



Chartered  
Institute of  
Environmental  
Health

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Registered Charity No. 290350

representing the interests of members since 1883  
helping to reduce inequality  
raising the profile of the profession  
developing new policies and initiatives  
campaigning for positive change in health  
assuring professional standards  
environmental health practitioners are working to improve and protect the quality of all our lives



# Building a healthier future

ANNUAL REPORT for the year ended 31 December 2002

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# Messages

## Increasing our influence

With government spending on health now at record levels and important new developments taking place within the NHS, the year 2002 gave the CIEH a unique opportunity to position environmental health at the heart of the new public health agenda.

There is a growing recognition in government and beyond that public health is about more than just health care. Environmental factors such as decent housing, clean air, nutritious and safe food, and a safe working environment also affect health and wellbeing. The CIEH remains committed to the old adage – prevention is better than cure.

I was particularly inspired by the words of Dr Ruth Hall, the chief medical officer for Wales, who was quoted in the 12 March 2002 issue of EHN: “Environmental health officers are as important as doctors in delivering public health.”

To increase our political influence, the CIEH is developing strategic partnerships with the diverse government agencies responsible for public health policy. Nothing illustrates this better than the joint CIEH/Health Development Agency vision statement *Environmental Health – 2012*, which not only recognises the role and contribution of the environmental health profession to health development and wellbeing, it also sets a framework for widening the role of the profession now and in the future.

The CIEH has continued lobbying to make sure sustainable development and public health are suitably integrated into government policies and that they remain high up on its priorities. Finally, I am confident that the year ahead will be one of continued progress and achievement.

## Making environmental health matter

2002 was a good year for the profession and the CIEH. I am pleased to announce that, after a concerted campaign, the decline in student numbers has been stemmed, with some universities experiencing an increase in applications for the first time in years. The growing number of local authorities offering paid training places is also very encouraging. The introduction of chartered status for CIEH members was warmly received and offers a new avenue for career development and advancement.

Another significant event for me this year was the hugely successful new professionals conference, which took place alongside the CIEH annual conference in Harrogate. This year's event attracted a record number of enthusiastic students and newly graduated professionals, giving them a unique opportunity to network, exchange ideas and knowledge, and attend main conference sessions. The calibre of these new professionals persuades me that the profession has an invigorating future.

The new staffing structure at the CIEH, which came into force in 2002, has brought tangible benefits. Following the appointment of CIEH directors for Wales and Northern Ireland and that of a new director of communication and membership services, our influence over public policy matters has grown and record press coverage has helped to secure a better image and higher profile for the profession.

In 2003 we will continue to build on our achievements, ensuring a safer and healthier future.



MESSAGE FROM  
THE PRESIDENT

> BRIAN HANNA



MESSAGE FROM THE  
CHIEF EXECUTIVE

> GRAHAM JUKES

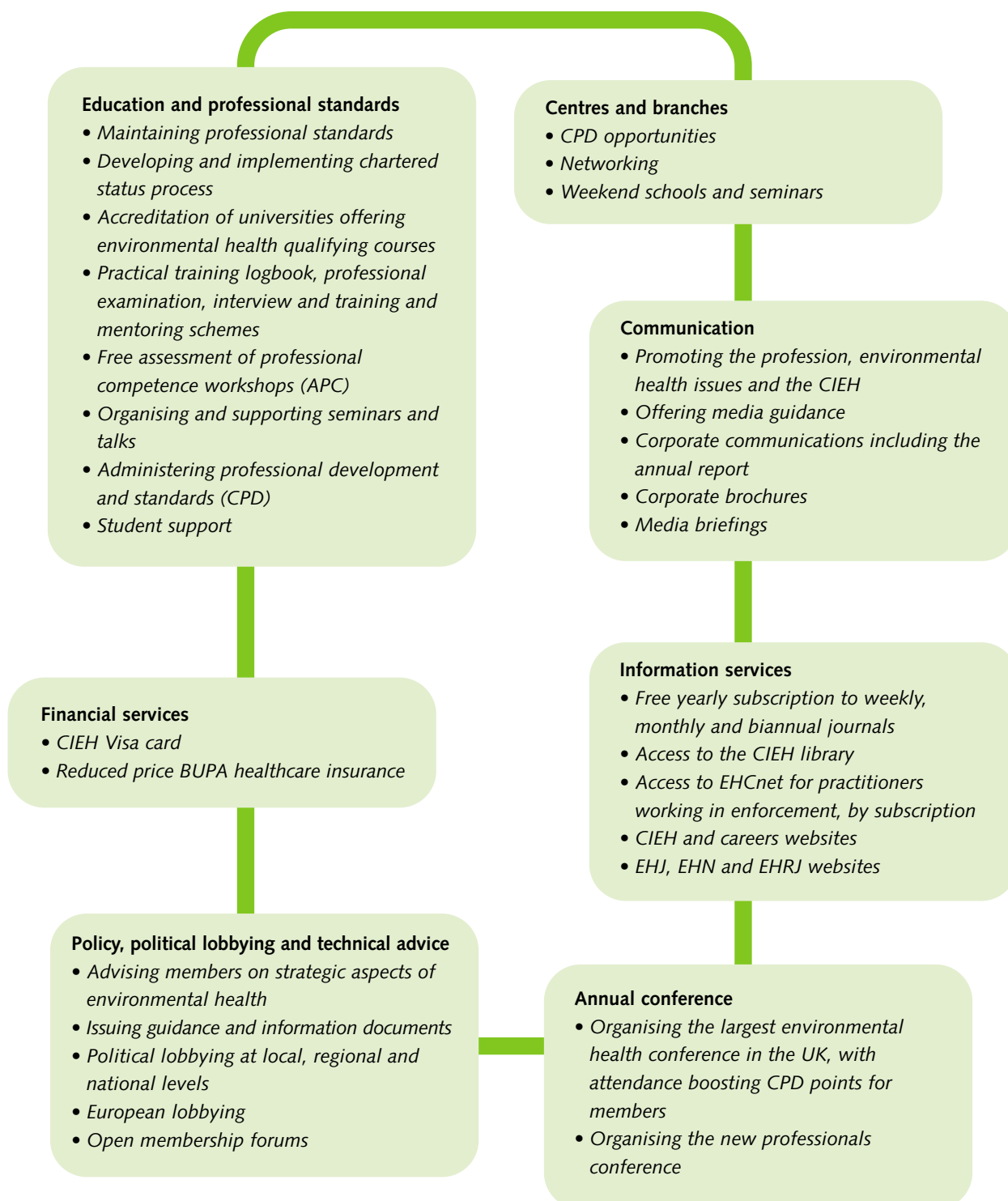
# Executive summary

## THE PROFESSIONAL VOICE FOR ENVIRONMENTAL HEALTH

### KEY ACHIEVEMENTS

- published a joint report with the HDA entitled Environmental Health – 2012, setting out our strategic vision for the development of environmental health over the next 10 years
- appointed CIEH directors for Northern Ireland and Wales, resulting in increased influence and profile at a regional level
- appointed a director of communication and membership services to promote the profession, key environmental health issues and the CIEH's achievements and activities to our stakeholders
- appointed a director of technical policy to co-ordinate CIEH policy, research and initiatives
- developed and implemented a strategic campaign to address declining student applications for environmental health degree courses. New promotional materials included a website, [www.ehocareers.org](http://www.ehocareers.org), which had taken 40,000 hits by the end of the year
- actively encouraged local authorities to offer more paid training places to student EHOs
- set up a task group to examine ways to broaden our membership and began consultation with members
- started a review of the core curriculum and routes to qualification for courses leading to qualification as an environmental health practitioner
- introduced chartered status for members to enhance career development and recognition
- organised a successful new professionals conference, attracting a record number of delegates and visitors
- organised professional examinations and interviews for over 300 students
- assessed over 250 practical training logbooks
- modernised EHCnet to give practical online support to members working in enforcement

# Services for our members



# Securing the future of the profession

**“The series of measures put in place by the CIEH, together with more strategic marketing campaigns by the universities to combat declining student applications, have started to yield benefits. We have experienced a rise in both applications and interest in environmental health courses. For the first time in many years there is light at the end of the tunnel.”**

**Paul Belcher**

*Senior lecturer, University of Wales Institute, Cardiff*

## RECRUITMENT

The CIEH continued to drive forward its campaign to encourage recruitment to the profession. In June, we launched a new careers website, [www.ehocareers.org](http://www.ehocareers.org), which was visited by over 40,000 people in its first six months. New promotional material, including a brochure, flyer, posters and exhibition display materials, were produced and distributed to members.

Later in the year, we launched a presentation pack to help members deliver the recruitment message to students. The pack includes a CD-Rom and information on how to engage the enthusiasm of potential students for a career in environmental health. Free training courses for members are planned for 2003.

At conference, our exhibition stand on careers proved a huge success with delegates and visitors lining up for free promotional packs and to discuss recruitment issues with CIEH representatives. Members have been enthusiastic about all the promotional materials, so much so that we had to order reprints, and there have been numerous requests for the exhibition display materials.

The CIEH has also been encouraging local authority employers to provide more paid training places. We will continue to pursue strategic activities to encourage recruitment but these efforts will be strengthened by the commitment and support of members and colleagues in local authorities.

On an encouraging note, end-of-year figures from universities suggest that the decline in student numbers has stopped and, in some cases, they have risen. The University of Wales Institute, Cardiff, for example, has seen a significant increase in applications for its environmental health courses for 2003.

## KEY DEVELOPMENTS

The University of Wales Institute, Cardiff, has seen a significant increase in applications for its environmental health courses for 2003

### CHANGES TO THE CORE CURRICULUM

In 2002, work began on a new curriculum for courses that would qualify future environmental health practitioners. The education team has worked on changes to:

- reflect contemporary skills and competencies required by the profession and the communities they will serve
- CIEH/Health Development Agency Environmental Health – 2012 vision statement.

### WIDENING ACCESS TO THE MEMBERSHIP OF CIEH

A task group was set up to consult members and prepare proposals to expand the membership base to include professionals other than EHOs working in environmental health enforcement.

### CHARTERED STATUS

Chartered status regulations were approved by the AGM in June after consulting the membership. Chartered status will let members demonstrate their commitment to ongoing personal and professional development. Over 100 applications had been received by the end of the year and more are flowing in.

### NEW RULES FOR VOTING MEMBERSHIP

The CIEH provided new opportunities for members to gain voting rights and participate in and influence the future direction of the organisation. Members who have passed the logbook and professional exams can now become voting members.

### FELLOWSHIP

A new set of regulations has been drawn up to award fellowship status by thesis, recognising the significant research being undertaken by CIEH members in specific areas of environmental health.

### ENVIRONMENTAL HEALTH RESEARCH JOURNAL

A new biannual peer-reviewed research journal, available free to members, was launched in 2002 to considerable acclaim.



**PROMOTING  
CAREERS IN  
ENVIRONMENTAL  
HEALTH**

**FOR FURTHER  
INFORMATION  
PLEASE VISIT:  
[www.ehocareers.org](http://www.ehocareers.org)**

# Raising the profile of the profession



PRESS PACK

**“Environmental health is fighting back. The Chartered Institute of Environmental Health is spearheading a drive to encourage youngsters and adults to pursue a career in the subject.”**

**The Evening Telegraph (Derby)**  
22/08/2002



**EVENING STANDARD**  
28 OCTOBER 2002

## NEW DIRECTOR OF COMMUNICATION AND MEMBERSHIP SERVICES APPOINTED

This appointment, in July 2002, reflected the growing importance of raising the profession's profile with members and our key stakeholders. It has also led to a more customer-focused approach to membership services.

## INCREASING PRESS COVERAGE

In 2002, our communications department secured record coverage, with over 213 positive news stories and features in national newspapers, and on national and regional TV and radio (with an editorial value of £ 2,186 991\*). Features and news stories were run by the Times, Daily Telegraph, Guardian, Independent, Independent on Sunday, Daily Express, and the Sun. CIEH provided informed comment on national and regional television and radio, with spokespersons on BBC TV Breakfast News, BBC News, ITN News, Sky News and Channel 4 News, Radio 4, Radio 5, and BBC London.



**THE TIMES**  
10 SEPTEMBER 2002

As well as responding to a rising number of daily press enquiries, we spearheaded high profile press campaigns including:

- a recruitment drive, targeting regional and national media, to promote the attractions and rewards of a career in environmental health. We achieved local, regional and national media coverage including a double page spread in the Just the Job section of the Evening Standard, an article in the Times Educational Supplement, and numerous radio interviews and discussions
- annual conference publicity, using the CIEH conference to promote the activities and achievements of the profession and those of colleagues working in public health. Press coverage focused on CIEH proposals to introduce licensing for body piercing, for mobile hit squads to combat illegal meat imports, and for improvements to food labelling in restaurants and cafés.

### KEY DEVELOPMENTS

Our communications department secured record coverage, with over 213 positive news stories and features in a broad range of media

\* The value of press coverage is measured using a formula used by many PR organisations – the advertising cost of all press items is calculated and the value tripled to measure editorial value and impact.

**PROJECT MANAGING NEW CAREERS MATERIAL**

We produced a selection of new promotional materials, designed to reverse the declining number of student applications for environmental health courses. The department devised the brief, liaised with designers, oversaw production, then distributed the new material.

**EHCNET**

There was a major overhaul of the CIEH's EHCnet communications service in 2002. The service, which allows EHOs working in enforcement to exchange and access information relevant to their work electronically, was relaunched as EHCnet Release 4.

The new service is technically superior to the old one and allows us the option, should we wish to take it up, of extending the service to environmental health practitioners working in sectors beyond enforcement.

**BBC ONLINE**

The following article appeared on BBC Online and received coverage on BBC TV news and radio:

**Eating out poses allergy risk**

Monday, 9 September 2002

<http://news.bbc.co.uk/1/hi/health/2245860.stm>

Jenny Morris, food policy officer for the CIEH, said: "Comprehensive information about food content is essential to allow consumers to make informed and safe choices about the food they eat.

"Everyone involved in food production, preparation, service and safety needs to be aware of the serious risks that food can pose for allergic individuals."

Delegates at the CIEH conference will be asked to back calls for:

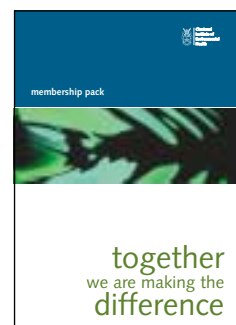
- a national training programme for food enforcement officers on allergy awareness and food safety
- a legal requirement for restaurants and take-away outlets to provide improved and accurate labelling of ingredients on menus
- creation of young people's workshops to alert them to allergies.



**COMMUNICATING WITH THE PROFESSION**



**COMMUNICATING WITH OUR STAFF**



**COMMUNICATING WITH OUR MEMBERS**

# CIEH in Northern Ireland and Wales

ENVIRONMENTAL HEALTH OFFICERS ARE AS IMPORTANT AS DOCTORS IN DELIVERING PUBLIC HEALTH. ▄▄

Dr Ruth Hall  
chief medical officer  
Wales

**“The best conference I have been to, and that includes national ones. The Making the Difference conference dealt with local issues and gave me an understanding of local environmental health services and what they do.”**

**Councillor Pat McDonnell**  
*Chair, Omagh District Council*

## APPOINTING CIEH DIRECTORS FOR NORTHERN IRELAND AND WALES

Two new director posts were created for Northern Ireland and Wales in 2002, to increase the influence and profile of environmental health and the CIEH at a regional level.

### NORTHERN IRELAND

The activities of the CIEH director for Northern Ireland included:

- forming new relationships and contact with regional politicians, potential strategic partners and NGOs, to promote CIEH goals
- meeting the minister for the environment and making a detailed submission to the sustainable development consultation document
- jointly organising an all-Ireland public health network conference in October 2002
- aiding the development of the public health alliance in both NI and Eire
- planning and delivering *Making the Difference*, a very successful profiling conference for elected members and MLAs – a summary of the conference findings is available on the CIEH website as a pdf file
- driving forward the *Environmental Health – 2012* vision statement in Northern Ireland.

### WALES

The activities of the CIEH director for Wales included:

- liaising directly with the National Assembly for Wales and with Welsh local authorities and NGOs to promote and represent CIEH policies in a Welsh context
- introducing the 2012 vision statement for Wales to promote the profession's role in the public health agenda with strategic partners such as the National Public Health Service for Wales and the Wales Centre for Health
- briefing the BBC Wales health correspondent on the environmental health vision for Wales and developing a direct link to the news room on environmental health issues
- arranging training for environmental health practitioners in Wales in the use of the CIEH recruitment material.

### CIEH RURAL AGENDA FOR ENVIRONMENTAL HEALTH

The CIEH commissioned a report from the Institute of Rural Health to address public health issues in rural areas. Further research, with case studies, has been commissioned to develop the contribution of environmental health services to rural public health.

#### KEY DEVELOPMENTS

Two new directors posts were created for Northern Ireland and Wales to increase influence at regional level

# CIEH technical policy

## 2012 VISION STATEMENT

We published a joint Health Development Agency/CIEH vision statement for environmental health over the next 10 years, called *Environmental Health – 2012* – a key partner in delivering the public health agenda, available on the CIEH website [www.cieh.org](http://www.cieh.org)

## POLICY DEVELOPMENT

### Food

- continued work on the dangers of smuggled products of animal origin entering the country by:
  - giving evidence to the Department of Environment, Food and Rural Affairs' (DEFRA) select committee, which led to extra funding and a review of enforcement procedures
  - working with DEFRA, the Food Standards Agency (FSA) and other partners on new guidance for enforcement officers
- worked closely with the FSA on a wide range of issues, including a national food hygiene campaign, food labelling, and HACCP development – leading to improved consumer protection
- gave a presentation to the Foodlink communicating food safety national conference, raising the profile of environmental health promotional efforts
- took part in the European food law practitioners forum, including a working party which recommended requirements for food law inspectors across Europe.

### Housing and pest control

- made a presentation to MPs in the Commons on low demand housing
- worked with the disability rights commission on the implications of the Disability Discrimination Act for environmental health practitioners
- organised two open forums on the approved code of practice for houses in multiple occupation
- worked with DEFRA on the control of rats in sewers
- undertook a survey of local authorities on pest control practices and held two open forums on related issues.

### Environmental protection

- published a fuel poverty strategy framework and the results of research into water poverty in England and Wales
- met the environment minister Michael Meacher for a discussion on environmental justice
- continued a large programme of training on contaminated land
- hosted the first national noise conference on behalf of DEFRA.

### Health and safety at work

- responded to a series of Health and Safety Executive and Health and Safety Commission consultative documents, including proposed amendments to the asbestos regulations and to regulations for the prevention of transport accidents at work, and control of substances hazardous to health. We also commented on recommended changes to regulations covering personal protective equipment at work, manual handling operations, and provision and use of equipment in the workplace.

“  
I THINK THIS IS  
BRILLIANT. A GREAT  
VISION.”

*Professor Lyndsey  
Davies, regional director  
of public health, East  
Midlands, commenting  
on Environmental  
Health – 2012*

#### KEY DEVELOPMENTS

We hosted the first national noise conference on behalf of DEFRA

We published a fuel poverty strategy network

We continued work on the dangers of smuggled products of animal origin

# Message from the chairman of CHGL



> **CHRIS LINGARD**  
Chairman, CHGL



> **ANDREW PHILLIPS**  
Managing director, CHGL

Chadwick House Group Limited (trading subsidiary of the CIEH) experienced a challenging year in 2002. Market conditions were volatile, placing a constant pressure on turnover and profits. A stagnant economy here and abroad, flat sales and additional investments in systems led to a downturn in profitability.

Revenue for the year was £8,589,000 with profits before gift aid and tax of £1,478,000. We transferred £1,550,000 as gift aid to the Chartered Institute.

Our largest division remains training. This is a team that delivers the CIEH's educational message to the consumer and business sectors. In 2002 some of our courses were accredited by the Qualifications and Curriculum Authority (QCA). This represented a significant achievement for the organisation, providing a platform to develop and build the training division. CHGL has invested heavily in the new systems that accreditation has required.

Our publishing arm bucked the poor economic climate, delivering a solid performance. Advertising revenues and book sales were up on the previous year.

The events team organised the CIEH annual environmental health conference in Harrogate as well as other environmental health seminars and training events.

We have continued to extend CIEH expertise in food safety outside Britain. Our US trading interests, Environmental Health Testing LLC and NEHA Training LLC, are fully operational. Environmental Health Testing LLC achieved significant growth in turnover and market share. Our materials and publications have been received well in the United States and are becoming established. The NEHA Training LLC joint venture went live in July 2002 and is making good progress in its first year of operation.

Major changes in the business operations and strategy of our partner, SGS Group of Switzerland, meant that we have withdrawn our involvement with the SQF Institute as well as business interests in the Far East. CIEH educational programmes, adapted and translated, continue to be available in all these countries through other arrangements.

Finally, I would like to take this opportunity to acknowledge the contribution of the Chadwick House Group staff to the organisation's continued success in a competitive marketplace.

**Chris Lingard**  
Chairman CHGL

“  
IN 2002 SOME OF  
OUR COURSES WERE  
ACCREDITED BY THE  
QUALIFICATIONS AND  
CURRICULUM  
AUTHORITY. ”

Chris Lingard  
Chairman, CHGL

# CHGL achievements

## KEY ACHIEVEMENTS

- retained our position as the UK market leader for branded public health qualifications, covering food training, health and safety and environmental protection
- a total of seven qualifications were accredited with the Qualifications and Curriculum Authority (QCA), making them eligible for Learning Skills Council (LSC) national funding
- developed and launched new qualifications covering work-related stress, risk assessment principles and practice for swimming pools, and sustainable development training
- modified and re-launched the existing group training qualification to incorporate new directions and concepts, including neuro-linguistic programming
- launched a free to access 24-hour technical public health helpline for use by registered trainers, providing instant guidance on best practice and legislation
- upgraded IT systems in the finance and operations department to improve and enhance service delivery
- increased advertising revenue for EHN and EHJ, leading to a rise in profits for the publishing division
- developed a new corporate identity for Chadwick House Publishing
- organised events and seminars with high quality speakers, for members, trainers and related professionals
- contacted over 650 key training customers, with the aim of improving customer satisfaction and services

DELIVERING THE  
CIEH'S  
EDUCATIONAL  
MESSAGE TO THE  
CONSUMER AND  
BUSINESS SECTOR



# Report of the trustees

The Trustees, all being Council members, present their report together with the audited financial statements for the year ended 31 December 2002.

## CONSTITUTION

The Chartered Institute of Environmental Health (CIEH) was granted a Royal Charter by the Privy Council on 27 July 1984. The CIEH is a registered charity, No. 290350, and is not liable to income tax or corporation tax on its income under the Income and Corporation Taxes Act 1988.

## THE OBJECT

The CIEH is established 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.

## GOVERNANCE AND INTERNAL CONTROL

The CIEH is committed to a high standard of governance and has adopted the provisions of the Combined Code, which sets out Principles of Good Corporate Governance for listed companies, as far as possible.

The CIEH operates under a Royal Charter and therefore not all aspects of the Code can be reflected in the CIEH's management and reporting structure.

### Governing body

The governing body of the CIEH is the Council. Members of the Council, who are the Trustees, are nominated and elected by the CIEH's centres in accordance with CIEH regulations. Trustees for the centres retire in rotation after a three year term of office, and are eligible for re-election. At present the Council consists of 55 members and meets four times a year. All members of the Council have unrestricted access to the CIEH professional advisers.

Council is ultimately responsible for the management of the CIEH and also for ensuring that charity law and the charitable objectives of the CIEH are complied with.

In January 2003, Mr John Bryson replaced Mr Clive Wadey as chairman of the Council to hold office for the year 2003.

### Boards

On 1 January 2002, the general running of the CIEH was delegated to the corporate management team comprising the chief executive, Graham Jukes, the director of resources and managing director of Chadwick House Group Limited, Gary Ince, and the service heads of departments, with ultimate responsibility to the chairman of Council. Gary Ince resigned during the year. Kris Murali was promoted to director of finance and Andrew Phillips was appointed the new managing director of Chadwick House Group Limited in November 2002.

The resources committee, chaired by Bob Foster, covers matters relating to business risk, staffing, contracts, the financial statements and audit, and meets at least four times a year. The remuneration panel, chaired by Geoff Shaw, advises on the remuneration of the management team and other members of staff and meets as necessary.

The activities of the CIEH are supported by two boards, which each meet at least quarterly. The policy development board, chaired by Alan Higgins, has responsibility to determine strategic, technical and professional policy in all fields of environmental health and related matters; the education and professional standards board, chaired by John Kirk, has responsibility to determine policy and to keep under review education and professional standards for all personnel involved in environmental health and conditions for membership of the CIEH.

The commercial activities of the CIEH are undertaken by its wholly owned subsidiary company, Chadwick House Group Limited. Responsibility for the management of its operations rests with its board of directors in line with the requirements of company law. The board of Chadwick House Group Limited, which meets six times a year, is chaired by Chris Lingard, and comprises nine other Council members, two external non-executives, Andrew Phillips as managing director, Kris Murali as director of finance, and Graham Jukes. The CIEH, as sole shareholder of Chadwick House Group Limited, has overall control of the company.

### Internal control

The Council, through the resources committee, is responsible for the CIEH's systems of internal control. The key features of the internal control system that operated throughout the period covered by the financial statements were:

- a clear organisation structure for monitoring the conduct and operation of the CIEH with defined reporting lines, levels of responsibility and delegation of authority
- communication of ethical values and a controls awareness through written codes of conduct, formal standards of discipline and employee performance appraisal
- a system of review and monitoring of the key areas of risk
- regular consideration by the resources committee of management accounts
- half yearly meetings with the external auditors, including a review of the CIEH's risk register and discussions with regard to the scope of the audits and the contents of their reports to management.

In accordance with the guidance of the Turnbull Committee on internal control, an ongoing process has been established for identifying, evaluating and managing risks faced by the CIEH. This entails a risk register which identifies key risks, the probability of those risks occurring and the associated potential impact. The register is regularly maintained and reviewed by the resources committee. This process was started during 2001.

The resources committee has reviewed the operation and effectiveness of this framework. The committee acknowledges there are inherent limitations in any system of internal financial control and accordingly even the most effective system can provide only reasonable, and not absolute, assurance with respect to the preparation of financial information and the safeguarding of assets.

The Council considers that the CIEH has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

#### RESPONSIBILITY OF THE COUNCIL

The Council of the CIEH is responsible for the preparation of accounts for each financial year which give a true and fair view of the state of affairs of the CIEH and the surplus or deficit for that year. In preparing those accounts, the Council is required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent; and
- (c) prepare the accounts on the going concern basis unless it is inappropriate to presume that the CIEH will continue its operations.

The Council is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the CIEH and which enable the Council to ensure that the accounts comply with the terms of the Royal Charter. The Council is also responsible for safeguarding the CIEH's assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### REVIEW OF THE CIEH'S ACTIVITIES

A review of the CIEH's development, activities and achievements in the period 1 January 2002 to 31 December 2002 appears on pages 4 to 11.

#### CHADWICK HOUSE GROUP LIMITED

The CIEH's wholly owned trading subsidiary, Chadwick House Group Limited, carries out non-charitable trading activities for the Institute. For the year ended 31 December 2002, Chadwick House Group Limited and its subsidiary undertakings and financial interests made a consolidated loss of £55,000 (2001 – profit £24,000) after making gift aid payments of £1,550,000 (2001 – £2,034,000) to the CIEH.

#### RESERVES POLICY

It is the policy of the Charity to have sufficient liquid funds to cover one year's net expenditure before taking the receipt of gift aid into account. A review of the current reserves position is set out in the Report to the Resources Committee.

#### INVESTMENT POWERS

The Council may invest any monies belonging to the CIEH in accordance with the provisions of the Trustee Act 2000, or in the purchase of freehold or leasehold property in the United Kingdom provided that as regards leasehold property the term thereof shall have at least sixty years to run.

#### AUDITORS

A resolution will be proposed at the annual general meeting for the re-appointment of Blueprint Audit Limited as auditors of the CIEH. Their remuneration is fixed by the resources committee acting on behalf of the Council.



#### EMPLOYEES AND MEMBERS

The Council would like to take this opportunity to thank all the employees at Chadwick Court, and all its volunteer members engaged in running its centres and branches around the country, for their contribution towards a successful year.

**By order of the Council**

**John Bryson**

*Chairman*

3 April 2003

## Report of the resources committee

2002 was a year of change for the CIEH. A new chief executive was appointed, a new structure implemented following the changes to governance in 2001 and a formidable work programme undertaken.

The new chief executive's key objectives were to increase the influence and raise the profile of the CIEH and the profession, broaden the membership and tackle the recruitment problem facing the profession.

#### RESERVES

At 31 December 2002, unrestricted reserves of CIEH and its subsidiary and connected companies, including the revaluation reserve, amounted to £5,639,000, comprising total reserves of £5,647,000 less £8,000 permanent endowment. Of the unrestricted reserves, £5,511,000 is invested in Chadwick Court and other fixed assets while £128,000 is retained as liquid funds.

The permanent endowment is the Ollett Trust. Steps are being taken on advice from the Charity Commission to close down the Ollett Trust and for the funds to become part of CIEH's unrestricted reserves.

The 2002 trading year for Chadwick House Group Limited was very creditable, with Chadwick House Group Limited nominating gift aid of £1,550,000. However, this was below what the CIEH was expecting and has left the organisation with fewer liquid funds than anticipated.

CIEH is currently very highly dependent on the gift aid it receives from Chadwick House Group Limited and consequently, during 2003, the resources committee will be reconsidering the stated Reserves Policy which better reflects the current financial structure of the CIEH and its trading arm.

The majority of the CIEH's reserves are tied up in Chadwick Court. At the time of purchasing the building the fixed rate mortgage obtained was at a competitive commercial rate. However, interest rates have moved very substantially since then, to the lowest rate that many of us can remember, and we are currently carrying out an exercise to establish the cost/benefit of making an early redemption of the mortgage and taking out a new one at a considerably lower rate of interest. In the past, when we have held excess cash we have made early redemption contributions on the mortgage. As we have currently fewer cash resources than we would like, within the review of the mortgage we are also considering whether to take advantage of the situation to release further cash funds. Clearly the sums involved, the interest rates and term of mortgage will all be very carefully considered.

The commercial property market in our area of London has fluctuated over the last few years but we believe the value of Chadwick Court has increased since the last professional valuation at the end of 1999. In 2002 the professional valuation of the building was not undertaken. As part of the mortgage review in 2003, a professional valuation of the building will be carried out. The 2003 annual accounts will take the revised valuation into account.

The financial statements for 2002 appear on pages 18 to 31.

The resources committee, which has financial responsibility for the Chartered Institute, will continue prudent financial management policies for future security and growth.

**Bob Foster**

*Chairman*

Resources committee

3 April 2003

# Independent auditors' report

to the members of the Chartered Institute of Environmental Health

We have audited the financial statements of the Chartered Institute of Environmental Health for the year ended 31 December 2002 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out therein.

Our audit work has been undertaken for the purposes of Section 43 of the Charities Act 1993 so that we might state to the trustees those matters we are required to state 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 and the charity's trustees for our audit work, for this report, or for the opinions we have formed.

## RESPECTIVE RESPONSIBILITIES OF COUNCIL AND AUDITORS

As set out in the Statement of the Responsibilities of Council in the Report of the Trustees, the Council is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the Report of the Trustees concerning the major risks to which the charity is exposed covers all the existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Report of the Trustees and the Resources Committee Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## OPINION

In our opinion the financial statements give a true and fair view of the state of the affairs of the CIEH and the CIEH group as at 31 December 2002 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

66 Chiltern Street  
London W1U 4JT  
3 April 2003

**Blueprint Audit Limited**  
Chartered Accountants  
Registered Auditor

## Statement of financial activities for the year ended 31 December 2002

	Note	Group		Chartered Institute	
		2002 £'000	2001 £'000	2002 £'000	2001 £'000
<b>INCOMING RESOURCES</b>					
Subscriptions		799	771	799	771
Donations and other incoming resources		125	116	1,896	2,377
Activities in furtherance of the charity's objects:					
– Education		49	72	49	72
– Income from Centres and Branches	3	219	120	219	120
Activities for generating funds:					
– Commercial trading operations	2	8,586	8,569	–	–
Investment income		11	43	8	18
<b>Total incoming resources</b>		<b>9,789</b>	<b>9,691</b>	<b>2,971</b>	<b>3,358</b>
<b>RESOURCES EXPENDED</b>					
Cost of generating funds:					
– Commercial trading operations	2	6,976	6,390	–	–
<b>Charitable expenditure</b>					
Costs of activities in furtherance of the charity's objects:					
– Membership services and facilities	4	1,533	1,200	1,648	1,304
– Education	4	772	675	772	675
– Centres and Branches	3	337	226	337	226
Interest payable	5	83	94	70	73
Management and administration	4	704	678	704	678
<b>Total resources expended</b>		<b>10,405</b>	<b>9,263</b>	<b>3,531</b>	<b>2,956</b>
<b>Net (outgoing)/incoming resources for the year</b>		<b>(616)</b>	<b>428</b>	<b>(560)</b>	<b>402</b>
Exchange rate translation difference		27	(33)	–	–
<b>Net movement in funds</b>		<b>(589)</b>	<b>395</b>	<b>(560)</b>	<b>402</b>
Funds and reserves at 1 January		6,236	5,841	5,939	5,537
<b>FUNDS AND RESERVES AT 31 DECEMBER</b>		<b>5,647</b>	<b>6,236</b>	<b>5,379</b>	<b>5,939</b>

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. All incoming and expended resources are in respect of unrestricted funds. The notes on pages 21 to 31 form an integral part of these financial statements.

## Balance sheet at 31 December 2002

	Note	Group		Chartered Institute	
		2002 £'000	2001 £'000	2002 £'000	2001 £'000
<b>FIXED ASSETS</b>					
Tangible fixed assets	8	5,146	5,248	4,791	4,899
Intangible fixed assets	9	365	444	–	–
Investments	10	–	11	–	–
		<b>5,511</b>	<b>5,703</b>	<b>4,791</b>	<b>4,899</b>
<b>CURRENT ASSETS</b>					
Stocks		419	401	–	–
Debtors	11	1,319	1,208	1,454	1,427
Cash at bank and in hand		529	1,025	136	638
		<b>2,267</b>	<b>2,634</b>	<b>1,590</b>	<b>2,065</b>
<b>CREDITORS</b>					
Amounts falling due within one year	12(i)	(1,318)	(1,213)	(386)	(372)
		<b>949</b>	<b>1,421</b>	<b>1,204</b>	<b>1,693</b>
<b>NET CURRENT ASSETS</b>					
		<b>6,460</b>	<b>7,124</b>	<b>5,995</b>	<b>6,592</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
<b>CREDITORS</b>					
Amounts falling due after more than one year	12(ii)	(813)	(888)	(616)	(653)
<b>TOTAL NET ASSETS</b>		<b>5,647</b>	<b>6,236</b>	<b>5,379</b>	<b>5,939</b>
<b>FUNDS AND RESERVES</b>					
Permanent endowment	14	8	8	8	8
Unrestricted funds	14	3,348	3,882	3,080	3,585
Revaluation reserve	14	2,291	2,346	2,291	2,346
<b>TOTAL FUNDS</b>	14	<b>5,647</b>	<b>6,236</b>	<b>5,379</b>	<b>5,939</b>

Approved on behalf of Council on 3 April 2003

John Bryson *Chairman* Council

Tim Deveaux *Deputy Chairman* Council

The notes on pages 21 to 31 form an integral part of these financial statements.

## Consolidated cash flow statement for the year ended 31 December 2002

	Note	2002		2001	
		£'000	£'000	£'000	£'000
<b>CASH FLOW RESULTING FROM OPERATIONS</b>	17		21		1,278
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Investment income		11		43	
Interest paid		(83)		(94)	
			(72)		(51)
<b>TAXATION</b>					
Corporation tax paid by subsidiary			(27)		(55)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>					
Purchase of investment		–		(11)	
Purchase of intangible fixed assets		–		(136)	
Purchase of tangible fixed assets		(342)		(319)	
			(342)		(466)
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>			(420)		706
<b>FINANCING</b>					
Sale of investment		12		–	
Repayment of bank loan		(55)		(59)	
Repayment of mortgage		(33)		(29)	
			(77)		(88)
<b>(DECREASE)/INCREASE IN CASH</b>	19		(496)		618

The notes on pages 21 to 31 form an integral part of these financial statements.

# Notes to the financial statements for the year ended 31 December 2002

## 1. ACCOUNTING POLICIES

### a. Basis of accounting

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets. They are also in accordance with applicable accounting standards, and the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities issued in October 2000.

The consolidated financial statements and financial interests of the Group include those of the CIEH and Chadwick House Group Limited and its subsidiary undertakings and financial interests, all of whose financial statements are made up to 31 December each year. Details of the CIEH's subsidiary undertakings are given in note 10. The financial statements also include the results and assets and liabilities of the Centres and Branches of the CIEH.

### b. Freehold property

It is the policy of Council to obtain periodic external valuations of the freehold property, Chadwick Court, to ensure that realistic annual depreciation charges are made in the financial statements.

The property is only revalued in the financial statements if Council consider that it would lead to a more realistic depreciation charge being shown or the valuation differs significantly from that shown in the financial statements.

Depreciation is charged at 2% per annum on the building element of the valuation.

### c. Other fixed assets

Equipment and IT are depreciated over two to five years on a straight line basis. These rates are estimated to write off the cost of the assets over their estimated useful lives.

### d. 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.

### e. Resources expended

All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered. Any VAT which is not recoverable by the CIEH is included in management and administration expenses.

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

Management and administrative costs represent costs attributable to the management of the CIEH's operations, organisational administration and compliance with constitutional and statutory requirements.

### f. Subscriptions

Subscriptions for the current and previous years are accounted for on a cash received basis. Amounts received in advance are carried forward.

### g. Research and development

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

### h. Operating leases

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

### i. Intangible fixed assets

These comprise purchased goodwill and Publishing Rights.

Purchased goodwill is stated at cost and is being amortised in equal annual instalments over its expected useful life of fifteen years. Publishing Rights are stated at cost and are being amortised on a straight line basis over their estimated useful lives of five years.

### j. Pensions

The CIEH operates two pension schemes, both of which require contributions to be made to separately administered funds. Contributions to these schemes are charged in the Statement of Financial Activities so as to spread the cost of pensions over the employees' working lives within the CIEH.

### k. Foreign currency

Foreign currency transactions are recorded in sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the year end rates of exchange. Non-monetary assets are translated at the historic exchange rate prevailing at the date of transaction. Exchange differences on monetary assets and liabilities and trading transactions arising in the ordinary course of business are dealt with through the profit and loss account.

### l. Fund accounting

The CIEH has different types of funds for which it is responsible and which require disclosure. These are as follows:

#### *Permanent endowment*

This is a restricted fund with monies held in a separate bank account. The purpose of the fund is to promote knowledge of sanitary science and kindred objects.

#### *Unrestricted funds*

These contain funds that are expendable at the discretion of the Council in furtherance of the objects of the charity.

## 2. COMMERCIAL TRADING OPERATIONS

A summary of the consolidated results of Chadwick House Group Limited and its subsidiary undertakings and financial interests is shown below together with adjustments for intra group transactions with the CIEH.

	2002 £'000	2001 £'000
<b>Trading income</b>		
Turnover	8,701	8,674
Intra group transactions	(115)	(105)
Commercial trading operations	<b>8,586</b>	8,569
Interest receivable	3	24
	<b>8,589</b>	8,593
<b>Trading expenditure &amp; taxation</b>		
Direct costs	2,586	2,648
Staff	2,226	2,356
Administration	2,402	1,579
UK taxation	(17)	28
Intra group transactions	(221)	(221)
Commercial trading operations	<b>6,976</b>	6,390
Interest payable	12	24
Gift aid payable to Welfare Fund	-	5
	<b>6,988</b>	6,419
<b>Profit for the year</b>	<b>1,601</b>	2,174
Gift aid payable to CIEH	(1,550)	(2,034)
Net intra group transactions	(106)	(116)
<b>Retained profit/(loss) for the financial year</b>	<b>(55)</b>	24

The consolidated assets and liabilities of Chadwick House Group Limited and its subsidiary undertakings and financial interests were:

	2002 £'000	2001 £'000
Fixed assets	719	804
Current assets	2,025	1,996
Current liabilities	(2,279)	(2,241)
Long term liabilities	(197)	(262)
<b>Net assets</b>	<b>268</b>	297
<b>Aggregate share capital and reserves</b>	<b>268</b>	297

### 3. CENTRES AND BRANCHES

A summary of the results of the CIEH's Centres and Branches is detailed below:

	2002 £'000	2001 £'000
<b>Income</b>		
Turnover	219	120
Interest received	3	–
<b>Expenditure</b>	<b>(337)</b>	<b>(226)</b>
Deficit for financial year before Head Office funding	(115)	(106)
Head Office funding	86	86
<b>Deficit for the year</b>	<b>(29)</b>	<b>(20)</b>
<b>Net assets of the Centres and Branches were</b>	<b>179</b>	<b>208</b>

### 4. TOTAL RESOURCES EXPENDED

	Staff Costs	Other Direct Costs	Allocated Costs	2002 £'000	2001 £'000
Commercial trading operations	2,917	4,059	–	6,976	6,390
Membership services and facilities (i)	749	622	162	1,533	1,200
Education (ii)	451	160	161	772	675
Centres and Branches (note iii)	–	337	–	337	226
Management and administration (iv)	226	801	(323)	704	678
Interest payable	–	83	–	83	94
<b>Total resources expended</b>	<b>4,343</b>	<b>6,062</b>	<b>–</b>	<b>10,405</b>	<b>9,263</b>

(i) Membership services and facilities expenditure is in respect of costs of professional services for members, costs of the conference, seminar, library and research facilities at Chadwick Court available for use by members, Centre and Branch funding, committee meetings, the AGM and Annual Report.

(ii) Education services expenditure is in respect of costs of providing APC, CPD and other educational services for members.

(iii) Management and administration:

	Chartered Institute	
	2002 £'000	2001 £'000
Depreciation	226	242
Building maintenance costs	165	104
Bank charges	14	6
Allocated staff costs	226	216
Legal and professional fees	34	31
Office and sundry costs	39	79
	<b>704</b>	<b>678</b>

#### 4. TOTAL RESOURCES EXPENDED continued

(iv) Included within resources expended are the following:

	Group		Chartered Institute	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Depreciation	443	425	226	309
Auditors' remuneration	46	33	8	8
Amortisation	49	49	-	-
Research and development	535	512	-	-

#### 5. INTEREST PAYABLE

	Group		Chartered Institute	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
On mortgage loan and bank loan repayable by instalment after more than five years	81	92	70	73
Other interest	2	2	-	-
	<b>83</b>	<b>94</b>	<b>70</b>	<b>73</b>

#### 6. EMPLOYEE COSTS

The average number of full time employees employed by the group during the year ended 31 December 2002 was 122 (2001:109). Total employee costs were as follows:

	Group		Chartered Institute	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Salaries	3,338	2,733	1,211	947
Social security costs	319	272	98	85
Other pension costs	236	180	94	66
Temporary staff costs	479	275	115	93
Training costs	161	132	98	45
Recharge of seconded staff	(190)	(108)	(190)	(108)
	<b>4,343</b>	<b>3,484</b>	<b>1,426</b>	<b>1,128</b>

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

Employees whose emoluments were over £50,000 per annum:	2002	2001
	Number	Number
£50,000 – £59,999	3	1
£60,000 – £69,999	1	-
£70,000 – £79,999	1	1
£80,000 – £89,999	2	2

The Group makes pension contributions on behalf of six of the employees whose emoluments exceed £50,000. No Council member received any remuneration for services as a Councillor/Trustee. All Council members received reimbursement of their travel and subsistence expenses incurred in the performance of their duties as Council members. Transactions with Council members, officers of the CIEH and Directors of Chadwick House Group Limited and its subsidiary undertakings are disclosed in note 21.

## 7. PENSION CONTRIBUTIONS

During the year contributions were made to various, independently administered, approved, employees' pension funds. These were as follows:

	Group		Chartered Institute	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
London Pension Fund Authority	41	37	41	37
Scottish Equitable	144	108	37	21
Other Personal Pension Schemes	51	35	16	8
	<b>236</b>	<b>180</b>	<b>94</b>	<b>66</b>

The LPFA scheme is a successor to the last GLC fund and is a final salary scheme. It is actuarially valued on a three year cycle. In line with the 2001 valuation, CIEH's contributions are 10.9%.

In accordance with Financial Reporting Standard No 17 – Retirement Benefits (FRS 17) 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 Pension Fund, 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 1997 as amended.

The last full actuarial valuation of the LPFA Pension Fund was undertaken as at 31 March 2001. This was updated to 31 December 2002 by qualified independent actuaries in accordance with FRS17. The major assumptions used by the actuaries were (in nominal terms):

Assumptions %pa	2002	2001
Price Increases	2.3%	2.5%
Salary Increases	3.8%	4.0%
Pension Increase	2.3%	2.5%
Discount Rate	5.5%	5.7%

The assets in the Fund as at 31 December 2002 and the long-term expected rate of return for each asset class were:

Asset Distribution	Fund Value		Long-Term Expected Return	
	2002 £'000	2001 £'000	2002 %pa	2001 %pa
Equities	947,000	1,138,400	8.0%	7.0%
Bonds	144,000	181,000	4.8%	5.5%
Property	–	–	6.0%	6.0%
Cash	30,000	26,700	4.0%	4.0%
<b>Total</b>	<b>1,121,000</b>	<b>1,346,100</b>		

The estimated share of assets and liabilities attributable to CIEH were:

	2002 £'000	2001 £'000
Estimated Asset Share	1,842	1,972
Present Value of Liabilities	(2,641)	(2,329)
<b>Net Pension Liability</b>	<b>(799)</b>	<b>(357)</b>

Projected amount charged to net incoming resources	Year to 31 December 2003 £'000
Current Service Cost	53
Past Service Cost	–
<b>Total Operating Charge</b>	<b>53</b>

Projected net return	Year to 31 December 2003 £'000
Expected return on pension scheme assets	150
Interest on pension scheme liabilities	(138)
<b>Net Return</b>	<b>12</b>

The Scottish Equitable scheme is a money purchase scheme. The scheme started on 1 August 1994 and the CIEH's contributions are 11%. The CIEH offers employees an additional 0.3% contribution to cover waivers of premium insurance. The CIEH also contributes 11% to employees' personal pension schemes. No employees or directors of the CIEH or Chadwick House Group Limited and its subsidiary undertakings, are involved in the control or administration of any of the above funds.

## 8. TANGIBLE FIXED ASSETS

	Chartered Institute			Subsidiary Undertakings	Group
	Freehold Property £'000	Equipment & IT £'000	Total Assets £'000	Equipment & IT £'000	Total Assets £'000
<b>Cost or Valuation</b>					
At 1 January 2002	4,950	635	5,585	925	6,510
Additions	–	118	118	224	342
Disposals	–	(42)	(42)	(160)	(202)
At 31 December 2002	4,950	711	5,661	989	6,650
<b>Depreciation</b>					
At 1 January 2002	225	461	686	576	1,262
Charge for the year	112	114	226	217	443
Disposals	–	(42)	(42)	(159)	(201)
At 31 December 2002	337	533	870	634	1,504
<b>Net book value</b>					
At 31 December 2002	<b>4,613</b>	<b>178</b>	<b>4,791</b>	<b>355</b>	<b>5,146</b>
At 31 December 2001	4,725	174	4,899	349	5,248

The freehold property, Chadwick Court, was valued at 31 December 1999 by Edward Symmons & Partners, consultant surveyors, at an open market valuation of £4.95 million. The historical cost of these premises is £2,848,000. The surplus of valuation over cost, after taking account of depreciation charged to date, has been transferred to a revaluation reserve.

## 9. INTANGIBLE FIXED ASSETS

	Publishing Rights £'000	Goodwill £'000	Total £'000
<b>Cost</b>			
At 1 January 2002	136	382	382
Exchange rate adjustment	–	(33)	(33)
At 31 December 2002	136	349	485
<b>Amortisation</b>			
At 1 January 2002	27	47	74
Charge for the year	27	22	49
Exchange rate adjustment	–	(3)	(3)
At 31 December 2002	54	66	120
<b>Net book value</b>			
At 31 December 2002	<b>82</b>	<b>283</b>	<b>365</b>
At 31 December 2001	109	335	444

On 20 February 2001 Chadwick House Group Limited acquired the publishing rights for 34 food industry and environmental book titles from Chandos Publishing (Oxford) Limited at a cost of £136,172, for cash.

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

## 10. INVESTMENTS

### 10.1 LISTED INVESTMENTS

The CIEH holds no listed investments.

### 10.2 SUBSIDIARY UNDERTAKINGS

#### (i) Chadwick House Group Limited

The CIEH holds the entire equity interest in Chadwick House Group Limited, a company incorporated in the United Kingdom. The equity interest was donated to the CIEH. The company is currently engaged in commercial activities involved with Environmental Health.

#### (ii) Details of Chadwick House Group Limited's US subsidiaries and financial interests

Name	Holding	Principal Activity
Chadwick Holdings Inc.	100%	Holding Company
Chadwick Group (Florida) Inc.*	100%	Holding Company
Chadwick Group (Colorado) Inc.*	100%	Holding Company
Environmental Health Testing LLC*	75%	Exam Board
The National Registry of Food Professionals Inc.*	75%	Dormant
NEHA Training LLC**	50%	Training Courses

\* denotes a sub-subsidiary of Chadwick House Group Limited.

\*\* NEHA Training LLC is a joint venture that is owned 50% by Chadwick Group (Colorado) Inc.

#### (iii) Details of Chadwick House Group Limited's UK subsidiaries

The following companies are incorporated in England and Wales and are 100% owned and dormant.

EHN Limited  
 Environmental Health Training Limited  
 Environmental Health Services Limited  
 Environmental Health Education Limited  
 Environmental Health Exhibitions Limited  
 Environmental Health Communications Limited  
 Environmental Health Events and Exhibitions Limited  
 Environmental Publishing and Communications Limited  
 Environmental Health Research and Development Limited

#### (iv) Trade Investments

In December 2001, Chadwick House Group Limited acquired 25% of the issued share capital of SQF Institute S.A., a Swiss company. During 2002 this investment was disposed of at cost.

## 11. DEBTORS

	Group		Chartered Institute	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Trade debtors	1,073	1,048	38	14
Amounts owed by subsidiary undertakings	–	–	1,347	1,359
Amounts due from NEHA Training LLC	50	–	–	–
Other debtors	90	49	50	23
Prepayments and accrued income	106	111	19	31
	<b>1,319</b>	<b>1,208</b>	<b>1,454</b>	<b>1,427</b>

## 12. CREDITORS

	Group		Chartered Institute	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
<b>(i) Amounts falling due within one year</b>				
Mortgage loan (secured)	37	33	37	33
Bank loan (secured)	50	55	–	–
Trade creditors	507	376	169	143
Corporation tax	3	32	–	–
Other taxes and social security	241	166	38	25
Other creditors	10	16	10	83
Accruals and deferred income	470	535	132	88
	<b>1,318</b>	<b>1,213</b>	<b>386</b>	<b>372</b>
<b>(ii) Amounts falling due after more than one year</b>				
Mortgage loan (secured)	616	653	616	653
Bank loan (secured)	174	212	–	–
Other loans	23	23	–	–
	<b>813</b>	<b>888</b>	<b>616</b>	<b>653</b>
<b>Mortgage loan repayable</b>				
Between one and two years	40	37	40	37
Between two and three years	45	40	45	40
Between three and four years	50	45	50	45
Between four and five years	55	50	55	50
In more than five years	426	481	426	481
	<b>616</b>	<b>653</b>	<b>616</b>	<b>653</b>

### Mortgage loan

The mortgage loan is secured by a fixed charge over the freehold premises at Chadwick Court. It is repayable in quarterly instalments by the year 2013 at a fixed rate of interest of 10.34% per annum. Chadwick House Group Limited acts as a guarantor in respect of the mortgage.

### Bank loan

The bank loan is secured by a mortgage debenture dated 15 November 2001 incorporating a fixed floating charge over all current and fixed assets of Chadwick House Group Limited. The loan is repayable at \$6,650 per month starting in November 2001 at 1.75% above LIBOR and ending by May 2007.

## 13. PROJECTS

The CIEH administers projects and funds on behalf of other entities. Funds for each project are held in separately identifiable accounts and are not included in the financial statements of the CIEH. The balances on the projects and the funds held at 31 December 2002 are as follows:

	Tanzania Fund £'000	Emission Monitoring £'000	WHO Fund £'000
<b>Total funds</b>	<b>20</b>	<b>72</b>	<b>42</b>

## 14. RECONCILIATION OF MOVEMENT IN TOTAL FUNDS

	At 1 January 2002 £'000	Surplus/ (deficit) for year £'000	Adjustment £'000	At 31 December 2002 £'000
CIEH unrestricted funds	3,585	(580)	55	3,080
Trading subsidiaries	297	(55)	26	268
<b>Total unrestricted funds (i)</b>	<b>3,882</b>	<b>(635)</b>	<b>81</b>	<b>3,348</b>
Permanent endowment (ii)	8	–	–	8
Revaluation reserve (iii)	2,346	–	(55)	2,291
<b>Total funds</b>	<b>6,236</b>	<b>(635)</b>	<b>26</b>	<b>5,647</b>

- (i) Unrestricted Funds are funds that have no specific designation as to their use imposed by the donor. Adjustment has been made between the funds of the CIEH and its Centres and Branches to reflect the central funding held by Centres and Branches.
- (ii) The Permanent Endowment is the Ollett Trust that was established in 1930 to promote knowledge of sanitary science and kindred objects.
- (iii) A transfer of £55,000 has been made from the revaluation reserve to total unrestricted funds. The transfer reflects the depreciation charged in the Statement of Financial Activities on the revalued element of the freehold property.
- (iv) The £26,000 adjustment is an exchange rate movement on reserves arising on consolidation of the group's US subsidiaries and financial interests.

## 15. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

The Permanent Endowment Fund is represented by monies held on short term deposit included within total cash at bank and in hand. The remaining net assets represent unrestricted funds, including the separately identified revaluation reserve.

## 16. INDEMNITY INSURANCE

The Council has effected an indemnity insurance policy to protect the CIEH and its subsidiary undertakings from loss arising from the neglect or defaults of its trustees, directors or employees and to indemnify them against loss arising from any claim against them jointly or severally by reason of any wrongful act in their capacity as trustees, directors or officers.

## 17. CASH FLOW RESULTING FROM OPERATIONS

	Group	
	2002 £'000	2001 £'000
<b>Reconciliation of surplus for the financial year to net cash inflow from operations</b>		
Surplus for the financial year	(616)	428
Adjustments to exclude tax, minority interest and exchange difference	(45)	46
Depreciation	443	425
Amortisation	49	49
Decrease in stock	(18)	49
(Increase)/decrease in debtors	(111)	(64)
Increase/(decrease) in creditors	319	345
<b>Net cash flow resulting from operations</b>	<b>21</b>	<b>1,278</b>

## 18. ANALYSIS OF NET DEBT

	Group		
	At 1 January 2002 £'000	Cash flow £'000	At 31 December 2002 £'000
Cash at bank and in hand	817	(467)	350
Cash at Centres and Branches	208	(29)	179
	1,025	(496)	529
Debt due within one year			
– Mortgage loan	(33)	(4)	(37)
– Bank loan	(55)	5	(50)
Debt due after more than one year			
– Mortgage loan	(653)	37	(616)
– Bank loan	(212)	38	(174)
– Other loans	(23)	–	(23)
	49	(420)	(371)

## 19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Group	
	£'000	£'000
Decrease in cash in the year	(496)	
Cash to repay mortgage and bank loan	76	
		(420)
Movement in net debt in the year		(420)
Net debt at 1 January 2002		49
Net debt at 31 December 2002		(371)

## 20. CAPITAL COMMITMENTS

At 31 December 2002 group capital commitments of £513,795 (2001 £421,128) had been authorised but not contracted for.

## 21. RELATED PARTY TRANSACTIONS

During the year the CIEH received Gift Aid payments of £1,550,000 (2001 – £2,034,000) from Chadwick House Group Limited and £10,000 (2001 – £10,000) from the Environmental Health Officers Registration Board, a company connected with the CIEH.

Dianne Shun Wah, a director of Chadwick House Group Limited, is also a director of In House, The Hygiene Management Co. Limited, a customer of Chadwick House Group Limited. Amounts of £6,944 (2001 – £7,397) were received by Chadwick House Group Limited during the year from In House, The Hygiene Management Co. Limited, for the sale of goods.

As part of the provision of its training courses Chadwick House Group Limited commissions books, research 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 2002 year four members of Council received payments, as detailed below, for work on behalf of Chadwick House Group Limited.

<b>D Newsum</b>	<b>£13,575</b>	(2001 £19,815)	Consultancy Work
<b>Mr T Deveaux</b>	<b>£9,458</b>	(2001 – )	Book Commission
<b>D Gould</b>	<b>£186</b>	(2001 £757)	Marking
<b>M Harrison</b>	<b>£482</b>	(2001 £470)	Marking

## 21. RELATED PARTY TRANSACTIONS continued

There were no other disclosable trustees' interests for the year ended 31 December 2002.

In addition to Chadwick House Group Limited's investment in the share capital of Chadwick Holdings Inc, Chadwick House Group Limited has made loans of £498,628 to Chadwick Holdings Inc. These loans remained outstanding in full in Chadwick House Group Limited's financial statements at the end of the year, but are eliminated on consolidation in CIEH's financial statements.

During 2002 Chadwick House Group Limited provided working capital to the group's joint venture, NEHA Training LLC, of £50,082 (note 11).

## 22. CONTROLLING PARTY

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

### CIEH TRUSTEES

Ambrose John	Fidling Arthur	Lewis Bob	Turvey Alan
Archer Peter	Foster Bob	Lingard Chris	Wadey Clive*
Bailey Mike	Freear John	Miller Steve	Walton David
Barlow Jill	Gould Derrick	Milne Les	Wastnedge Roger
Battersby Stephen	Hanna Brian	Newsum David	Watts Andrew
Bidwell Steven	Harrison Mike*	Parfitt John	Weaver Peter
Bryson John	Hassall Graham	Sherwood Ron	Williams Bruce*
Choonara Adam	Hassard Andrew	Slee Graham	Wright Peter
Coghill Ian*	Haverson Nigel	Smith Paul	Young Stephen
Collier Jill	Higgins Alan	Snell Pete	
Cooper Steve	Jefford Patricia	Studden Mike	Daniels Sarah**
Crookenden Dave	Jones Andrew*	Szlampe Janet	Elliott Mark**
Cudlip Tom	Jones Bryn	Thomas Carlene	Grime Stephen**
Davies Kendal	Kirk John	Toland Siobhan	Statham Andy**
Deveaux Tim	Leather Lou	Trevena Barrie	

\* Retired 31.12.02 \*\* Appointed 01.01.03

### VICE PRESIDENTS AND ADVISORS

#### Vice presidents

Professor Graham Ashworth CBE  
 Professor Sir Kenneth Calman  
 Dr June Crown CBE  
 Mr Brian Hanna CBE, FCIEH  
 Mr Alan M T Johnson FCIEH  
 Professor Tim Lang  
 Mr F A Osborn CBE  
 Professor Hugh Pennington FRSE  
 Professor Sir Richard Southwood DL, FRS  
 Joan Walley MP

#### Advisers

##### BANKERS:

HSBC Bank plc, PO Box 648, Poultry & Princes Street, London EC2P 2BX

##### AUDITORS:

Blueprint Audit Limited, 66 Chiltern Street, London W1U 4JT

##### LEGAL ADVISERS:

Tarlo Lyons, Watchmaker Court, 33 St Johns Lane, London EC1M 4DB

##### INSURANCE CONSULTANTS:

Keith Johnson & Co Ltd, 64 Grove Road, Sutton, Surrey SM1 1BT

##### PROPERTY CONSULTANTS:

Edward Symmons and Partners, 2 Southwark Street, London Bridge, London SE1 1RQ