

Chantrey Vellacott DFK LLP

Company Number 3068044
Charity Number 1048167
Scottish Charity Number SC039804

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Coeliac UK
(Limited by Guarantee)

Financial statements

31 December 2009

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**Coeliac UK
(Limited by Guarantee)**

Report of the Board of Governors for the year ended 31 December 2009

The Board of Governors who are the Charity trustees, and directors of Coeliac UK ("the charitable company"/"the Charity"), have pleasure in presenting their report, which incorporates the report of the directors for the purposes of company law, and the accounts for the year ended 31 December 2008

LEGAL AND ADMINISTRATIVE INFORMATION

The organisation is a charitable company limited by guarantee, incorporated on 14 June 1995 and registered as a charity on 20 July 1995. Coeliac UK is the successor body to The Coeliac Society which was established in 1968.

The Charity was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. The Articles provide for the Board to consist of up to nine elected Governors, two co-opted Governors and one Governor nominated by the Health Advisory Council. One third of the elected Governors resign at each Annual General Meeting and can stand for re-election for one further term.

Board of Governors

Paul Duell
Tony Grace – Chair
Ian Henderson (elected 11 July 2009)
Professor Peter Howdle
Heather Lees – Treasurer
Elise Millington – Vice Chair
Sarah Mitson
Jacqui Smith
Ian Tottman (elected 11 July 2009)
Tim Wade (co-opted 22 October 2009)
Gillian White (co-opted 22 October 2009)

Rosemary Hoyle (retired 11 July 2009)
Mike Wickens (retired 11 July 2009)

Company Secretary

Peter Howlett (resigned 17 August 2009)
New Company Secretary – to be appointed

Chief Executive

Sarah Sleet

Registered office and operation address

Third Floor
Apollo Centre
Desborough Road
High Wycombe
Buckinghamshire
HP11 2QW

Auditor

Chantrey Vellacott
Prospect House
58 Queens Road
Reading
Berkshire
RG1 4RP

Bankers

HSBC Bank plc
Oxford Circus Branch
196 Oxford Street
London
W1D 1NT

Solicitors

Blaser Mills
Park House
31 London Road
High Wycombe
Buckinghamshire
HP11 1BZ

1 Introduction

This report aims to provide a clear account of our work and what it has achieved for people with coeliac disease and dermatitis herpetiformis (DH) for the year ending 31 December 2009. We explain how we have gone about that work and how we have funded it. In writing this report we have adhered to the Charity Commission's guidance published as SORP 2005.

2 Objectives and activities

The Charity's objects are set out in its Memorandum of Association:

- (i) *to help and to promote the benefit and welfare of persons with Gluten Enteropathy, Dermatitis Herpetiformis or any medical condition akin thereto ("the Coeliac Condition") , and*
- (ii) *to advance public education in and understanding of the nature of the Coeliac Condition and its treatments particularly (without prejudice to that generality) among sufferers from the Coeliac Condition and the families, friends and carers of such persons,*
- (iii) *to promote research into the nature, causes, alleviation, treatment and cure of the Coeliac Condition and to make publicly available the useful results thereof*

We have referred to the guidance contained in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future objectives.

In 2006 the Charity agreed the 2007-09 Strategic Plan which set out six key objectives:

- improving our support for people with the condition
- improving the recognition of the condition by healthcare professionals and ensuring subsequent management is of high quality
- access to a wider range of better quality gluten-free products on prescription and in shops
- eating out, for pleasure or through need, is freed from restrictions
- providing long term solutions by helping to support research into understanding the nature of the disease, gluten-free cereals and a possible cure
- and delivering value for money for the Membership by demonstrably improving our efficiency and effectiveness

We set out specific activities for 2009 in our annual plan and our achievements against this plan are set out in the next section.

3 Achievements and performance

The 2009 plan was developed at a time of great financial turbulence in global markets. The most important impact on the Charity's finances at the time was being felt in unrealised losses on our investments. Avoiding liquidating these assets underpinned much of the thinking behind the 2009 budget in order to minimise the impact of the economic downturn. We were successful in doing so with careful management of the cashflow. At the end of 2008 investments had declined to 73% of their value at 31 December 2007. However, at the end of 2009 a small recovery in investments had restored their value to 78% of the 2007 figure.

The other single most important issue the Charity faced during 2009 was the implementation of the new European law on labelling of gluten-free foods (EC 41/2009). The new law will profoundly affect the everyday lives of people with coeliac disease since the only treatment is to avoid food containing gluten. As the debate on how the law will be applied in practice has unfolded in the UK, the Charity was involved in intensive discussions with the UK authorities to ensure the law works to the benefit of people with the condition and not against them.

Despite the financially tough climate, the Charity was able to commit a further £300k to medical research on understanding the genetic base of the condition and improving diagnostic approaches.

Report of the Board of Governors for the year ended 31 December 2009

3.1 Our Objective

Improving our support for people with the condition

The Charity continued to recruit new Members and extend its service provision throughout 2009. By the end of 2009, just over 54,000 people were Members of the Charity under the Membership fee scheme introduced in 2008. Nearly 13,000 new Members joined in 2009 compared to just over 9,000 in 2008 – up 41%.

- Changes to the law on gluten-free labelling, which will become mandatory in 2010, are set to make a difference to the everyday lives of people with coeliac disease. To help support Members in dealing with the expected changes, the Charity devised an active learning module rolled out to Local Voluntary Support Groups to cascade on to Members locally. Extensive use was made of the Charity's regular communication outlets to keep Members up-to-date with the changes.
- As a result of the new law, changes were made in the format of the Charity's key service to Members, the Food and Drink Directory. The resulting Directory sent out at the beginning of 2010 has received praise for its user friendly format.
- The Charity's Helpline is a first point of call for many on diet and health issues. In 2009, advisers on the Helpline handled over 11,000 calls, emails and letters.
- A comprehensive review of the current travel information for Members was undertaken with over 40 countries now covered around the world. Additional information was researched on retail outlets, brands, local foods, labelling and local society contacts. The new information is available for download from the Charity's website or hard copy on request from the Charity's Helpline.
- At the beginning of 2009 an inspirational DVD 'Living with coeliac disease' was launched for new Members featuring four real life case studies. It provides a dynamic dimension to our support for the newly diagnosed.
- Working with the organisers of Gastro 2009, the world's largest event for healthcare professionals in gastroenterology, a public education day was organised in London attended by 300 people.

3.2 Our Objective

Improving the recognition of the condition by healthcare professionals and ensuring subsequent management is of high quality

- The first NICE guideline on coeliac disease was published in May 2009 and widely promoted by the Charity to the medical and mainstream media. In the run up to the publication the Charity co-authored high profile articles in the British Medical Journal and the British Journal of General Practice on lack of recognition for the condition.
- Despite repeated approaches to the SIGN group in Scotland to develop similar guidelines on diagnosis, the group decided against proceeding further but did agree that in the absence of Scottish specific guidance it would signpost others onto the NICE guideline.
- Following the Charity's successful lobbying for a NICE guideline on diagnosis, an application for management guidelines was submitted by the Chair of our Health Advisory Council. The application scored highly on its first round assessment and is currently awaiting assessment at second stage.
- As part of our campaign to improve the public and political awareness of health issues associated with the disease a petition to Number 10 Downing Street was launched. On its submission at the beginning of 2010 the petition had over 8,000 signatures.
- In 2008 Coeliac UK developed a partnership with the British Dietetic Association (BDA) to promote an accredited post-registration course for Registered Dietitians to be rolled out across the UK. In 2009 three courses were given by local dietitians in Manchester, Derby and Surrey. In 2010 we hope to extend the range of accredited courses for dietitians reaching more localities. Further presentations were undertaken at a range of healthcare professional conferences.

3.3 Our Objective

Access to a wider range of better quality gluten-free products on prescription and in shops

A new EU-wide law on gluten-free labelling was put into effect at the beginning of 2009 based on the new international standard agreed in 2008

- As the implications of the new law unfolded throughout 2009 the Charity worked hard to negotiate a policy on the issue that worked for people with the condition. We also played an important role in keeping the commercial sector informed about the changes including organising a stakeholder event with speakers from the Food Standards Agency and the British Retail Consortium
- During the year a pan European agreement was finally reached, after many years of negotiation, on a European Licensing scheme. Once the scheme is rolled out it is expected that many more products sold in European shops will bear the universally recognised symbol for safe gluten-free food. In the UK 17 new licensees of the Crossed Grain Symbol were signed up in 2009 bringing the total number of licensees to 83
- The planned food conference in Scotland was cancelled at a time of economic turmoil which resulted in many similar events being cancelled

3.4 Our Objective

Eating out, for pleasure or through need, is freed from restrictions

The ability to eat out safely and easily is consistently rated as a key Member concern. We made significant advances in 2009 despite new challenges posed by the introduction of the law on gluten-free labelling

- The Charity's Awareness Week for 2009 focused on improving eating out with its theme of *Free for Tea?* The Week achieved 37 articles in the national press and 74 in regional media. Results from a survey of Members which highlighted how the catering sector is missing out on £100 million worth of business, also attracted extensive coverage in the specialist catering media reaching an estimated audience of 63k key contacts
- In an effort to raise the profile of gluten-free catering further, the Charity rolled out a new professional and in training chef competition. Working with the Institute of Hospitality to promote the competition to the sector, other key stakeholders such as Sodexo and 3663 were engaged and 238 catering colleges contacted. Extensive coverage was achieved in the sector press such as *Essentially Catering*, *Eat Out* and *Food and Drink News*
- An updated online catering training module was developed for the Charity's website providing a platform for the development of an interactive tool for completion in 2010

3.5 Our Objective

Providing long term solutions by helping to support research into understanding the nature of the disease, gluten-free cereals and a possible cure

The Charity committed a further £300k on medical research to be spent in the period 2009 – 2010. Total spend for 2009 on existing research and the first year spend of the new research programme, amounted to £182k. Spending in this area exceeded by 1% the Charity's objective to spend a minimum of 5% of its income on research

- Three new research projects have received support from the Charity. A research team led by Professor David van Heel of Queen Mary College, London has been awarded £143k to work on identifying the genetic basis of coeliac disease. A research team working in Cardiff University led by Professor Daniel Aeschlimann, is working with Drs David Sanders and Manos Hadjivassiliou in Sheffield, to research identifying coeliac disease in patients with neurological symptoms. The grant is worth £143k over three years. Finally, Dr David Sanders has received a further grant worth £14k to improve speed of diagnosis by screening patients referred for endoscopy with non specific symptoms using a point of care blood test
- Two research projects were completed in the year. Dr Nina Lewis finished her Fellowship with the Charity after support for four years and Professor Sonia Quaratino completed her project looking at the innate immune response in coeliac disease in a project which began in 2006. Final reports from the projects will be published in 2010

3.6 Our Objective

Delivering value for money for the Membership by demonstrably improving our efficiency and effectiveness

Securing the Charity's funding base was identified as an essential underpinning of its 2007-09 strategy. After the successful introduction of the Membership fee scheme, the Charity has continued to expand its funding streams

- The Charity successfully applied for a Radio 4 charity appeal which was broadcast in February 2010
- A stage one application to the Department of Health, Third Sector Investment Programme 2010-11, on 'Developing culturally specific dietary approaches for people with coeliac disease from a South Asian background' was successful. This project is in partnership with a High Wycombe gastroenterologist but will impact upon both national and community services. A completed proposal for the three year project has been submitted to the Stage 2 process
- A new website was launched in 2009 which will provide a platform for more personalised information delivered to the Membership. The Charity had committed to extending its online venue guide in the year to include other local services but reviewed its approach with the creation of the new website and will be prioritising other services such as creating a discussion board for Members going forward
- Early in the year, the Charity completed an office move to new premises with minimal disruption to the Charity's services. The Members' Helpline was closed at lunchtime on a Friday and reopened at lunchtime on the following Monday. There was no other disruption to service. The move was prompted by the proposed redevelopment of the Charity's former premises and a coincident break clause in the office's lease
- At the end of the year the Charity had applied for the Investors in People standard which was subsequently awarded in January 2010

The breakdown of expenditure on our charitable activities can be seen in more detail in Note 3 of our financial statement

4. How we are managed – Structure, governance and management

4.1 The Charity

Coeliac UK is a charitable company limited by guarantee, incorporated on 14 June 1995 and registered as a charity on 20 July 1995 with the Charity Commission. It was also registered with the Office of the Scottish Charity Regulator in 2007

4.2 The Board of Governors

The Board of Governors lead the Charity in setting its strategic direction and agreeing objectives and plans to deliver the Charity's aims. The Board monitors and evaluates the progress of the Charity to ensure it achieves those objectives and plans

The expertise within the Board is substantial and wide-ranging. Governors include a finance director of a major multinational corporation, a Charity Commission lawyer, a senior director with banking experience, senior multinational executives, university lecturers and experienced senior healthcare professionals. All Governors are volunteers committing many days, evenings and weekends of the year to working for the Charity

During the year Rosemary Hoyle and Mike Wickens retired from the Board of Governors after many years of dedicated and valuable service. Ian Henderson and Ian Tottman were elected for the first time at the 2009 AGM to serve as Governors having been co-opted to the Board in 2008. Two new Governors, Tim Wade and Gillian White, were co-opted to the Board in 2009 and will bring valuable new expertise from both the banking and investment sector, and the food sector

4.3 The Board's Committees

The Board delegates some of its responsibilities to committees to provide a particular focus on some issues. The Audit Committee ensures the robustness of the Board's overall financial and risk monitoring, while the Human Resources (HR) Committee oversees the Charity's HR policies ensuring they are legally compliant and fit for purpose.

The Executive Action Committee was created to allow the Board to retain control in crisis situations when the full Board may not be able to be convened. The Committee would only be called upon in emergencies and was not invoked in 2009.

Health Advisory Council and Health Associates

The Health Advisory Council provides the Charity with expert insight into health issues related to coeliac disease, associated research and advice on related policies and activities. The new Council draws upon a wide range of expertise to reflect all aspects of healthcare. Two new members joined the Council, Professor David van Heel and Dr David Sanders, both of whom bring substantial research expertise to the Charity. Dr Geoff Holmes retired from the Council having devoted many years to the work of the Charity.

The Health Associates Network added several new members to its membership including GPs and a clinical psychologist.

Food Sector Advisory Panel

This panel provides the Charity with expert insight into the food sector and advice on gaining maximum benefit from the Charity's activities in the sector.

The members of the Panel include three members from the Coeliac UK Board, Sarah Mitson (Chair of the Panel), Ian Tottman and Gillian White. In addition, the Panel includes representatives from the retail, catering and food manufacturing sectors as well as their regulators.

Meeting arrangements

The Board and its committees continue to use a combination of face-to-face meetings and teleconferences during the year to ensure the cost effectiveness and efficiency of their operations.

4.4 Recruiting and supporting Governors

Recruitment of new Governors for 2009 was undertaken in the year through advertisement in the Charity's magazine, website and on a number of open access websites. Two new Governors were recruited in 2009 and have been provided with induction training and a Governor 'buddy' who is able to provide informal support and advice.

4.5 Company Secretary

Peter Howlett resigned from the position of Company Secretary in 17 August 2009. The new Company Secretary will be joining the Charity in 2010.

4.6 Management and Staff

The Board of Governors delegates the day-to-day management of the Charity to the Chief Executive who leads a team of 24.6 full-time equivalent staff. Their work is supplemented at times of peak workload by a limited number of temporary staff. The staff work within the Delegation of Authority agreed in a statement by the Board.

The staff agree a work plan with the Board at the beginning of the year and report back progress at Board meetings throughout the year through quarterly reporting.

4.7 Our volunteer community

We had 94 active Local Groups at the end of the year and we hope to restart a further four who had suspended activities in 2009. Nearly 1,281 volunteers provided local support, campaigned and fundraised for the Charity within Groups. We have expanded our volunteer activities further by creating new opportunities to engage within the Charity. One hundred Members volunteered to regularly collect local data on food prices whilst 50 undertook specific activities during our Awareness Week. A further 28 people volunteered for a variety of different roles in campaigning, research and administrative work. All of our volunteers add a great deal to the Charity's overall effectiveness.

In fact, every day across the UK our Groups and volunteers provide local support and a sympathetic ear to those with coeliac disease and Dermatitis Herpetiformis (DH), particularly the newly diagnosed.

4.8 Managing Risk

A risk register is used by the Board and staff to monitor the major risks to which the Charity is exposed. Actions are identified on the register to mitigate risks and the register is routinely monitored at each Audit Committee and Board meeting as part of the quarterly business report to the Board.

All major project work undertaken by staff have risks and mitigation measures identified at the beginning and these are monitored throughout the project lifetime.

At the beginning of 2009, a review of the risk register was carried out to assess the risks of the Annual Plan against the changing environment faced by the Charity. The risk register is reviewed annually in the light of the Business Plan.

5 Financial Review

5.1 Overview

The Charity's performance in 2009 was much better than anticipated. Overall income grew by nearly 25%. The Charity received legacy income of 348k; income in other categories increased by nearly 12%. However, investment income was down by 31%.

Expenditure rose 6% with additional resources spent on campaigning and research. More detail may be found in the Statement of Financial Activities and subsequent notes.

5.2 Investment results

The Charity had an unrealised gain of £58k compared to unrealised loss of £293k in 2008. At the end of the reporting period the Charity's investments had recovered to 78% of their 2007 value. With effective cash management the management were able to continue operations without having to liquidate its investments.

5.3 Investing in research

Research expenditure during the year was £182k with a further £192k committed for 2010 and 2011 (which is provided for from restricted or designated funds) as part of our ongoing programme of supporting research.

5.4 Investment and Reserves policy

The Charity reviewed its investment policy in 2006, concluding that we should place our investments with a fund manager to provide a reasonable and growing income over the long term, commensurate with a moderate but not excessive degree of risk. The Charity will not invest in high risk instruments, such as derivatives, hedge funds, covered warrants or spread betting. The Charity has also taken the view that it would be unethical to invest in tobacco industry as an organisation committed to good health as this would impact on the Charity's reputation amongst its stakeholders.

All of the Charity's investments are managed by M&G, a leading investment manager, within its Charifund and Chanbond portfolios.

The Board recognises the need to hold charitable funds as free reserves in order to safeguard the continuity of provision of basic services, to fund periods of expenditure in excess of revenue and to fund unexpected expenditure. In 2007 the Board concluded that the equivalent of between five and 10 months of operating costs (excluding restricted and designated expenditure) should be held as free reserves. These levels were set given the uncertainty of income levels following the introduction of the Membership fee.

The reserves policy was reviewed early 2009 in the light of the economic downturn and will continue to be reviewed annually by the Board. The Board will monitor the level of free reserves regularly throughout 2010. Excess reserves may be spent to further the objectives of the Charity. If free reserves fall below the agreed level the Board will take steps to establish or maintain free reserves at the agreed level by taking measures to reduce expenditure and by managing levels of designated reserves.

The good financial performance by the Charity provided the conditions for improving our reserves position at the end of the year. The proportion of free reserves at 31 December 2009 was 7.27 months of annual general expenditure, bringing our position back into line with our reserves policy, compared to 4.21 at the end of 2008. Total reserves rose by £254k in 2009 contrasting with the drop of £490k in 2008.

6 Plans for Future Periods

The 2010-11 Business Plan represents the first two years of a new strategic planning period for the Charity whose long term aims remain:

- improving services for Members
- campaigning for clearer labelling and more choice in the packaged food market
- campaigning for clearer signposting and more availability of gluten-free options in the catering sector
- continuing to fund high quality research with a view to improving clinical outcomes and developing long term solutions to living with the condition
- and continuing to develop the efficiency and effectiveness of the Charity's performance

The Business Plan for 2010-11 will deliver:

- a deepening and broadening of relationships in the catering sector
- working with institutional caterers and major catering suppliers to improve gluten-free catering provision using the promotion of accredited online training modules
- the development of a new gluten-free assurance tool to widen and deepen our relationships with food manufacturers and retailers
- an extension of policymaking relationships with a view to achieving QOF recognition for coeliac disease
- developing Member resources about labelling changes thus adding value to our Member offering
- improving services with better venue guide and recipe database
- and developing new research collaborations in Europe and the UK

Report of the Board of Governors for the year ended 31 December 2009

7 Responsibilities of the Board of Governors

The Governors are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Charity law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing these financial statements, the Governors are required to

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

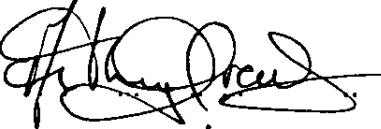
The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the Charity 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 legislations in other jurisdictions.

Auditor

A resolution for the reappointment of Chantrey Vellacott DFK LLP as auditor of the Charity will be proposed at the forthcoming annual general meeting.

Signed on behalf of the Board of Governors



Trustee
Date 6/6/2010

**Coeliac UK
(Limited by Guarantee)**

Independent auditor's report to the members and Governors of Coeliac UK (Limited by Guarantee)

We have audited the financial statements of Coeliac UK for the year ended 31 December 2009 which comprise of the consolidated statement of financial activities, the group and Charity balance sheets and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The Governors' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Governors' Responsibilities.

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Governors Annual Report is consistent with those financial statements.

We also report to you if, in our opinion, the Charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of the Governors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

**Coeliac UK
(Limited by Guarantee)**

Independent auditor's report to the members and Governors of Coeliac UK (Limited by Guarantee)

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the Charity's affairs as at 31 December and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and
- the information given in the Report of the Governors is consistent with the financial statements

Chantrey Vellacott DFK LLP

Chantrey Vellacott DFK LLP

SALLY JAYNE BONNER FCA (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
LONDON

Date *6/6/10*

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

Coeliac UK
(Limited by Guarantee)

Consolidated statement of financial activities (incorporating an income and expenditure account)
Year ended 31 December 2009

	Notes	Unrestricted funds £	Restricted funds £	2009 Total £	2008 Total £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	945,224	7,789	953,013	659,377
Activities for generating funds	2	222,760	-	222,760	157,654
Incoming resources from trading activities		206,042	-	206,042	171,100
Investment income	11	39,877	7,120	46,997	68,552
Incoming resources from charitable activities	2	1,305,559	-	1,305,559	1,136,577
Total incoming resources		2,719,462	14,909	2,734,371	2,193,260
Resources expended					
Costs of generating funds					
Costs of generating voluntary income		139,621	85	139,706	109,963
Costs of fundraising		54,114	221	54,335	36,834
Costs of trading activities		46,224	-	46,224	34,117
Charitable activities	3	2,227,199	22,610	2,249,809	2,175,910
Governance costs	4	49,291	-	49,291	29,646
Total resources expended		2,516,449	22,916	2,539,365	2,386,470
Net incoming/(outgoing) resources for the year	8	203,013	8,008	195,006	(193,210)
Other recognised gains/losses					
Realised (losses)/gains on investment assets	13	-	-	-	(3,608)
Unrealised (losses)/gains on investment assets	13	53,766	4,759	58,525	(292,761)
Net movement in funds		256,779	3,249	253,531	(489,579)
Balances brought forward		694,557	152,185	846,742	1,334,116
Total funds carried forward		951,336	148,936	1,100,273	844,537

The notes on pages 14 to 23 form part of these financial statements

Coeliac UK
(Limited by Guarantee)

Balance sheet
31 December 2009

		Group		Charity	
	Notes	2009 £	2008 £	2009 £	2008 £
Fixed assets					
Tangible assets	12	203,237	97,374	203,237	97,374
Investments	13	846,423	787,898	846,425	787,900
		<u>1,049,660</u>	<u>885,272</u>	<u>1,049,662</u>	<u>885,274</u>
Current assets					
Debtors	14	233,981	169,228	223,029	247,506
Cash at bank and in hand		592,697	583,814	539,615	477,392
		<u>826,678</u>	<u>753,042</u>	<u>762,644</u>	<u>724,898</u>
Current liabilities					
Creditors amounts falling due within one year	15	(764,707)	(767,369)	(702,880)	(741,432)
Net current(liabilities)/ assets		<u>61,971</u>	<u>(14,327)</u>	<u>59,764</u>	<u>(16,534)</u>
Total assets less current liabilities		<u>1,111,631</u>	<u>870,947</u>	<u>1,109,426</u>	<u>868,740</u>
Provisions for liabilities and charges	16	(11,358)	(24,203)	(11,358)	(24,203)
Net assets		<u>1,100,273</u>	<u>846,742</u>	<u>1,098,068</u>	<u>844,537</u>
Reserves					
Unrestricted funds					
– designated	17	164,071	273,717	164,071	273,717
– general		787,265	420,840	785,060	418,635
Restricted funds	18	148,937	152,185	148,937	152,185
	19	<u>1,100,273</u>	<u>846,742</u>	<u>1,098,068</u>	<u>844,537</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

Approved by the Board of Governors and authorised for issue on 6/6/10 and signed on their behalf by


Tony Grace, Chair

The notes on pages 14 to 23 form part of these financial statements

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements
Year ended 31 December 2009

1 Accounting policies

a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value and in accordance with the Companies Act 2006, Applicable United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in preparing these accounts

b) Local groups and accounting policy

The local groups record their income and expenditure on a receipt basis. At the end of the financial year, each group submits a return of its income and expenditure which is included in the Statement of Financial Activities and the Balance Sheet

c) Income

Income from membership, web advertising, sponsorship and licensing is deferred on a proportionate basis over an appropriate period. All other income is recognised on a receivable basis

d) Cost allocation

Shared costs have been allocated on the following basis

Description	Method of apportionment
Depreciation	Head count
Information technology	Head count
Support staff costs	Head count
Office costs	Head count

e) Grants

Grants payable are payments made to third parties in furtherance of the charitable objectives

Grants which are free from specific conditions are recognised in full as soon as there is a legal or constructive obligation committing the charity

Multi year grants are conditional on an annual review of progress which will determine if future funding is provided. Due to this condition only one year's funding commitment is recognised

f) Restricted funds

Restricted funds are to be used for specific purposes as specified by the donor. Expenditure which meets these criteria is charged to the fund

g) Depreciation of fixed assets

Provision is made for depreciation on all tangible assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows

Furniture and fittings	20% p a straight line
Computer equipment	25% p a straight line

h) Investments

Investments held as fixed assets are revalued at mid market value at the balance sheet date

i) Taxation

The Charity's activities are exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988

**Coeliac UK
(Limited by Guarantee)**

**Notes to the financial statements
Year ended 31 December 2009**

1 Accounting policies (*continued*)

j) Leasing

Rental payable under operating leases are charged against income on a straight line basis over the lease term

k) Resources expended

Resources expended are recognised in the period in which they are incurred. They are analysed between charitable expenditure, cost of generating funds and governance of the Charity.

Any direct costs are allocated between restricted and unrestricted funds as incurred.

l) Designated funds

Designated funds are funds earmarked by the Board of Governors for particular purposes.

m) Pension

The Charity operates a group personal money purchase pension scheme. The pension cost charged in the financial statements represents contributions payable by the Charity during the financial year.

n) Basis of consolidation

The group accounts consolidate the accounts of Coeliac UK and its subsidiary undertaking on a line by line basis. The accounts are made up to 31 December 2009.

The amount of the result for the financial period dealt within the financial statement of the subsidiary is disclosed in note 13 to these accounts.

o) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Coeliac UK
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Notes to the financial statements
Year ended 31 December 2009

2 Incoming resources

	Unrestricted £	Restricted £	2009 Total £	2008 Total £
Incoming resources from generated funds				
Voluntary income				
Donations and gifts	596,802	7,789	604,591	621,296
Legacies	348,422	-	348,422	38,081
	<u>945,224</u>	<u>7,789</u>	<u>953,013</u>	<u>659,377</u>
Activities for generating funds				
Raffle	222,760	-	222,760	157,437
Sundry	-	-	-	217
	<u>222,760</u>	<u>-</u>	<u>222,760</u>	<u>157,654</u>
Incoming resources from charitable activities				
Membership				
Membership fees	836,601	-	836,601	610,637
Information delivery	280,872	-	280,872	318,212
	<u>1,117,473</u>	<u>-</u>	<u>1,117,473</u>	<u>928,849</u>
Research	24,212	-	24,212	54,565
Campaigning	-	-	-	-
Groups	163,874	-	163,874	153,163
	<u>1,305,559</u>	<u>-</u>	<u>1,305,559</u>	<u>1,136,577</u>

3 Resources expended

	Unrestricted £	Restricted £	2009 Total £	2008 Total £
Charitable activities				
Membership	1,319,131	14,672	1,333,803	1,291,815
Research	249,270	248	249,518	283,919
Campaigning	388,644	5,122	393,766	360,097
Groups	270,154	2,568	272,722	240,079
	<u>2,227,199</u>	<u>22,610</u>	<u>2,249,809</u>	<u>2,175,910</u>

Breakdown of costs of charitable activities

	Direct costs £	Grants made (note 7) £	Support costs (note 6) £	2009 Total £	2008 Total £
Membership	876,223	-	457,580	1,333,803	1,291,814
Research	35,758	182,255	31,505	249,518	283,919
Campaigning	232,802	-	160,965	393,767	360,097
Groups	217,842	-	54,879	272,721	240,080
	<u>1,362,625</u>	<u>182,255</u>	<u>704,929</u>	<u>2,249,809</u>	<u>2,175,910</u>

Coeliac UK
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Notes to the financial statements
Year ended 31 December 2009

4 Governance costs

	Unrestricted £	Restricted £	2009 Total £	2008 Total £
Legal and professional fees	20,348	-	20,348	5,348
Audit fees	6,500	-	6,500	7,500
Cost of AGM	11,595	-	11,595	9,002
Cost of Governors meeting and travel	10,848	-	10,848	7,796
Total	49,291	-	49,291	29,646

5 Total support cost breakdown by activity

	Staff Costs £	Other costs £	Total 2009 £	Total 2008 £
Cost of generating funds (note 6)	4,596	10,244	14,840	15,975
Charitable activities (note 3)	218,309	486,618	704,929	594,041
Governance costs (note 4)	-	49,291	49,291	29,646
Total	222,905	546,155	769,060	639,662

6 Support cost apportionment

Generating funds

	Cost of generating voluntary income £	Fundraising £	Investment income £	Total 2009 £	Total 2008 £
Depreciation	793	302	-	1,095	2,607
Information technology	1,332	508	-	1,840	2,496
Support staff costs	4,944	1,887	-	6,831	8,187
Office costs	3,672	1,402	-	5,074	2,686
Total	10,741	4,099	-	14,840	15,976

Charitable activities

	Information delivery £	Research £	Campaigns £	Groups £	Total 2009 £	Total 2008 £
Depreciation	33,763	2,325	11,877	4,049	52,014	41,979
Information technology	56,750	3,907	19,964	6,806	87,427	103,051
Support staff costs	210,639	14,503	74,097	25,263	324,502	338,090
Office costs	156,428	10,770	55,027	18,761	240,986	110,921
Total	457,580	31,505	160,965	54,879	704,929	594,041

Notes to the financial statements
Year ended 31 December 2009

7 Grants payable

	Grants to institutions	
	Total 2009	Total 2008
	£	£
Core research	-	32,734
Research grant over provision	(23,140)	-
Investigations of the morbidity, mortality & effect	58,081	-
Matrix biology & tissue repair research unit	47,667	-
Identifying rare large effect size genetic variants predisposing to Coeliac disease	47,667	-
Innate & adaptive immune responses to gluten	-	46,493
Pre-endoscopy serological testing for Coeliac disease	14,000	-
Psycho Social Research	37,980	36,188
	<u>182,255</u>	<u>115,415</u>

In accordance with the accounting policy outlined in 1e only the first year of funding commitment is recognised in the accounts for multi year grants which are conditional on an annual review of progress which determines if future funding is provided

8 Net incoming/(outgoing) resources for the year

This is stated after charging

	2009 £	2008 £
Depreciation	54,875	44,979
Operating lease rentals	41,437	27,710
Governors liability insurance	825	857
Audit services	7,500	7,500
Non audit services	3,500	3,022

Travel costs amounting to £5,804 (2008 £7,402) were reimbursed to 11 (2008 12) members of the Board of Governors

Coeliac UK
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Notes to the financial statements
Year ended 31 December 2009

9 Staff costs and numbers

Staff costs were as follows

	2009 £	2008 £
Salaries and wages	770,033	596,606
Social security costs	76,985	61,333
Pension costs	22,090	14,927
	<u>869,108</u>	<u>672,866</u>

The number of employees whose emoluments amounted to over £60,000 during the year was as follows

	2009 £	2008 £
£60,001 - £70,000	<u>1</u>	<u>1</u>

The average monthly number of employees during the year, calculated on the basis of full time equivalents was as follows

	2009 £	2008 £
Advice and information	20	17
Administration and support	5	5
	<u>25</u>	<u>22</u>

10 Taxation

The charitable company is exempt from corporation tax on its charitable activities

11 Income from investments

	2009 £	2008 £
Unit trusts	46,704	57,537
Bank interest	293	11,015
	<u>46,997</u>	<u>68,552</u>

Coeliac UK
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Notes to the financial statements
Year ended 31 December 2009

12 Fixed assets- Group and Charity

	Furniture & fittings	Computer Equipment	Total
	£	£	£
Cost			
At 1 January 2009	79,841	187,655	267,496
Additions	61,416	124,149	185,565
Disposals	(39,236)	(105,048)	(144,284)
At 31 December 2009	102,021	206,756	308,777
Depreciation			
At 1 January 2009	67,057	103,065	170,122
Charge for the year	15,028	39,847	54,875
Disposals	(39,235)	(80,222)	(119,458)
At 31 December 2009	42,850	62,690	105,540
Net book value			
At 31 December 2009	59,171	144,066	203,237
At 31 December 2008	12,784	84,590	97,374

13 Fixed assets investments - Group and Charity

	(Charity only)	Unit	2009	2008
	Investment in	trusts	Total	Total
	£	£	£	£
Market value at 1 January 2009	2	787,898	787,900	1,084,269
Additions	-	-	-	187,636
Disposals	-	-	-	(187,636)
Investment losses	-	58,525	58,525	(296,369)
Market value at 31 December 2009	2	846,423	846,425	787,900
Historical cost at 31 December 2009	2	1,084,266	1,084,268	1,084,268

Holdings of more than 20%

The charitable company holds more than 20% of the share capital in the following company

Company	Country of incorporation	Class	Shares held %
The Coeliac Trading Company Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of this undertaking for the year ended 31 December 2009 were

	Capital Reserves	Profit for the year
	£	£
The Coeliac Trading Company Limited	<u>2,205</u>	<u>-</u>

Coeliac UK
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Notes to the financial statements
Year ended 31 December 2009

13 Fixed assets investments (continued)

During 2009 the Trading Company donated its entire profits under Gift Aid of £115,830 (2008 £100,136) to Coeliac UK (Limited by Guarantee). The principal activity of The Coeliac Trading Company Limited is to raise funds on a commercial basis for Coeliac UK (Limited by Guarantee), a registered charity.

14 Debtors

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	93,762	51,086	54,501	31,655
Income tax and VAT recoverable	7,963	12,474	7,963	12,474
Amounts owed by group undertakings	-	-	28,309	97,708
Prepayments and accrued income	132,256	105,668	132,256	105,668
	<u>233,981</u>	<u>169,228</u>	<u>223,029</u>	<u>247,505</u>

15 Creditors amounts falling due within one year

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Grants payable	186,883	153,283	186,882	153,283
Trade creditors	218,299	204,495	187,802	181,623
Other tax and social security	57,252	23,040	25,923	19,975
Accruals and deferred income(see below)	302,273	386,551	302,273	386,551
	<u>764,707</u>	<u>767,369</u>	<u>702,880</u>	<u>741,432</u>

Deferred income

	2009	2008
	£	£
At 1 January 2009	375,160	59,499
Releases to the statement of financial activities	(375,160)	(59,499)
Membership, web advertising, licencing and sponsorship income received in advance	302,273	375,160
At 31 December 2009	<u>302,273</u>	<u>375,160</u>

16 Provision for liabilities and charges

	Premises provision (including dilapidations)	Holiday pay provision	Total
	£	£	£
At 1 January 2009	24,203	-	24,203
Released in the year	(19,203)	6,358	(12,845)
At 31 December 2009	<u>5,000</u>	<u>6,358</u>	<u>11,538</u>

Coeliac UK
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Notes to the financial statements
Year ended 31 December 2009

17 Designated funds

Designated funds are funds earmarked by the Board of Governors for particular purposes. At the year end the unspent designated funds were

	Balance at 1 January 2009	Incoming	Outgoing	Investment (losses)/gains	Balance at 31 December 2009
	£	£	£	£	£
Research	118,507	115,079	(183,248)	12,634	62,972
Communications	5,650	-	(365)	306	5,591
Information services	4,508	-	(292)	244	4,460
Groups	92,168	-	(1,120)	-	91,048
Moving costs	52,884	-	(55,231)	2,347	-
	<u>273,717</u>	<u>115,079</u>	<u>(240,256)</u>	<u>15,531</u>	<u>164,071</u>

18 Restricted funds

	Balance at 1 January 2009	Income	Expenditure	Investment income and (losses)/gains	Transfer of unrestricted funds	Balance at 31 December 2009
	£	£	£	£	£	£
Research	19,539	7,789	(2,383)	2,089	-	27,034
Food Service sector Publications	35,441	-	(1,637)	2,631	-	36,435
Training for newly diagnosed Coeliacs	35,299	-	(11,902)	2,621	-	26,018
Regional development Officer- Edinburgh	15,961	-	(738)	1,185	-	16,408
Local Support	5,382	-	(249)	400	-	5,533
Young Coeliacs & Parents pack	797	-	(797)	-	-	-
Daily newspaper advert for Awareness week	1,894	-	(88)	141	-	1,947
Scotland	37,872	-	(5,122)	2,812	-	35,562
	<u>152,185</u>	<u>7,789</u>	<u>(22,916)</u>	<u>11,879</u>	<u>-</u>	<u>148,937</u>

The principal purposes for the above restricted funds were as follows

Research

Income received to be used solely for funding medical research into coeliac disease and dermatitis herpetiformis (DH)

Food service sector publications

For training and education of those in the food sector to improve the availability of gluten-free food outside the home

Training for newly diagnosed

For provision of specific assistance with the gluten-free diet for the recently diagnosed

Edinburgh region

For the provision of assistance to people with coeliac disease specifically in the Edinburgh area

Local support

Income received to support people with coeliac disease in their local community

Young coeliacs and parent pack

Income received to provide specific guidance to those caring for children with coeliac disease and to assist children with managing a gluten free diet

Coeliac UK
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Notes to the financial statements
Year ended 31 December 2009

18 Restricted funds (continued)

Daily newspaper advert for awareness week

Donations towards an advertisement to be placed in a major national newspaper during Awareness Week to raise the profile of coeliac disease

Scotland

Income received to support people with coeliac disease in Scotland

19 Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible assets	203,237	-	-	203,237
Investments	657,690	97,997	90,736	846,423
Net current assets less provisions for liabilities and charges	(73,662)	66,074	58,201	50,613
	<u>787,265</u>	<u>164,071</u>	<u>148,937</u>	<u>1,100,273</u>

20. Revenue commitments

	Land and Buildings		Office Equipment	
	2009	2008	2009	2008
	£	£	£	£
Expiry date				
Within one year	4,800	-	646	632
Between two and five years	56,161	56,154	11,026	6,543
	<u>60,961</u>	<u>56,154</u>	<u>11,672</u>	<u>7,175</u>

21 Voluntary help

The Charity had extra support from 1,281 (2008 911) volunteers. The benefit of their contribution is not reflected in the financial statements.