



education for health

Taking Action, Educating People and
Transforming Lives Worldwide

Report and Accounts
for the period ended 31 March 2018

Company Number: 03090774

Charity Number: 1048816

Contents

	<u>Page No</u>
1.0 Messages	2
1.1 Message from the Chair	2
1.2 Message from the Chief Executive	3
2.0 Objectives and Activities	4
2.1 Our Purpose	4
2.2 Our Objects	4
2.3 Our Vision	4
2.4 Our Aims	4
2.5 Overview of our Activities	4
2.6 Key Activities for 2018/19	9
3.0 Achievements and Performance	10
3.1 Overview of 2017/18 Performance	10
3.2 Achievements and Performance: Living Our Values	10
4.0 Financial Review	14
5.0 Structure, Governance and Management	17
6.0 Reference and Administration Details	20
7.0 Independent Auditor's Report	21
Consolidated Statement of Financial Activities	24
Balance Sheets	25
Consolidated Statement of Cash Flows	26
Notes to the Financial Statements	27

1.0 Messages

1.1 Chairman's Foreword

Education for Health Annual Report

As I look at previous Annual Reports, the recurrent theme seems to be that of constant change and development, but if we were hoping for a tranquil, steady year, 2017/18 was not the one to choose!

Over the past 12 months, the Charity has undergone even more change than usual, more even than had been anticipated last year. We celebrated our 30th anniversary with a series of events that sought to involve staff, trainers, students, alumni, and the wider public; our pleasure at reaching this milestone was tempered by the departure of Monica Fletcher as Chief Executive, but the appointment of Dr Linda Edwards as her replacement has brought a new enthusiasm into the organisation. During her career to date, Linda has managed to combine clinical expertise with a reputation in leadership development and significant experience in working in senior positions across the whole of the health 'industry,' in commercial, NHS, and third sector organisations.

As well as getting to grips with running the Charity, Linda's first few months have been spent in looking at every aspect of the way we work and developing a strategic approach that reflects the views of staff, the Board of Trustees and our major stakeholders. This work is resulting in a subtle, but distinct, change in the way we work, and this is gradually working its way through the Charity with an impact on our productivity that is already beginning to emerge.

Of course, Linda is not working on her own and it has been gratifying to see how well the senior team has gelled around her, and how the ripples of these changes are spreading round the whole of Education for Health. Both Becky Harkcom and Julia Neal continue their sterling work, and have been granted a full five years' revalidation by the Open University.

At the same time, we are starting to reshape our 'standalone' offerings so that they reflect the needs of our clients in a more timely and responsive manner. That journey is just starting, so it will be interesting to see what progress we have made by the time our next Annual Report is due - watch this space...!



Jonathan Shapiro
Chairman
September 2018

1.2 Message from the Chief Executive

As this is the first Annual Report under my stewardship, I would like to add a few words to those of the Chairman.

I greatly appreciated the warm welcome I was given by the team when I joined in September 2017. It is clear that I arrived at the organisation at a really pivotal time; a time to create new ways of working to enable us to create enduring partnerships with our ever-widening client group. I have been delighted by people's willingness to look at things differently and explore new ways of working. We have undertaken a broad range of Task and Finish groups to understand how we can streamline activities, explored new business areas and undertaken a detailed client services review.

Education for Health has built an outstanding reputation for excellence in education over more than three decades. My two predecessors, Greta Barnes and Monica Fletcher, built strong foundations in the respiratory world. In more recent times, the Charity has started to grow expertise in other Long Term Conditions such as diabetes and cardiovascular disease.

There remains much to be done; however I feel confident that, together, we will be able to build on our excellent education and reputation and achieve even greater things in the future.

A handwritten signature in black ink, appearing to read 'Linda Edwards', with a large, stylized flourish at the end.

Dr Linda Edwards
Chief Executive

2.0 Objectives and Activities

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Charity and in planning future activities for the year.

2.1 Our Purpose

To improve the lives of people living with Long Term Conditions.

2.2 Our Objects

- Promote the health and wellbeing of the general public through the provision of education to those who can influence others, including patients and the public, in such areas as the Trustees of the Charity may at their absolute discretion from time-to-time determine
- For the public benefit, to relieve sickness through the promotion of preventative measures, and the provision of excellence in care, treatment and management of disease, and the carrying out of research into such diseases as the Trustees of the Charity may at their absolute discretion from time-to-time determine
- The furtherance and pursuance of charitable purposes which are exclusively charitable according to the laws of England and Wales as the Trustees of the Charity may at their absolute discretion from time-to-time determine.

2.3 Our Vision

Everyone living with a Long Term Condition receives high quality care and can manage their condition to the best of their ability.

2.4 Our Aims in 2017/18

- Extend our potential by promoting the impact and value of what we do for the benefit of patients across the globe
- Provide an excellent learning experience that develops the capabilities required to manage Long Term Conditions effectively and leads to sustained change
- Be at the forefront of adopting innovative technologies and digital solutions to enhance learning and streamline business processes
- Develop and manage our resources responsibly to ensure the Charity's continued sustainability and to promote growth

2.5 Overview of our Activities

2017/18 was a milestone period for Education for Health as we celebrated our 30th anniversary, said farewell to our long-serving Chief Executive and welcomed a new one to take us to the next stage in our history.

We marked our special anniversary at a number of events, giving us the opportunity to thank those who have contributed to our success and celebrate our achievements while making exciting plans for the future.

In summer 2017, we said a fond farewell to Monica Fletcher OBE. After 16 years as Chief Executive, Monica felt the time was right for her to pursue other opportunities and to pass over leadership of the Charity to someone new.

The Board of Trustees led the process of recruiting Monica's successor and worked closely with the executive team to ensure continued stability and a smooth transition to new leadership.

We began a new chapter in our history on 1 September as we warmly welcomed Dr Linda Edwards as our new Chief Executive and the third in our 30-year history.

Whilst getting to know the Charity, one of Linda's first priorities was to create, and seek the Board's approval for, a plan to enable Education for Health to reach more of its beneficiaries and strengthen its financial position over the next three years.

Key to the plan's success is: improving our knowledge of the market to develop new income streams; investing further in the Business Development function to increase income; and reducing waste whilst being more cost effective by improving our systems and processes. Significant progress has been made in all three areas during the early months.

We have also refreshed our Purpose, Vision, Mission and Values, developed a new Organisational Plan, made some changes to our organisational structure and implemented a range of cost saving and efficiency initiatives. All these changes are intended to ensure that Education for Health is fit for purpose moving forwards.

Staff working at all levels across the organisation have been involved in creating our future direction; for example, many participated in successful Task and Finish Groups.

A Client Service Review project is helping us to identify how we remove waste in our systems and suggest how we can improve our customer experience. This work is closely aligned to the development of a new IT Strategy, an important framework which will ensure our systems are fit for purpose and will enable us to achieve our strategic aims.

We have worked diligently throughout the year to prepare for the new General Data Protection Regulation (GDPR), which was introduced on 25 May 2018, using a thorough and planned approach. The foundations have been laid to develop a new Innovation Unit which will operate independently from our main activity and enable us to explore new opportunities while safeguarding our valuable resources. Its performance will be carefully measured and it will need to become self-sufficient within three years. The unit will create a knowledge-exchange with the wider organisation to share knowledge and best practice.

A new market intelligence function will also be established to help us better understand the external environment.

Whilst change can be unsettling, our 20 part-time and 24 full-time staff have remained enthusiastic, positive and open to new ways of working. To recognise the efforts and hard work of staff, the Executive Team agreed that Christmas Eve will be gifted as a day's annual leave in 2018.

Our Board of Trustees is also reshaping to ensure the continued provision of ongoing support, by sharing valuable knowledge and expertise, and ongoing sound governance.

We were delighted that The Open University's Institutional Approval Panel recommended that Education for Health should continue as a partner institution of The Open University for a further five years with no conditions – a fantastic achievement.

We couldn't deliver our courses around the UK without our 69 expert trainers and we were delighted to welcome many of them to our Trainers' event in June. Many have worked with us for a number of years and we took this opportunity to celebrate our 30th anniversary. We were delighted that Greta Barnes MBE, our Founder and Patron, was also able to join us.

While there is much work still to be done to get us back on a firm financial footing, we are confident we now have the plans and people in place to ensure Education for Health will flourish and grow, enabling us to improve and transform the lives of increasing numbers of people with Long Term Conditions in the future.

Education and Training

Students are at the heart of everything we do. We listen to our students and actively seek and use their feedback to continually improve our education and training so that we can quickly respond to the changing educational needs of healthcare professionals. Access to funding for education can be a barrier to learning for many and we were delighted to enable 138 students to access bursaries for our courses in this financial year.

This included 49 students who successfully applied for Education for Health special 30th anniversary bursaries for our cardiovascular modules. We also awarded externally funded bursaries to students on cardiovascular workshops, and our respiratory programme. Total bursaries awarded amounted to £209k.

We also created and published a Business Case Toolkit to help nurses and other healthcare professionals build their case for securing funding for education and training to study with Education for Health.

Our popular free online resources for students, many of which have been developed in partnership with other organisations, were accessed more than 63,000 times in 2017/18.

2018 began with a visit from The Open University's Institutional Approval Panel who recommended that Education for Health should continue as a partner institution of The Open University for a further five years. This was subject to no conditions – a first for the Charity.

We were especially pleased to be commended for the enthusiasm and commitment of staff; the excellent support provided to trainers and staff; our Academic and Writing Skills Guide; the engagement of individual members of programme staff in the wider healthcare community and our Moderation Board as a key focus point for assessment and progression.

Responding to the needs of healthcare professionals, we launched a new Introduction to Insulin workshop to support clinicians who initiate and titrate insulin in practice in line with national guidance. We also launched our new module, Applying Learning Theories to Support Clinical Practice Level 7, which enables health care practitioners to gain the necessary knowledge and skills to provide sound educational experiences for learners in a clinical environment.

To further support our students with literature searching, referencing and other skills they need to write a good assignment, we updated and expanded our Academic and Writing Skills Guide.

Two of our handy and practical pocket books, *Simply Asthma and Simply COPD*, were reviewed, updated and republished.

We have worked with 85 clients in the NHS across the UK during the last financial year, both existing customers and many new ones too.

In April 2017, we entered into the final year of our five-year contract with HEE East Midlands as one of their preferred providers and we were pleased to retain our contract value from the previous year. This funding enabled 54 students to access fully funded diploma and degree modules with us. We are delighted to be able to continue this funding in 2018/2019, which is fantastic news for health care professionals working in the East Midlands region.

We built a new partnership with Sandwell and West Birmingham CCG where we delivered a series of five bespoke workshops around inhaler technique. These evaluated very well and resulted in 144 health care professionals across West Birmingham being trained in Inhaler Technique.

Spirometry training was at the heart of many successful commissions. We were awarded 'preferred supplier' status for Association for Respiratory Technology and Physiology (ARTP) Accredited Spirometry training for Ealing CCG. Other commissions include:- MCN Dumfries, Sutton CCG, Cumbria Partnership, Hillingdon CCG, Hastings and Rother CCG, NHS West Kent, Network for Practices Wiltshire, Nottingham City CCG and Harrow CCG.

Working closely with trainer, Claire Adams, we formed a new partnership in the North East of England, with Sunderland CCG, to deliver spirometry training. With additional individualised support for the students in their clinical practice areas provided by Claire, this resulted in 25 nurses and health care assistants successfully completing the Spirometry course – with a 100% pass rate!

Rotherham Respiratory Group committed to run five modules with us across 2017/2018. A reduction in module numbers when compared to 2016-17, this reflects the wider 20% reduction in funding from HEE Yorkshire and The Humber and the relationship between Education for Health and Rotherham Respiratory Group continues to be strong and mutually supportive.

We secured £32,000 of funding through the London portal for 2017/2018. Within the new allocation, new business was won in North East London which means we now have 100% coverage across all three London Local Education and Training Boards.

HEE London awarded an extended term on our current London Portal contract for a further year. It is rewarding to see the hard work of the past few years in working across London, recognised by HEE London and all the NHS Trusts, CEPNs and CCGs.

We began working with a new partner, Invicta Community Interest Group (Kent), which resulted in the commission of two asthma modules and two COPD modules in 2017. We are looking to build on this relationship and already have two diabetes modules booked to take place in summer 2018.

We delivered a one-day event for 50 participants commissioned to support a Care Homes Scheme. The day was run to facilitate involvement and engagement in the identification of meaningful outcomes. Participants were professionals from across health and social care, patients and carers and the voluntary sector. It was a huge success with all those involved contributing to the scheme's development.

We delivered a one-day bespoke event in June commissioned by Nene CCG based on the Communications and Engagement Strategy that supports the implementation of their Sustainability and Transformation Plan (STP). Twenty-six people attended together with the Communications and Marketing Lead and their team.

North of the border, NHS Education for Scotland (NES) was commissioned by the Scottish Government to manage a significant investment in General Practice Nursing. The funding, available for courses starting before the end of March, supported the General Practice Nurse role. Thanks to a range of

courses across Aberdeen, Glasgow, Edinburgh, Dunfermline and more, close to 150 health care professionals accessed our education on their doorsteps.

While our main focus is on the provision of education in the UK, we were pleased to take our training to Kowloon Hospital, Hong Kong after a series of workshops relating to Chronic Obstructive Pulmonary Disease (COPD) were commissioned by the Institute of Advanced Nurse Studies. Delivered over three days, our three trainers enabled 100 students to enhance their knowledge and skills in the management of COPD.

We are supporting one of our Education Leads Hannah Waterhouse to undertake a PHD. Hannah is working with Professor Sally Singh at Leicester Hospital to investigate patients with Heart Failure.

In response to student feedback, the layout of module materials on our eLearning platform, iLearn, has been revised to be more intuitive and module students now receive automated email reminders prior to their study days and assessment due dates. Our Level 7 modules are now delivered on iLearn.

Advocacy, Research and Influencing

Our research, influencing and scholarly activity, not only provides a powerful catalyst for change but is the cornerstone of excellent education. The achievements of staff and students and the support of the organisation for their accomplishments reflects our aspirations in relation to this.

Underpinning the many abstracts, presentations and publications is the continuing and vitally important drive to foster critical thinking in our students, to deliver education based on best evidence and to make a real difference to patients.

Julia Neal, Director of Education and Training, is currently co-applicant for two research collaborations, IMP2ART and TANDEM, both multi-centre National Health Research Agenda funded trials is providing education and training expertise on the research trial steering group.

The UK Inhaler Group (UKIG) developed standards and competencies for those prescribing inhaled medications. The standards set out how healthcare professionals can work with patients to optimise and maximise the benefit of their medication. At the time, Monica Fletcher was Chair of UKIG.

Monica represented Education for Health and the European Respiratory Nurses Association (ERNA) at the Global Alliance Against Respiratory Disease (GARD) in the WHO Geneva Headquarters. The meeting was aimed at discussing how GARD could support the scaling up management of Chronic Respiratory Diseases (CRD) across the globe.

We collaborated with the British Thoracic Society (BTS) on the production of a survey that gathered more than 600 responses from individual respiratory nurses and NHS employers. The study was commissioned to show the current state of specialist respiratory nursing in the NHS. It highlighted staffing issues in respiratory nursing teams across the NHS, with nurses reporting they feel unable to spend sufficient time with patients and that they are working extra unpaid hours.

We donated course materials to a project in Bangladesh to support healthcare professionals in the country to enhance the care of patients with asthma. We have worked with The Better Breathing Bangladesh project since 2006 and the donation of course materials will enable the team to continue to deliver high quality training for many years to come.

Our Education Leads were invited to speak at 14 events and conferences, demonstrating the high regard in which they are held. They shared their knowledge and expertise with delegates and continue to raise our profile.

We shared our knowledge by presenting the following Abstract Posters:- Enhancing Understanding of Asthma in Children and Young People Through Online Learning (Primary Care Respiratory Society

UK 2017); Professional development for nurses new to general practice (HEA Networking for Education 2017); Patient involvement in eLearning (HEA Networking for Education 2017); Using IPA to explore the perceptions and experience of eLearning students undertaking post registration education. (HEA Networking for Education 2017); Supporting Children's Health and Inhaler Standards eLearning. (PCRS-UK Conference); Using an innovative approach to engaging students to enhance their experience of blended learning programmes. (RCN Education forum); An Interpretative Phenomenological Analysis exploring the perceptions and experience of eLearning students undertaking post registration education. (RCN Education forum); Using eLearning to promote correct inhaler use by respiratory patients: the UKIG standards website. (Primary Care Respiratory Society 2017).

We continue to be a partner member of the Asthma UK Centre for Applied Research (AUKCAR), a world-leading collaboration of researchers from across the UK with the aim of transforming the lives of people with asthma.

Collaborative Working

Collaborative working is key to achieving our vision and we are proud of our relationships with many partner organisations. While we continue to nurture existing relationships, we also formed many new ones including with the Royal Pharmaceutical Society and Royal Society of Medicine.

We will strengthen our relationship-building activity in 2018/19 and seek new opportunities to work collaboratively with other charities, networks and commercial organisations. We collaborated with Teva UK Limited to provide the educational programme for two two-day conferences in March 2017 and March 2018. Each of these successful conferences was attended by more than 100 healthcare professionals.

We partnered with Diabetes UK to design two workshops that address the needs of healthcare professionals wanting to improve their diabetes care for patients.

Monica presented the Association of Respiratory Nurse Specialists (ARNS) annual awards at their conference in May. The respiratory rising star was Caroline Smeeton and she was given a scholarship for a degree level module to study with us at Education for Health.

Dr Linda Edwards, Chief Executive, represents Education for Health on the Asthma UK Centre for Applied Research (AUKCAR), which brings together Researchers to improve asthma control and reduce asthma hospital admissions and deaths.

We continue to be a member of the UK Stroke Forum, a coalition of organisations with a key involvement in prevention and management of stroke. Our Education Lead, Hannah Waterhouse, is a steering group member and a member of the scientific committee.

Gill Hall, Head of Product Development, took over project management of the UK Inhaler Group (UKIG), a coalition of not-for-profit organisations and professional societies with a common interest in promoting the correct use of inhaled therapies.

2.6 Key Activities for 2018/19

During 2018/19, we will:-

1. Strengthen our profile in the provision of high quality support, education and training for health care professionals across a range of LTCs
2. Demonstrate the impact educating healthcare professionals can have on health outcomes
3. Create an organisation that inspires and encourages innovation and creativity
4. Be a financially strong, flexible and dynamic organisation

3.0 Achievements and Performance

3.1 Overview of 2017/18 Performance

This financial period, **5,184 students** have attended Education for Health run courses around the UK and our free eLearning resources were accessed **63,000 times**.

We ran **409 courses** ranging from one-day workshops to Level 5, 6 and 7 modules.

Some **16 students** enrolled on a BSc/DipHE course and **20 students** began studying an MSc with us. While we run courses across Long Term Conditions, **Asthma, Spirometry, COPD and Diabetes** continue to be our most popular courses.

We actively seek feedback from our students to continually improve our courses and student experience:-

99%* of students strongly agreed/agreed the trainer had thorough knowledge of the subject;

95%* of students strongly agreed/agreed taking the module had enabled them to improve service and care for patients;

83%* of students strongly agreed/agreed they were satisfied with the support they received for their learning

** Undergraduate module evaluations (academic year 2016/17)*

3.2 Achievements and Performance: Living Our Values

Our four values: Partnership Working; Progressive; Professional and People-Centred are at the heart of all we do. They guide the way we work and underpin our key achievements over the past financial period.

Partnership Working

- We added four new factsheets to our free COPD Exchange online resource, supported by European Respiratory Nurses Association (ERNA). These factsheets explore Inhaled Therapies for COPD; Medicines Optimisation in COPD; Consultation Skills - Optimising Appointment Time for People with COPD
- We continued to review and update REAL (Respiratory Education and Learning) website with new case studies. The site is supported by an unrestricted grant from Teva UK Limited. There were 14,635 new visitors to the site between 1 January 2017 and 31 March 2018
- Supported by Novartis, we developed a new Chronic Urticaria eLearning resource scheduled for launch in Spring 2018
- Supported by Novo Nordisk, we have undertaken a review of obesity support and service provision – this will help us to create specific programmes during 2018/19
- We delivered the Napp Academy Respiratory Excellence Bursary. By 31 March 2018, 89 students had accessed this funding to the total value of £53,193. The scheme has enabled students to develop a deeper knowledge of respiratory disease management through modules at academic levels 5, 6 and 7

- The sixth edition of *Asthma: Answers at your Fingertips* by Monica Fletcher, Dr Mark Levy and Prof Søren Pederson was included on the Reading Well for Long Term Conditions scheme
- As part of National Grid's Accelerated Development Programme (ADP), Damon Fordham, a Business Consultant from National Grid, worked with us to begin to develop our IT Strategy
- We updated our severe asthma eLearning programme, supported by Novartis, and developed the initiative into two programmes - severe asthma for primary and secondary care which has been launched
- We successfully won a tender with NHS England to deliver a Leadership Development Programme in the North of England, a collaboration with Experience Led Care (ELC)
- Thanks to our partners in industry, we delivered workshops to 1,020 healthcare professionals: Chiesi Face2face workshops (565 students); Chiesi Face2face webinars (275 students); AstraZeneca UK Solving the COPD Puzzle (85 students); NAPP Masterclass: Appropriate prescribing in Asthma (92 students); MSD Lipid management (three students)

Progressive

- We were pleased to be awarded Cyber Essentials certification. This Government-backed industry-supported scheme helps organisations to protect themselves against common online threats. To achieve Cyber Essentials certification, we demonstrated the security controls in place within our IT systems to address cyber security risks
- We joined the social media channel, Instagram, and increased our followers on Twitter (22%), Facebook (37%) and LinkedIn (15%)
- Supported by Novo Nordisk, we have piloted a scoping tool designed to help practices map their current activity relating to obesity assessment and management against recommended practice. This will help us to create specific programmes during 2018/19
- We developed a respiratory Training Needs Analysis tool which can be adapted and used flexibly in practice for other long-term conditions to identify specific training needs of individuals and at organisational level
- We created a fun short film to encourage children with asthma to use their inhalers effectively. *Jack Blows His Own Trumpet* was written by Monica Fletcher and Jane Scullion, Trustee and Respiratory Nurse Consultant, at University Hospitals of Leicester NHS Trust, to mark our 30th anniversary and was launched on World Asthma Day, 2 May
- Working in partnership with the UK Inhaler Group (UKIG), we launched a new interactive website to raise awareness of the importance of accurate inhaler technique with healthcare professionals. The free-to-access site - <https://ukiginhalerstandards.educationforhealth.org> - promotes the UK Inhaler Group's (UKIG) Inhaler Standards and Competency Document, first published in January 2017
- In response to staff feedback, we ran free-to-attend staff wellbeing sessions on Mindfulness and Heart Health. The evaluations and feedback from these sessions will be used to inform future topics
- Staff from across the Charity volunteered to take part in a number of cross-organisational Task and Finish Groups. These focussed on Customer Care; the Market; Accommodation; Innovation and Service Development, Sharing Intelligence and Rewards and Recognition. The findings and recommendations from these groups helped to inform our Organisational Plan.

- To ensure the safety and wellbeing of our staff, students and trainers, in 2017/18 we created a new Safeguarding Policy, Prevent Policy and Lone Working Policy
- It was agreed that all staff will qualify for one day's additional annual leave entitlement in the holiday year following the completion of three full years' service. Staff will then benefit from a further one day's extra annual leave for each additional year up to a maximum of three additional days. These suggestions came from the Reward and Recognition Task and Finish Group
- A full review of our website has begun and we are working with internal and external stakeholders to identify and implement updates to ensure the website supports the Charity to meet our organisational aims and objectives

Professional

- Education Lead, Hannah Waterhouse, became the President of BANCC (British Association for Nursing in Cardiovascular Care), representing the voice of nurses at both national and international level
- Following the publication of *The National Register of Certified Professionals and Operators*, the Association for Respiratory Technology and Physiology (UK) held its first National Scrutiny Board and Education Lead, Chris Loveridge, represented Education for Health
- Education Lead, Bev Bostock, was appointed Editor-in-Chief for the BJPCN
- Julia Neal, our Director of Education and Training, was appointed as an External Examiner at Birmingham City University for their Flexible and Work-Based Learning Provision Programme
- All staff undertook an online ABPI training module to ensure up-to-date awareness and understanding of the ABPI Code of Conduct and the impact this has on our industry partners
- We have moved module evaluations from Survey Monkey to our eLearning platform, iLearn, to facilitate improved reporting
- Education for Health Education Lead, Rhian Last, took over editorship of *The Journal of General Practice Nursing (GPN)* from Monica Fletcher

People

- During 2017/8, we said thank you and farewell to our Trustees, Prof Sally Singh, Gavin Johnstone, Dr Steve Holmes and Jane Scullion. We were delighted that Sally agreed to join our Academic Board where she continues to offer invaluable support and advice to the Education Team
- We welcomed 64 trainers, 14 exhibitors, 5 speakers and 15 staff to *The Only Way is Ethics*, our biggest trainer's event yet, held in Kenilworth in May
- Volunteers continue to make a valuable contribution to our activities and we are grateful to those who volunteered their time to provide support in 2017/18
- Fifteen students attended our Graduation Day in April. All graduates of our MSc, BSc and Dip HE programmes were invited to celebrate their achievements with their friends, family, and the Education for Health team. Each graduate who attended was celebrated in turn, sharing their story about their work, their learning and what the future may hold

- To ensure more effective and timely communication throughout the organisation, we introduced new regular updates for all staff to feedback on discussions and decisions from Senior Management Team and our Board of Trustees
- More than 70 golfers took part in our Annual Golf Day at Warwickshire Golf and Country Club on 1 June, organised and sponsored by Jon Isaacs of 3DIFS Employee Benefits & Wealth Management. The generous golfers raised more than £4,000 to support our work
- Former Education for Health student and trainer, Wendy Bradford, was awarded the title of Queen's Nurse (QN) by The Queen's Nursing Institute (QNI) and Professor Ursula Gallagher, Education for Health Trustee, was awarded Fellowship of the QNI
- Two of our trainers, Helen Ashcroft and Karen Ward, were celebrated by Aintree University Hospital NHS Foundation Trust. They both won team awards and Helen also scooped Employee of the Year at the Proud of Aintree Excellence Awards 2017
- Education Lead, Beverley Bostock-Cox, achieved a Masters degree in Medical Ethics and Law from Keele University
- We welcomed two new undergraduate student representatives, Cheryl Weller and Stephanie Abdelrahman in summer 2017. Lorraine Smith is our Level 7 student representative. These students ensure we hear the views of those who study with us and understand how we can best support them. We said thank you and farewell to Heather Rutter
- Following a visit from the Charity, Africa's Gift, staff have been collecting shoes to raise money to fund Wonderbags. These bags work as slow cookers and are changing lives in Africa by reducing the incidence of illness and death from respiratory disease caused by inhaling smoke
- Our staff coffee morning and cake sale raised £127 for Macmillan Cancer Support. Staff also baked for the "Bake it Better" Appeal and raised £86.09 for Great Ormond Street Hospital

4.0 Financial Review

Our funding model is based largely on earned income, with profits in some areas financially supporting other areas of our charitable delivery.

Results for the Period

Income in the 15-month financial period of £2.27m was secured (12 months to 31st December 2016 £2.13m) Expenditure for the period was £2.96m (12 months to 31 December 2016 £2.38m). The resulting deficit for the period of £0.56m reflects the challenges that the Charity faces both externally and internally during the period, particularly the delay in releasing the NHS training budgets and changes to key members of staff.

Notable highlights as to how Education for Health spent its funding to help our beneficiaries were:-

- Training 1,934 students in accredited education, the most popular courses being in: Asthma, Spirometry and COPD
- Offering free to access training
- Awarding bursaries amounting to £209k
- Training 3,276 students in non-accredited education

Investment Policy and Performance

Education for Health seeks to produce the best financial return within an acceptable level of risk. On behalf of the Board, the Finance, Audit and Risk Committee monitors the activities and performance of the investment managers (UBS), who were appointed in 2008. Our investment policy was reviewed in June 2016 and states:-

- The long-term investment objective is to produce a level of return in excess of inflation
- The short-term investment objective is to produce sufficient income to support the ongoing activities of Education for Health. A target income is agreed with the investment manager on an annual basis to enable effective budgeting
- Investment assets being held as reserves define our attitude to risk; thus, a maximum of 10% of the portfolio can be invested in property and hedge funds (assets that cannot be available to meet unanticipated cash flow requirements) within five days of demand
- The Charity's assets can be invested widely and is diversified by asset class, and by security. Asset classes could include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset that is deemed suitable for the Charity. The Finance, Audit and Risk Committee is charged with agreeing a suitable asset allocation strategy for the invested reserves with the investment manager
- The base currency of the investment portfolio is Sterling. Investment may be made in non-Sterling assets. Hedge funds are permitted, not exceeding 5% of the total value of the portfolio
- The Charity's cash balances should be deposited with institutions with a minimum rating of A- or invested in a diversified money market fund

- The Charity has adopted an ethical investment policy to ensure that its investments do not conflict with its aims and objectives. A company that generates revenues from the cultivation of tobacco or the manufacture of tobacco products is deemed to conflict with the Charity's aims and objectives. The policy therefore precludes:-
 - a) Direct investment in a Tobacco Company and
 - b) Indirect investment in a Tobacco Company through investment in any investment fund (but not an index tracker fund) which itself invests in a Tobacco Company

The Charity monitors investment performances against predetermined criteria and benchmarks.

The actual split of investments was:-

	<u>31 March 2018</u>	<u>31 December 2016</u>
Bond Investments	32%	32%
Equities	57%	55%
Real Estate	6%	5%
Liquidity/Money Market Time	5%	8%

Despite global uncertainty, we were able to capitalise on opportunities resulting from the changing value of Sterling following Brexit, resulting in unrealised gains for the period of £88k (2016: gains of £323k) and realised gains of £45k compared with £39k in 2016. Investment income of £127k (2016 £114k) was received.

Reserves

As part of the 2018/19 budget setting process, the Finance, Audit and Risk Committee reviewed Education for Health's Reserve's Policy. It was confirmed that the policy agreed previously was still valid and that free reserves were maintained:-

1. To provide a sustainable and appropriate level of working capital
2. To allow for periods of unexpected drops of planned income
3. To cope with sudden short term increases in planned expenditure
4. To provide cover for other risks, contingencies or unforeseen events

As a result, a target free reserve of £1m was agreed.

Trustees set aside designated reserves of £1.45m to reflect assets that are not readily convertible into cash, those required to fulfil legal and moral commitments and those set aside for future expenditure. This reflects the Trustees' recognition of the need to fund innovation to best meet the needs of our beneficiaries. At 31 March 2018, unrestricted free reserves of the group, excluding designated reserves, amounted to £965k, calculated as follows:-

	<u>Group</u>
	<u>£'000</u>
Total funds	2,672
Less Revaluation fund	257
Less designated reserve including assets not readily convertible to cash (see note 28)	<u>1,450</u>
Free reserves	<u>965</u>

The Trustees have agreed plans to rebuild free reserves.

Looking Forward

Following the appointment of Dr Linda Edwards as Chief Executive in September 2017, much work has been done to ensure increased financial robustness and stability going forward. The strategy has been refreshed and plans agreed to grow income and eliminate waste from the Charity. This will be achieved through:-

- An organisation restructure to ensure clear responsibilities and that processes are aligned to enable delivery of our objectives
- The change in our year-end reporting from December to March is to allow budgets to be set in alignment with key stakeholders, particularly the NHS
- Investment and creation of an Innovations Unit to work with Partners to develop and deliver products to meet the needs of our beneficiaries whilst minimising risk to the Charity. This unit will have its own target but will also expect to impact on the more traditional income streams of the Charity
- Investment in the business development team to secure increased target
- Continued programme to eliminate waste
- Investment in IT systems to improve customer services and create efficiencies
- Objectives and KPIs have been agreed by all staff. Measuring progress in this way will mean that we will know whether we are on track and that can take corrective action if required

With these plans in place, the Trustees have reviewed the financial sustainability of the group and are of the opinion that Education for Health will continue to have adequate resources and is a going concern.

Risk

A dynamic process is in place that allows the Trustees and Senior Leadership Team to identify events or actions, which may adversely affect the achievement of our strategy. Once identified, appropriate systems and procedures are put in place to mitigate the risks. The Senior Leadership Team reviews the risks regularly, whilst the Trustees review the risk register at Finance, Audit and Risk Committee and Board Meetings twice a year in order to monitor progress made in mitigating the risks. The major risks identified relate to the long-term financial sustainability of the Charity. Hence, plans are in place to grow income. Key Performance Indicators are in place to closely monitor the financial sustainability of the Charity and highlight the need for additional mitigating actions should milestone targets not be achieved.

The Board of Trustees is satisfied that reasonable steps are being taken to limit the probability and impact of these risks.

5.0 Structure, Governance and Management

Education for Health is a Company Limited by Guarantee and a Charity registered with the Charity Commission. The Charity is regulated by its Memorandum and Articles of Association adopted on 30 July 1995 and last amended on 27 September 2016.

The Board of Trustees (who are also Directors) are responsible for the overall governance of the Charity. The Articles specify that there are to be a minimum of five Trustees but no maximum is specified. Trustees are expected to attend a Strategic Planning Day each year where, with the Executive Team, the long-term aims of the Charity are developed. In addition to the Annual General Meeting, the Board meets four times per annum when Trustees review the Charity's performance, future operating plans and budgets. Extraordinary Board Meetings are also held as required. Meetings are sometimes convened via a teleconference call, to enable wider participation. The Board, Chief Executive and Senior Leadership Team are also involved in a joint annual strategic planning event.

There are two formal sub-committees of the Board of Trustees which are accountable to the Board; the Finance, Audit and Risk Committee and the Nominations Committee. Each committee has its own Terms of Reference and reports to the full Board.

The purpose of the Nominations Committee is:-

- to assist the Board in fulfilling its responsibilities by assessing, screening and nominating suitable and capable candidates to serve on the Board
- to make recommendations on the composition of the Board related to skill mix
- to oversee Trustee induction and developing and recommending to the Board performance measures to assess Board effectiveness

The appointment of new Trustees follows advertisements placed with specialist bodies and stakeholders. Applicants are shortlisted against agreed criteria and interviews carried out by a representative panel of Trustees of the Charity. The preferred candidate is invited to join the Board subject to approval by the full Trustee Board and formal vetting. New Trustees are offered an induction and encouraged to become involved in the Charity's activities and sub-committees.

The Board delegates the power in connection with the day-to-day management and administration of the Charity to the Chief Executive. Performance and risk is measured against strategic objectives, with regular reporting to the Board, so that decisions made under delegated power can be ratified by the full Board. The Chief Executive is responsible for the day-to-day management of the Charity's affairs and for implementing policies agreed by the Board. The Deputy Chief Executive and Director of Education assist the Chief Executive. These staff are considered by the Trustees to be the Senior Leadership Team. The Trustees review the pay of these staff annually. We aim to pay all staff fairly and in a way that ensures we attract and retain the right skills to have the greatest impact on delivering the Charity's objectives. The Board of Trustees determines the salary of the Chief Executive. The Chief Executive recommends salary increases for the other Executive Directors of the Charity for Board approval. Pay awards are made after taking into account Retail Price Index, the performance of the Charity and the extent to which its objectives have been achieved, and the contribution of the individual to achieving the Charity's objectives, which is measured through the annual appraisal process. All salaries are benchmarked against comparable roles in similar sectors.

For other staff, the Board of Trustees have delegated responsibility to the Internal Remuneration Committee (Chief Executive, Deputy Chief Executive and Director of Education) to:-

- Administer the Charity's system of staff remuneration including: pay, pensions and any additional benefits in adherence with the Remuneration Policy and in line with the values of the Charity
- Review the recommendations for annual staff pay increases, which are then ratified by the Trustees as part of the budget process
- Ensure that the remuneration offered works both to reward staff for their performance, but also takes into account the affordability to the Charity
- Ensure that pay levels correspond with other policies the Charity has, such as the risk policy, and are aligned to the strategic aims
- Review salaries of staff against relevant benchmarks
- Consider the need for an independent evaluation of pay levels at least every five years so that Trustees are clear what is happening to salaries in this and other sectors
- Be aware of major changes in employee benefits, including pay, pensions and other rewards and make recommendations to amend the Remuneration Policy based on these changes
- Ensure the Policy is applied consistently across the Charity

Purpose of the Finance, Risk and Audit Committee is to support Trustees in meeting their responsibilities for risk management, internal controls and efficient and effective use of funds

The Charity has the following subsidiaries:- Education for Health Trading Limited (100% owned), National Respiratory Training Centre Limited (100% owned) dormant since its incorporation, and Respiratory Education UK (100%), which was dormant in 2018.

The Charity headquarter offices are based in Church Street, Warwick.

We have two Patrons. Mrs Greta Barnes MBE, the Founder of our Charity, and Baroness Julia Cumberlege CBE, DL.

Trustees' Responsibilities

The Trustees (also Directors of Education for Health for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the Trustees are required to:-

1. Select suitable accounting policies and then apply them consistently
2. Observe the methods and principles in the Charities SORP
3. Make judgements and estimates that are reasonable and prudent
4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the Group and, hence, taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The Directors resolved that RSM UK Audit LLP be re-appointed as auditors. RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to the Disclosure of Information to Auditors

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the Auditors are unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditors.

Approved by the Board on 25 September 2018 and signed on its behalf by:-



Dr Jonathan Shapiro
Director/Chairman, the Board of Trustees

6.0 Reference and Administration Details

Registered Charity No: 1048816

Company No: 03090774

VAT No: GB210922057

Board of Trustees:

Dr Jonathan Shapiro MA (Cantab), MB ChB, MRCP (Chair)
Professor Sally Singh MCSP, PhD (resigned 26 September 2017)
Mr Robert Strange OBE, FCIB, C.Dir, FloD
Professor Ursula Gallagher
Mr Gavin Johnstone (resigned 29 March 2018)
Dr Robert Angus
Dr Stephen Holmes MMedSci, MBChB, FRCGP, DRCOG (resigned 29 March 2018)
Mrs Jane Scullion BA (Hons) RGN MSc (resigned 29 March 2018)
Mr Gary Parkinson

Mr Gary Parkinson and Dr Robert Angus retire and being eligible offer themselves for re-election

Chief Executive:

Dr Linda Edwards

Senior Leadership Team

assisting Chief Executive:

Mrs Rebecca Harkcom, Deputy Chief Executive
Mrs Julia Neal, Director of Education

Company Secretary:

Mrs Rebecca Harkcom

Registered Office and Principal Address:

The Athenaeum
10 Church Street
Warwick CV34 4AB

Website:

www.educationforhealth.org

Finance, Audit and Risk Committee:

Mr Robert Strange
Mr Gavin Johnstone (resigned 28 March 2018)
Mr Gary Parkinson
Dr Jonathan Shapiro

Nominations Committee:

Dr Jonathan Shapiro
Mr Gary Parkinson
Dr Stephen Holmes (resigned 28 March 2018)
Professor Sally Singh (resigned 26 September 2017)
Dr Linda Edwards
Mrs Rebecca Harkcom

Patrons:

Mrs Greta Barnes MBE
Baroness Julia Cumberlege CBE, DL

Legal Advisors:

Wright Hassall and Co
Olympus Avenue
Leamington Spa
Warwickshire CV34 6BF

Investment Advisers:

UBS Wealth Management
1 Finsbury Avenue
London EC2M 2PP

Bankers:

Barclays Bank plc
PO Box 1352
25 High Street
Coventry CV1 5QZ

Auditors:

RSM UK Audit LLP
St Philips Point
Temple Row
Birmingham B2 5AF

7.0 Independent Auditor's Report to the Members of Education for Health

Opinion

We have audited the financial statements of Education for Health (the 'parent charitable company') and its subsidiaries (the 'group') for the period ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group 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 FRS 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 the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the period 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 Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 152 of the Charities Act 2011 and report in accordance with those Acts.

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 and parent charitable company 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

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 parent charitable company'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 report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and,

Independent Auditor's Report to the Members of Education for Health (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

As explained more fully in the Statement of Trustees' responsibilities set out on pages 18 and 19, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

Independent Auditor's Report to the Members of Education for Health (continued)

Responsibilities of trustees

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company'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 parent charitable company 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 provided on the Financial Reporting Council's website at <http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



PAUL OXTOBY (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Date: 25 September 2016

EDUCATION FOR HEALTH

Consolidated Statement of Financial Activities

(including Consolidated Income and Expenditure Account)

for the period ended 31 March 2018

		<u>Unrestricted</u>	<u>Restricted</u>	<u>15 months to</u> <u>31/3/2018</u>	<u>12 months to</u> <u>31/12/2016</u>
	<u>Notes</u>	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Income and Endowments from:					
Donations and legacies	4	31,178	2,275	33,453	41,415
Charitable activities	5	2,081,741	448	2,082,189	1,924,558
Other trading activities	6	22,632	-	22,632	53,476
Investments	7	127,391	-	127,391	114,005
Total Income		<u>2,262,942</u>	<u>2,723</u>	<u>2,265,665</u>	<u>2,133,454</u>
Expenditure on:					
Raising funds	11	41,337	-	41,337	47,337
Charitable activities	12	2,909,280	6,492	2,915,772	2,333,303
Total Expenditure		<u>2,950,617</u>	<u>6,492</u>	<u>2,957,109</u>	<u>2,380,640</u>
Net (losses) gains on investments	23	133,602	-	133,602	362,328
Net Movement in Funds for the Year		<u>(554,073)</u>	<u>(3,769)</u>	<u>(557,842)</u>	<u>115,142</u>
Reconciliation of Funds:					
Total funds brought forward		3,225,818	3,769	3,229,587	3,114,445
Total Funds Carried Forward		<u><u>2,671,745</u></u>	<u><u>-</u></u>	<u><u>2,671,745</u></u>	<u><u>3,229,587</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

EDUCATION FOR HEALTH

Company Number 03090774

Balance Sheets at 31 March 2018

	<u>Notes</u>	<u>Group</u> <u>31/03/2018</u> <u>£</u>	<u>Group</u> <u>31/12/2016</u> <u>£</u>	<u>Charity</u> <u>31/03/2018</u> <u>£</u>	<u>Charity</u> <u>31/12/2016</u> <u>£</u>
Fixed Assets:					
Intangible assets	22	70,545	138,826	70,545	138,826
Tangible assets	21	696,180	716,472	696,180	716,472
Investment assets	23	3,481,951	3,671,321	3,481,953	3,671,323
		<u>4,248,676</u>	<u>4,526,619</u>	<u>4,248,678</u>	<u>4,526,621</u>
Current Assets:					
Stocks	24	969	1,515	969	1,515
Debtors and prepayments	25	245,523	199,981	245,666	200,124
Cash at bank and in hand	34	190,730	188,478	190,636	188,384
		<u>437,222</u>	<u>389,974</u>	<u>437,271</u>	<u>390,023</u>
Liabilities:					
Creditors falling due within one year	26	1,052,472	987,324	1,052,472	987,324
Fees received in advance	27	961,681	699,682	961,681	699,682
		<u>2,014,153</u>	<u>1,687,006</u>	<u>2,014,153</u>	<u>1,687,006</u>
Net Current Liabilities		<u>(1,576,931)</u>	<u>(1,297,032)</u>	<u>(1,576,882)</u>	<u>(1,296,983)</u>
Total Assets less Current Liabilities		<u>2,671,745</u>	<u>3,229,587</u>	<u>2,671,796</u>	<u>3,229,638</u>
Net Assets		<u>2,671,745</u>	<u>3,229,587</u>	<u>2,671,796</u>	<u>3,229,638</u>
The Funds of the Charity:					
Restricted funds	29	-	3,769	-	3,769
Unrestricted funds	28	2,671,745	3,225,818	2,671,796	3,225,869
		<u>2,671,745</u>	<u>3,225,818</u>	<u>2,671,796</u>	<u>3,225,869</u>
Total Charity Funds		<u>2,671,745</u>	<u>3,229,587</u>	<u>2,671,796</u>	<u>3,229,638</u>

The notes on pages 26 to 53 form part of these accounts



Signed by Dr Jonathan Shapiro, Chair of Trustees on behalf of the Trustees
Approved by the Trustees and authorised for issue on 25 September 2018

EDUCATION FOR HEALTH

Company Number 03090774

Consolidated Statement of Cash Flows

for the period ended 31 March 2018

	<u>Notes</u>	<u>Group</u> <u>15 Months to</u> <u>31/03/2018</u> <u>£</u>	<u>Group</u> <u>12 Months to</u> <u>31/12/2016</u> <u>£</u>
Cash Flows from Operating Activities:			
Net cash used in operating activities	33	(437,351)	(165,846)
Cash Flows from Investing Activities:			
Dividends and interest from investments		127,391	114,005
Purchase of tangible fixed assets		(8,060)	(33,479)
Purchase of intangible fixed assets		(2,700)	(32,574)
Proceeds from sale of fixed assets		-	-
Proceeds from sale of investments		1,125,970	2,173,398
Purchase of investments		(802,998)	(2,077,195)
Cash (used in) provided by Investing Activities		439,603	144,155
(Decrease)/Increase in Cash and Cash Equivalents in the Year		2,252	(21,691)
Cash and cash equivalents at the beginning of the year		188,478	210,169
Total Cash and Cash Equivalents at the End of the Year	34	190,730	188,478

Notes to the Financial Statements

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:-

a) Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Education for Health meets the definition of a public benefit entity under the Charities Act, assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounting period has been extended by three months to 31 March 2018, therefore the prior year figures are not comparable.

b) Preparation of the Accounts on a Going Concern Basis

The Charity has prepared detailed forecasts of both income and expenditure and cash on a Group basis. Reserves of the Group currently stand at £2,672k (2016: £3,230k). Having considered these documents together with risk and reserves policy the Trustees are of the view that the Charity is a going concern. The reserves are represented by investment assets of £3,482k (2016: £3,671k), cash of £191k (2016: £188k) and liabilities of £2,014k.

c) Group Financial Statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiaries on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006. The Charity has also taken advantage of the exemption available under FRS 102 and has not presented a statement of cash flows for the parent.

d) Fund Accounting

The general fund consists of the accumulated surpluses on the consolidated statement of financial activities, less any funds designated by the Directors for specific purposes.

Designated funds are funds which have been set aside by the Directors for specific purposes. The purpose of the designated funds is set out in the notes to the accounts.

Restricted funds are funds for which the donor has specifically restricted the purpose for which they can be used. The balance in the fund represents the amount still remaining for future expenditure.

EDUCATION FOR HEALTH

e) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. The cost of minor additions to fixed assets, defined as those costing less than £85 each, is expensed in the year in which the cost is incurred.

Depreciation is provided to write off the cost of assets by equal instalments over their estimated useful lives as follows:-

Freehold buildings	-	100 years from 2015
Equipment, furniture, fixtures and fittings	-	5 years
Laptops	-	3 years
Other Computer equipment	-	5 years
Short leasehold property improvements	-	over lease term
Freehold land is not depreciated		

f) Investments

Listed investments are included in the accounts at fair value. Gains or losses on revaluation are recognised in the SOFA and credited or debited to the relevant funds.

Investments in subsidiaries are stated at cost.

g) Investment income

Dividends are credited to the SOFA when receivable.

Interest on cash held is accrued on a daily basis and is credited on this basis to the SOFA.

h) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a 'first in first out' basis.

i) Pension costs

The Charity operates defined contribution schemes available to all of its employees. The schemes' funds are administered by Trustees and are independent of the Charity's finances. The Charity's contributions to the schemes are charged in the accounts as they accrue.

EDUCATION FOR HEALTH

j) Income

All incoming resources are included in the SOFA when the Charity is legally entitled to the income. Course fee income is recognised and included in the SOFA for the financial year in proportion to the total fee by a measure of the course length elapsed and value of services delivered by time and materials.

k) Expenditure and Irrecoverable VAT

All resources expended are accounted for on an accruals basis. Costs are classified under headings that aggregate all similar costs and which can then be related to costs of raising funds and charitable activities.

Costs of raising funds are primarily investment management fees and other expenses incurred in trading activities that raise funds.

Charitable activities expenditure primarily includes costs associated with educational activity, books and resources and research activity. They include both direct and support costs relating to these activities.

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities.

Support costs include central functions and governance costs and have been allocated to activity cost categories on a basis consistent with the use of resources by activities irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

l) Research

Expenditure on research is written off as incurred.

m) Operating Leases

The rentals payable under operating leases are charged/credited in the SOFA on a straight line basis over the lease term.

n) Intangible Fixed Assets

- Development Costs

Expenditure on developing new modules is carried forward to match against future revenue. As a result, at 31 March 2018, £34,274 (2016: £67,890) has been carried forward. The expenditure is being written off over a period of between three to five years, which is the likely life of the course, commencing with the first cohort of students.

- Software/Website

Expenditure on software and website development is carried forward to match against expected future benefit. As a result, at 31 March 2018, £18,578 (2016: £50,048) has been carried forward. The expenditure is being written off over three years (software) and five years (website).

EDUCATION FOR HEALTH

- Social Impact Report

Net book value of our social impact report at 31 March 2018 £17,693 (2016 £20,888) is carried forward against expected future benefit. The expenditure is being written off over five years from the point of finalising the report

o) Recognition of Liabilities

Liabilities are recognised when either a constructive or legal obligation exists

p) Basis of Consolidation

The consolidated financial statements incorporate those of Education for Health and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2018.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

r) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Donated services

In accordance with the Charities SORP (FRS 102) the general volunteer time of the Trustees and administration volunteers is not recognised.

t) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In capitalising course development costs and their subsequent amortisation, management makes judgements as to the future viability of courses and the likely life of the courses.

EDUCATION FOR HEALTH

2. Legal Status

The Charity is a Company Limited by Guarantee incorporated in England and Wales. Linda Edwards (Chief Executive) and all the current Trustees as shown on Page 20 are members of the Charity. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

3. Financial Performance of the Charity

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiaries Respiratory Education UK and Education for Health Trading Limited.

The results of the parent company Education for Health were as follows:-

	<u>15 Months to</u> <u>31/3/2018</u>	<u>12 Months to</u> <u>31/12/2016</u>
	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>
Total Income	2,265,665	2,116,994
Net Expenditure for the Year	(557,842)	(13,436)

4. Donations and Legacies

	<u>General</u> <u>Fund</u>	<u>Restricted</u> <u>Funds</u>	<u>15 months to</u> <u>31/03/2018</u>	<u>12 months to</u> <u>31/12/2016</u>
	<u>£</u>	<u>£</u>	<u>Total</u> <u>£</u>	<u>Total</u> <u>£</u>
Contribution to Bangladesh Fund	-	2,275	2,275	37
Golf Day	13,019	-	13,019	6,523
Sundry Donations	18,159	-	18,159	34,855
	<u>31,178</u>	<u>2,275</u>	<u>33,453</u>	<u>41,415</u>

5. Income from Charitable Activities

	<u>General</u> <u>Fund</u>	<u>Restricted</u> <u>Funds</u>	<u>15 months to</u> <u>31/03/2018</u>	<u>12 months to</u> <u>31/12/2016</u>
	<u>£</u>	<u>£</u>	<u>Total</u> <u>£</u>	<u>Total</u> <u>£</u>
Educational Activity	2,059,326	448	2,059,774	1,909,919
Books and Resources	8,077	-	8,077	10,319
Research Activity	14,338	-	14,338	4,320
	<u>2,081,741</u>	<u>448</u>	<u>2,082,189</u>	<u>1,924,558</u>

EDUCATION FOR HEALTH

6. Income from other Trading Activities	General	Restricted	15 months to 31/03/2018	12 months to 31/12/2016
	Fund	Funds	Total	Total
	£	£	£	£
Education – non-primary purpose	-	-	-	25,515
Room hire	2,917	-	2,917	5,599
Sundry other trading activities	19,715	-	19,715	22,362
	<u>22,632</u>	<u>-</u>	<u>22,632</u>	<u>53,476</u>

7. Investment Income	15 months to 31/12/2018	12 months to 31/12/2016
	Total	Total
	£	£
Dividends and interest from listed investments	112,302	113,527
Interest on cash held	15,089	478
	<u>127,391</u>	<u>114,005</u>

8. Analysis of Income Resources	15 months to 31/12/2018	12 months to 31/12/2016
	£	£
The analysis of the incoming resources attributable to each geographical area is as follows:-		
United Kingdom	2,218,356	2,073,173
United States of America	-	12,500
Other – European countries	22,113	46,381
Other – rest of the world	25,196	1,400
	<u>2,265,665</u>	<u>2,133,454</u>

EDUCATION FOR HEALTH

9. Staff Costs	<u>15 months to</u> <u>31/12/2018</u>	<u>12 months to</u> <u>31/12/2016</u>
	£	£
Wages and salaries	1,600,479	1,302,570
Social security costs	146,058	118,975
Other pension costs	108,156	75,355
Health and life insurance	3,330	3,457
Staff recruitment costs	38,630	12,921
Redundancy costs	4,713	-
	<u>1,901,366</u>	<u>1,513,278</u>

The average number of employees during the period was 44. They were associated with the following activities:-

	<u>Headcount No</u>	<u>Headcount No</u>
Educational activity	40	41
Books and resources	1	1
Research activity	1	1
Advocacy work	2	2
	<u>44</u>	<u>45</u>

The average number of full-time equivalent (FTE) employees during the period was 37. They were associated with the following activities:-

	<u>FTE No</u>	<u>FTE No</u>
Educational activity	33	34
Books and resources	1	1
Research activity	1	1
Advocacy work	2	2
	<u>37</u>	<u>38</u>

During the 15 months to 31 March 2018, four Trustees (2016: two) received reimbursements of personal travel and subsistence expenditure of £1,004 (2016: £392).

EDUCATION FOR HEALTH

Except as disclosed, none of the Trustees received any remuneration during the period (2016: nil) for qualifying services.

The key management personnel of the parent Charity and the Group in 15 months to 31 March 2018 comprises the Chief Executive, Deputy Chief Executive and Director of Education (2016: Chief Executive, Managing Director, Director of Education.) The total employee benefits of the key management personnel in 15 months to 31 March 2018 was £331k (2016 12 months: £264k).

	<u>15 months to</u> <u>31/03/2018</u>	<u>12 months to</u> <u>31/12/2016</u>
The numbers of employees whose emoluments were in excess of £60,000 (excluding employers National Insurance and pension contributions):-		
£60,000 - £70,000	1	1
£70,001 - £80,000	2	0
£80,001 - £90,000	0	0
£90,001 - £100,000	0	1
	<u> </u>	<u> </u>

Contributions amounting to £23,113 (2016: £17,678) were made to a defined contribution pension scheme for the above employees, in the period

EDUCATION FOR HEALTH

10. Outgoing Resources	<u>15 months to</u> <u>31/03/2018</u>	<u>12 months to</u> <u>31/12/2016</u>
	£	£
This is stated after charging/(crediting):		
Auditor's remuneration - audit	24,000	32,400
- other	6,840	24,948
Trustees' indemnity insurance	4,081	3,036
Payments under operating leases – fixtures and fittings	3,524	2,490
Depreciation of tangible assets	28,352	20,074
Ammortisation of intangible assets	70,981	66,172
	<u> </u>	<u> </u>

11. Expenditure on Raising Funds			<u>15 months to</u> <u>31/03/2018</u>	<u>12 months to</u> <u>31/12/2016</u>
	<u>General</u> <u>Fund</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>Total</u> <u>£</u>	<u>Total</u> <u>£</u>
Salaries and staff costs	3,385	-	3,385	15,321
Lecturer fees and expenses	-	-	-	191
Course costs	782	-	782	1,927
Professional costs – management fee	28,233	-	28,233	23,401
Share of support (note 18)	8,027	-	8,027	5,918
Sundries	910	-	910	579
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>41,337</u>	<u>-</u>	<u>41,337</u>	<u>47,337</u>

EDUCATION FOR HEALTH

12. Expenditure on Charitable Activities			<u>15 months to</u> <u>31/03/2018</u>	<u>12 months to</u> <u>31/12/2016</u>
	<u>General</u> <u>Fund</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Educational activity (note 13)	2,788,941	6,492	2,795,433	2,215,281
Books and resources (note 14)	9,375	-	9,375	14,751
Research activity (note 15)	18,328	-	18,328	14,360
Advocacy work (note 16)	92,636	-	92,636	84,880
	<u>2,909,280</u>	<u>6,492</u>	<u>2,915,772</u>	<u>2,329,272</u>

13. Cost of Charitable Activities - Educational Activity			<u>15 months to</u> <u>31/03/2018</u>	<u>12 months to</u> <u>31/12/2016</u>
	<u>General</u> <u>Fund</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Course development	33,616	-	33,616	32,515
Salaries and staff costs	1,331,843	3,207	1,335,050	1,096,975
Lecturer's fees, travel and subsistence	352,550	447	352,997	289,890
Computer consultancy and support	31,525	723	32,248	18,493
Printing and stationery	2,821	-	2,821	4,824
Course material	1,054	-	1,054	1,851
Course accommodation	46,162	-	46,162	37,744
Postage	15,001	94	15,095	15,550
Staff development	1,329	-	1,329	3,882
Sundries and cleaning	11,957	-	11,957	10,454
Bank charges	21,359	-	21,359	13,823
Catering	700	-	700	362
Professional charges	6,959	2,021	8,980	8,093
Registration fees	102,500	-	102,500	102,201
Material cost for creative learning solutions	57,029	-	57,029	20,579
Share of support and governance (note 18)	762,597	-	762,597	552,663
Conferences	-	-	-	240
Subscription	696	-	696	626
Bad debt provision	9,243	-	9,243	4,516
	<u>2,788,941</u>	<u>6,492</u>	<u>2,795,433</u>	<u>2,215,281</u>

EDUCATION FOR HEALTH

Registration fees represent the cost of registering students with the University of Hertfordshire, Royal College of General Physicians , Open University together with other services provided by them and the Association for Respiratory Technology and Physiology for our accredited courses. Course development largely represents the amortisation of eLearning development in the year. Material costs for creative learning solutions represent the development of material for non-accredited projects.

14. Cost of Charitable Activities - Books and Resources

	<u>General</u> <u>Fund</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>15 months to</u> <u>31/03/2018</u> <u>Total</u> <u>£</u>	<u>12 months to</u> <u>31/12/2016</u> <u>Total</u> <u>£</u>
Cost of items sold	1,440	-	1,440	5,607
Wages, salaries and staff costs	2,670	-	2,670	2,183
Postage and design	23	-	23	273
Professional fees	1,228	-	1,228	770
Share of support and governance (note 18)	4,014	-	4,014	5,918
	<u>9,375</u>	<u>-</u>	<u>9,375</u>	<u>14,751</u>

15. Cost of Charitable Activities – Research Activity

	<u>General</u> <u>Fund</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>12 months to</u> <u>31/12/2017</u> <u>Total</u> <u>£</u>	<u>12 months to</u> <u>31/12/2016</u> <u>Total</u> <u>£</u>
Wages, salaries and staff costs	9,607	-	9,607	8,309
Professional fees	4,650	-	4,650	-
Share of support and governance (note 18)	4,014	-	4,014	5,918
Miscellaneous	57	-	57	133
	<u>18,328</u>	<u>-</u>	<u>18,328</u>	<u>14,360</u>

EDUCATION FOR HEALTH

16. Cost of Charitable Activities – Advocacy			<u>15 months to</u> <u>31/03/2018</u>	<u>12 months to</u> <u>31/12/2016</u>
	<u>General</u> <u>Fund</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Wages, salaries and staff costs	60,518	-	60,518	55,967
Professional fees	8,031	-	8,031	5,124
Miscellaneous	5	-	5	119
Share of support and governance (note 18)	24,082	-	24,082	23,670
	<u>92,636</u>	<u>-</u>	<u>92,636</u>	<u>84,880</u>

17. Analysis of Governance and Support Costs			<u>15 months to</u> <u>31/03/2018</u>	<u>12 months to</u> <u>31/12/2016</u>
	<u>Support</u>	<u>Governance</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Salaries and staff costs	490,136	-	490,136	334,523
Rates	8,029	-	8,029	6,709
Heat and light	7,837	-	7,837	5,988
Travel and subsistence	6,353	146	6,499	1,678
Computer consultancy and equipment	109,205	-	109,205	75,739
Printing and stationery	11,270	-	11,270	10,943
Postage	634	-	634	942
Telephone	16,778	-	16,778	11,801
Staff development	1,594	-	1,594	2,542
Professional fees	15,000	-	15,000	20,089
Repairs and Renewals	17,324	-	17,324	15,573
Sundries and cleaning	10,793	60	10,853	8,230
Bank interest, charges and foreign exchange loss	2,050	-	2,050	1,803
Subscriptions	1,007	-	1,007	762
Depreciation	65,717	-	65,717	55,231
Insurance	5,427	4,081	9,508	7,652
Loss on disposal of fixed asset	-	-	-	99
Audit	-	27,600	27,600	32,400
Trustees Meetings	-	688	688	989
Trustees expenses	-	1,005	1,005	393
	<u>769,154</u>	<u>33,580</u>	<u>802,734</u>	<u>594,086</u>

EDUCATION FOR HEALTH

**18. Allocation of Costs of
Support and Governance**

	<u>General</u>	<u>Restricted</u>	<u>15 months to</u> <u>31/03/2018</u>	<u>12 months to</u> <u>31/12/2016</u>
	<u>Fund</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Allocated to:				
Educational activity	762,597	-	762,597	552,663
Books and resources	4,014	-	4,014	5,918
Research activity	4,014	-	4,014	5,918
Advocacy	24,082	-	24,082	23,670
Generating funds	8,027	-	8,027	5,917
	<u>802,734</u>	<u>-</u>	<u>802,734</u>	<u>594,086</u>

EDUCATION FOR HEALTH

19. Total Expenditure

	<u>Staff Costs</u> £	<u>Depreciation and Amortisation</u> £	<u>Support Costs</u> £	<u>Other</u> £	<u>15 months to 31/03/2018</u> Total £	<u>12 months to 31/12/2016</u> Total £
Expenditure on Raising Funds:						
Investment management fees	3,385	-	8,027	28,233	28,233	20,851
Other expenses	3,385	-	8,027	1,692	13,104	26,486
	<u>1,335,050</u>	<u>33,616</u>	<u>762,597</u>	<u>664,170</u>	<u>2,795,433</u>	<u>2,215,281</u>
Expenditure on Charitable Activity:						
Educational activity	2,670	-	4,014	2,691	9,375	14,751
Books and resources	9,607	-	4,014	4,707	18,328	14,360
Research activity	60,518	-	24,082	8,036	92,636	84,880
	<u>1,407,845</u>	<u>33,616</u>	<u>794,707</u>	<u>679,604</u>	<u>2,915,772</u>	<u>2,329,272</u>
Exceptional charitable activities	-	-	-	-	-	4,031
	<u>1,407,845</u>	<u>33,616</u>	<u>794,707</u>	<u>679,604</u>	<u>2,915,772</u>	<u>2,333,303</u>
Total Expenditure	<u><u>1,411,230</u></u>	<u><u>33,616</u></u>	<u><u>802,734</u></u>	<u><u>709,529</u></u>	<u><u>2,957,109</u></u>	<u><u>2,380,640</u></u>
Reconciliation to other Notes to the Accounts:						
Items in costs of support (note 17) (prior to allocation)	490,136	65,717				
As per note 9	<u>1,901,366</u>	<u>99,333</u>				

EDUCATION FOR HEALTH

20. Taxation

No tax has been provided in the accounts of Education for Health because it is a registered Charity and much of its activity is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988, and no taxation is due for payment. The Charity has borne VAT on expenditure where appropriate.

21A. Tangible Fixed Assets

<u>Group:</u>	<u>Short Leasehold Property Improvements</u> £	<u>Freehold Land and Buildings</u> £	<u>Equipment, Fixtures and Fittings</u> £	<u>Total</u> £
At cost: 01 January 2017	46,005	690,000	173,300	909,305
Additions	-	-	8,060	8,060
Disposals	-	-	-	-
Balance: 31 March 2018	46,005	690,000	181,360	917,365
Depreciation: 01 January 2017	46,005	23,036	123,792	192,833
Charge for period	-	5,574	22,778	28,352
Disposals	-	-	-	-
Balance: 31 March 2018	46,005	28,610	146,570	221,185
Net book values:				
31 March 2018	-	661,390	34,790	696,180
31 December 2016	-	666,964	49,508	716,472

EDUCATION FOR HEALTH

21B. Tangible Fixed Assets

<u>Charity:</u>	<u>Short Leasehold Property Improvements</u>	<u>Freehold Land and Buildings</u>	<u>Equipment, Fixtures and Fittings</u>	<u>Total</u>
	£	£	£	£
At cost: 01 January 2017	46,005	690,000	167,405	903,410
Additions	-	-	8,060	8,060
Disposals	-	-	-	-
Balance: 31 March 2018	46,005	690,000	175,465	911,470
Depreciation: 01 January 2017	46,005	23,036	117,897	186,938
Charge for period	-	5,574	22,778	28,352
Disposals	-	-	-	-
Balance: 31 March 2018	46,005	28,610	140,675	215,290
Net book values:				
31 March 2018	-	661,390	34,790	696,180
31 December 2016	-	666,964	49,508	716,472

Freehold land and buildings includes freehold land of £230,000 that is not depreciated.

The original cost of land and buildings before revaluation on 1 January 2014 was £599,133 including £100,000 for land that was not depreciated.

The depreciation for the period based on the original cost depreciation would have been £3,934.

Net book value: £404,580.

EDUCATION FOR HEALTH

22. Intangible Fixed Assets – Development Costs

<u>Group:</u>	<u>Contract Related Intangibles</u> £	<u>Course Development Costs</u> £	<u>Software and Website Development</u> £	<u>Social Impact</u> £	<u>Total</u> £
At cost: 01 January 2017	140,276	583,357	194,704	20,888	939,225
Additions				2,700	2,700
Balance: 31 March 2018	140,276	583,357	194,704	23,588	941,925
Amortised: 01 January 2017	140,276	515,467	144,656	-	800,399
Charged in the period	-	33,616	31,470	5,895	70,981
Balance: 31 March 2018	140,276	549,083	176,126	5,895	871,380
Net book values:					
31 March 2018	-	34,274	18,578	17,693	70,545
31 December 2016	-	67,890	50,048	20,888	138,826
 <u>Charity:</u>		<u>Course Development Costs</u> £	<u>Software and Website Development</u> £	<u>Social Impact</u> £	<u>Total</u> £
At cost: 01 January 2017		583,357	194,704	20,888	798,949
Additions		-	-	2,700	2,700
Balance: 31 March 2018		583,357	194,704	23,588	801,649
Amortised: 01 January 2017		515,467	144,656	-	660,123
Charged in the period		33,616	31,470	5,895	70,981
Balance: 31 March 2018		549,083	176,126	5,895	731,104
Net book values:					
31 March 2018		34,274	18,578	17,693	70,545
31 December 2016		67,890	50,048	20,888	138,826

Amortisation of intangibles is charged within charitable activities

EDUCATION FOR HEALTH

23. Fixed Asset Investments	<u>2018</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
<u>Group:</u>		
Listed investments		
Fair value as at 01 January 2017/2016	3,671,321	3,405,196
Additions	802,998	2,077,195
Disposals proceeds	(1,125,970)	(2,173,398)
Realised and unrealised gains/(losses)	133,602	362,328
	<hr/>	<hr/>
Fair value at 31 March 2018/31 December 2016	<u>3,481,951</u>	<u>3,671,321</u>
	<hr/> <hr/>	<hr/> <hr/>
Historical cost at 31 March 2018/31 December 2016	2,976,532	3,152,870
	<hr/> <hr/>	<hr/> <hr/>
Fixed asset investments are represented by:		
UK listed investments	2,615,215	2,892,026
Non UK listed investments	866,736	779,295
	<hr/>	<hr/>
	<u>3,481,951</u>	<u>3,671,321</u>
	<hr/> <hr/>	<hr/> <hr/>

The following represented more than five percent of the fair value of investments at:-

		<u>31/03/2018</u>	<u>31/12/2016</u>
440,382	M&G Invest Fund 3 Corp Bond Class I (GBP) inc	180,821	186,622
1,206	IShares CR GBP CRP SHS (GBP)	172,639	185,448
31,527	IShares II PLC Core UK Gilt UCITS ETF GBP	417,575	467,876
2,615	UBS ETF SICAV MSCI EMU SOC RES CLA EUR	205,387	-
10,965	UBS ETF PLC MSCI UK SOC RES UCITS ETF	168,022	253,637
4,554	UBS ETF SICAV MSCI USA SOC RESP UCIT USD	344,611	422,347
156,927.5	Charities Property Income Units	198,278	187,999

Charity:

Investments held by the Charity also include an additional £2 (2016: £2) investment in the wholly-owned subsidiary company Education for Health Trading Limited (Company number 03281397) at cost. The Charity also owns 100% of National Respiratory Training Centre Ltd (Company number 05630081) and Respiratory Education UK (Company number 03632077, Registered Charity number 1073428) for which there is no cost of investment.

All subsidiaries are incorporated in England. Education for Health Trading Limited and National Respiratory Training Centre were dormant throughout the year and prior year.

EDUCATION FOR HEALTH

24. Stocks	<u>Group</u> <u>31/03/2018</u> £	<u>Group</u> <u>31/12/2016</u> £	<u>Charity</u> <u>31/03/2018</u> £	<u>Charity</u> <u>31/12/2016</u> £
Books and resources	969	1,515	969	1,515

25. Debtors and Prepayments	<u>Group</u> <u>31/03/2018</u> £	<u>Group</u> <u>31/12/2016</u> £	<u>Charity</u> <u>31/03/2018</u> £	<u>Charity</u> <u>31/12/2016</u> £
Trade debtors	197,278	127,237	197,278	127,237
Other debtors	64	5	64	5
Amounts owed by Group undertakings	-	-	143	143
Prepayments and other accrued income	48,181	72,739	48,181	72,739
	<u>245,523</u>	<u>199,981</u>	<u>245,666</u>	<u>200,124</u>

26. Creditors	<u>Group</u> <u>31/03/2018</u> £	<u>Group</u> <u>31/12/2016</u> £	<u>Charity</u> <u>31/03/2018</u> £	<u>Charity</u> <u>31/12/2016</u> £
Trade creditors	79,309	98,518	79,309	98,518
Taxation and social security costs	59,684	55,558	59,684	55,558
Other creditors	63,121	45,842	63,121	45,842
Loan	716,618	601,182	716,618	601,182
Accruals	133,740	186,224	133,740	186,224
	<u>1,052,472</u>	<u>987,324</u>	<u>1,052,472</u>	<u>987,324</u>

Financial instruments measured at amortised cost comprise a loan provided by UBS.

	<u>31/3/2018</u> £	<u>31/12/2016</u> £
Loan payable falling due within one year	716,618	601,182

The loan is in the form of a loan secured against the investment portfolio, with a variable 1.75% above LIBOR interest rate. The loan is included in Creditors (note 26)

EDUCATION FOR HEALTH

27. Fees Received in Advance	<u>Group</u>	<u>Charity</u>
	£	£
At 01 January 2017	699,682	699,682
Released during period	(945,534)	(945,534)
Deferred during period	1,207,533	1,207,533
	_____	_____
At 31 March 2018	<u><u>961,681</u></u>	<u><u>961,681</u></u>

EDUCATION FOR HEALTH

28. Unrestricted Funds

<u>Group:</u>	<u>1 January</u> <u>2017</u> <u>£</u>	<u>Net Incoming</u> <u>Resources/(Resources</u> <u>Expended) inYear</u> <u>£</u>	<u>Transfers</u> <u>£</u>	<u>31 March</u> <u>2018</u> <u>£</u>
General fund	1,045,696	(440,500)	359,989	965,185
Trading subsidiaries	(51)	-	-	(51)
	<u>1,045,645</u>	<u>(440,500)</u>	<u>359,989</u>	<u>965,134</u>
Designated funds:				
Equipment, furniture, fixtures and fittings fund	49,508	(14,718)	-	34,790
Property reserve fund	401,758	(5,574)	-	396,184
Intangible fixed assets	138,826	(68,281)	-	70,545
International and national scholarships	25,000	-	(25,000)	-
30 th Anniversary bursary	25,000	(25,000)	-	-
New educational technologies/IT systems	300,000	-	(150,000)	150,000
Development fund	100,000	-	150,000	250,000
Operating fund	788,340	-	(270,060)	518,280
Premises fund	56,237	-	(26,237)	30,000
Research fund	37,054	-	(37,054)	-
	<u>1,921,723</u>	<u>(113,573)</u>	<u>(358,351)</u>	<u>1,449,799</u>
Total designated reserves	1,921,723	(113,573)	(358,351)	1,449,799
Unrestricted reserves	2,967,368	(554,073)	1,638	2,414,933
Revaluation fund	258,450	-	(1,638)	256,812
	<u>3,225,818</u>	<u>(554,073)</u>	<u>-</u>	<u>2,671,745</u>

EDUCATION FOR HEALTH

	<u>1 January</u> <u>2017</u> £	<u>Net Incoming</u> <u>Resources/Resources</u> <u>expended) in Year</u> £	<u>Transfers</u> £	<u>31 March</u> <u>2018</u> £
Charity:				
General fund	1,045,696	(440,500)	359,989	965,185
Designated funds:				
Equipment, furniture, fixtures and fittings fund	49,508	(14,718)		34,790
Property reserve fund	401,758	(5,574)	-	396,184
Intangible fixed assets	138,826	(68,281)	-	70,545
International and national scholarships	25,000		(25,000)	-
30 th Anniversary bursary	25,000	(25,000)	-	-
New educational technologies/IT systems	300,000	-	(150,000)	150,000
Development fund	100,000	-	150,000	250,000
Operating fund	788,340	-	(270,060)	518,280
Premises fund	56,237	-	(26,237)	30,000
Research fund	37,054	-	(37,054)	-
Anticipated negative reserves in REUK	-	-	-	-
Total designated reserves	1,921,723	(113,573)	(358,351)	1,449,799
Unrestricted reserves	2,967,419	(554,073)	1,638	2,414,984
Revaluation fund	258,450	-	(1,638)	256,812
	3,225,869	(554,073)	-	2,671,796

The equipment, furniture, fixtures and fittings fund consists of the net book value of equipment, furniture, fixtures and fittings in use for charitable purposes. The new educational technologies and IT systems reserve is to allow an IT transformation that will enable us to better serve students, commissioners and all stakeholders. The property reserve represents the current net book value of the property excluding revaluation reserve. Intangible fixed assets relate to the net book value of development costs and net book value of software and website.

The operating fund is the amount required to allow students to complete programmes study. The development fund is to develop assets to meet the needs of future beneficiaries, which will be done through the work of our newly created Innovation Unit. The premises fund is to upgrade the training facility to ensure it remains fit for purpose.

The revaluation reserve represents the gain in property value arising from revaluation on 1 January 2014. The general funds are held to cover working capital and short-term contingency requirements.

EDUCATION FOR HEALTH

The reserves policy has been reviewed during the period by the Trustees and is thought to be reasonable.

29. Restricted Funds

	<u>Group</u> <u>Balance</u> <u>01/01/2017</u>	<u>Movements in Resources</u>		<u>Group</u> <u>Balance</u> <u>31/03/2018</u>	<u>Charity</u> <u>Balance</u> <u>31/03/2018</u>
	£	<u>Incoming</u> £	<u>Outgoing</u> £	£	£
Better Breathing Bangladesh Fund	3,769	2,723	(6,492)	-	-
	<u>3,769</u>	<u>2,723</u>	<u>(6,492)</u>	<u>-</u>	<u>-</u>

The Better Breathing Bangladesh fund was created to support respiratory training for primary care doctors and nurses in Bangladesh.

30. Analysis of Net Assets Between Funds

	<u>Tangible &</u> <u>Intangible</u> <u>Fixed Assets</u>	<u>Investments</u>	<u>Net Current</u> <u>Assets/(Liabilities)</u> <u>and Provisions</u>	<u>31/03/2018</u> <u>Total</u>	<u>31/12/2016</u> <u>Total</u>
	£	£	£	£	£
Group:					
Restricted funds:	-	-	-	-	3,769
Unrestricted funds:	-	-	-	-	-
Designated	508,275	941,524	-	1,449,799	1,921,723
General	-	2,540,427	(1,575,293)	965,134	1,045,645
Revaluation reserve:	258,450	-	(1,638)	256,812	258,450
	<u>766,725</u>	<u>3,481,951</u>	<u>(1,576,931)</u>	<u>2,671,745</u>	<u>3,229,587</u>
Charity:					
Restricted funds:	-	-	-	-	3,769
Unrestricted funds:	-	-	-	-	-
Designated	508,275	941,524	-	1,449,799	1,921,723
General	-	2,540,429	(1,575,244)	965,185	1,045,696
Revaluation reserve	258,450	-	(1,638)	256,812	258,450
	<u>766,725</u>	<u>3,481,953</u>	<u>(1,576,882)</u>	<u>2,671,796</u>	<u>3,229,638</u>

EDUCATION FOR HEALTH

31. Commitment Under Operating Leases

The total minimum lease payments under non-cancellable operating leases are as follows:-

	<u>Group</u> <u>31.3.18</u>	<u>Group</u> <u>31.12.16</u>	<u>Charity</u> <u>31.3.18</u>	<u>Charity</u> <u>31.12.16</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fixtures and fittings:				
Within one year	4,499	2,361	4,499	2,361
Within two to five years	8,166	7,083	8,166	7,083
	<u>12,665</u>	<u>9,444</u>	<u>12,655</u>	<u>9,444</u>

32. Capital Commitments

On 31 March 2018, the Group and Charity had no tangible or intangible capital commitments (31/12/2016: £4,613).

EDUCATION FOR HEALTH

33. Reconciliation of Net Income (expenditure) to Net Cash Flow from Operating Activities

	<u>Group</u> <u>31/03/2018</u>	<u>Group</u> <u>31/12/2016</u>
	<u>£</u>	<u>£</u>
Net income (expenditure) for the year	(557,842)	115,142
Add back depreciation charge	28,352	20,074
Add amortisation intangible assets	70,981	66,172
Deduct investment income	(127,391)	(114,005)
Add losses/ deduct (gains) on investments	(133,602)	(362,328)
Loss on disposal	-	99
Decrease in stock	546	43
Decrease (increase) in debtors	(45,542)	134,391
(Decrease) increase in creditors and provisions	327,147	(25,434)
	<hr/>	<hr/>
Net cash used in operating activities	(437,351)	(165,846)
	<hr/> <hr/>	<hr/> <hr/>

34. Reconciliation of Net Income (expenditure) to Net Cash Flow from Operating Activities

	<u>£</u>
Analysis of cash and cash equivalents:	
Cash in hand at 31/12/2016	188,478
Movement in year	2,252
	<hr/>
Cash in hand at 31/03/2018	190,730
	<hr/> <hr/>

EDUCATION FOR HEALTH

35. Revaluation Reserve

The Trustees took the option in FRS 102 to measure the land and buildings at fair value at 01 January 2014. Going forward this fair value is deemed to be cost.

	<u>Valuation Sum</u>	<u>Previously Stated Net Book Value</u>
	<u>£</u>	<u>£</u>
Land	230,000	100,000
Building	460,000	324,794

Thus creating a revaluation fund of £265,206 at 01 January 2014. This led to additional annual depreciation of £4,134 (before change to estimated useful life in 2015) which is transferred from revaluation reserve to general reserve. The transfer between funds in 15 months to 31 March 2018 is to £1,638, leaving a balance in the revaluation reserve of £256,812 at 31 March 2018

36. Related Party Transactions

In the period ending 31 March 2018, no transactions took place between Education for Health and its wholly owned subsidiary REUK. In 2016 a donation of £103,133 was made from Education for Health to REUK

37. Contingent Liability

Education for Health and REUK are party to a group VAT registration effective from 01 March 2015. At 31 March 2018, there was a VAT liability of £5,959 (2016: £9,459).

EDUCATION FOR HEALTH

38. Comparative Information – Consolidated Statement of Financial Activities

	<u>Unrestricted</u> <u>Fund</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>31/12/2016</u> <u>Total</u> <u>£</u>
<u>Income and Endowments from:</u>			
Donations and legacies	41,378	37	41,415
Charitable activities	1,923,158	1,400	1,924,558
Other trading activities	53,476	-	53,476
Investments	114,005	-	114,005
Total Income	2,132,017	1,437	2,133,454
<u>Expenditure on:</u>			
Raising funds	47,337		47,337
Charitable activities	2,329,224	48	2,329,272
Exceptional Charitable activities	4,031	-	4,031
Total Expenditure	2,380,592	48	2,380,640
Net (losses) gains on investments	362,328	-	362,328
Net (Expenditure) Income for the Year	113,753	1,389	115,142
Net Movement in Funds for the Year	113,753	1,389	115,142
<u>Reconciliation of Funds:</u>			
Total funds brought forward	3,112,065	2,380	3,114,445
Total Funds Carried Forward	3,225,818	3,769	3,229,587