



Shining the light on environmental health

Annual Report and Financial Statements

For the year ended 31 December 2021

Registered Charity No. 290350

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Trustees' Annual Report

The Board of Trustees present their report together with the Audited Financial Statements for the year ended 31 December 2021.

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 to disseminate knowledge about environmental health.

To support the delivery of our vision of safer, cleaner and healthier environments for the benefit of people, businesses and local communities, the Board of Trustees has agreed the following corporate objectives:

- To develop world class services to enable better standards of professional practice and to promote environmental health as an attractive and rewarding career
- To build an engaged, vibrant community of members and clients who are committed to being the best they can be throughout their careers
- To demonstrate public benefit, enhance the image of environmental health and influence the political and legal framework to better enable excellent practice
- To ensure CIEH targets its finances and other resources towards advancing the profession, efficiently and sustainably

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

With the work of environmental health professionals being pushed to the forefront due to the pandemic, and, of course, Brexit, CIEH has been straining every nerve to ensure that our members are supported and celebrated.

Reflecting the need for greater support and community, there has been strong enthusiasm for the "Coffee and Catch Up" series of webinars organised by volunteers and supported by CIEH. With our members under pressures, and unable to meet face to face, these catch ups have provided a welcome place for people to talk about their experiences, share advice, trade anecdotes, and discuss the issues facing our shared profession.

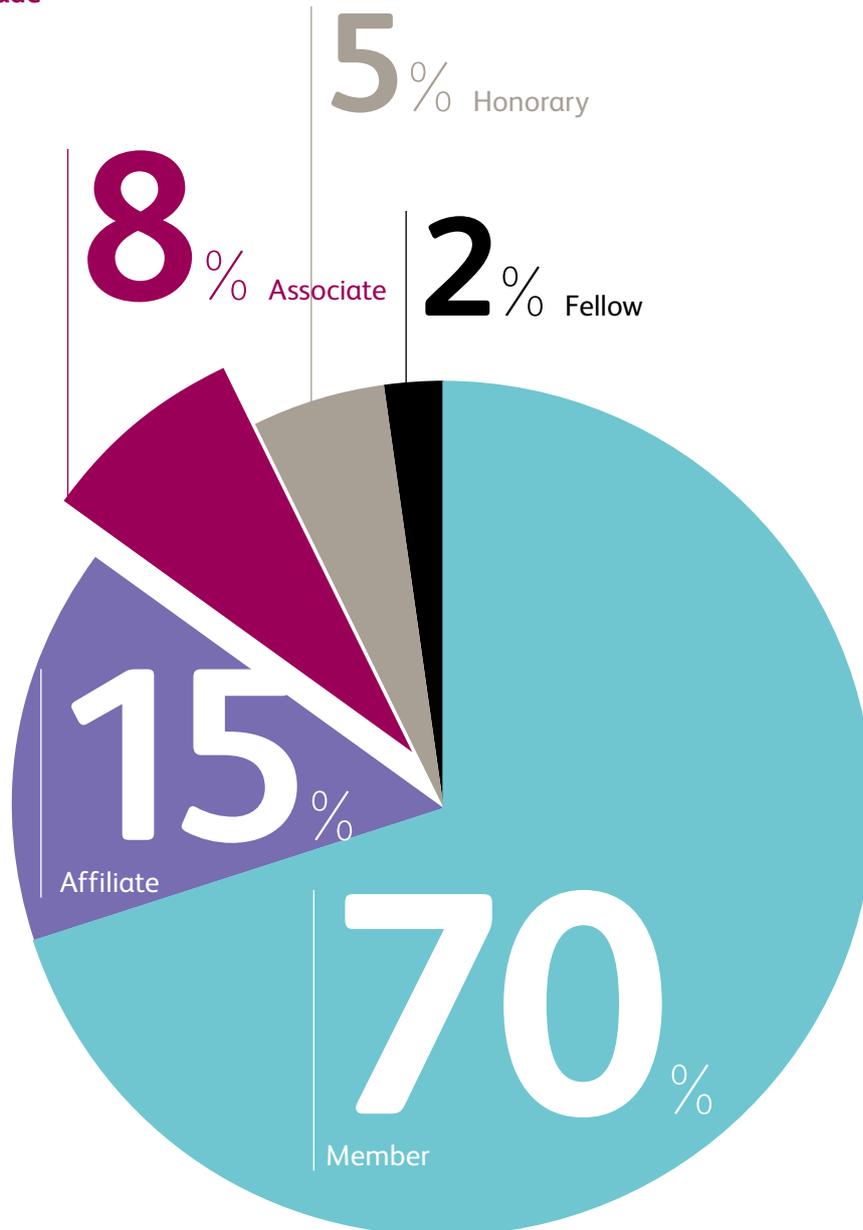
We have also been providing free webinars to support members on key issues, such as egg safety and allergen management in food in advance of the introduction of Natasha's Law.

Over the last year we reviewed the criteria for Fellowship with a focus on senior practitioners who have made significant contributions to the profession. A formal relaunch will take place in 2022.

2021 also saw us welcome 810 new members to CIEH, with 1,867 of you having achieved Chartered Status. Another milestone as we strengthen the profession and endeavour to expand our membership.

- **810 new members**
- **7,241 members**
- **1,867 members with Chartered Status**

Our membership by grade



Like many organisations, over the last two years CIEH has enthusiastically embraced technology to ensure that, while we might be prevented from running our traditional face-to-face events, we can still provide access to essential learning and engagement opportunities for all our members across the UK.

2021 demonstrated that our pivot to online delivery has strongly benefited our members, providing not only cost-effective training solutions but also a more efficient and flexible way of learning to fit around the day to day working pressures faced by environmental

health professionals. This is reflected in the dramatic increase in delegates attending our courses.

Although we are moving towards the end of the pandemic, our CIEH event strategy for 2022 will predominantly remain online. As well as the benefits to members, this also supports our drive for a more sustainable and inclusive event programme, reducing travel for delegates and negating its impact on the environment, and minimising our use of in-house resources such as catering and printed delegate packs.

However, we continue to work with our 15Hatfields venue team to explore Hybrid solutions and face to face delivery. CIEH remains focused on delivering the right type of events in the most appropriate way possible to meet the varied needs and priorities of our members. We will continue to offer a host of learning solutions, from technical bitesize training events to online conferences.

- **7,000 delegates attending CIEH courses**
- **Over 2,700 delegates attending 1 or more “bitesize” training event**
- **7 conferences**

In 2021 we worked extensively with a number of stakeholders, including employers in the public and private sectors, to develop a modernised qualification process for Environmental Health Practitioners (EHPs). This culminated in the launch of the new EHP pathway in September.

September also saw the launch of our new online professional Registers for EHPs, Chartered EHPs and Food Safety Practitioners, with accompanying digital credentials to allow our members to showcase their expertise with pride.

Building on our positive relationships with the FSA, we have been able to ensure that the new pathways to qualification mirror their new competency framework.

Our new Advanced Professional Certificate in the Private Rented Sector qualification launched in October, with the first intake attending Middlesex University. The qualification was developed with the support of the Mayor of London and will be available to all our accredited Universities from 2022.

To cap off an incredibly busy year, we have also been hosting academics forums and embarking on university visits, all with a view to passionately promoting the profession and encouraging people that environmental health is the career for them.

- **240 practitioners enrolled on our Chartered Practitioner program**
- **221 final EHRB Certificates of Registration**
- **9 Recognised Partner Universities**

A key element of successfully shining the light on environmental health is our policy and campaigning work to enhance CIEH’s voice and influence.

To make the most of our opportunities and resources, CIEH embarked on a series of strategic projects aiming to provide an in-depth understanding of the issues facing the environmental health profession, the views and experiences of our members, and the policy and political landscape.

At the beginning of 2021, we launched a major workforce survey for environmental health, for the first time in six years. We combined this with a wide-ranging member survey, and finally a partnership with ComRes to poll and engage with politicians, the public, and vital stakeholders. All of this has served to direct our campaigning activities to areas where we can have the most impact.

Our workforce survey report fed into the Cross Government Regulatory Review, with the findings being used to call on the Chancellor of the Exchequer to create an apprenticeships fund for local authorities. This culminated in a joint submission to the UK Government, alongside the Local Government Association and the Chartered Trading Standards Institute, to put regulatory services on a more sustainable footing.

We have continued our campaign to introduce a national landlord register in England and have teamed up with the Renters Reform Coalition to amplify the call for change. We have also continued to work with our partners at the End Fuel Poverty Coalition, to call for more support for households during the steep energy price rises.

Our flagship campaign has been on the cosmetics industry. Research carried out in 2020 by CIEH and the Institute of Licensing (IoL) found that current legislation is not able to guarantee consumer safety when undertaking a cosmetic treatment on the high street or in their home.

Following these reports, CIEH has been leading a coalition of public health organisations in calling for better regulation of all cosmetic treatments. We drafted and supported a key amendment to the Health and Care Bill, aimed at making the cosmetics industry safer in England, and worked closely with MPs and Peers from across the political spectrum to ensure it received cross-party support in both the House of Commons and the House of Lords.

- **156 appearances across national, broadcast, regional and trade media**
 - **57 press releases**
 - **10 consultation responses**
 - **5 flagship policy reports**
 - **6 parliamentary briefings**
 - **2 oral evidence sessions**
-

We have made permanent new ways of working which encourages a flexible hybrid way of working. Our staff team work mainly from home, with access to office space in Chadwick Court for necessary face to face meetings. We have re-configured the previous staff accommodation space for commercial use for 15Hatfields, making sure we are making best use of the asset that is our building in Central London. We have invested in a new training development portal for staff who can tailor their training and development needs, and we have consulted with staff and introduced a new defined contribution pension scheme which will support our plans for longer term financial sustainability.

Financial review

Highlights

In 2021, economic challenges, such as Brexit, were again compounded by the financial and ongoing global impact of the pandemic. Despite the implementation of social distancing measures due to COVID-19 and the resultant reduction in face-to-face activities, income increased by 16.4% compared to the prior year, a reflection of the significant steps that had been taken to enhance our digital capabilities.

Most noticeably for our trading subsidiary CIEH Ltd, a continued focus on efficiency in planned areas of expenditure led to a reduction in spend per £1 income, resulting in a trading loss of £0.2m compared to £0.5m loss in the prior year - as shown in note 2 to the financial statements.

In the year to 31 December 2021, we continued to concentrate on stabilising our baseline activity to provide a solid foundation for our future, supporting CIEH through an ongoing time of significant change. Decisive action has been taken to modernise CIEH's own financial framework so that it is fit for purpose, and we are better able to support our members.

Since 1978, CIEH has been a member of a statutory defined benefit pension scheme, administered in accordance with the Local Government Pension Scheme Regulations 2013, the administering authority for the fund being the London Pension Fund Authority (LPFA). The most recent tri-annual valuation shows £6m pension deficit liability with an estimated cessation liability of £11.2m.

In order to manage the risk of any future deficit - arising through the assets of the fund decreasing in value due to expected market volatility and/or liabilities increasing due to changes in mortality rates, changes in obligations or changes in measurement - after staff consultation, the Board took the final decision to close the defined benefit pension scheme to existing and new scheme members. All staff have been transferred to a new direct contribution pension scheme. Dialogue with LPFA is progressing, with a view to securing agreement for a repayment plan over a suitable period of time.

CIEH's net movement of +£4.6m on total funds (2020 -£1.4m) is a result of:

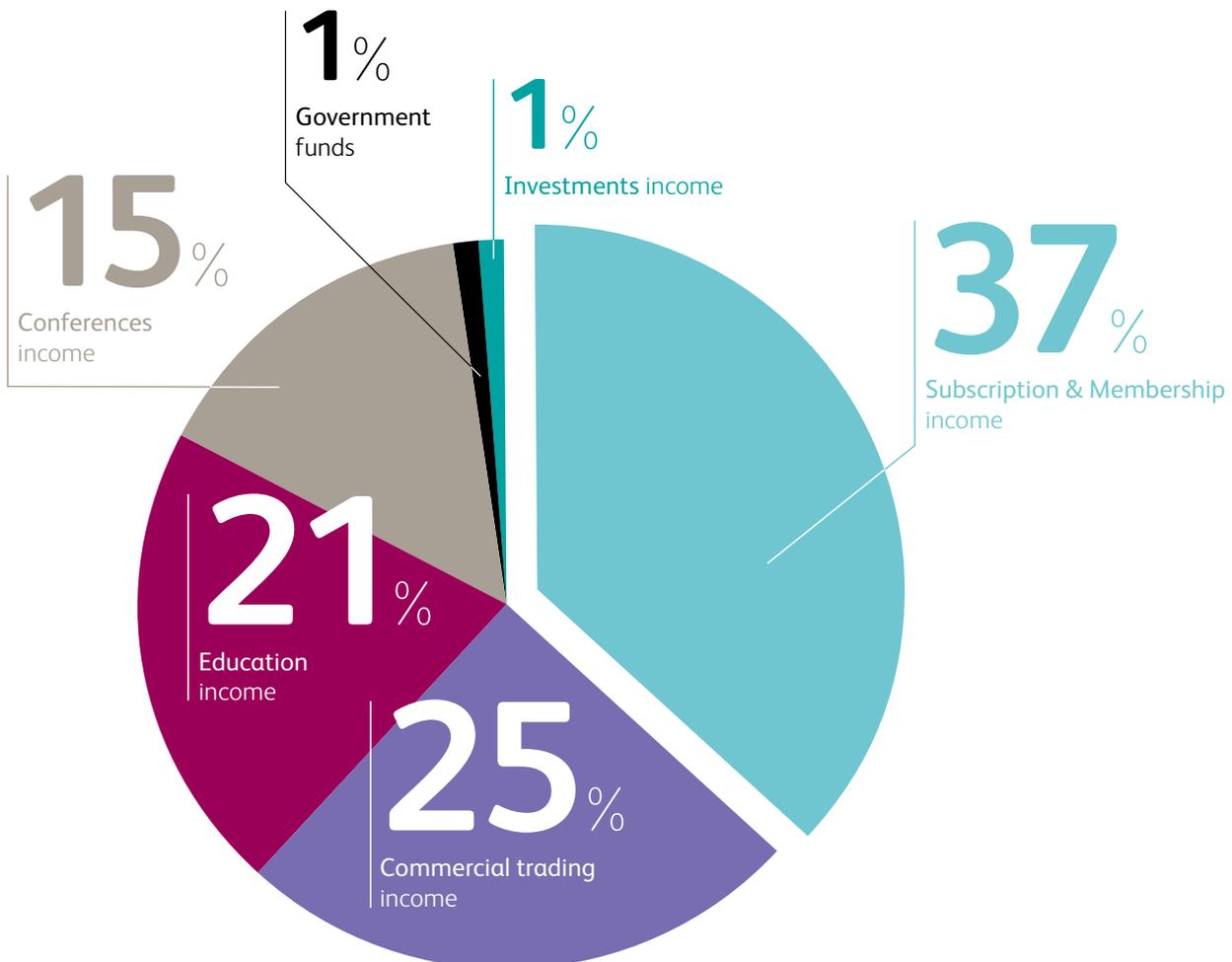
- total income of £4.9m, an increase of 16.4% from the previous year's figure of £4.2m
- total expenditure of £5.9m increased from the previous year's figure of £5.3m
- unrealised gain on investments of £0.5m and pension actuarial gain of £1.9m
- gain on the fixed asset long leasehold property of £3.4m, reflecting a change in accounting policy from a cost to revaluation model (see note 1.3 to the financial statements) - offset by a £0.25m decrease in the market value of the investment property

As we look ahead to the future, our focus will be on building on viable opportunities for growth and continuing to strengthen yet further our learning and development offers to members, which will result in improved financial performance in the medium to long term.

Income and expenditure

The consolidated results for the year show that we continue to make strides in improving our financial performance despite the ongoing challenges presented by the COVID-19 global pandemic. Our expenditure exceeded income by £1m (2020: £1m). The income breakdown is shown in the chart below:

Subscriptions and membership income continues to play an important part in funding the services of CIEH, representing 37% (2020: 38%) of the overall income of the organisation.



Income analysis 2021

During 2021, we greatly enhanced our digital capabilities, offering a dynamic series of webinars, events, and digital content, easily accessible for our members across the UK. Income from education activities rose to £1m (2020: £0.9m) and from conferences rose to £0.8m (2020: £0.3m). Reflecting the impact of the pandemic, commercial trading amounted to £1.3m (2020: £1.2m), with coronavirus job retention scheme/furlough grant income amounting to £41k (2020: £0.1m) and investment returns reducing by £75k.

Expenditure on charitable activities rose to £5.4m (2020: £4.7m), representing a decrease to £1.47p (2020: £1.74p) per £1 charitable income. Expenditure on raising funds remained the same at £0.5m (2020: £0.5m). Fixed costs have been lowered by the move to hybrid working, with flexible and alternative employment measures being considered as part of capacity building efforts.

Balance sheet

Total funds for the Group stand at £14.5m (2020: £9.9m) with the movement predominantly being due to pension scheme actuarial gain of £1.9m, investment gain of £0.5m and £3.4m gain on the fixed asset property - due to the decision to change the measurement basis for the tangible fixed assets element of the property from the cost model to the revaluation model; despite an operating loss of £1m and a reduction in the market value of the investment property of £250k. Further details are set out in notes 9 and 12 to the financial statements.

Debtors decreased marginally to £1.2m (2020: £1.3m) whilst creditors decreased to £1.9m (2020: £2m). The current ratio is healthy at 1.6 (2020: 1.4), meaning CIEH has 1.6 times the liquid assets needed to cover all short-term liabilities.

Investments and reserves

Cazenove Capital Management (an operating division of Schroder & Co) advise the Board of Trustees in the construction of a suitable investment portfolio and manage the investment into specific funds to be held within the portfolio. Cazenove ensure that investments are made into funds that follow good corporate social responsibility and that Environmental Social and Governance (ESG) issues are considered by the organisations in which investments were made. In addition, an explicit ethical restriction applies to the fund excluding all direct investments in tobacco.

The strategic target of the fund is to achieve a long-term return of 4% above inflation with a risk profile of less than 5% probability of making a capital loss exceeding 10% of the portfolio value within any one year. 2021 was another extraordinary year for investment markets. We saw the value of our investment fund increase over the year by 2% (2020: gain of 13.4%) with underlying volatility caused by the global pandemic and its impact on economic outlook.

CIEH conducts an annual review of its reserves, which encompasses the nature of the income and expenditure streams, the need to match variable income with long term commitments and the nature of the reserves. Total funds as at 31 December 2021 were £14.5m (2020: £9.9m) represented by unrestricted general funds of £20.5m (2020: £17.0m) and a pension fund deficit of £6m (2020: £7.1m). The pension fund is a long-term funding issue that does not impact on day-to-day funding requirements.

The reserves policy agreed by the Board of Trustees is to hold at least six months' expenditure within general funds and based upon the 2021 results, this figure is £2.9m (2020: £2.7m). Our free reserves, at the end of 2021, stand at £7.5m being listed investments of £5.6m along with cash and cash equivalents of £1.9m.

Going concern

The Board of Trustees having carefully reviewed the financial position of CIEH Group, including the financial projections for 2022 and 2023, are satisfied that there are sufficient funds at the date of signature of the financial statements to manage any foreseeable downturn in the UK and global economy. The Board having reflected on the level of liquid reserves held also considers that there is a reasonable expectation that CIEH has adequate resources to continue in operational existence for the foreseeable future and for these reasons the Board of Trustees continues to adopt the going concern basis in preparing the financial statements.

Subsidiaries

CIEH is the sole member and owns the entire issued share capital of its subsidiary, CIEH Ltd. Further details of the financial performance of CIEH Ltd are disclosed in note 2 to the Consolidated Statement of Financial Activities.

Management of risk

Good risk management is fundamental to the sustainability of CIEH although it should be recognised that it is impossible to eliminate all risk in an activity. The role of risk management is to identify the key risks facing the organisation and plan how these can be mitigated through specific measures. Overall responsibility for risk management rests with the Board of Trustees who manage the process through formal reviews at board meetings and through the Risk and Audit Committee. Day to day responsibility is delegated to the Executive Team who identify and evaluate risks that relate to their areas and manage the mitigation plans accordingly.

The key risks to the organisation and the principal processes in place to manage these risks are set out in the table below:

Risk

Key controls and mitigations

Membership

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

Engagement with members and the broader professional community has improved with an increase in the quality and quantity of online events. The CIEH business plan will continue to support enhanced engagement activity, together with significant additional outreach activity by senior staff and members.

Professional development

New qualification pathway having significant gaps leading to stakeholder needs not being met.

Inclusive engagement with stakeholders so appropriate feedback mechanisms help inform the shape of the qualification pathway.

Financial

Erosion of CIEH reserves by deficit trading or poor investment performance.

Medium-term financial strategy in place to deliver surplus trading position during 2023.

Investment strategy has been reviewed with a balanced approach adopted in line with agreed risk profile.

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

On 31 October 2021, the defined benefit pension scheme was closed to future accrual, with the exit of all existing and new scheme members. All staff have been transferred to a new direct contribution pension scheme with Aviva.

Engagement with LPFA who administer the fund along with provision of security covenant for any pension scheme deficits.

Voice and influence

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

Closely monitoring political developments, building in flexibility to campaign planning allowing us to react quickly to deliver clear, effective and targeted campaigns.

Business transformation

Inability to adapt organisational structure to support strategy programme.

Business activity reviews regularly undertaken ensuring improved collaboration across the organisation.

Technology compliance breach and cyber security risks including loss of data and breach of regulations including GDPR and PCI DSS.

Security programme in place covering identification of staff knowledge, targeted training and ongoing testing of security measures. Cyber security measures in place including regular refresher training and 'mystery shopper' approach to test awareness.

New Dark Trace system implemented to increase security monitoring. Insurance cover also in place to help mitigate financial impact of breach.

Looking to the future

Having grasped the nettle and taken decisive steps to modernise CIEH and secure its future, the coming year presents an opportunity to build on these endeavours, both internally and through our external activities.

2022 opened with an important Board discussion on what diversity and inclusion means to us all. A theme that will be built on throughout the year, with CIEH's executive management team focusing on how we can become a more inclusive organisation.

We are refreshing our professional framework, Chartered programme and CPD policy, ensuring that the standards we uphold on behalf of the public enable an inclusive, diverse profession and one that presents an attractive and accessible career option for people in every corner of our society.

Launched in 2021, but very much a major project for this upcoming year, the Directory of Student Training Opportunities (DSTO) will be a key focus. It is a compendium of one-off training opportunities to help students undertaking their professional registration to complete their Environmental Health Portfolio and Higher Certificate in Food Control.

CIEH will be continuing to ensure that we have long term sustainability, embedding our new Business Central finance system, and focussing on growing our commercial side of the business. This includes supporting our sustainable events venue, 15Hatfields, as it expands its operations to welcome back the clients and organisations looking for face to face meetings and events.

Engaging across government to ensure the environmental health profession is understood and supported is a vital strand of our work going forwards, and we will be intensifying our joint working with the LGA and CTSI to advocate for our members within the new Department for Housing, Levelling-Up and Communities (DHLUC).

We will also be driving forwards our successful campaign to improve the safety of the cosmetics industry in England by working with government and stakeholders to help design a new licensing scheme for practitioners.

We are now also putting the finishing touches to our new campaign around climate change. Encompassing all aspects of CIEH, our climate change campaign will focus on showcasing the vital role of environmental health professionals in fighting climate change, highlight what steps CIEH itself is taking to strive for Net Zero, and provide a series of webinars and training opportunities to support members and external organisations become more sustainable in their activities.

And finally, we will be revamping and relaunching our member-led policy advisory panels. These panels, covering each of our key policy areas, serve as essential platforms for members to lend us their expertise and to help shape our campaigning activity. Relaunching them will give all our members an excellent opportunity to be engaged and to be influential.

Structure, governance and management

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

The Board of Trustees is composed of six trustees elected by CIEH members, up to six appointed by the Board (on the recommendation of the Appointments and Remuneration Committee) and the President. It is the ultimate decision-making body for the operation of the charity. There are two committees, Risk & Audit and Appointments & Remuneration, reporting through to the Board of Trustees along with two advisory groups, Membership & the Profession and Learning & Qualifications.

As part of their induction programme new trustees are made aware of their responsibilities including an introduction to the objectives, scope and policies of the charity, the use of charitable funds and in addition they are provided with further information on their legal duties as set out in detailed Charity Commission reference materials. Further updates are provided to all trustees during the year as and when required.

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

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

Statement of Trustees' Responsibilities

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

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

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

The Board of Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements.

Auditors

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

Statement as to disclosure of information to our auditors

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

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

Reference and administrative details

Name:	The Chartered Institute of Environmental Health is also known as CIEH
Constitution:	CIEH was granted a Royal Charter on 27 July 1984
Status:	CIEH is a registered charity
Number:	290350
The registered office is:	Chadwick Court, 15 Hatfields, London SE1 8DJ
Contact details are:	Tel: 020 7827 5800 Fax: 020 7827 5862 Email: membership@cieh.org

Trustees

The names of each member of the Board of Trustees are listed on page 44.

Funds held as custodian trustee on behalf of others

CIEH holds funds as custodian trustee on behalf of others as disclosed in note 17. These funds are excluded from this report.

Employees and Members

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

By order of the Board of Trustees
Terenja Humphries



28 April 2022

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 2021 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2021 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of 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.

Conclusions relating to going concern

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

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

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

Other information

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Use of our report

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

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

Date: 18th May 2022

10 Queen Street Place
London
EC4R 1AG

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

Consolidated Statement of Financial Activities

(SoFA) (Incorporating an Income and Expenditure Account)
for the year ended 31 December 2021

		Group	
		2021	2020
		Unrestricted funds	Unrestricted funds
	Note	£'000	£'000
Income from charitable activities			
Subscription and membership	3	1,807	1,598
Education	3	1,026	875
Conferences	3	743	263
Regions	3	-	6
Income from other trading activities			
Commercial trading	3	1,259	1,220
Other income			
Grants	3	41	144
Income from investments			
Investments	3/12.1	66	141
Total income and endowments		4,942	4,247
Expenditure			
Expenditure on charitable activities			
Subscription and membership	4	2,893	2,433
Education	4	1,404	1,545
Conferences	4	1,061	787
Regions	4	-	4
Expenditure on raising funds			
Commercial trading operations	4	528	529
Investment management fee	4	33	32
Total expenditure		5,919	5,330
Net expenditure for the year before gains/(losses)		(977)	(1,083)
Loss on investment property	12.1	(250)	-
Gain on investments	12.1	487	2,344
Net movement in funds before defined benefit scheme gain and leasehold property gain		(740)	1,261
Pension scheme – actuarial gain/(loss)	9	1,919	(2,617)
Leasehold property gain	11	3,377	-
Net movement in funds		4,556	(1,356)
Funds brought forward at 1 January		9,924	11,280
Funds carried forward at 31 December		14,480	9,924

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

The notes on pages 22 to 43 form an integral part of these financial statements.

Balance Sheets

as at 31 December 2021

		Group		CIEH	
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed assets					
Intangible fixed assets	10	208	244	83	60
Tangible fixed assets	11	6,100	2,853	6,086	2,832
Investments	12.1	23,393	23,122	23,393	23,123
		29,701	26,199	29,562	26,014
Current assets					
Stocks		11	15	–	–
Debtors	14	1,251	1,313	1,467	1,503
Cash at bank and in hand		1,878	1,503	1,866	1,491
		3,140	2,831	3,333	2,994
Creditors: amounts falling due within one year	15(i)	(1,947)	(1,976)	(1,532)	(1,680)
Net current assets		1,193	855	1,801	1,314
Total assets less current liabilities		30,894	27,054	31,363	27,328
Creditors: amounts falling due after more than one year	15(ii)	(10,407)	(10,010)	(10,407)	(10,010)
Total net assets before pension deficit		20,487	17,044	20,956	17,318
Defined benefit pension scheme liability	9	(6,007)	(7,120)	(6,007)	(7,120)
Total net assets		14,480	9,924	14,949	10,198
Funds and reserves					
Unrestricted general funds	16	20,487	17,044	20,956	17,318
Pension fund	16	(6,007)	(7,120)	(6,007)	(7,120)
Total funds	16	14,480	9,924	14,949	10,198

The notes on pages 22 to 43 form an integral part of these financial statements.

Approved and authorised for issue
on behalf of the Board of Trustees on
28 April 2022


Terenja Humphries,
Chair, Board of Trustees


Daniel Oerther,
Deputy Chair, Board of Trustees

Consolidated Cash Flow Statement

for the year ended 31 December 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
Cash flow from operating activities	18		79		(151)
Cash flow from investing activities					
Purchase of intangible assets	10	(71)		(103)	
Purchase of tangible assets	11	(31)		(48)	
Cash withdrawal from investments	12.1	-		1,000	
Net cash provided by investing activities			(102)		849
Cash flows from financing activities					
Capital element of finance lease rentals		(2)		(2)	
Other loans		400		400	
Net cash provided by financing activities			398		398
Change in cash and cash equivalents in year			375		1,096
Cash and cash equivalents at beginning of year			1,503		407
Cash and cash equivalents at end of year			1,878		1,503

The notes on pages 22 to 43 form an integral part of these financial statements.

Notes to the Financial Statements

as at 31 December 2021

1 Accounting Policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015), the Charities Act 2011 and applicable accounting standards (FRS102).

1.2 Going concern

The ongoing COVID-19 pandemic necessitated a review of the Charity's finances with a medium term strategy in place to deliver a surplus trading position during 2023.

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

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

1.3 Leasehold property

On 20 December 2013, CIEH entered into a sale and leaseback agreement on the charity's property, Chadwick Court, located at 15 Hatfields, London. The property is held by the charity under a 150 year long lease and has been classified as a long-leasehold property.

The Board of Trustees considers that the risks and rewards of ownership rest with the charity and consequently account for the long-leasehold as a finance lease.

The property is split between investment property (note 12) and tangible fixed assets (note 11). The investment property element is measured at its fair value. The Trustees have taken the decision to change the measurement basis for the tangible fixed assets element from the cost model to the revaluation model. This is due to the change in use of the property following the introduction of flexible working, with activity now focusing primarily on revenue-generation rather than administration/support for CIEH's charitable activity. In accordance with FRS102 s.10.10A, this change of accounting policy does not give rise to a prior period adjustment but is accounted for as a revaluation in the year. The gain on revaluation has been recognised in the Statement of Financial Activities. The tangible fixed assets element of the property continues to be depreciated over the remaining term of the lease on a straight line basis.

A valuation of the property was performed on 31 January 2022, by an independent valuer that holds the MRICS qualification and has recent experience of both the location and class of investment property being valued.

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.

Notes to the Financial Statements

continued

as at 31 December 2021

1 Accounting Policies *continued*

1.5 Stocks

Stocks of publications and course material are stated at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items.

All stock items are finished goods held for resale.

1.6 Expenditure

All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered. Any VAT which is not recoverable by CIEH is included in allocated support costs, see note 5.

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

Governance costs relate to the general running of the charity as opposed to those costs associated with income generation or charitable activity. These costs include Board of Trustee costs, audit costs and other strategic management costs, see note 6.

1.7 Income and endowments

Subscriptions and membership fees are accounted for on an accruals basis. No income is accrued in relation to unpaid subscriptions at the year-end. Amounts received in advance are deferred to the period to which they relate.

Education income is accounted for on an accruals basis in respect of professional exams and public training courses.

Conference income is accounted for on an accruals basis and is generated from the delivery of CIEH events to its members and the public, as well as from the hire of its facilities (conference and meeting rooms), including the provision of catering, equipment and related services.

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

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

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

Until 31 October 2021, CIEH operated 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.

Notes to the Financial Statements

continued

as at 31 December 2021

1 Accounting Policies *continued*

On 31 October 2021, the defined benefit pension scheme was closed to existing and new scheme members and CIEH will be entering into a Deferred Debt Arrangement (DDA). Under a DDA, as an exiting employer, CIEH will become a deferred employer in the Fund, with no active members, and remain responsible for paying any existing or future secondary rate of contributions to fund any current or future deficit.

The secondary rate of contributions will be reviewed at each actuarial valuation until the termination of the agreement. As a deferred employer, CIEH will remain an ongoing concern for the Fund. The DDA will therefore be monitored throughout the recovery period chosen, regular updates of CIEH's funding position will be provided to the Fund and the level of covenant will also be monitored annually by the administering authority, to determine whether a review, or a possible termination of the agreement, is required.

As the DDA agreement is yet to be finalised, it has been assumed that no future employer contributions will be made in the projected pension expense.

CIEH operates a defined contribution scheme for all existing and new members, and the amount charged to the Consolidated Statement of Financial Activities in respect of pension costs and post-retirement benefits is the contribution 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.

The investment property and tangible fixed asset element of the property have been measured on a fair value basis in line with FRS102 i.e. "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction" and adjusted to its gross in consideration of the fact that cost elements are already fully recognised as long term liabilities.

Notes to the Financial Statements

continued

as at 31 December 2021

2 Subsidiary activities

	CIEH Limited		
	2021	2020	
	£'000	£'000	
Turnover	1,601	1,408	CIEH has one wholly owned UK trading subsidiary; CIEH Limited a company registered in England (01999717) and its registered office is: ChadwickCourt, 15 Hatfields, London SE1 8DJ.
Total expenditure	(1,796)	(1,968)	
(Loss) for the year	(195)	(560)	CIEH Limited, a company registered in England, carries out mainly primary purpose trading activities, providing learning outcomes and publishing a magazine.
Retained profits b/f	(274)	286	
Retained in subsidiary	(469)	(274)	A summary of the trading results for CIEH Limited is shown.
Assets	408	594	
Liabilities	(877)	(868)	
Net liabilities	(469)	(274)	

3 Income and endowments

	2021			2020		
	£'000	£'000	£'000	£'000	£'000	£'000
	CIEH Ltd	CIEH	Group	CIEH Ltd	CIEH	Group
Subscriptions and membership	586	1,221	1,807	418	1,180	1,598
Education	814	212	1,026	653	222	875
Conferences	–	743	743	–	263	263
Regions	–	–	–	–	6	6
Commercial trading	163	1,096	1,259	225	995	1,220
Government grants	38	3	41	103	41	144
Investments	–	66	66	–	141	141
Total income and endowments	1,601	3,341	4,942	1,399	2,848	4,247

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.

Government grants income relates to the Coronavirus Job Retention Scheme (CJRS)/Furlough.

Notes to the Financial Statements

continued

as at 31 December 2021

4 Expenditure

	2021		2020	
	£'000	Total £'000	£'000	Total £'000
Subscription Membership				
Direct costs	339		324	
Staff costs	439		437	
CIEH Ltd support	338		385	
CIEH support	1,777	2,893	1,287	2,433
Education				
Direct costs	145		190	
Staff costs	352		370	
CIEH Ltd support	145		227	
CIEH support	762	1,404	758	1,545
Conferences				
Direct costs	108		82	
Staff costs	279		283	
CIEH Ltd support	108		97	
CIEH support	566	1,061	325	787
Regions		–		4
Commercial trading		528		529
Investment management fee		33		32
Total expenditure		5,919		5,330

Basis of apportionment: Direct costs

Notes to the Financial Statements

continued

as at 31 December 2021

5 Support costs

	2021			2020		
	CIEH Ltd £'000	CIEH £'000	Total £'000	CIEH Ltd £'000	CIEH £'000	Total £'000
Staff costs	344	2,017	2,361	365	1,470	1,835
Office costs	65	205	270	103	158	261
Printing, postage and stationery	2	5	7	2	5	7
Rent, rates and maintenance	(4)	(4)	(8)	3	18	21
Light and heat	–	50	50	–	45	45
Publicity and marketing	54	57	111	38	37	75
Telephones	10	25	35	8	15	23
Computers	–	1	1	1	2	3
Legal and professional	2	127	129	1	32	33
Insurance	13	24	37	14	26	40
Bank charges	20	19	39	19	11	30
Finance lease interest	–	342	342	–	342	342
Governance costs	16	25	41	17	30	47
Irrecoverable VAT	–	34	34	–	29	29
Depreciation of tangible and intangible assets	69	178	247	138	151	289
Support costs	591	3,105	3,696	709	2,371	3,080

6 Governance costs

	2021 £'000	2020 £'000
Board of Trustees and other meetings	9	14
Auditors' remuneration	32	33
Governance costs	41	47

Governance costs are the general running costs of the charity. Included in here are the costs of the Board of Trustees and associated support costs including external audit.

Notes to the Financial Statements

continued

as at 31 December 2021

7 Net expenditure for the year

	Group		CIEH	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
This is stated after charging:				
Depreciation of tangible and intangible assets	247	289	178	151
Auditors' remuneration				
– audit work	34	27	19	15
– non-audit work	3	8	2	3
Finance lease interest	342	342	342	342
Operating lease rentals	15	32	–	–

8 Employee and trustee costs

The employee costs for the Group and the charity were:

	Group		CIEH	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Wages and salaries	2,139	2,173	1,350	1,340
Social security	235	223	149	141
Pension costs	1,074	706	981	600
Temporary staff	28	41	27	35
Training and recruitment	28	39	18	24
Pension scheme closure costs	162	–	162	–
	3,666	3,182	2,687	2,140

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.

The pension scheme closure costs of £162k related to compensation payments made to staff and the new defined contribution pension scheme as a result of changes to the pre-existing defined benefit pension scheme. Staff were given the option to either be paid in cash or to have the payment paid directly into their new defined contribution pension scheme.

	2021	2020	2021	2020
	Number	Number	£'000	£'000
Subscription and membership	12	12	439	438
Education	13	13	352	371
Conferences	2	2	279	284
Commercial trading	6	6	235	251
Central services	18	18	2,361	1,838
	51	51	3,666	3,182

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

Notes to the Financial Statements

continued

as at 31 December 2021

8 Employee and trustee costs *continued*

	2021	2020
	Number	Number
Employees whose emoluments were over £60,000 per annum:		
£60,000 – £69,999	3	1
£70,000 – £79,999	1	2
£80,000 – £89,999	1	–
£90,000 – £99,999	–	1
£110,000 – £119,999	1	–
	6	4

The executive management team of five (2020: five) were remunerated £460,835 (2020: £412,692) with company pension contributions totalling £68,848 (2020: £50,898). They received no other benefits (2020: £0).

The Group makes pension contributions on behalf of six (2020: four) of the employees whose emoluments exceed £60,000.

No Board of Trustee member received any remuneration for services as a trustee (2020: 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 £493 to 11 trustees (2020: £1,232 to 11 trustees).

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

9 Pensions

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

	Group		CIEH	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
London Pension Fund Authority (LPFA)	1,016	663	939	554
Aegon UK PLC	40	34	33	22
Other	18	9	9	9
Total pension costs	1,074	706	981	585

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 2021 valuation, CIEH's contributions are 12.8% (2020:15.5%).

In accordance with Financial Reporting Standard Number 102, CIEH is required to disclose certain information concerning assets, liabilities, income and expenditure related to defined benefit pension schemes for its employees. Certain employees of CIEH participate in the LPFA scheme, part of the Local Government Pension Scheme, a defined benefit statutory scheme. The Fund is administered by LPFA in accordance with the Local Government Pension Regulations 2007/08, as amended.

Notes to the Financial Statements

continued

as at 31 December 2021

9 Pensions *continued*

The return on the Fund (on a bid value to bid value basis) for the year to 31 December 2021 is estimated to be 15.84%. The actual return on the Fund assets over the year may be different. The estimated asset allocation for the CIEH as at 31 December 2021 is as follows:

Employer asset share – bid value	31 Dec 2021		31 Dec 2020	
	£'000	%	£'000	%
Equities	7,541	57%	6,183	55%
Gilts	2,726	21%	2,623	23%
Other bonds	1,165	9%	761	7%
Property	1,068	8%	1,040	9%
Cash	619	5%	726	6%
Total	13,119	100%	11,333	100%

The assumed life expectations from age 65 are:

Life expectancy from age 65 years	31 Dec 2021	31 Dec 2020
Retiring today		
Males	22.5	22.2
Females	25.1	24.7
Retiring in 20 years		
Males	22.5	23.6
Females	25.7	26.2

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

Assumptions as at	31 Dec 2021	31 Dec 2020	31 Dec 2019
	% p.a	% p.a	% p.a
Discount rate	1.85%	1.40%	2.05%
Salary increases	3.85%	3.30%	3.80%
Pension increases	2.85%	2.30%	2.30%

Notes to the Financial Statements

continued

as at 31 December 2021

9 Pensions *continued*

Balance sheet as at 31 December 2021

Net pension liability as at	31 Dec 2021	31 Dec 2020	31 Dec 2019
	£'000	£'000	£'000
Present value of the defined benefit obligation	(19,130)	(18,453)	(14,892)
Fair value of Fund assets (bid value)	13,123	11,333	10,799
Deficit	<u>(6,007)</u>	<u>(7,120)</u>	<u>(4,093)</u>
Net defined benefit liability	<u>(6,007)</u>	<u>(7,120)</u>	<u>(4,093)</u>

Statement of profit or loss for the year to 31 December 2021

The amounts recognised in the SoFA are:	Year to 31 Dec 2021	Year to 31 Dec 2020
	£'000	£'000
Service cost	958	567
Net interest on the defined liability	98	81
Administration expenses	15	14
Total	<u>1,071</u>	<u>662</u>

Asset and benefit obligation reconciliation for the year to 31 December 2021

Reconciliation of opening and closing balance of the present value of the defined benefit obligation	Year to 31 Dec 2021	Year to 31 Dec 2020
	£'000	£'000
Opening defined benefit obligation	18,453	14,892
Current service cost	958	567
Interest cost	257	302
Change in financial assumptions	279	2,280
Estimated benefits paid net of transfers in	(387)	(429)
Experience loss/(gain) on defined benefit obligation	(336)	714
Change in demographic assumptions	(225)	–
Past service costs, including curtailments	–	–
Contributions by Scheme participants	131	127
Closing defined benefit obligation	<u>19,130</u>	<u>18,453</u>

Notes to the Financial Statements

continued

as at 31 December 2021

9 Pensions *continued*

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

	Year to 31 Dec 2021	Year to 31 Dec 2020
	£'000	£'000
Opening fair value of Fund assets	11,333	10,799
Interest on assets	159	221
Return on assets less interest	1,637	273
Other actuarial gains	-	125
Administration expenses	(15)	(14)
Contributions by employer including unfunded	265	231
Contribution by Fund participants	131	127
Estimated benefits paid plus unfunded net of transfers in	(387)	(429)
Closing fair value of Fund assets	13,123	11,333

The total return on fund assets for the year to 31 December 2021 is £1,697,000.

Sensitivity analysis

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	18,740	19,130	19,529
Projected service cost	-	-	-
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	19,133	19,130	19,127
Projected service cost	-	-	-
Adjustment to pension increases and deferred Revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	19,522	19,130	18,746
Projected service cost	-	-	-
Adjustment to life expectancy assumptions	+0.1%	0.0%	-0.1%
Present value of total obligation	20,015	19,130	18,285
Projected service cost	-	-	-

Notes to the Financial Statements

continued

as at 31 December 2021

9 Pensions *continued*

Re-measurements in other comprehensive income

Re-measurements of the net assets / (defined liability)	Year to 31 Dec 2021	Year to 31 Dec 2020
	£'000	£'000
Return on Fund assets in excess of interest	1,637	273
Other actuarial gains on assets	–	125
Change in financial assumptions	(279)	(2,301)
Experience gain/(loss) on defined benefit obligation	336	(714)
Change in demographic assumptions	225	–
	<hr/> 1,919	<hr/> (2,617)
Re-measurement of the net assets / (defined liability)	1,919	(2,617)

Projections for the year to 31 December 2022

	Year to 31 Dec 2022
	£'000
Service cost	–
Net interest on the defined liability	112
Administration expenses	17
Total loss	<hr/> 129
Employer contributions	–

The projections for the year to 31 December 2022 exclude the capitalised cost of any early retirements or augmentations which may occur after 31 December 2021.

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

No employees or directors of CIEH or CIEH Limited and its subsidiary undertakings, are involved in the control or administration of any of the above funds

Notes to the Financial Statements

continued

as at 31 December 2021

10 Intangible fixed assets

CIEH	Computer software	Asset under construction	Total assets
Cost or Valuation	£'000	£'000	£'000
At 1 January 2021	28	60	88
Transfer	60	(60)	–
Additions	47	–	47
At 31 December 2021	<u>135</u>	<u>–</u>	<u>135</u>
Depreciation			
At 1 January 2021	28	–	28
Charge for year	24	–	24
At 31 December 2021	<u>52</u>	<u>–</u>	<u>52</u>
Net Book Value			
At 31 December 2021	<u>83</u>	<u>–</u>	<u>83</u>
At 31 December 2020	<u>–</u>	<u>60</u>	<u>60</u>

Group	Course development	Computer software	Assets under construction	Total assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1 January 2021	9	760	140	909
Additions	–	71	–	71
Transfers	–	53	(53)	–
Disposals	–	(4)	–	(4)
At 31 December 2021	<u>9</u>	<u>880</u>	<u>87</u>	<u>976</u>
Depreciation				
At 1 January 2021	7	679	–	686
Charge for the year	2	84	–	86
Disposals	–	(4)	–	(4)
At 31 December 2021	<u>9</u>	<u>759</u>	<u>–</u>	<u>768</u>
Net Book Value				
At 31 December 2021	<u>–</u>	<u>121</u>	<u>87</u>	<u>208</u>
At 31 December 2020	<u>2</u>	<u>81</u>	<u>140</u>	<u>224</u>

Notes to the Financial Statements

continued

as at 31 December 2021

11 Tangible fixed assets

CIEH	Long leasehold property	Equipment Fixtures & Fittings	Asset under construction	Total assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1 January 2021	2,839	796	–	3,635
Fair value revaluation	3,011	–	–	3,011
Additions	–	24	11	35
Disposals	–	(5)	–	(5)
At 31 December 2021	<u>5,850</u>	<u>815</u>	<u>11</u>	<u>6,676</u>
Depreciation				
At 1 January 2021	347	458	–	804
Charge for the year	19	135	–	154
Fair value revaluation	(366)	–	–	(366)
Disposals	–	(3)	–	(3)
At 31 December 2021	<u>–</u>	<u>590</u>	<u>–</u>	<u>590</u>
Net Book Value				
At 31 December 2021	<u>5,850</u>	<u>225</u>	<u>11</u>	<u>6,086</u>
At 31 December 2020	<u>2,492</u>	<u>340</u>	<u>–</u>	<u>2,832</u>

Notes to the Financial Statements

continued

as at 31 December 2021

11 Tangible fixed assets *continued*

Group	Long leasehold property	Equipment Fixtures & Fittings	Asset under construction	Total assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1 January 2021	2,839	1,002	–	3,841
Fair value revaluation	3,011	–	–	3,011
Additions	–	20	11	31
Disposals	–	(3)	–	(3)
At 31 December 2021	<u>5,850</u>	<u>1,019</u>	<u>11</u>	<u>6,880</u>
Depreciation				
At 1 January 2021	347	641	–	988
Charge for the year	19	142	–	161
Fair value revaluation	(366)	–	–	(366)
Disposals	–	(3)	–	(3)
At 31 December 2021	<u>–</u>	<u>780</u>	<u>–</u>	<u>780</u>
Net Book Value				
At 31 December 2021	<u>5,850</u>	<u>239</u>	<u>11</u>	<u>6,100</u>
At 31 December 2020	<u>2,492</u>	<u>361</u>	<u>–</u>	<u>2,853</u>

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

Notes to the Financial Statements

continued

as at 31 December 2021

12 Investments

12.1 Investments

Investment portfolio held at Cazenove Capital Management comprises of:

	Investment Property	Listed Investments	Cash and cash equivalents	Total 2021
	£'000	£'000	£'000	£'000
Value at 1 January 2021	17,900	5,054	169	23,123
Investment income	–	–	66	66
Management fee	–	–	(33)	(33)
Cash withdrawal	–	–	–	–
Additions	–	1,836	(1,836)	–
Disposal proceeds	–	(2,052)	2,052	–
(Losses) / gains	(250)	733	(246)	237
Value at 31 December 2021	17,650	5,571	172	23,393

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

Amounts are receivable under operating leases as follows:

Group and CIEH	2021	2020
	£'000	£'000
Within one year	1,054	851
Within two to five years	4,219	4,219
After more than five years	2,517	3,572
Total	7,790	8,642

12.2 Subsidiary undertakings

CIEH Limited

CIEH holds the entire equity interest in CIEH Limited, a company incorporated in the United Kingdom. The equity interest was donated to CIEH. The company is currently engaged in the delivery of the charity's primary purpose objectives.

Notes to the Financial Statements

continued

as at 31 December 2021

13 Interest payable

	Group		CIEH	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Loan payable within 5 years	12	–	12	–
Finance lease	342	342	342	342
Total interest payable	354	342	354	342

14 Debtors

	Group		CIEH	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year:				
Trade debtors	276	428	50	67
Amounts owed by subsidiary undertakings	–	–	463	572
Other debtors	35	11	34	9
Prepayments and accrued income	940	874	920	854
Total debtors	1,251	1,313	1,467	1,502

Notes to the Financial Statements

continued

as at 31 December 2021

15 Creditors

	Group		CIEH	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
(i) Amounts falling due within one year				
Obligation under finance lease	345	345	345	345
Trade creditors	302	404	237	369
Taxes and social security	143	75	26	7
Accruals and deferred income	<u>1,157</u>	<u>1,152</u>	<u>924</u>	<u>959</u>
	<u>1,947</u>	<u>1,976</u>	<u>1,532</u>	<u>1,680</u>

Deferred income £728k (2020: £595k) is income taken in advance of the period over which the service is being provided. The increase in deferred income is due to the investment property transferring from half rent in 2020 to full rent in the year.

	Group		CIEH	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
(ii) Amounts falling due after more than one year				
Finance lease	9,607	9,610	9,607	9,610
Other loans	<u>800</u>	<u>400</u>	<u>800</u>	<u>400</u>
	<u>10,407</u>	<u>10,010</u>	<u>10,407</u>	<u>10,010</u>
Obligations under finance lease are payable as follows:				
After more than one year but within five years	1,380	1,380	1,380	1,380
After five years	<u>8,227</u>	<u>8,230</u>	<u>8,227</u>	<u>8,230</u>
	<u>9,607</u>	<u>9,610</u>	<u>9,607</u>	<u>9,610</u>

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

as at 31 December 2021

16 Reconciliation of movement in total funds

	At 1 Jan 2021	Income	Expenditure	Transfers	Gains/ (losses)	At 31 Dec 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted charity funds	17,318	3,379	(3,355)	–	3,614	20,956
Pension fund	(7,120)	–	(806)	–	1,919	(6,007)
Total Charity Funds	10,198	3,379	(4,161)	–	5,533	14,949
Subsidiary Funds	(274)	1,563	(1,758)	–	–	(469)
Total Funds	9,924	4,942	(5,919)	–	5,533	14,480

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

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 2021 are as follows

	2021	2020
	£'000	£'000
Emergency & Relief Fund	5	5
Bonnefof Fund	21	21

Notes to the Financial Statements

continued

as at 31 December 2021

18 Cash flow resulting from operations

Reconciliation of deficit for the financial year to net cash inflow from operations	Group	
	2021	2020
	£'000	£'000
Cash flows from operating activities		
Surplus/(deficit) for the financial year	4,556	(1,356)
Adjustments to exclude:		
Depreciation of intangible assets	86	124
Depreciation of tangible assets	161	165
Interest payable	354	342
Investment income	(66)	(141)
Fair Value revaluation	(3,377)	–
Pension scheme actuarial losses/(gains)	(1,919)	2,617
Investment management fees	33	32
Investment: (losses)	(237)	(2,344)
Debtors decrease	62	(126)
Stock decrease	4	8
Creditors increase / (decrease)	(30)	460
Pension charged to SoFA	1,016	662
Pension contributions	(210)	(251)
Cash generated from operations	433	191
Interest paid	(354)	(342)
Net cash flow resulting from operations	79	(151)

19 Analysis of net debt

Group	At 1 Jan 2021	Cash flow	At 31 Dec 2021
	£'000	£'000	£'000
Cash at bank and in hand	1,503	375	1,878
Debt due within one year:			
Finance lease	(345)	–	(345)
Debt due after more than one year:			
Finance lease	(9,610)	3	(9,607)
Other loans	(400)	(400)	(800)
	<u>(8,852)</u>	<u>(22)</u>	<u>(8,874)</u>

Notes to the Financial Statements

continued

as at 31 December 2021

20 Reconciliation of net cash flow to movement in net debt

	2021		2020	
	£'000	£'000	£'000	£'000
Increase/decrease in cash in the year	375		96	
Capital element of finance lease rentals	3		3	
Other loans	(400)		(400)	
Movement in net debt in the year		(22)		(301)
Net debt at 1 January		(8,852)		(9,551)
Net debt at 31 December		(8,874)		(9,852)

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 £3,803 (2020: £3,342).

23 Capital commitments

At 31 December 2021 group capital commitments of £158,787 (of which £139,787 had been spent at 31 December) had been authorised and contracted for (2020: £158,787 authorised and £139,787 had been spent).

Notes to the Financial Statements

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as at 31 December 2021

24 Related party transactions

During the year CIEH received Gift Aid payments of £0 (2020: £0) 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 2021 V Wardle, a member of the Board of CIEH Limited was paid £95 (2020: £nil) 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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Other assets				
Payable within 1 year	12	36	–	–
Payable during 2 to 5 years	21	9	–	–
	33	45	–	–

About CIEH

President Julie Barratt

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

Terenja Humphries (Chair)
 Daniel Oerther (Deputy Chair)
 Julie Barratt
 Maurice Brennan
 Sterling Crew
 Roisin Kerr
 Madhu Murali
 David Newsum (no longer serving)
 Nick Pahl
 Jessica Tabois (no longer serving)
 Kirpal Singh Tahim
 Vanessa Wardle

Risk and Audit Committee

Carol Healy (Chair)
 John Cragg
 Madhu Murali
 Saravana Namasivayam
 Robert Spain

Appointments and Remunerations Committee

James Howe (Chair)
 Maurice Brennan
 Amanda Clarke
 Tracey Marshall
 Andrea Sutherill

CIEH Executive Management Team *

Phil James	Chief Executive
Christine Kanu	Executive Director of Finance and Corporate Services (Resigned Feb 2022)
Katie Stevens	Executive Director of Finance and Corporate Services (Appointed Jan 2022)
Deborah Wood	Executive Director of Membership and External Affairs
Jon Buttolph	Associate Director of Membership and Professional Development
Justin Turner	Associate Director of Operations

Advisers

Bankers

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

Auditors

Haysmacintyre LLP,
 10 Queen Street Place,
 London EC4R 1AG

Investment managers

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

* Governance office holders who held office at any time in 2021 and who have been appointed between the end of the year and 30 April 2022 are shown, for completeness.

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