

Chartered Institute of
Environmental Health



Annual Report and Financial Statements

For the year ended 31 December 2020

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 present their report together with the Audited Financial Statements for the year ended 31 December 2020..

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
- Provide multiple pathways into the profession and support a wide range of practitioners to transition into, or progress through, their environmental health career
- Create and maintain a professional, collaborative and inclusive culture.

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

The last year saw our members rally around the flag and support our profession during the pandemic.

We were delighted to welcome 800 new members to CIEH, and to see the first 23 members to successfully complete the Chartered Practitioner programme, becoming Chartered Environmental Health Practitioners. We celebrated this with an online graduation ceremony in December.

We are passionate about promoting our members and reaching out to the next generation of EHPs. In August 2020, we launched the #ChooseEnvironmentalHealth campaign to coincide with the announcement of A-Level and GCSE results in England. Its aim was to raise awareness of environmental health as a rewarding career choice, with a particular focus on encouraging more 16 to 19 year-olds to pursue environmental health degrees. It built on the format and success of the previous "What is environmental health?" campaign, for which we were delighted to win the Best Video Award at the Association Awards 2020.

Using social media to reach the target audience, we signposted to fresh content including new career stage webpages, video soundbites from recent graduates, and an online careers fair aimed at students considering their 2021 UCAS applications. Following World Environmental Health Day on 26 September, we also targeted those considering changing their career to environmental health with a short video interview and a pre-recorded webinar of inspirational EHPs who had done just that.

- **800 new members**
- **7,211 members**
- **1,930 members with Chartered Status**
- **Members by grade: Affiliate 17%, Associate 8%, Member 69%, Fellow 2%, Honorary 4%**

The change in landscape caused by COVID-19 has posed a significant challenge to our flagship events programme. With face-to-face meetings and events being seriously curtailed throughout the year, we have worked closely with our members to create a comprehensive and accessible series of webinars and learning opportunities dedicated to addressing the key issues facing our profession. It has allowed us to bring expert opinion and frontline experience together on a platform that ensures full accessibility for members across the United Kingdom.

- **Over 80 online events delivered**
 - **3 headline conferences**
 - **1,583 delegates**
-

Although positive news on vaccines and a roadmap to end to lockdown give us hope that life might return to normal later in the year, we expect social distancing measures and restrictions to continue to seriously affect our networking and events programme

in the first half of 2021. However, this has the immediate benefit of reducing travel for members and substantially lowering our impact on the environment which has always been a key goal for CIEH.

Our successful “CIEH-conversations” webinar programme continues to grow, and we are now committed to delivering at least 12 over the course of the next year, completely free to members.

We will also continue to deliver essential legislative updates and access to expertise from our trainers in key aspects of environmental health. We have converted the majority of our technical workshops to online delivery and are excited about a new range of courses and content for 2021 that we will be able to offer. Our innovative online bitesize training events are great examples of our new approach and have proved very popular.

In 2019 we continued to broaden the routes into our profession. In the spring we launched a new streamlined Chartered Practitioner Programme for those with the EHRB certificate of registration. We also supported the launch of the new BSc Environmental Health Practitioner apprenticeship in the summer, which gained the maximum £22,000 funding per apprentice.

- **225 practitioners on our Chartered Practitioner programme**
 - **221 final EHRB Certificates of Registration**
 - **9 Recognised Partner Universities**
-

Work commenced on the development of our new Advanced Professional Certificate in Food Hygiene and Standards Controls to ensure that food enforcement remains a key part of the work our members do. In addition, we also worked with members to develop a new way of accrediting University degree courses to ensure that future practitioners remain relevant and competent. In the autumn we celebrated the success of both University graduates and newly Chartered practitioners at our first Graduation ceremony.

We worked with the Food Standards Agency to create training material for Imported Food Training Development ‘Legislation and Enforcement’. We continued to invest in our learning products launching a new food allergen awareness training course under our flexible work-based learning programme and we continued to invest in our elearning courses updating these with new designs and certificates.

- **65 appearances in print and online national media**
 - **132 appearances in regional media across the UK**
 - **11 consultation responses**
 - **4 flagship policy reports**
 - **6 parliamentary briefings**
-

The COVID-19 pandemic deeply impacted CIEH’s external affairs and advocacy strategies. In the face of a rapidly changing landscape, we undertook a full review of our campaigning goals and priorities in order to thrive in the new environment.

The role of environmental health in supporting government efforts to tackle COVID-19 has led to an increased profile for the profession and a better understanding of environmental health in general. We have endeavoured to build on this and demonstrate both the value of environmental health to government and society, and increase CIEH’s influence with key decision makers.

We have become more streamlined, nimble, and flexible, in our policy and external affairs activity, allowing us to significantly raise the profile of the profession and our influencing capabilities. The media coverage we have achieved over the last 12 months is testament to the success of our approach. We secured coverage across the political spectrum in both print and online national outlets, such as the BBC, the Daily Mail, and The Guardian, alongside broadcast, trade, and regional media.

In addition to cultivating our media profile, we have worked closely with MPs, Peers, and government departments, to influence key legislation, on wide-ranging issues such as the Trade Bill, the Environment Bill, cosmetics, noise, and the Food Law Code of Practice, both at a UK level and in the devolved administrations.

We have worked hand-in-hand with CIEH members on our policy panels to create parliamentary briefings, flagship policy reports, and respond to a multitude of government consultations.

Our work on housing has seen us gain a seat on the Ministry of Housing Communities and Local Government (MHCLG) project board for the second phase of the Housing Health and Safety Rating System (HHSRS).

We have also successfully worked in partnership with other charities and organisations to advance the cause of environmental health. We have worked with the Healthy Air Campaign coalition of charities to campaign on air quality, we joined the newly created Renters Reform Coalition to campaign for more security and better standards of housing, and we launched our pivotal cosmetics reports in partnership with the Institute of Licensing.

Financial review

Highlights

Like many other organisations up and down the country, in 2020 business operations were impacted by the global pandemic. The implementation of social distancing measures due to COVID-19 and the resultant reduction in face to face activities understandably led to a temporary drop in income most noticeably for our trading subsidiary CIEH Ltd which necessitated targeted reduction in planned areas of key expenditure. The subsidiary's trading results were a loss of £0.5m (2019: £0.07m profit) as shown in note 2 to the financial statements.

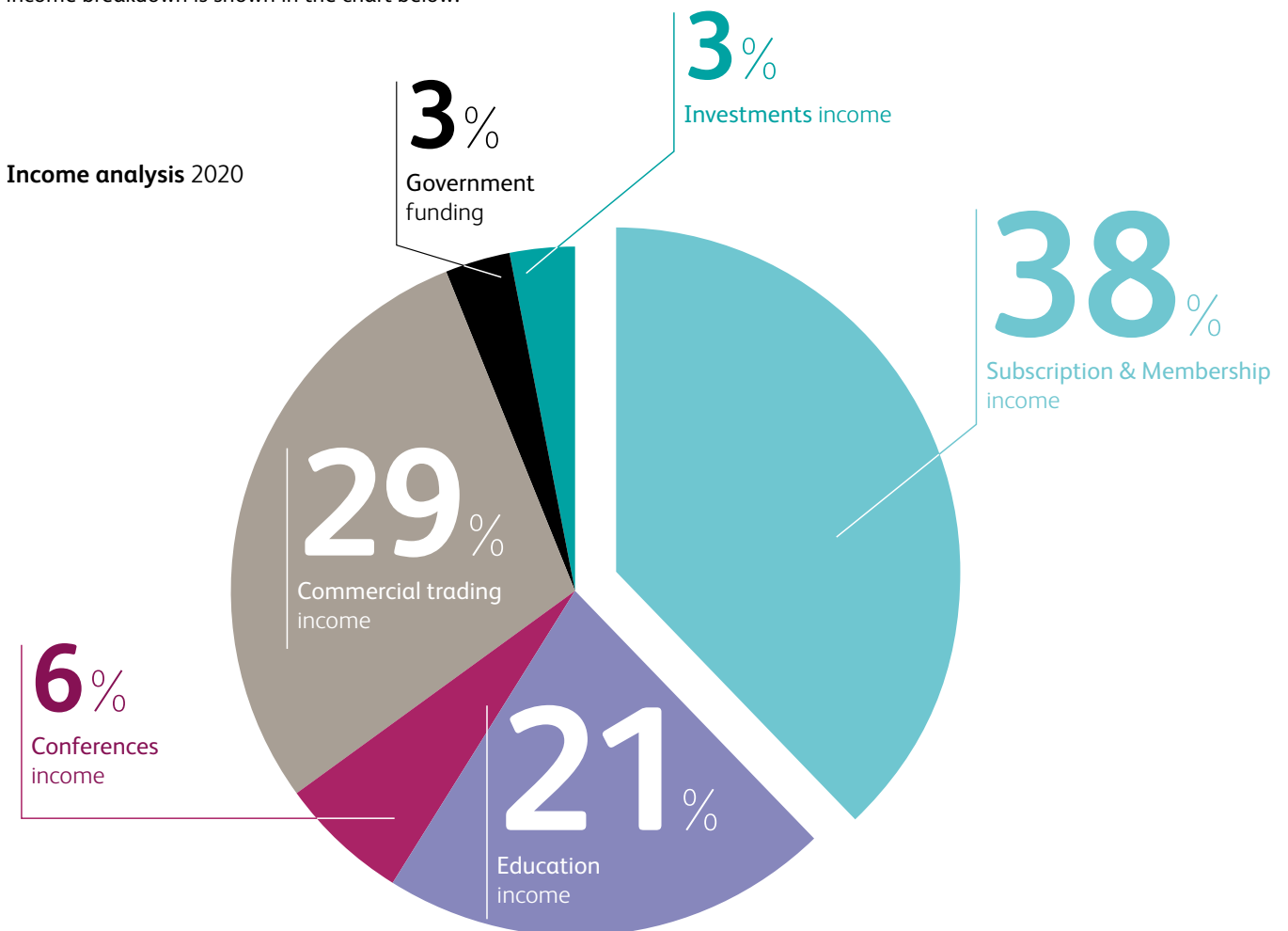
Key financial highlights include:

- group operating loss of £1m compared to prior year loss of £0.8m
- total income of £4.2m reduced from the previous year's figure of £5.3m
- total expenditure of £5.3m reduced from the previous year's figure of £6.1m

As we look ahead to the future, our focus will be on building on viable opportunities for growth which will result in improved financial performance in the medium to long term.

Income and expenditure

The consolidated results for the year show that we continue to make great strides in improving our financial performance despite the ongoing challenges presented by the COVID-19 global pandemic. Our net expenditure exceeded income by £1m (2019: £0.8m). The income breakdown is shown in the chart below:



Subscriptions and membership income continues to play an important part in funding the services of CIEH and represents 38 % of the overall income of the organisation.

Income from education activities fell to £0.8m (2019: £1.1m), conferences fell to £0.3m (2019: £0.5m), commercial trading fell to £1.2m (2019: £1.6m), Coronavirus job retention scheme/furlough grant income rose to £0.1m (2019: £Nil), investments fell to £0.1m (2019: £0.2m).

Expenditure on charitable activities fell to £4.8m (2019: £5.3m) and expenditure on raising funds fell to £0.5m (2019: £0.8m). Key cost reduction measures included placing 40 % of staff on furlough and for retained staff not on furlough implementing a reduced working week for three months during which time staff salaries were also reduced by 20 %.

Balance sheet

Total funds for the Group stand at £9.9m (2019: £11.2m) with the movement predominantly being due to operating loss of £1m, investment gain of £2.3m and pension scheme actuarial loss of £2.6m. Further details of which are set out in notes 9 and 12 to the financial statements.

Debtors increased marginally to £1.3m (2019: £1.2m) whilst creditors increased to £2m (2019: £1.5m).

Investments and reserves

Cazenove Capital Management (an operating division of Schroder & Co) advise the Board of Trustees in the construction of a suitable investment portfolio, and manage the investment into specific funds to be held within the portfolio. Cazenove ensure that investments are made into funds that follow good corporate social responsibility and that Environmental, Social and Governance (ESG) issues are 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. 2020 was an extraordinary year for investment markets. We saw the value of our investment fund decrease over the year by 1 % (2019: gain of 13.4 %) with underlying volatility caused by the global pandemic and its impact on economic outlook, the US elections as well as the end of the Brexit transition period.

CIEH conducts an annual review of its reserves, which 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 2020 were £9.9m (2019: £11.2m) represented by unrestricted general funds of £17.0m (2019: £15.3m) and a pension fund deficit of £7.1m (2019: £4.1m). The pension fund is a long term funding issues that does not impact on day to day funding requirements.

The reserves policy agreed by the Board of Trustees is to hold at least six months' expenditure within general funds and based upon the 2020 results, this figure is £2.6m (2019: £3.1m). Our current liquid funds, at the end of 2020, stand at £6.2m being listed investments of £5m along with cash and cash equivalents of £1.2m.

Going concern

The Board of Trustees having carefully reviewed the financial position of CIEH Group, including the financial projections for 2021 and 2022, are satisfied 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 having reflected on the level of liquid reserves held 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. 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 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	Key controls and mitigations
Membership	
Membership retention levels fall due to poor member engagement or renewal process difficult for members.	Engagement with members and the broader professional community has improved with an increase in the quality and quantity of online events. The CIEH business plan will continue to support enhanced engagement activity, together with significant additional outreach activity by senior staff and members.
Professional Development	
New qualification pathway having significant gaps leading to stakeholder needs not being met.	Inclusive engagement with stakeholders so appropriate feedback mechanisms help inform shape of qualification pathway.
Financial	
Erosion of CIEH reserves by deficit trading or poor investment performance.	Medium-term financial strategy in place to deliver surplus trading position during 2022. Investment strategy has been reviewed with a balanced approach adopted in line with agreed risk profile.
Pension funding risks where there is a shortfall in defined benefit pension fund.	Engagement with LPFA who administer the fund along with provision of security covenant for any pension scheme deficits.
Voice and influence	
Volatile political landscape adversely impacting our policy and campaigning or membership dissatisfied with policy position.	Closely monitoring political developments, building in flexibility to campaign planning allowing us to react quickly to deliver clear, effective and targeted campaigns.
Business Transformation	
Inability to adapt organisational structure to support strategy programme.	Business activity reviews regularly undertaken ensuring improved collaboration across the organisation. Enhanced management training and support systems being implemented.
Technology compliance breach and cyber security risks including loss of data and breach of regulations including GDPR and PCI DSS.	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. Data cleansing exercise undertaken to ensure compliance with agreed data retention policies.

Looking to the future

With new leadership now in place, CIEH can look to the coming year with confidence and a renewed sense of purpose. Together with our new CEO, President, and Chair, we will continue the task of evolving the organisation to ensure that it continues to both survive and thrive in this radically altered landscape.

We will be reviewing our corporate strategy, assessing where best to commit resource, and evaluating opportunities to move our organisation forward. All of this is essential if we are to safeguard our heritage and ensure that we remain the voice of environmental health for years to come.

Cultivating a deeper understanding of our profession, and its standing with government and key stakeholders, is integral to realising this ambition. To this end, we have been conducting a comprehensive workforce survey which aims to gather information on the state of the environmental health workforce in local authorities, private and third sectors. We hope to publish the results of this survey in spring 2021.

COVID-19 will inevitably continue to dominate many aspects of our activity in 2021, and we will continue to support our members and work with government to ensure that environmental health helps to shape plans as we look to move out of lockdown, hopefully for the last time.

There is also a substantial opportunity to build on the increased profile environmental health has had throughout the pandemic, and we will be exploring how best we can consolidate our position and ensure that our profession has a permanent place near the top of government. The work our new President is doing on calling for a Chief Environmental Health Officer for England is a key strand of this.

However, COVID-19 cannot be our sole focus. Our campaigning activity will build on our successes over the last 12 months, with environmental protection, housing, cosmetics, and food standards, once again forming the core of our focus. The impact of Brexit on trade, food, and environmental standards, is substantial, as are the FSA's proposed changes to food competence and the Food Law Code of Practice, and we will continue to work closely with members to influence developments.

We also remain passionate about working with our members to shape our qualifications, and routes to qualification, and to ensure that our learning and development opportunities are absolutely right for our profession. We are excited about taking this forward into the new year. Our qualifications will be complemented by a new accessible and modern Registration process for Environmental Health Practitioners that alongside Chartered Status will be the hallmark of professionalism and competence.

2021 is going to be another year of change for CIEH, but we remain absolutely committed to keeping our members at the heart of everything we do. There are many challenges, but also a great number of opportunities.

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. All members have access to both the 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 are 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 including an introduction to the objectives, scope and policies of the charity, the use of charitable funds and in addition they are provided with further information on their legal duties as set out in detailed Charity Commission reference materials. Further updates are provided to all trustees during the year as and when required.

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.

Statement of Trustees' Responsibilities

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 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.

Auditors

Haysmacintyre LLP have indicated their willingness to continue in office and will be proposed for reappointment at a meeting of the Board of Trustees.

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 Trustee 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 each member of the Board of Trustees are listed on page 38.

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
Terenja Humphries



27 May 2021

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 2020 which comprise the Consolidated 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 2020 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 have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group/charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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.

Auditor's 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.

Irregularities, including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Charity's Royal Charter, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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.

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

Haysmacintyre LLP
Statutory Auditors
27 May 2021

10 Queen Street Place, London, EC4R 1AG

Haysmacintyre LLP 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 2020

		Group	
		2020	2019
		Unrestricted funds	Unrestricted funds
		£'000	£'000
	Note		
Income from charitable activities			
Subscription and membership	3	1,598	1,789
Education	3	875	1,116
Conferences	3	263	548
Regions	3	6	27
Income from other trading activities			
Commercial trading	3	1,220	1,601
Other income			
Grants	3	144	-
Income from investments			
Investments	3/12.1	141	208
Total income and endowments		4,247	5,289
Expenditure			
Expenditure on charitable activities			
Subscription and membership	4	2,433	2,424
Education	4	1,545	1,460
Conferences	4	787	1,400
Regions	4	4	16
Expenditure on raising funds			
Commercial trading operations	4	529	759
Investment management fee	4	32	43
Total expenditure		5,330	6,102
Net expenditure for the year before gains /(losses)		(1,083)	(813)
(Loss) / gain on investments	12.1	2,344	11,271
Net movement in funds before defined benefit scheme gain		1,261	10,458
Pension scheme – actuarial loss	9	(2,617)	393
Net movement in funds		(1,356)	10,851
Funds brought forward at 1 January		11,280	429
Funds carried forward at 31 December		9,924	11,280

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

The notes on pages 18 to 38 form an integral part of these financial statements.

Balance Sheets

as at 31 December 2020

		Group		CIEH	
	Note	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed assets					
Intangible fixed assets	10	244	244	60	-
Tangible fixed assets	11	2,853	2,970	2832	2,957
Investments	12.1	23,122	21,671	23,122	21,671
		26,199	24,885	26,013	24,628
Current assets					
Stocks		15	24	-	-
Debtors	14	1,313	1,187	1,503	906
Cash at bank and in hand		1,503	407	1,491	399
		2,831	1,618	2,994	1,305
Creditors: amounts falling due within one year	15(i)	(1,976)	(1,517)	(1,680)	(1,234)
Net current assets		855	101	1,314	71
Total assets less current liabilities		27,054	24,986	27,328	24,699
Creditors: amounts falling due after more than one year	15(ii)	(10,010)	(9,613)	(10,010)	(9,613)
Total net assets before pension deficit		17,044	15,373	17,318	15,086
Defined benefit pension scheme liability	9	(7,120)	(4,093)	(7,120)	(4,093)
Total net assets		9,924	11,280	10,198	10,993
Funds and reserves					
Unrestricted general funds	16	17,044	15,373	17,318	15,086
Pension fund	16	(7,120)	(4,093)	(7,120)	(4,093)
Total funds	16	9,924	11,280	10,198	10,993

The notes on pages 18 to 38 form an integral part of these financial statements.

Approved and authorised for issue
on behalf of the Board of Trustees on
27 May 2021


Terenja Humphries,
Chair, Board of Trustees


Daniel Oerther,
Deputy Chair, Board of Trustees

Consolidated Cash Flow Statement

for the year ended 31 December 2020

	Note	2020		2019	
		£'000	£'000	£'000	£'000
Cash flow from operating activities	18		(151)		(791)
Cash flow from investing activities					
Purchase of intangible assets	10	(103)		(53)	
Purchase of tangible assets	11	(48)		(313)	
Cash withdrawal from investments	12.1	<u>1,000</u>		<u>1,050</u>	
Net cash provided by investing activities			849		684
Cash flows from financing activities					
Capital element of finance lease rentals		(2)		(3)	
Other loans		<u>400</u>		<u>-</u>	
Net cash provided by financing activities			398		(3)
Change in cash and cash equivalents in year			1,096		(110)
Cash and cash equivalents at beginning of year			407		517
Cash and cash equivalents at end of year			<u>1,503</u>		<u>407</u>

The notes on pages 18 to 38 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2019

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

The ongoing COVID-19 pandemic necessitated a review the Charity's finances with a medium term strategy in place to deliver a surplus trading position during 2022.

After reviewing the group's forecasts and projections, the Board of Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

As stated in the Trustee's Annual Report, Trustees believe there are no material uncertainties that call into doubt the Group and the Charity's ability to continue as a going concern. The group therefore continues to adopt the going concern basis in preparing its accounts.

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 and has been classified as a long leasehold property.

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. The property is split between investment property, measured at fair value (see note 12), and tangible fixed assets, measured on a cost basis (see note 11). For the tangible fixed asset element, 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 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 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.

Grant income received during the year relate to the coronavirus job retention scheme (CJRS) and is recognised in the period which the grant was awarded.

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.

Notes to the Financial Statements

continued

for the year ended 31 December 2020

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.

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. Investment property has been valued on a net initial yield basis.

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).

1.14 Financial instruments

The group and charity only holds financial instruments which qualify as basic financial instruments in accordance with section 11 of FRS102. Assets such as trade and other receivables, and liabilities such as trade and other creditors are measured at amortised cost. Listed investments are measured at fair value.

The group and charity do not hold any financial instruments measured at fair value other than the listed investments disclosed in note 12.1

1.15 Significant estimates and areas of judgments

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent liabilities at the balance sheet date.

Estimates and judgements are based on historical experience along with reasonable expectations around future events. Actual outcomes could differ from the estimates. This is especially the case of the valuation of the group's investment property and defined benefit pension liability. The valuation methodologies applied are considered to be the best estimate of market value.

As disclosed in note 12.1, CIEH's investment property has been revalued by an independent valuer in the current year. The Red Book valuation was performed on the basis of the net rental yield, with deduction of the full annual lease rentals payable. This valuation has therefore been adjusted for accounting purposes to add back lease rentals of £345k per annum, which are recognised in the finance lease liability disclosed in note 15, because to do otherwise would be to understate the charity's net assets.

Notes to the Financial Statements

continued

for the year ended 31 December 2020

2 Subsidiary activities

	CIEH Limited		
	2020 £'000	2019 £'000	
Turnover	1,408	2,618	
Total expenditure	(1,968)	(2,550)	
Profit / (loss) for the year	(560)	68	
Retained profits b/f	286	218	
Retained in subsidiary	(274)	286	

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.

3 Income and endowments

	2020			2019		
	£'000 CIEH Ltd	£'000 CIEH	£'000 Group	£'000 CIEH Ltd	£'000 CIEH	£'000 Group
Subscriptions and membership	418	1,180	1,598	593	1,196	1,789
Education	653	222	875	1,016	100	1,116
Conferences	–	263	263	–	548	548
Regions	–	6	6	–	27	27
Commercial trading	225	995	1,220	915	686	1,601
Grants	103	41	144	–	–	–
Investments	–	141	141	–	208	208
Total income and endowments	1,399	2,848	4,247	2,524	2,765	5,289

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.

Grant (CJRS)/furlough income relates to the Coronavirus Job Retention Scheme.

Notes to the Financial Statements

continued

for the year ended 31 December 2020

4 Expenditure

	2020		2019	
	Memo £'000	Total £'000	Memo £'000	Total £'000
Subscription Membership				
Direct costs	324		335	
Staff costs	437		506	
CIEH Ltd support	385		431	
CIEH support	<u>1,287</u>	<u>2,433</u>	<u>1,152</u>	2,424
Education				
Direct costs	190		185	
Staff costs	370		403	
CIEH Ltd support	227		238	
CIEH support	<u>758</u>	<u>1,545</u>	<u>634</u>	1,460
Conferences				
Direct costs	82		196	
Staff costs	283		281	
CIEH Ltd support	97		252	
CIEH support	<u>325</u>	<u>787</u>	<u>671</u>	1,400
Regions		4		16
Commercial trading		529		759
Investment management fee		<u>32</u>		<u>43</u>
Total expenditure		<u>5,330</u>		<u>6,102</u>

Basis of apportionment: Direct costs

Notes to the Financial Statements

continued

for the year ended 31 December 2020

5 Support costs

	2020			2019		
	CIEH Ltd £'000	CIEH £'000	Total £'000	CIEH Ltd £'000	CIEH £'000	Total £'000
Staff costs	365	1,470	1,835	511	1,371	1,882
Office costs	103	158	262	106	189	295
Printing, postage and stationery	2	5	7	7	7	14
Rent, rates and maintenance	3	18	21	5	136	141
Light and heat	–	45	45	–	54	54
Publicity and marketing	38	37	75	68	33	101
Telephones	8	15	24	20	20	40
Computers	1	2	3	2	2	4
Legal and professional	1	32	32	1	10	11
Insurance	14	26	40	21	21	42
Bank charges	19	11	30	27	14	41
Finance lease interest	–	342	342	–	346	346
Governance costs	17	30	47	13	51	64
Irrecoverable VAT	–	29	29	–	67	67
Depreciation of tangible and intangible assets	138	151	289	140	136	276
Support costs	709	2,371	3,080	921	2,457	3,379

6 Governance costs

	2020 £'000	2019 £'000
Board of Trustees and other meetings	14	37
Auditors' remuneration	33	27
Governance costs	47	64

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 2020

7 Net expenditure for the year

	Group		CIEH	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<i>This is stated after charging:</i>				
Depreciation of tangible and intangible assets	289	277	151	138
Auditors' remuneration				
– audit work	27	27	15	15
– non-audit work	8	8	3	3
Finance lease interest	342	346	342	346
Operating lease rentals	32	32	–	–

8 Employee and trustee costs

The employee costs for the Group and the charity were:

	Group		CIEH	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Wages and salaries	2,173	2,139	1,340	1,222
Social security	223	224	141	135
Pension costs	706	755	600	641
Temporary staff	41	216	35	91
Training and recruitment	39	35	24	17
	3,182	3,369	2,140	2,106

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.

	2020	2019	2020	2019
	Number	Number	£'000	£'000
Subscription and membership	12	11	438	506
Education	13	14	371	403
Conferences	2	2	284	281
Commercial trading	6	6	251	297
Central services	18	16	1,838	1,882
	51	49	3,182	3,369

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

Notes to the Financial Statements

continued

for the year ended 31 December 2020

8 Employee and trustee costs *continued*

	2020	2019
	Number	Number
Employees whose emoluments were over £60,000 per annum:		
£60,000 – £69,999	1	1
£70,000 – £79,999	2	–
£80,000 – £89,999	–	1
£90,000 – £99,999	1	–
£140,000 – £149,999	–	1
	<u>4</u>	<u>3</u>

The executive management team of five (2019: four) were remunerated £367,505 (2019: £293,185) with company pension contributions totalling £41,167 (2019: £37,528). They received no other benefits (2019: £0).

The Group makes pension contributions on behalf of four (2019: three) of the employees whose emoluments exceed £60,000.

No Board of Trustee member received any remuneration for services as a trustee (2019: 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 £1,232 to 11 trustees (2019: £4,049 to 11 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	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
London Pension Fund Authority (LPFA)	663	728	554	624
Aegon UK PLC	34	18	22	8
Other	9	9	9	9
Total pension costs	<u>706</u>	<u>755</u>	<u>585</u>	<u>641</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 2019 valuation, CIEH's contributions are 15.5% (2019:12.8%).

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

continued

for the year ended 31 December 2020

9 Pensions *continued*

The return on the Fund (on a bid value to bid value basis) for the year to 31 December 2020 is estimated to be 17%. The actual return on the Fund assets over the year may be different. The estimated asset allocation for the CIEH as at 31 December 2020 is as follows:

Employer asset share – bid value	31 Dec 2020		31 Dec 2019	
	£'000	%	£'000	%
Equities	6,183	55%	5,836	54%
Target Return Portfolio	2,623	23%	2,680	25%
Infrastructure	761	7%	718	7%
Property	1,040	9%	992	9%
Cash	726	6%	573	5%
Total	11,333	100%	10,799	100%

The assumed life expectations from age 65 are:

	31 Dec 2020	31 Dec 2019
Life expectancy from age 65 years		
Retiring today		
Males	22.2	22.2
Females	24.7	24.6
Retiring in 20 years		
Males	23.6	23.5
Females	26.2	26.1

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

Assumptions as at	31 Dec 2020	31 Dec 2019	31 Dec 2018
	% p.a	% p.a	% p.a
Discount rate	1.4%	2.05%	2.8%
Salary increases	3.3%	3.8%	3.9%
Pension increases	2.3%	2.3%	2.4%

Notes to the Financial Statements

continued

for the year ended 31 December 2020

9 Pensions *continued*

Balance sheet as at 31 December 2020

Net pension liability as at	31 Dec 2020	31 Dec 2019	31 Dec 2018
	£'000	£'000	£'000
Present value of the defined benefit obligation	(18,453)	(14,892)	(13,310)
Fair value of Fund assets (bid value)	11,333	10,799	9,285
Deficit	<u>(7,120)</u>	<u>(4,093)</u>	<u>(4,025)</u>
Net defined benefit liability	<u>(7,120)</u>	<u>(4,093)</u>	<u>(4,025)</u>

Statement of profit or loss for the year to 31 December 2020

The amounts recognised in the SoFA are:	Year to 31 Dec 2020	Year to 31 Dec 2019
	£'000	£'000
Service cost	567	606
Net interest on the defined liability	81	110
Administration expenses	14	12
Total	<u>662</u>	<u>728</u>

Asset and benefit obligation reconciliation for the year to 31 December 2020

Reconciliation of opening and closing balance of the present value of the defined benefit obligation	Year to 31 Dec 2020	Year to 31 Dec 2019
	£'000	£'000
Opening defined benefit obligation	14,892	13,310
Current service cost	567	545
Interest cost	302	370
Change in financial assumptions	2,280	1,436
Estimated benefits paid net of transfers in	(429)	(399)
Experience loss/(gain) on defined benefit obligation	714	–
Change in demographic assumptions	–	(556)
Past service costs, including curtailments	–	61
Contributions by Scheme participants	127	125
Closing defined benefit obligation	<u>18,453</u>	<u>14,892</u>

Notes to the Financial Statements

continued

for the year ended 31 December 2020

9 Pensions *continued*

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

	Year to 31 Dec 2020	Year to 31 Dec 2019
	£'000	£'000
Opening fair value of Fund assets	10,799	9,285
Interest on assets	221	260
Return on assets less interest	273	1,273
Administration expenses	125	–
Administration expenses	(14)	(12)
Contributions by employer including unfunded	231	267
Contribution by Fund participants	127	125
Estimated benefits paid plus unfunded net of transfers in	(429)	(399)
Closing fair value of Fund assets	11,333	10,799

The total return on fund assets for the year to 31 December 2020 is £494,000.

Sensitivity analysis

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	18,075	18,453	18,839
Projected service cost	894	924	955
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	18,456	18,453	18,450
Projected service cost	924	924	924
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	18,833	18,453	18,081
Projected service cost	954	924	895
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	19,099	18,453	17,829
Projected service cost	955	924	894

Notes to the Financial Statements

continued

for the year ended 31 December 2020

9 Pensions *continued*

Re-measurements in other comprehensive income

Re-measurements of the net assets / (defined liability)	Year to 31 Dec 2020	Year to 31 Dec 2019
	£'000	£'000
Return on Fund assets in excess of interest	273	1,273
Other actuarial gains/(losses) on assets	125	–
Change in financial assumptions	(2,280)	(1,436)
Experience gain/(loss) on defined benefit obligation	(714)	–
Change in demographic assumptions	–	556
	<u>–</u>	<u>556</u>
Re-measurement of the net assets / (defined liability)	<u>(2,596)</u>	<u>393</u>

Projections for the year to 31 December 2021

	Year to 31 Dec 2021
	£'000
Service cost	924
Net interest on the defined liability	98
Administration expenses	15
Total loss	<u>1,037</u>
Employer contributions	254

The projections for the year to 31 December 2021 exclude the capitalised cost of any early retirements or augmentations which may occur after 31 December 2020.

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 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 2020

10 Intangible fixed assets

CIEH	Computer software	Total assets
Cost or Valuation	£'000	£'000
At 1 January 2020	28	28
At 31 December 2020	<u>28</u>	<u>28</u>
Depreciation		
At 1 January 2020	28	28
At 31 December 2020	<u>28</u>	<u>28</u>
Net Book Value		
At 31 December 2020	<u>–</u>	<u>–</u>
At 31 December 2019	<u>–</u>	<u>–</u>

Group	Course development	Computer software	Assets under construction	Total assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1 January 2020	9	697	105	811
Additions	–	7	96	103
Transfers	–	61	(61)	–
Disposals	<u>–</u>	<u>(5)</u>	<u>–</u>	<u>(5)</u>
At 31 December 2020	<u>9</u>	<u>760</u>	<u>140</u>	<u>909</u>
Depreciation				
At 1 January 2020	4	563	–	567
Charge for the year	3	121	–	124
Disposals	<u>–</u>	<u>(5)</u>	<u>–</u>	<u>(5)</u>
At 31 December 2020	<u>7</u>	<u>679</u>	<u>–</u>	<u>686</u>
Net Book Value				
At 31 December 2020	<u>2</u>	<u>81</u>	<u>140</u>	<u>224</u>
At 31 December 2019	<u>5</u>	<u>134</u>	<u>105</u>	<u>244</u>

Notes to the Financial Statements

continued

for the year ended 31 December 2020

11 Tangible fixed assets

CIEH	Long leasehold property	Equipment Fixtures & Fittings	Total assets
Cost or Valuation	£'000	£'000	£'000
At 1 January 2020	2,839	775	3,614
Additions	–	24	24
Disposals	–	(3)	(3)
At 31 December 2020	<u>2,839</u>	<u>796</u>	<u>3,635</u>
Depreciation			
At 1 January 2020	329	328	657
Charge for the year	18	133	151
Disposals	–	(3)	(3)
At 31 December 2020	<u>347</u>	<u>458</u>	<u>804</u>
Net Book Value			
At 31 December 2020	<u>2,492</u>	<u>340</u>	<u>2,832</u>
At 31 December 2019	<u>2,510</u>	<u>447</u>	<u>2,957</u>

Group	Long leasehold property	Equipment Fixtures & Fittings	Total assets
Cost or Valuation	£'000	£'000	£'000
At 1 January 2020	2,839	957	3,796
Additions	–	48	48
Disposals	–	(3)	(3)
At 31 December 2020	<u>2,839</u>	<u>1,002</u>	<u>3,841</u>
Depreciation			
At 1 January 2020	329	497	826
Charge for the year	18	147	165
Disposals	–	(3)	(3)
At 31 December 2020	<u>329</u>	<u>641</u>	<u>988</u>
Net Book Value			
At 31 December 2020	<u>2,492</u>	<u>361</u>	<u>2,853</u>
At 31 December 2019	<u>2,510</u>	<u>460</u>	<u>2,970</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 2020

12 Investments

12.1 Investments

Investment portfolio held at Cazenove Capital Management comprises of:

	Investment Property	Listed Investments	Cash and cash equivalents	Total 2020
	£'000	£'000	£'000	£'000
Value at 1 January 2020	15,300	5,938	433	21,671
Investment income	–	–	141	141
Management fee	–	–	(34)	(34)
Cash withdrawal	–	–	(1,000)	(1,000)
Additions	–	4,355	(4,355)	–
Disposal proceeds	–	(4,983)	4,983	–
(Losses) / gains	2,600	(256)	–	(2,344)
Value at 31 December 2020	17,900	5,054	168	23,122

65% of Chadwick Court has been let on a 10 year lease and therefore represents Investment Property to the Group. The fair value of the investment property was determined by reference to a red book valuation adjusted to disregard the element of ground rent already recognised as a finance lease in these finance statements.

The valuation was performed by Colliers International LLP.

Amounts are receivable under operating leases as follows:

Group and CIEH

	2020	2019
	£'000	£'000
Within one year	851	526
Within two to five years	4,219	4,015
After more than five years	3,572	4,627
Total	8,642	9,168

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 the CIEH. The company is currently engaged in the delivery of the charity's primary purpose objectives.

Notes to the Financial Statements

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for the year ended 31 December 2020

13 Interest payable

	Group		CIEH	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Finance lease	<u>342</u>	<u>346</u>	<u>342</u>	<u>346</u>
Total interest payable	<u>342</u>	<u>346</u>	<u>342</u>	<u>346</u>

14 Debtors

	Group		CIEH	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	428	534	67	242
Amounts owed by subsidiary undertakings	–	–	572	32
Other debtors	11	15	9	13
Prepayments and accrued income	<u>874</u>	<u>638</u>	<u>854</u>	<u>619</u>
Total debtors	<u>1,313</u>	<u>1,187</u>	<u>1,502</u>	<u>906</u>

Notes to the Financial Statements

continued

for the year ended 31 December 2020

15 Creditors

	Group		CIEH	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
(i) Amounts falling due within one year				
Obligation under finance lease	345	345	345	345
Trade creditors	404	78	369	47
Taxes and social security	75	144	7	21
Accruals and deferred income	1,152	950	959	821
	1,976	1,517	1,680	1,234
(ii) Amounts falling due after more than one year				
Finance lease	9,610	9,613	9,610	9,613
Other loans	400	–	400	–
	10,010	9,613	10,010	9,613
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	8,230	8,233	8,230	8,233
	9,610	9,613	9,610	9,613

Finance lease CIEH property, Chadwick Court, is held under a 150 year finance lease from 20 December 2013. The total value of the minimum lease rentals payable over the life of the lease is £51.8m.

Notes to the Financial Statements

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for the year ended 31 December 2020

16 Reconciliation of movement in total funds

	At 1 Jan 2020	Income	Expenditure	Transfers	Gains/ (losses)	At 31 Dec 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted general funds	15,086	2,942	(3,055)	–	2,344	17,318
Pension fund	(4,093)	–	(410)	–	(2,617)	(7,120)
Total Charity Funds	10,993	2,942	(3,456)	–	(273)	10,198
Subsidiary Funds	286	1,305	(1,865)	–	–	(274)
Total Funds	11,280	4,247	(5,329)	–	(273)	9,924

	At 1 Jan 2019	Income	Expenditure	Transfers	Gains/ (losses)	At 31 Dec 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted general funds	4,236	2,670	(3,089)	–	11,270	15,086
Pension fund	(4,025)	–	(461)	–	393	(4,093)
Total Charity Funds	211	2,670	(3,550)	–	11,663	10,993
Subsidiary Funds	218	2,618	(2,550)	–	–	286
Total Funds	429	5,289	(6,102)	–	11,664	11,280

17 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. The balances on the projects and the funds held at 31 December 2020 are as follows:

	2020	2019
	£'000	£'000
Emergency & Relief Fund	5	5
Bonnefoy Fund	21	21

Notes to the Financial Statements

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for the year ended 31 December 2020

18 Cash flow resulting from operations

Reconciliation of deficit for the financial year to net cash inflow from operations	Group	
	2020 £'000	2019 £'000
Cash flows from operating activities		
Surplus/(deficit) for the financial year	(1,356)	10,851
Adjustments to exclude:		
Depreciation of intangible assets	124	127
Depreciation of tangible assets	165	150
Interest element of finance lease rentals	342	346
Investment income	(141)	(208)
Pension scheme actuarial gains	2,617	(393)
Investment management fees	32	43
Investment: gains	2,344	(11,271)
Debtors decrease / (increase)	(126)	(712)
Stock decrease / (increase)	8	1
Creditors increase / (decrease)	460	156
Pension charged to SoFA	662	728
Pension contributions	(251)	(267)
Cash generated from operations	191	(449)
Interest paid	(342)	(342)
Net cash flow resulting from operations	(151)	(791)

19 Analysis of net debt

Group	At 1 Jan 2020 £'000	Cash flow £'000	At 31 Dec 2020 £'000
Cash at bank and in hand	407	1,096	1,503
Debt due within one year:			
Finance lease	(345)	–	(345)
Debt due after more than one year:			
Finance lease	(9,613)	3	(9,610)
Other loans	–	(400)	(400)
	<u>(9,551)</u>	<u>699</u>	<u>(8,852)</u>

Notes to the Financial Statements

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for the year ended 31 December 2020

20 Reconciliation of net cash flow to movement in net debt

	2020		2019	
	£'000	£'000	£'000	£'000
Increase/decrease in cash in the year	1,096		(110)	
Capital element of finance lease rentals	3			
Other loans	(400)		2	
Movement in net debt in the year		699		(108)
Net debt at 1 January		(9,551)		(9,443)
Net debt at 31 December		(8,852)		(9,551)

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 undertakings from loss arising from the neglect or defaults of its trustees, directors or employees and to indemnify them against loss arising from any claim against them jointly or severally by reason of any wrongful act in their capacity as trustees, directors or officers. The premium on the insurance policy was £3,342 (2019: £3,028).

23 Capital commitments

At 31 December 2020 group capital commitments of £158,787 (of which £139,787 had been spent at 31 December) had been authorised and contracted for (2019: £124,280 authorised and £104,755 had been spent).

Notes to the Financial Statements

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for the year ended 31 December 2020

24 Related party transactions

During the year CIEH received Gift Aid payments of £0 (2019: £34,000) 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 2020 and the prior year 2019 no member of the Board of CIEH Limited was paid for services for work on behalf of CIEH.

There were no other related party transactions in the current year or the prior year.

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	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Other assets				
Payable within 1 year	36	36	–	–
Payable during 2 to 5 years	9	45	–	–
	45	81	–	–

About CIEH

President Julie Barratt

Trustees who served during the year and continue to serve:*

Terenja Humphries (Chair)
Daniel Oerther (Deputy Chair)
Julie Barratt (Appointed 1 January 2021)
Maurice Brennan
Siraj Choudhury (Resigned 31 December 2020)
Sterling Crew (Appointed 1 January 2021)
Kevin Gould (DC) (Resigned 25 June 2020)
Jonathan Hayes (Resigned 31 December 2020)
Roisin Kerr
Madhu Murali (Appointed 25 June 2020)
David Newsum
Nick Pahl
Jessica Tabois
Kirpal Tahim
Vanessa Wardle (Appointed 1 January 2021)
Dawn Welham (Resigned 31 December 2020)
Jo Wyatt (Resigned 31 December 2020)

CIEH Executive Management Team

Phil James	Chief Executive (Appointed 6 January 2021)
Christine Kanu	Executive Director of Finance and Corporate Services
Deborah Wood	Executive Director of Membership and External Affairs
Jon Buttolph	Associate Director of Membership and Professional Development
Justin Turner	Associate Director of Operations

Standing boards / committees for 2020

Risk and Audit Committee*

Carol Healy (Chair)
Roy Coulter (Chair) (Resigned 31 December 2020)
John Cragg (Appointed 1 January 2021)
Jonathan Hayes (Resigned 31 December 2020)
Madhu Murali (Appointed 1 January 2021)
Saravana Namasivayam
Robert Spain

Appointments and Remunerations Committee*

James Howe (Chair)
Steve Othen (Chair) (Resigned 31 December 2020)
Maurice Brennan (Appointed 25 June 2020)
Amanda Clarke
Tracey Marshall (Appointed 1 October 2020)
Andrea Sutherill (Appointed 1 January 2021)

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

* Governance office holders who held office at any time in 2020 and who have been appointed between the end of the year and 27 May 2021 are shown, for completeness.

To find out more visit:
www.cieh.org

Get in touch
info@cieh.org



cieh.org