

Chartered Institute of  
Environmental Health



# Annual Report and Financial Statements

For the year ended 31 December 2019

Registered Charity No. 290350

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

[cieh.org](https://cieh.org)

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**Cover image:** Tyler Wray MCIEH, left, is Environmental Protection Officer at East Lindsey District Council and Sandra Moore MCIEH CEnvH, right, is Technical Director at Hygenisys, both are featured in our *What Is Environmental Health?* campaign.

# Trustees' Annual Report

The Board of Trustees present their report together with the Audited Financial Statements for the year ended 31 December 2019.

## Objectives and activities

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

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

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

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

## Achievements and performance

In the last year, CIEH has focused on promoting the Environmental Health profession and highlighting the understated and often underestimated role that EHPs play in protecting society. The "I am Environmental Health" campaign was hugely informative and succinctly set out the breadth of issues which sit within the field as well as the backgrounds and skillsets of the type of individuals who take on those challenges. Crucially it reiterated the different routes into the profession for those who may have been enticed or intrigued by the campaign. Setting the professional standards and presenting a clear and attractive career path for EHPs has been at the heart of the CIEH's work.

The aim of the campaign was to reinvigorate the environmental health community while raising awareness of our profession, engaging with the next generation of Environmental Health Practitioners.

We built our campaign on positivity and pride for the profession, making it authentic, modern and dynamic. We put real members with real stories at the heart of the campaign, supported by high quality photography and video content to bring environmental health to life.

We saw an exceptional level of engagement across the board, with partner organisations and local councils adopting our core messages and promoting it themselves. After the success of the campaign in 2019, CIEH is extending it into 2020 and evolving it into "We are Environmental Health" with new content that focuses on inspirational environmental health teams and projects.

- **831 new members**
- **45 countries**
- **174 members awarded Chartered Status**
- **Members by grade: Affiliate 19%, Associate 9%, Member 69%, Fellow 3%**

The transformation programme that started in 2016 continued in 2019 with one of the most tangible changes being the consolidation of the CIEH workforce in the lower ground floor of the 15 Hatfields building. This has enabled the 1st, 2nd and 3rd floors of the building to be let out – generating rental income which has significantly contributed to the CIEH's financial sustainability. This move brought with it the opportunity to introduce agile working, new technology, collaborative working spaces and other positive well-being aspects for staff.

Despite an unstable political backdrop, CIEH continued to build on its strong events programme and boosted delegate numbers throughout 2019. With processes being modernised and made more sustainable, we were able to grow and expand our offer to members with network conferences in York, an enhanced CIEH Excellence Awards and a new graduation event to celebrate success.

- **8 flagship conferences**
- **45 workshops**
- **15 in-house training courses**
- **2,235 delegates**
- **12,274 CPD hours**

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.

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.

2019 saw CIEH focus on some key campaigning areas. On housing, we launched our campaign for a national register of landlords and agents in England. A parliamentary briefing was sent out to parliamentarians and we gave evidence to the All Party Parliamentary Group (APPG) on the North's inquiry into Housing in the North. We also participated in a roundtable with the Labour Party Front Bench to discuss the private rented sector. We also worked in partnership with the Chartered Institute of Housing to research the effectiveness of selective licensing schemes in improving housing conditions, with our joint report "A licence to rent?" being published early in 2019.

- **106 practitioners on our new Chartered Practitioner programme**
- **142 EHRB Certificates of Registration issued**
- **100 employers attended the apprenticeship roadshow co-organised with Health Education England**

Environmental protection was another core campaigning area, and our efforts in 2019 were focussed on the Government's flagship Environment Bill. Working with our members, and our strategic partners in the Healthy Air Campaign, we built our campaign to coincide with the publication of the Bill whilst also influencing behind the scenes and engaging with the Department for Environment, Food and Rural Affairs. Due to the election, the publication of the Bill was delayed until early 2020 but our extensive work last year has put us in a strong campaigning position going forwards.

- **Secured the endorsement of 112 Prospective Parliamentary Candidates for CIEH's Manifesto for Environmental Health**
- **Received letters of support from 3 UK political parties during the General Election**
- **Responded to 16 government consultations and inquiries**
- **Published 6 key reports and briefings**
- **Gave 5 sets of oral evidence at Parliament**

On cosmetics, we teamed up with the Institute of Licensing to launch the first survey of Environmental Health Practitioners and licensing officers working with the regulation of cosmetic treatments. This survey was used as our evidence base, with key results being presented to the APPG on Beauty, Aesthetics and Wellbeing.

Our long-standing "Noise Survey" was also re-launched in 2019 after a break of two years and falling response rates from local authorities. We received data from 162 local authorities in England and Wales; our best response rate since 2009/10. These results were analysed and shared with Public Health England, ready for launch in early 2020.

We also released our Perspectives on Primary Authority report examining views on the scheme from across the sector and making a series of recommendations on potential improvements.

## Financial review

### Highlights

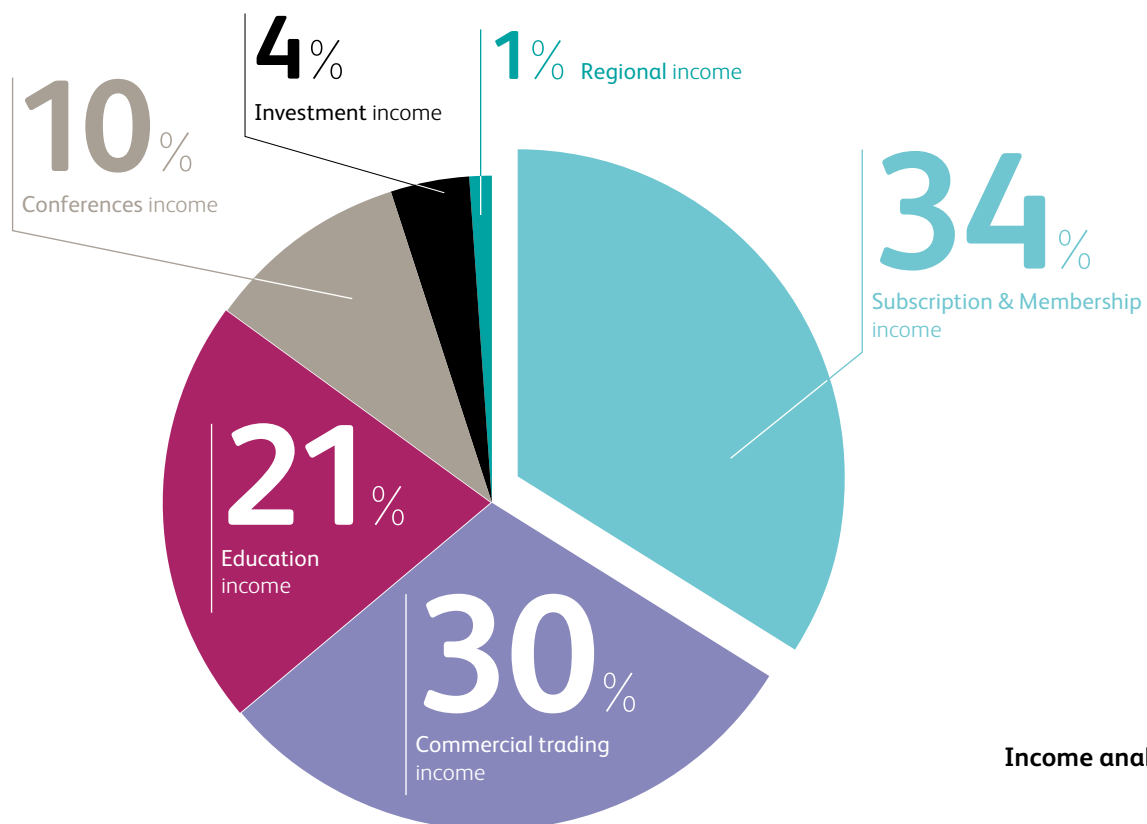
CIEH income from commercial activities continues to grow, boosted by rental income from our London office. Although we have seen a drop in income from charitable activities we have also reduced our expenditure in this area. Work has continued to reduce the cost base of the organisation to ensure we become a sustainable, membership focused, professional body.

Key financial highlights include:

- group operating loss of £0.8m an improvement from the loss of £1.2m in the previous year
- membership income in line with the previous year's figure of £1.8m
- total expenditure in line with the previous year's figure of £6.1m
- an investment gain of £11.2m of which £10.6m relates to investment property compared to a loss in 2018 of £0.6m

### Income and expenditure

The consolidated results for the year show that our net expenditure exceeded income by £0.8m, which is an improvement over the previous year's figure of £1.2m. This was achieved by both increasing income and reducing costs. The income breakdown is shown in the chart below:



Subscriptions and membership income play an important part in funding the services of CIEH and in 2019 they remained in line with the previous years figure and represent 34% of the overall income of the organisation. The flagship "I am Environmental Health" campaign launched last year and referred to elsewhere in this report continues to help in high-lighting the value of membership of CIEH.

Income from education activities remains more or less in line with the previous years' income at £1.1m (2018: £1.2m). Following the move to the new learning management system, in 2018, we continue to invest in our elearning courses, having developed an App to make it easier for our learners as well as using this system for our Chartered Practitioner Programme. At the beginning of 2019 we also made the courses available to the public through an online portal widening the reach of these important learning tools. We have also continued to invest in our flexible work-based learning programme under the banner "Partners in Professionalism". We have added a new course to this programme, food allergens awareness and also updated the material on a number of the courses.

Income from conference activity in 2019 was £548k, which is ahead of the 2018 figure of £502k. Following the review of our conference programme in the summer of 2018 we introduced some new events for 2019, including more in-house workshops. The new programme has been very successful and has included working with the Food Standards Agency to develop a course on Imported Food Training Development 'Legislation and Enforcement' in preparation for Brexit. This activity is an important part of our service to members and we are continuing to invest in this activity.

Commercial trading income totalled £1.6m in 2019 which was a significant increase over the 2018 figure of £1.2m driven by the increase in rental income from renting three floors of Chadwick Court. As part of the move to the lower ground floor we reduced the space available to the venue, 15Hatfields but introduced new meeting rooms in the lower ground floor area. This new space is proving popular and 15Hatfields increased revenue in 2019 to just over £1m. However, there is still significant economic uncertainty and we continue to closely monitor this activity.

Our investment portfolio generated income of £0.2m in line with last year. However, the market remains very volatile and we have seen some sharp downward movements after the year end due to the global economic uncertainty and the recent Coronavirus pandemic. The investment portfolio stood at £6.4m at the end of 2019 having withdrawn £1.05m from the portfolio to support operating activities as well as investments in both new systems and developing Chadwick Court. We also saw significant gain of £11.2m due to addition of investment property in 2019 compared the previous years loss of £0.6m.

## Balance sheet

Total funds for the Group now stand at £11.2m (2018: £0.4m). The pension fund deficit saw a small increase of £68,000 following the most recent actuarial report, further details of which are set out in note 9 to the financial statements. Debtors have increased to £1.2m at the end of 2019 (2018: £0.5m) mainly due to the rental of the office space.

## Investments and reserves

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

The strategic target of the fund is to achieve a long term return of 4% above inflation with a risk profile of less than 5% probability of making a capital loss exceeding 10% of the portfolio value within any one year. 2019 remained a volatile year for investment markets with continued uncertainty from Brexit, however, the value of the fund increased over the year by 13.4% in 2019 (2018: loss of 6.3%). We are continuing to see market volatility in 2020.

The Board of Trustees annually review the reserves of the charity. This review encompasses the nature of the income and expenditure streams, the need to match variable income with long term commitments and the nature of the reserves. Total funds as at 31 December 2019 were £11.2m (2018: £0.4m) represented by unrestricted general funds of £15.3m (2018: £4.5m) and a pension fund deficit of £4.1m (2018: £4.0m).

The reserves policy agreed by the Board of Trustees is to hold six months' expenditure within general funds and based upon the 2019 results, this figure is £3.1m (2018: £3.1m). Our current total funds, at the end of 2019, stand at £11.2m and includes the investment property along with the shortfall in the pension fund of £4.1m which is a long term funding issue and does not impact day to day funding requirements. The Board of Trustees plan to build cash reserves to 100% of six months expenditure through control of our cost base and expansion of membership along with development of new commercial activities.

## Going concern

The Board of Trustees has carefully reviewed the financial position of CIEH Group, including the financial projections for 2020 and 2021, and concluded that following the restructuring programme and with the new strategic direction of the organisation that there are sufficient funds at the date of signature of the financial statements to manage any foreseeable downturn in the UK and global economy. The Board also considers that there is a reasonable expectation that CIEH has adequate resources to continue in operational existence for the foreseeable future and for these reasons the Board of Trustees continues to adopt the going concern basis in preparing the financial statements.

## Subsidiaries

CIEH is the sole member and owns the entire issued share capital of its subsidiary, CIEH Ltd. 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 keys risk to the organisation and the principal processes in place to manage these risks are set out in the table on the next page.

The year 2020 started strongly however, these are unprecedented times and like many organisations, COVID-19 has significantly impacted our business operations. We have undertaken a range of mitigating actions such as online delivery which should ensure that CIEH is well placed to weather the uncertainties that COVID-19 has introduced.

## Plans for future periods

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

## 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 as trustees of CIEH. The induction includes an introduction to the objectives, scope and policies of the charity, the use of charitable funds and in addition they are provided with detailed Charity Commission information on trustee responsibilities.

## Risk

## Key controls and mitigations

### Membership

Membership retention levels fall due to poor member engagement or renewal process difficult for members.

Engagement strategy in place with members locally via Hub meetings, regional events and roadshows to demonstrate the value of membership following the change programme. New Network manager appointed to promote this activity. Systems improvement completed prior to renewal exercise and new rolling renewals now in place to reduce year-end activity.

Market research fails to identify areas for significant new membership acquisition and lack of resources to implement agreed recruitment strategy.

Ensure that this is adequately budgeted for and resourced and that the market research project is programme managed and delivery reported.

### Professional Development

Transition from EHRB to new Chartered Programme creates heightened risk of appeals and claims.

Continued communications to members and employers throughout the transition period to emphasise the dates and the position regarding employment terms. Additional sessions planned for potential EHRB candidates.

### Financial

Results not in line with budgets/forecasts resulting in financial constraints and cash flow problems ultimately leading to potential solvency issues.

Improved budgeting process and management accounts reporting along with close control of cash flow. Ownership by individual managers along with quarterly review and presentations on progress. Close control of expenditure in line with both budget and against income as well as regular cash flow monitoring.

Pension funding risks where there is a shortfall in defined benefit pension fund.

Engagement with LPFA who administer the fund along with additional contributions to reduce the shortfall. Provision of security in the form of a charge over a proportion of our investment portfolio.

Investment risk.

Reduce need to call on the investment fund to manage a shortfall in income as CIEH returns to breakeven. Fund is managed through diversification in accordance with an agreed asset allocation strategy and through a series of funds under the control of a professional investment manager.

### Voice and influence

Volatile political landscape adversely impacting our policy and campaigning or membership dissatisfied with policy position.

Closely monitor political developments and build-in flexibility to campaign planning. Work closely with our technical Advisory Panels and communicate policy formulation clearly to members.

### Continuous improvement

Failure to achieve strategic objectives.

The Board of Trustees have set out clear strategic objectives which the Executive Management Team (EMT), have incorporated into a clear business plan with individual executives assigned to each area of the plan. The plans are reviewed monthly by the EMT and reported to the Board of Trustees at each meeting of the Board.

Failure of the decision making process or lack of understanding of the regulatory and legislative framework.

Formal induction for all new trustees and advisory group members. Rollout of board appraisal process and ongoing training programme.

Inability to recruit and retain staff with the right knowledge, skills and behaviours.

People Strategy agreed and a planned project managed approach taken to implementation with monitoring of progress by EMT.

Systems transformation project fails to deliver on time, on budget or fails to perform as specified.

First phase of system transformation completed on time and to budget. Road map in place setting out on-going development including agreed testing plan to reduce likelihood of issues. Detailed project plan in place for accounting system change in line with revised timeline.

Compliance breach and cyber security risks including loss of data and breach of regulations including GDPR.

Security programme in place covering identification of staff knowledge, targeted training and ongoing testing of security measures. Improvements in updating and patching systems. Insurance cover also in place to help mitigate financial impact of breach. Data cleansing exercise undertaken to ensure compliance with agreed data retention policies.



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

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

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

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

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- observe the methods and principles in the Charities SORP and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Board of Trustees 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 will be proposed for reappointment in accordance with the Companies Act 2006 at the next annual meeting.

## **Statement as to disclosure of information to our auditors**

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

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

## Reference and administrative details

<b>Name:</b>	The Chartered Institute of Environmental Health is also known as CIEH
<b>Constitution:</b>	CIEH was granted a Royal Charter on 27 July 1984
<b>Status:</b>	CIEH is a registered charity
<b>Number:</b>	290350
<b>The registered office is:</b>	Chadwick Court, 15 Hatfields, London SE1 8DJ
<b>Contact details are:</b>	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 35.

## Funds held as custodian trustee on behalf of others

CIEH holds funds as custodian trustee on behalf of others as disclosed in note 20. These funds are excluded from this report.

## Employees and Members

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

**By order of the Board of Trustees**  
**Siraj Choudhury**



23 April 2020

# 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 2019 which comprise the Consolidate Statement of Financial Activities, the Charity and Group Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2019 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

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

## Responsibilities of trustees for the financial statements

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

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

## 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Conclusions relating to going concern

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

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

## Other information

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

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

## Matters on which we are required to report by exception

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

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

## Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP  
Statutory Auditors  
23 April 2020

10 Queen Street Place, London, EC4R 1AG

# Consolidated Statement of Financial Activities

(SoFA) (Incorporating an Income and Expenditure Account)

for the year ended 31 December 2019

		Group	
		2019	2018
		Unrestricted funds	Unrestricted funds
		£'000	£'000
	Note		
<b>Income from charitable activities</b>			
Subscription and membership	3	1,789	1,784
Education	3	1,116	1,182
Conferences	3	548	502
Regions	3	27	42
<b>Income from other trading activities</b>			
Commercial trading	3	1,601	1,178
<b>Income from investments</b>			
Investments	3/12.1	208	215
<b>Total income and endowments</b>		<b>5,289</b>	<b>4,903</b>
<b>Expenditure</b>			
Expenditure on charitable activities			
Subscription and membership	4	2,424	2,548
Education	4	1,460	1,572
Conferences	4	1,400	1,385
Regions	4	16	60
<b>Expenditure on raising funds</b>			
Commercial trading operations	4	759	524
Investment management fee	4	43	53
<b>Total expenditure</b>		<b>6,102</b>	<b>6,142</b>
<b>Net expenditure for the year before gains /(losses)</b>		<b>(813)</b>	<b>(1,239)</b>
(Loss) / gain on investments	12.1	11,271	(601)
<b>Net movement in funds before defined benefit scheme gain</b>		<b>10,458</b>	<b>(1,840)</b>
Pension scheme – actuarial gain	9	393	512
<b>Net movement in funds</b>		<b>10,851</b>	<b>(1,328)</b>
Funds brought forward at 1 January		429	1,757
<b>Funds carried forward at 31 December</b>		<b>11,280</b>	<b>429</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.

The notes on pages 16 to 35 form an integral part of these financial statements.

# Balance Sheets

as at 31 December 2019

		Group		CIEH	
	Note	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>Fixed assets</b>					
Intangible fixed assets	10	244	319	-	-
Tangible fixed assets	11	2,970	7,496	2,957	7,471
Investments	12.1	21,671	6,598	21,671	6,598
		<b>24,885</b>	<b>14,413</b>	<b>24,628</b>	<b>14,069</b>
<b>Current assets</b>					
Stocks		24	25	-	-
Debtors	14	1,187	475	906	402
Cash at bank and in hand		407	517	399	490
		<b>1,618</b>	<b>1,017</b>	<b>1,305</b>	<b>892</b>
<b>Creditors: amounts falling due within one year</b>	15(i)	<b>(1,517)</b>	<b>(1,361)</b>	<b>(1,234)</b>	<b>(1,040)</b>
<b>Net current assets</b>		<b>101</b>	<b>(344)</b>	<b>71</b>	<b>(148)</b>
<b>Total assets less current liabilities</b>		<b>24,986</b>	<b>14,069</b>	<b>24,699</b>	<b>13,921</b>
<b>Creditors: amounts falling due after more than one year</b>	15(ii)	<b>(9,613)</b>	<b>(9,615)</b>	<b>(9,613)</b>	<b>(9,615)</b>
<b>Total net assets before pension deficit</b>		<b>15,373</b>	<b>4,454</b>	<b>15,086</b>	<b>4,306</b>
Defined benefit pension scheme liability	9	(4,093)	(4,025)	(4,093)	(4,025)
<b>Total net assets</b>		<b>11,280</b>	<b>429</b>	<b>10,993</b>	<b>281</b>
<b>Funds and reserves</b>					
Unrestricted general funds	16	15,373	4,454	15,086	4,306
Pension fund	16	(4,093)	(4,025)	(4,093)	(4,025)
<b>Total funds</b>	16	<b>11,280</b>	<b>429</b>	<b>10,993</b>	<b>281</b>

The notes on pages 16 to 35 form an integral part of these financial statements.

Approved and authorised for issue  
on behalf of the Board of Trustees on  
23 April 2020



Siraj Choudhury,  
Chairman, Board of Trustees



Kevin Gould,  
Deputy Chairman, Board of Trustees

# Consolidated Cash Flow Statement

for the year ended 31 December 2019

	Note	2019		2018	
		£'000	£'000	£'000	£'000
<b>Cash flow from operating activities</b>	18		(791)		(1,123)
<b>Cash flow from investing activities</b>					
Purchase of intangible assets	10	(53)		(250)	
Purchase of tangible assets	11	(313)		(79)	
Cash withdrawal from investments	12.1	<u>1,050</u>		<u>1,150</u>	
<b>Net cash provided by investing activities</b>			<b>684</b>		821
<b>Cash flows from financing activities</b>					
Capital element of finance lease rentals		<u>(3)</u>		<u>(2)</u>	
<b>Net cash provided by financing activities</b>			<b><u>(3)</u></b>		<b><u>(2)</u></b>
<b>Change in cash and cash equivalents in year</b>			<b>(110)</b>		(304)
<b>Cash and cash equivalents at beginning of year</b>			<b><u>517</u></b>		<b><u>821</u></b>
<b>Cash and cash equivalents at end of year</b>			<b><u>407</u></b>		<b><u>517</u></b>

The notes on pages 16 to 35 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

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. A more detailed note is set out in the Trustee's Annual Report. The group therefore continues to adopt the going concern basis in preparing this Annual Report and Financial Statements.

### 1.3 Leasehold property

On 20 December 2013, CIEH entered into a sale and leaseback agreement on the charity's property, Chadwick Court, located at 15 Hatfields, London. The property is held by the charity under a 150 year long lease. The property has been classified as a long-leasehold property in note 11. The Board of Trustees considers that the risks and rewards of ownership rest with the charity and consequently account for the long-leasehold as a finance lease and recognise the property as a fixed asset in the financial statements of the charity.

Depreciation is charged over its revised useful economic life of 150 years on a straight line basis.

### 1.4 Other fixed assets

#### Intangible fixed assets:

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

Both software and course development costs are recognised as intangible assets when supplied by a third party. No depreciation is charged on assets under construction

but computer software 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.

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

### 1.8 Research and development

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

### 1.9 Operating leases

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

### 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.

# Notes to the Financial Statements

## *continued*

for the year ended 31 December 2019

### 2 Subsidiary activities

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

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

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

	CIEH Limited	
	2019 £'000	2018 £'000
Turnover	2,618	2,706
Total expenditure	(2,550)	(2,629)
Profit / (loss) for the year	68	78
Retained profits b/f	218	140
<b>Retained in subsidiary</b>	<b>286</b>	<b>218</b>

### 3 Income and endowments

	2019			2018		
	£'000 CIEH Ltd	£'000 CIEH	£'000 Group	£'000 CIEH Ltd	£'000 CIEH	£'000 Group
Subscriptions and membership	593	1,196	1,789	597	1,187	1,784
Education	1,016	100	1,116	1,118	64	1,182
Conferences	–	548	548	–	502	502
Regions	–	27	27	–	42	42
Commercial trading	915	686	1,601	899	279	1,178
Investments	–	208	208	–	215	215
<b>Total income and endowments</b>	<b>2,524</b>	<b>2,765</b>	<b>5,289</b>	<b>2,614</b>	<b>2,289</b>	<b>4,903</b>

**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.

## 4 Expenditure

	2019		2018	
	Memo £'000	Total £'000	Memo £'000	Total £'000
Subscription Membership				
Direct costs	335		288	
Staff costs	506		558	
CIEH Ltd support	431		506	
CIEH support	1,152	2,424	1,196	2,548
Education				
Direct costs	185		177	
Staff costs	403		351	
CIEH Ltd support	238		310	
CIEH support	634	1,460	734	1,572
Conferences				
Direct costs	196		162	
Staff costs	281		265	
CIEH Ltd support	252		285	
CIEH support	671	1,400	673	1,385
Regions		16		60
Commercial trading		759		524
Investment management fee		43		53
<b>Total expenditure</b>		<b>6,102</b>		<b>6,142</b>

Basis of apportionment: Direct costs

# Notes to the Financial Statements

## *continued*

for the year ended 31 December 2019

### 5 Support costs

	2019			2018		
	CIEH Ltd £'000	CIEH £'000	Total £'000	CIEH Ltd £'000	CIEH £'000	Total £'000
Staff costs	511	1,371	1,882	574	1,465	2,039
Office costs	106	189	295	64	256	320
Printing, postage and stationery	7	7	14	7	7	14
Rent, rates and maintenance	5	136	141	70	119	189
Light and heat	–	54	54	–	58	58
Publicity and marketing	68	33	101	87	54	141
Research and development	–	–	–	8	–	8
Telephones	20	20	40	22	22	44
Computers	2	2	4	5	5	10
Legal and professional	1	10	11	3	9	12
Insurance	21	21	42	22	22	44
Bank charges	27	14	41	27	16	43
Finance lease interest	–	346	346	–	343	343
Governance costs	13	51	64	14	60	74
Irrecoverable VAT	–	67	67	–	35	35
Depreciation of tangible and intangible assets	140	136	276	197	132	329
<b>Support costs</b>	<b>921</b>	<b>2,457</b>	<b>3,379</b>	<b>1,100</b>	<b>2,603</b>	<b>3,703</b>

### 6 Governance costs

	2019 £'000	2018 £'000
Board of Trustees and other meetings	37	46
Auditors' remuneration	27	28
<b>Governance costs</b>	<b>64</b>	<b>74</b>

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.

## 7 Net expenditure for the year

	Group		CIEH	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<i>This is stated after charging:</i>				
Depreciation of tangible and intangible assets	277	328	138	132
Auditors' remuneration				
– audit work	27	28	15	15
– non-audit work	8	8	3	3
Finance lease interest	346	343	346	343
Operating lease rentals	32	29	–	–
Research and development	–	8	–	–

## 8 Employee and trustee costs

The employee costs for the Group and the charity were:

	Group		CIEH	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Wages and salaries	2,139	2,176	1,222	1,248
Social security	224	226	135	137
Pension costs	755	788	641	686
Temporary staff	216	279	91	112
Training and recruitment	35	31	17	14
	<b>3,369</b>	<b>3,500</b>	<b>2,106</b>	<b>2,197</b>

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.

	2019	2018	2019	2018
	Number	Number	£'000	£'000
Subscription and membership	11	10	506	558
Education	14	15	403	351
Conferences	2	2	281	265
Commercial trading	6	6	297	288
Central services	16	19	1,882	2,038
	<b>49</b>	<b>52</b>	<b>3,369</b>	<b>3,500</b>

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 2019

### 8 Employee and trustee costs *continued*

	2019	2018
	Number	Number
Employees whose emoluments were over £60,000 per annum:		
£60,000 – £69,999	1	1
£80,000 – £89,999	1	1
£140,000 – £149,999	1	1
	<u>3</u>	<u>3</u>

The executive management team of four (2018: four) were remunerated £293,185 (2018: £288,185) with company pension contributions totalling £37,528 (2018: £38,167). They received no other benefits (2018: £0).

No members of staff (2018: none) were made redundant during 2019. This resulted in a total redundancy payment of £nil (2018: £nil).

The Group makes pension contributions on behalf of three (2018: three) of the employees whose emoluments exceed £60,000.

No Board of Trustee member received any remuneration for services as a trustee (2018: 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 £4,049 to 11 trustees (2018: £5,655 to 10 trustees).

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

### 9 Pensions

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

	Group		CIEH	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
London Pension Fund Authority (LPFA)	728	735	624	647
Aegon UK PLC	18	43	8	33
Other	9	10	9	6
<b>Total pension costs</b>	<u>755</u>	<u>788</u>	<u>641</u>	<u>686</u>

The LPFA scheme is a successor to the last GLC fund and is a **Career Average Revalued Earnings (CARE) scheme**. It is actuarially valued on a three year cycle. In line with the 2016 valuation, CIEH's contributions are 12.8% (2018:12.8%).

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.

## 9 Pensions *continued*

The return on the Fund (on a bid value to bid value basis) for the year to 31 December 2019 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 2019 is as follows:

Employer asset share – bid value	31 Dec 2019		31 Dec 2018	
	£'000	%	£'000	%
Equities	5,836	54%	5,020	54%
Target Return Portfolio	2,680	25%	2,526	27%
Infrastructure	718	7%	601	6%
Property	992	9%	830	9%
Cash	573	5%	308	4%
<b>Total</b>	<b>10,799</b>	<b>100%</b>	<b>9,285</b>	<b>100%</b>

The assumed life expectations from age 65 are:

Life expectancy from age 65 years	31 Dec 2019	31 Dec 2018
Retiring today		
Males	22.2	21.9
Females	24.6	24.5
Retiring in 20 years		
Males	23.5	24.2
Females	26.1	26.7

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

Assumptions as at	31 Dec 2019	31 Dec 2018	31 Dec 2017
	% p.a	% p.a	% p.a
Discount rate	2.05%	2.8%	2.5%
Salary increases	3.8%	3.9%	4.1%
Pension increases	2.3%	2.4%	2.6%

# Notes to the Financial Statements

## *continued*

for the year ended 31 December 2019

### 9 Pensions *continued*

Balance sheet as at 31 December 2019

<b>Net pension liability as at</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>£'000</b>	£'000	£'000
Present value of the defined benefit obligation	<b>(14,892)</b>	(13,310)	(13,623)
Fair value of Fund assets (bid value)	<b>10,799</b>	9,285	9,564
Deficit	<b><u>(4,093)</u></b>	<u>(4,025)</u>	<u>(4,059)</u>
<b>Net defined benefit liability</b>	<b><u>(4,093)</u></b>	<u>(4,025)</u>	<u>(4,059)</u>

Statement of profit or loss for the year to 31 December 2019

<b>The amounts recognised in the SoFA are:</b>	<b>Year to 31 Dec 2019</b>	<b>Year to 31 Dec 2018</b>
	<b>£'000</b>	£'000
Service cost	<b>606</b>	625
Net interest on the defined liability	<b>110</b>	98
Administration expenses	<b>12</b>	12
<b>Total</b>	<b><u>728</u></b>	<u>735</u>

Asset and benefit obligation reconciliation for the year to 31 December 2019

<b>Reconciliation of opening and closing balance of the present value of the defined benefit obligation</b>	<b>Year to 31 Dec 2019</b>	<b>Year to 31 Dec 2018</b>
	<b>£'000</b>	£'000
Opening defined benefit obligation	<b>13,310</b>	(13,623)
Current service cost	<b>545</b>	625
Interest cost	<b>370</b>	338
Change in financial assumptions	<b>1,436</b>	(1,082)
Estimated benefits paid net of transfers in	<b>(399)</b>	(321)
Change in demographic assumptions	<b>(556)</b>	–
Past service costs, including curtailments	<b>61</b>	–
Contributions by Scheme participants	<b>125</b>	127
<b>Closing defined benefit obligation</b>	<b><u>14,892</u></b>	<u>13,310</u>



## 9 Pensions *continued*

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

	Year to 31 Dec 2019	Year to 31 Dec 2018
	£'000	£'000
Opening fair value of Fund assets	9,285	9,564
Interest on assets	260	240
Return on assets less interest	1,273	(570)
Administration expenses	(12)	(12)
Contributions by employer including unfunded	267	257
Contribution by Fund participants	125	127
Estimated benefits paid plus unfunded net of transfers in	(399)	(321)
<b>Closing fair value of Fund assets</b>	<b>10,799</b>	<b>9,385</b>

The total return on fund assets for the year to 31 December 2019 is £1,533,000.

### Sensitivity analysis

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	<b>0.0%</b>	-0.1%
Present value of total obligation	14,647	<b>14,892</b>	15,141
Projected service cost	574	<b>586</b>	598
Adjustment to long term salary increase	+0.1%	<b>0.0%</b>	-0.1%
Present value of total obligation	14,895	<b>14,892</b>	14,889
Projected service cost	586	<b>586</b>	586
Adjustment to pension increases and deferred revaluation	+0.1%	<b>0.0%</b>	-0.1%
Present value of total obligation	15,138	<b>14,892</b>	14,650
Projected service cost	598	<b>586</b>	575
Adjustment to life expectancy assumptions	+1 year	<b>None</b>	-1 year
Present value of total obligation	15,481	<b>14,892</b>	14,326
Projected service cost	605	<b>586</b>	568

# Notes to the Financial Statements

## *continued*

for the year ended 31 December 2019

### 9 Pensions *continued*

Re-measurements in other comprehensive income

#### Re-measurements of the net assets / (defined liability)

	Year to 31 Dec 2019	Year to 31 Dec 2018
	£'000	£'000
Return on Fund assets in excess of interest	1,273	(570)
Change in financial assumptions	(1,436)	1,082
Change in demographic assumptions	556	–
<b>Re-measurement of the net assets / (defined liability)</b>	<b>393</b>	<b>512</b>

#### Projections for the year to 31 December 2020

	Year to 31 Dec 2020
	£'000
Service cost	586
Net interest on the defined liability	81
Administration expenses	14
Total loss	681
Employer contributions	261

The projections for the year to 31 December 2020 exclude the capitalised cost of any early retirements or augmentations which may occur after 31 December 2019.

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.

## 10 Intangible fixed assets

<b>CIEH</b>	<b>Computer software</b>	<b>Total assets</b>
<b>Cost or Valuation</b>	£'000	£'000
At 1 January 2019	44	44
Disposals	(16)	(16)
At 31 December 2019	<u>28</u>	<u>28</u>
<b>Depreciation</b>		
At 1 January 2019	44	44
Disposals	(16)	(16)
At 31 December 2019	<u>28</u>	<u>28</u>
<b>Net Book Value</b>		
<b>At 31 December 2019</b>	<u>–</u>	<u>–</u>
At 31 December 2018	<u>–</u>	<u>–</u>

<b>Group</b>	<b>Course development</b>	<b>Computer software</b>	<b>Assets under construction</b>	<b>Total assets</b>
<b>Cost or Valuation</b>	£'000	£'000	£'000	£'000
At 1 January 2019	5	695	75	775
Additions	4	19	30	53
Disposals	–	(16)	–	(16)
At 31 December 2019	<u>9</u>	<u>697</u>	<u>105</u>	<u>811</u>
<b>Depreciation</b>				
At 1 January 2019	1	455	–	456
Charge for the year	3	124	–	127
Disposals	–	(16)	–	(16)
At 31 December 2019	<u>4</u>	<u>563</u>	<u>–</u>	<u>567</u>
<b>Net Book Value</b>				
<b>At 31 December 2019</b>	<u>5</u>	<u>134</u>	<u>105</u>	<u>244</u>
At 31 December 2018	<u>4</u>	<u>240</u>	<u>75</u>	<u>319</u>

# Notes to the Financial Statements

## *continued*

for the year ended 31 December 2019

### 11 Tangible fixed assets

<b>CIEH</b>	<b>Long leasehold property</b>	<b>Equipment Fixtures &amp; Fittings</b>	<b>Total assets</b>
<b>Cost or Valuation</b>	£'000	£'000	£'000
At 1 January 2019	8,118	581	8,699
Additions	–	313	313
Transfer to investment property	(5,279)	–	(5,279)
Disposals	–	(119)	(119)
At 31 December 2019	<u>2,839</u>	<u>775</u>	<u>3,614</u>
<b>Depreciation</b>			
At 1 January 2019	885	343	1,228
Charge for the year	35	103	138
Transfer to investment property	(591)	–	(591)
Disposals	–	(118)	(118)
At 31 December 2019	<u>329</u>	<u>328</u>	<u>657</u>
<b>Net Book Value</b>			
<b>At 31 December 2019</b>	<u><b>2,510</b></u>	<u><b>447</b></u>	<u><b>2,957</b></u>
At 31 December 2018	<u>7,233</u>	<u>238</u>	<u>7,471</u>

<b>Group</b>	<b>Long leasehold property</b>	<b>Equipment Fixtures &amp; Fittings</b>	<b>Total assets</b>
<b>Cost or Valuation</b>	£'000	£'000	£'000
At 1 January 2019	8,118	763	8,881
Additions	–	114	313
Transfer to investment property	(5,279)	79	(5,279)
Disposals	–	(119)	(119)
At 31 December 2019	<u>2,839</u>	<u>957</u>	<u>3,796</u>
<b>Depreciation</b>			
At 1 January 2019	885	500	1,385
Charge for the year	35	115	150
Transfer to investment property	(591)	–	(591)
Disposals	–	(118)	(114)
At 31 December 2019	<u>329</u>	<u>497</u>	<u>826</u>
<b>Net Book Value</b>			
<b>At 31 December 2019</b>	<u><b>2,510</b></u>	<u><b>460</b></u>	<u><b>2,970</b></u>
At 31 December 2018	<u>7,233</u>	<u>263</u>	<u>7,496</u>

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

## 12 Investments

### 12.1 Investments

Investment portfolio held at Cazenove Capital Management comprises of:

	Investment Property	Listed Investments	Cash and cash equivalents	Total 2019
	£'000	£'000	£'000	£'000
Value at 1 January 2019	–	6,220	378	6,598
Investment income	–	–	208	208
Management fee	–	–	(43)	(43)
Cash withdrawal	–	–	(1,050)	(1,050)
Additions	4,687	188	(188)	4,687
Disposal proceeds	–	(1,128)	1,128	–
(Losses) / gains	10,613	658	–	11,271
<b>Value at 31 December 2019</b>	<b>15,300</b>	<b>5,938</b>	<b>433</b>	<b>21,671</b>

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 net initial yield.

Amounts are receivable under operating leases as follows:

### Group and CIEH

	2019	2018
	£'000	£'000
Within one year	526	–
Within two to five years	4,015	–
After more than five years	4,627	–
<b>Total</b>	<b>9,168</b>	<b>–</b>

### 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

## *continued*

for the year ended 31 December 2019

### 13 Interest payable

	Group		CIEH	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Finance lease	<u>346</u>	<u>343</u>	<u>346</u>	<u>343</u>
<b>Total interest payable</b>	<u><b>346</b></u>	<u><b>343</b></u>	<u><b>346</b></u>	<u><b>343</b></u>

### 14 Debtors

	Group		CIEH	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	534	363	242	40
Amounts owed by subsidiary undertakings	–	–	32	178
Taxes and social security	–	–	–	93
Other debtors	15	14	13	12
Prepayments and accrued income	<u>638</u>	<u>98</u>	<u>619</u>	<u>79</u>
<b>Total debtors</b>	<u><b>1,187</b></u>	<u><b>475</b></u>	<u><b>906</b></u>	<u><b>402</b></u>

## 15 Creditors

	Group		CIEH	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>(i) Amounts falling due within one year</b>				
Obligation under finance lease	345	345	345	345
Trade creditors	78	98	47	51
Taxes and social security	144	81	21	–
Accruals and deferred income	950	837	821	644
	<b>1,517</b>	<b>1,361</b>	<b>1,234</b>	<b>1,040</b>
<b>(ii) Amounts falling due after more than one year</b>				
Finance lease	<b>9,613</b>	<b>9,615</b>	<b>9,613</b>	<b>9,615</b>
<b>Obligations under finance lease are payable as follows:</b>				
After more than one year but within five years	<b>1,380</b>	1,380	<b>1,380</b>	1,380
After five years	<b>8,233</b>	8,235	<b>8,233</b>	8,235
	<b>9,613</b>	<b>9,615</b>	<b>9,613</b>	<b>9,615</b>

**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

## *continued*

for the year ended 31 December 2019

### 16 Reconciliation of movement in total funds

	At 1 Jan 2019	Income	Expenditure	Transfers	Gains/ (losses)	At 31 Dec 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted general funds	4,454	5,289	(5,641)	–	11,271	15,373
Pension fund	(4,025)	–	(461)	–	393	(4,093)
<b>Total Funds</b>	<b>429</b>	<b>5,289</b>	<b>(6,102)</b>	<b>–</b>	<b>11,664</b>	<b>11,280</b>

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

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

### 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 2019 are as follows:

	2019	2018
	£'000	£'000
Emergency & Relief Fund	5	5
Bonnefoy Fund	21	21



## 18 Cash flow resulting from operations

Reconciliation of deficit for the financial year to net cash inflow from operations	Group	
	2019 £'000	2018 £'000
Cash flows from operating activities		
Surplus/(deficit) for the financial year	10,851	(1,328)
<b>Adjustments to exclude:</b>		
Depreciation of intangible assets	127	191
Depreciation of tangible assets	150	137
Interest element of finance lease rentals	346	343
Investment income	(208)	(215)
Pension scheme actuarial gains	(393)	(512)
Investment management fees	43	52
Investment: gains	(11,271)	601
Debtors decrease / (increase)	(712)	73
Stock decrease / (increase)	1	7
Creditors increase / (decrease)	156	(606)
Pension charged to SoFA	728	735
Pension contributions	(267)	(257)
Cash generated from operations	(449)	(780)
Interest paid	(342)	(343)
<b>Net cash flow resulting from operations</b>	<b>(791)</b>	<b>(1,123)</b>

## 19 Analysis of net debt

Group	At 1 Jan 2019 £'000	Cash flow £'000	At 31 Dec 2019 £'000
Cash at bank and in hand	517	(110)	407
Debt due within one year:			
Finance lease	(345)	–	(345)
Debt due after more than one year:			
Finance lease	(9,615)	2	(9,613)
	<u>(9,443)</u>	<u>(108)</u>	<u>(9,551)</u>

# Notes to the Financial Statements

## *continued*

for the year ended 31 December 2019

### 20 Reconciliation of net cash flow to movement in net debt

	2019		2018	
	£'000	£'000	£'000	£'000
Decrease in cash in the year	(110)		(304)	
Capital element of finance lease rentals	2		2	
Movement in net debt in the year		(108)		(302)
Net debt at 1 January		(9,443)		(9,141)
<b>Net debt at 31 December</b>		<b>(9,551)</b>		<b>(9,443)</b>

### 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 £3,028 (2018: £3,028).

### 23 Capital commitments

At 31 December 2019 group capital commitments of £124,280 (of which £104,755 had been spent at 31 December) had been authorised and contracted for (2018: £108,802 authorised and £75,247 had been spent).

## 24 Related party transactions

During the year CIEH received Gift Aid payments of £34,000 (2018: £23,000) 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 2019 and the prior year 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.

## 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	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>Other assets</b>				
Payable within 1 year	36	36	–	–
Payable during 2 to 5 years	45	81	–	–
	<u>81</u>	<u>117</u>	<u>–</u>	<u>–</u>

## 26 Post balance sheet events

Since the reporting date, the impact of the COVID-19 coronavirus on financial markets has led to a 17% decline in the value of the group's listed investments. This volatility in global markets is to be expected considering the impact social distancing restrictions is having on the economy.

The Trustees do not consider that this decline will have a material impact on the charity's ability to continue as a going concern or on its ability to continue to operate in line with the current strategic plan

# About CIEH

**President** Dawn Welham

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

Siraj Choudhury (Chair)  
 Kevin Gould (Deputy Chair)  
 Maurice Brennan (Appointed 1 January 2020)  
 Jonathan Hayes  
 Terenja Humphries  
 Roisin Kerr (Appointed 1 January 2020)  
 Graeme Mitchell (Resigned 18 July 2019)  
 David Newsum  
 Timothy Nichols (Resigned 31 December 2019)  
 Daniel Oerther (Appointed 1 January 2020)  
 Mike Owen (Resigned 18 July 2019)  
 Nick Pahl  
 Jessica Tabois  
 Kirpal Tahim  
 Dawn Welham  
 Joanne Wyatt

## CIEH Executive Management Team

Anne Godfrey	Chief Executive
Andrew Herbert	Executive Director of Finance and Corporate Services (to 31 March 2020)
Christine Kanu	Executive Director of Finance and Corporate Services (from 1 March 2020)
Abigail Lammas	Executive Director of Learning and Professional Development (to 30 September 2019)
Deborah Wood	Executive Director of Membership and External Affairs

## Risk and Audit Committee\*

Roy Coulter (Chair)  
 Jonathan Hayes  
 Carol Healy (Appointed 16 March 2020)  
 Lawrence Manna (Resigned 5 March 2020)  
 Les Milne (Resigned 15 March 2020)  
 Saravana Namasivayam (Appointed 16 March 2020)  
 Robert Spain

## Appointments and Remunerations Committee\*

Steve Othen (Chair, appointed 1 January 2020)  
 Victoria Stubbs (Chair, resigned 31 December 2019)  
 Mona Akiki (Resigned 15 November 2019)  
 Amanda Clarke  
 James Howe (Appointed 1 January 2020)  
 Dawn Welham (Resigned 31 December 2019)

## Advisers

<b>Bankers</b>	HSBC Bank Plc, 60 Queen Victoria Street, London EC4N 4TR
<b>Auditors</b>	Haysmacintyre LLP 10 Queen St. Pl., London EC4R 1AG
<b>Investment managers</b>	Cazenove Capital Management, 1 London Wall Place, London EC2Y 5AU

\* Governance office holders who held office at any time in 2019 and who have been appointed between the end of the year and 30 April 2020 are shown, for completeness.

To find out more visit:  
[www.cieh.org](http://www.cieh.org)

Get in touch  
[info@cieh.org](mailto:info@cieh.org)



[cieh.org](http://cieh.org)