 31 December 2017	<u>7,287</u>	<u>153</u>	<u>114</u>	<u>7,554</u>
At 31 December 2016	<u>7,341</u>	<u>103</u>	<u>–</u>	<u>7,444</u>

Long leasehold property relates to 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 2017

12 Investments

12.1 Investments

Investment portfolio held at Cazenove Capital Management comprises of:

	Listed investments	Cash and cash equivalents	Total 2017
	£'000	£'000	£'000
Value at 1 January 2017	7,856	1,799	9,655
Investment income	–	234	234
Management fee	–	(72)	(72)
Transfer between funds	(762)	762	–
Cash withdrawal	–	(2,226)	(2,226)
Gains	584	11	595
Value at 31 December 2017	7,678	508	8,186

12.2 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 which became dormant at 31 December 2016 and is in the process of being removed from the register at Companies House.

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

Chadwick Holdings Inc. sold its entire investment in Environmental Health Testing LLC for a cash consideration of USD 3.15million on 1 February 2016. Chadwick Holdings Inc. was dissolved on the 31 December 2016.

13 Interest payable

	Group		CIEH	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Finance lease	354	342	354	342
Total interest payable	354	342	354	342

14 Analysis of the Group's net assets as at 31 December 2017

	General funds £'000	Revaluation reserve £'000	Lease redemption reserve £'000	Pension fund £'000	Total funds £'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)
Pension scheme deficit	–	–	–	(4,059)	(4,059)
Total net assets	787	4,094	935	(4,059)	1,757

15 Debtors

	Group		CIEH	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amounts falling due within one year:				
Trade debtors	416	672	45	5
Amounts owed by subsidiary undertakings	–	–	188	1,100
Taxes and social security	–	–	28	–
Other debtors	20	48	11	22
Prepayments and accrued income	110	135	103	124
Total debtors	546	855	375	1,251

Notes to the Financial Statements *continued*

for the year ended 31 December 2017

16 Creditors

	Group		CIEH	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
(i) Amounts falling due within one year				
Obligation under finance lease	345	345	345	345
Trade creditors	415	237	345	166
Amounts owed to subsidiary	–	–	–	1,932
Taxes and social security	69	784	–	(21)
Accruals and deferred income	1,138	1,411	864	1,107
	1,967	2,777	1,554	3,529
(ii) Amounts falling due after more than one year				
Finance lease	9,617	9,609	9,617	9,609
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	8,237	8,229	8,237	8,229
	9,617	9,609	9,617	9,609

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.

17 Projects

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 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 2017 are as follows:

	2017	2016
	£'000	£'000
FLEP	–	4
Emergency & Relief Fund	5	5
Bonnefoy Fund	21	21
Commonwealth Scholarship	11	11

18 Reconciliation of movement in total funds

	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)	(138)	595	787
Pension fund	(4,078)	–	(581)	–	600	(4,059)
Lease redemption reserve (i)	769	–	–	165	–	935
Revaluation reserve	4,122	–	–	(28)	–	4,094
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.

Notes to the Financial Statements *continued*

for the year ended 31 December 2017

19 Cash flow resulting from operations

Reconciliation of deficit for the financial year to net cash inflow from operations	Group	
Cash flows from operating activities	2017 £'000	2016 £'000
Surplus/(deficit) for the financial year	(1,453)	331
Adjustments to exclude:		
Depreciation of intangible assets	195	251
Disposal of intangible assets	–	46
Depreciation of tangible assets	122	129
Interest element of finance lease rentals	354	340
Investment income	(234)	(225)
Interest received	–	(1)
Pension scheme actuarial gains	(600)	(711)
Investments management fees	72	75
Investments: gains	(595)	(1,030)
Gain on sale of US subsidiary	–	(1,879)
Debtors decrease / (increase)	309	280
Stock decrease / (increase)	(12)	122
Creditors increase / (decrease)	(811)	174
Pension charged to SoFA	930	1,031
Pension contributions	(349)	(411)
Cash generated from operations	<u>(2,072)</u>	<u>(1,478)</u>
Interest paid	<u>(343)</u>	<u>(340)</u>
Net cash flow resulting from operations	<u>(2,415)</u>	<u>(1,818)</u>

20 Financial instruments

	2017 £'000	2016 £'000
Financial assets measured at fair value	<u>9,007</u>	<u>11,077</u>
Financial assets measured at amortised cost	<u>546</u>	<u>855</u>
Financial liabilities measured at amortised cost	<u>(11,573)</u>	<u>(11,691)</u>

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.

21 Controlling party

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

22 Indemnity insurance

The Board of Trustees has affected an indemnity insurance policy to protect 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 £2,650 (2016: £3,869).

23 Capital commitments

At 31 December 2017 group capital commitments of £300,000 (of which £90,017 had been spent at 31 December) had been authorised and contracted for (2016: £0 authorised and contracted for).

24 Related party transactions

During the year CIEH received Gift Aid payments of £Nil (2016: £1,100,000) from CIEH Limited, £19,600 (2016: £14,000) 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 2017 no member of the Board of CIEH Limited was paid for services for work on behalf of the CIEH.

Notes to the Financial Statements *continued*

for the year ended 31 December 2017

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	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Other assets				
Payable within 1 year	57	59	–	–
Payable during 2 to 5 years	28	86	–	–

About CIEH

President: **Tim Everett, LLB CFCIEH 2017**
Dawn Welham, FCIEH CEnvH 2018

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

Siraj Choudhury		Chair (<i>appointed 1 January 2018</i>)
Kevin Gould	(<i>appointed 3 June 2017</i>)	Deputy Chair (<i>appointed 1 January 2018</i>)
Steve Cooper		
Jonathan Hayes	(<i>appointed 1 January 2018</i>)	
Alan Higgins	(<i>resigned 6 March 2018</i>)	
Terenja Humphries	(<i>appointed 1 January 2017</i>)	
Graeme Mitchell	(<i>appointed 1 January 2017</i>)	
Timothy Nichols	(<i>appointed 1 January 2017</i>)	
Mike Owen	(<i>appointed 1 January 2018</i>)	
Nick Pahl	(<i>appointed 6 February 2017</i>)	
Dawn Welham	(<i>appointed 1 January 2018</i>)	
Joanne Wyatt	(<i>appointed 1 January 2018</i>)	
Andrew Statham	(<i>resigned 31 December 2017</i>)	Chair 2017
Tim Deveaux	(<i>resigned 31 December 2017</i>)	Deputy Chair 2017
Roy Coulter	(<i>resigned 31 December 2017</i>)	
Mark Elliot	(<i>resigned 31 December 2017</i>)	
Tim Everett	(<i>resigned 31 December 2017</i>)	

Executive Management Team

Anne Godfrey	Chief Executive
Richard Ashton	Executive Director of Commercial Services (<i>resigned 30 June 2017</i>)
Andrew Herbert	Executive Director of Finance and Corporate Services
Abi Lammas	Executive Director of Learning & Professional Development
Deborah Wood	Executive Director of Membership & External Affairs

Standing boards/committees for 2017

Risk and Audit Committee

Roy Coulter (C)	Kevin Gould (<i>resigned 1 June 2017</i>)
Les Milne	Lawrence Manna
Jonathan Hayes (<i>appointed 1 January 2018</i>)	Robert Spain (<i>appointed 1 January 2018</i>)

Appointments and Remunerations Committee

Julie Kortens (C)	Tim Everett (<i>resigned 31 December 2017</i>)	Steve Othen (<i>appointed 1 January 2018</i>)
Amanda Porter	Andy Statham (<i>resigned 31 December 2017</i>)	Dawn Welham (<i>appointed 1 January 2018</i>)
Victoria Stubbs		

Bankers

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

Auditors

haysmacintyre, 10, Queen St. Pl., London, EC4R 1AG

Investment Managers

Cazenove Capital Management, 12 Moorgate, London EC2R 6DA

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