

Company Number: 03068044
Charity Number: 1048167
Scottish Charity Number: SC039804

Coeliac UK
(Limited by Guarantee)

Financial statements

31 December 2013

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Coeliac UK (Limited by Guarantee)

Report of the Board of Governors for the year ended 31 December 2013

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 2013.

LEGAL AND ADMINISTRATIVE INFORMATION

The organisation is a charitable company limited by guarantee, incorporated on 14 June 1995 and registered as a UK charity on 20 July 1995 and as a Scottish Charity on 22 August 2008. 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
Mike Elliott – (elected 29 June 2013)
Myles Fitt – (co-opted 22 April 2013)
Dr Michael Forrest
David Gregory – Chair of Audit Committee
Ian Henderson
Dr Dai Lloyd (elected 29 June 2013)
Sarah Mitson – (resigned 28 June 2013)
Stuart Pavelin – (co-opted 29 November 2013)
David Sanders
Ian Tottman
Tim Wade – Chair (re-elected as Chair 29 June 2013)
Gillian White – Vice Chair (re-elected as Vice Chair 29 June 2013)

Company Secretary

Penny Edwards (resigned 8 November 2013)
Jameela Khan (appointed 10 February 2014)

Chief Executive

Sarah Sleet

Registered office and operation address

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

Auditor

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

Bankers

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

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors

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

Coeliac UK (Limited by Guarantee)

Report of the Board of Governors for the year ended 31 December 2013

1. Introduction

This report aims to provide a clear account of our work and what has been achieved for people with Coeliac disease and dermatitis herpetiformis (DH) for the year ending 31 December 2013. 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 objectives 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.*

In 2012 the Charity agreed the 2013-2014 Business Plan which set out six key objectives:

- authoritative support and advice, and valued services
- accelerated rate of diagnosis and uniformly high quality care and management
- 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/eating out sector
- continuing to fund high quality research with a view to improving clinical outcomes and developing long term solutions to living with coeliac disease.
- continuing to develop the efficiency and effectiveness of the Charity's performance.

The key themes of the plan were as follows:

- roll out of the new ICT infrastructure with a new CRM, Website and App to secure the long term future of the Charity
- launch new Membership scheme and create new Membership strategy
- review and increase returns from paid for commercial services
- review and develop strategy for fundraising including community fundraising
- increase presence with caterers through accreditation and training
- research need for maintenance of prescriptions
- and complete reconfiguration of teams and successfully renew Investors in People status.

3. Achievements and Performance

Improvements in building the Charity's capacity to enhance services and impact were put in place during 2013.

A new customer relationship database (CRM) was developed and implemented in the year which will allow better understanding of what Members and stakeholders want and need from the Charity. It was designed to interact with our new website, launched in October 2013, allowing Members to create their own personalised scrapbook where favourite foods, venues, recipes and publications may be added.

Report of the Board of Governors for the year ended 31 December 2013

2013 saw a step change in the provision of gluten-free options on the UK's high streets. The Charity's catering accreditation was taken up by a diverse range of outlets from La Tasca to Harrods and the Royal Shakespeare Company. We have identified the top 20 high street restaurant chains and have already succeeded in moving five of them onto our accreditation scheme.

In 2013 the Charity put in a strong financial performance producing a small overall surplus and exceeding expectations, particularly in commercial income. We also were fortunate to benefit from a number of legacies.

3.1 Authoritative source of support and quality services

The Charity ended 2013 with a Membership base of around 64,000, a slight increase in the 2012 levels, including over 13,000 new Members. The number of paying Members was 49,000 generating just over £804k in Membership fees.

- A new Membership strategy was agreed by the Board in the year which aims to increase Member numbers to 72,000 by the end of 2016. It will do this by improving engagement with Members through campaigning and volunteering and launching new and improved services.
- The launch of a new website allows the Charity to provide easier access to information and offer more opportunities to be involved in campaigning, volunteering and fundraising. It will also increase the opportunity for revenue with the introduction of Direct Debit giving outside of Membership. The site was also developed with an eye to the move to mobile and tablet browsing (40% of all our visits come from such devices), with dynamic resizing. The new site won plaudits from our Members with this typical comment:

"It's much faster and much easier to navigate now, I've had a good look round and it is much better"

To date over 25,000 Members have activated their personal account within the new website.

- The much anticipated smart phone app with our Food and Drink Directory and Venue Guide, due to launch during the year, was delayed with technical difficulties but will be ready to launch in spring 2014.
- Our Member2Member programme goes from strength to strength. Seventy mentors were signed up in the year with 45 parent/carers supported. The service will be extended in 2014 to all Members.
- The extension of Membership to those without a confirmed medical diagnosis proceeded smoothly at the beginning of the year with 1 in 5 new joiners in 2013 registering as undiagnosed

3.2 Accelerated rate of diagnosis and uniformly high quality care

We continue to work with healthcare professionals and commissioners to improve patients' experience of care.

- The Charity is an active member of the NICE guideline group on coeliac disease contributing expertise on managing the gluten-free diet and patient needs within the Health Service. The Guideline is expected to be published in 2015 and will cover management of the condition for the first time.
- We actively contributed to the development of guidelines for children with coeliac disease and we are joint authors of the new Guideline with the British Society for Paediatric Gastroenterology, Hepatology and Nutrition.
- Work to develop new accredited training for pharmacists on coeliac disease will come to fruition with the launch of an online module in partnership with the Centre for Pharmacy Postgraduate Education early in 2014.
- There have been both positive and negative developments on gluten-free prescribing during 2013. After continued lobbying by the Charity with all 211 Clinical Commissioning Groups (CCGs), 18 reversed their previous policies restricting fresh bread, leaving only three still with restrictions. But 22 CCGs introduced policies that limit the amount of gluten-free prescriptions available in the year and we will lobby to improve the position in these areas.

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Report of the Board of Governors for the year ended 31 December 2013

3.3 Access to a wider range of good quality gluten-free products

Development of the case for a guaranteed access to a core range of gluten-free foods was the main focus of the year.

- Work began in 2013 on developing our new campaign, the Gluten-free Guarantee. Membership, healthcare professional and British Retail Consortium member surveys, together with national guidelines on healthy eating, informed the development of a basket of eight food product types which were seen as the minimum range we wished to see in all supermarket stores. The range is the basis of our new Gluten-free Guarantee. Later in the year we began discussions with major supermarket chains to lobby for the adoption of the Guarantee as a stocking policy. The campaign will continue in 2014 as part of our Awareness Week.
- Easy identification of gluten-free food is important to Members and the appearance of the Crossed Grain symbol on packaging is the gold standard for signposting. During the year we exceeded our target of adding 14 new Crossed Grain licensees to our total of 94 companies with 29 new licences being awarded in 2013.

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

Major advances were made in 2013 with our catering services being taken up by household names in the industry.

- Thirteen companies took up our catering accreditation scheme covering over 2,000 locations. Catering operations included Pizza Express, Domino's, the University of Leicester and Newcastle upon Tyne Hospitals Foundation Trust.
- Four face to face and four in house courses on catering gluten-free were delivered, double our target number. Those attending the courses included the Royal Berkshire Hospital, Premier Foods, the University of Cambridge and Sainsbury's.
- Two hundred and sixty people completed our online catering course during the year including Oakman Inns, Edge Hill University and Wolverhampton University.
- Overall income from our new catering services was 29% higher than budgeted for the first year of operation.
- To ensure the Charity remains the leading expert in gluten-free catering, further research was undertaken to understand the risks associated with cross contamination from airborne flour. The results will be incorporated into our catering services in 2014.

3.5 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 spent £116k in the year both on medical research and research supporting the Charity's work to improve catering provision for people with the condition.

- We spent 4% of our total income in 2013 on research which just missed our objective to spend a minimum of 5% in any one year. However, this is not unexpected as we planned to review our approach in 2013 with the development of our first research strategy approved by the Board in October 2013.
- During the year there was development of a potential new research collaboration involving a number of researchers and charities involved in autoimmune diseases. Such collaboration could open the door to significant new research funding from government and industry as well as securing some fundamental advances in our understanding of the mechanisms of the disease. Interest was secured from the Wellcome Trust and they were organising a launch research seminar for the beginning of 2014.

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

The Charity focused on opportunities during the year to improve operations and arrange our resources to implement our strategic plan.

- The implementation of the Charity's ICT strategy saw the move of all 200,000 records from our old CRM system to a new more flexible platform. The move will enable much better profiling of Members helping us to develop more personalised services and respond more quickly to changing Member needs.

- Upgrading of computer equipment and the switch to a VOIP telephone system was also completed in the year.
- The Charity won a renewed Investors in People Award at bronze level reinforcing the Charity's commitment to good quality management and people development which will benefit our overall performance.

As a part of the ongoing development of our revenue streams new Membership, commercial and fundraising strategies were agreed by the Board during the year which will provide focus and realistic, but ambitious, targets for uplifting our overall revenue levels.

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 Public benefit

The Governors in exercising their powers and duties, have complied with their duty in section 17 of the Charity Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. In preparing the report and accounts the Governors have complied with the requirements set out in that guidance to report on the significant activities and achievements of the Charity in 2013. They have reported in a way that both sets out the aims and strategies of the Charity and demonstrates how the aims and activities of the Charity were carried out for the public benefit.

4.3 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. Trustees include a senior director with banking experience, senior multinational executives, a university lecturer and experienced senior healthcare professionals. All Governors are volunteers committing many days, evenings and weekends of the year to working for the Charity.

4.4 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 allows 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 2013.

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 Council draws upon a wide range of expertise to reflect all aspects of healthcare.

Food Sector Advisory Panel and Food Standards Committee

The new Food Standards Committee began work in 2013 advising on technical issues related to the Charity's catering and licensing services.

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.

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Report of the Board of Governors for the year ended 31 December 2013

4.5 Recruiting and supporting Governors

During the year three new Governors joined the Board. Dr Dai Lloyd and Myles Fitt joined in April and Stuart Pavelin in November. Dai is a GP by profession and a Fellow of the Royal College of General Practitioners (RCGP). Between 1999 and 2011, Dai was the National Assembly for Wales Member for South Wales West and for four years Shadow Health Minister for Wales. Myles has over 15 years of public affairs experience and is currently the Scotland Campaigns Manager for the charity Breakthrough Breast Cancer. He has held similar positions for Asthma UK and Citizens Advice Scotland. Stuart is the business practice manager of a general practice in Oxfordshire. Prior to taking up this role in the NHS Stuart was a management consultant in the pharmaceutical and biotechnology industry where he worked on issues in drug development, business development and product commercialisation.

New Governors receive a comprehensive induction to the work of the Charity.

4.6 Company Secretary

The Charity's Company Secretary resigned in November and was replaced by Jameela Khan who was appointed in February 2014.

4.7 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 30 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 progress at Board meetings throughout the year through quarterly reporting.

4.8 Our volunteer community

Our strength and depth in volunteering continued apace in 2013 with over 1,500 Members engaged in our volunteering roles.

The Charity's Local Groups remain steady with more than 90 Local Groups currently in place, supported by 622 Committee Members. This year also saw the launch of the Youth Group, which offers nationwide support for the Charity's younger Members.

The Campaign Network and Member 2 Member role both saw growth and we had a great response to our in-house research volunteering role, the Access Project.

In addition to the above, around 150 events took place over Awareness Week with 226 people taking part in the fundraising walks.

4.9 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 meeting.

A separate detailed ICT risk register was also separately monitored at Audit Committee meetings due to the high risk nature of the programme of work.

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

5. Financial review

5.1 Overview

The Charity has performed well throughout the year with commercial income exceeding budget expectations by 9% to reach £689k and a 13% increase on the 2012 income. Nearly £300k was received in legacy income which contributed to an overall increase in total income from £2,721k in 2012 to £2,912k in 2013 – a 6% increase.

Expenditure continues to be controlled. The increase over 2012 was only £22k or 1%, less than overall inflation. More detail may be found in the Statement of Financial Activities and subsequent notes.

5.2 Investment results

As a result of movements in financial markets the Charity had an unrealised gain of £134k compared to an unrealised gain of £72k in 2012. With effective cash management the Charity continues to be able to maintain operations without having to liquidate its investments. Where operating cash flow allows, funds have periodically been placed on appropriate term deposits.

5.3 Investing in research

Research expenditure during the year was £116k or 4% of income. The Board agreed a further designation of research spend in 2014 which brings the total of money reserved for future research spend to £264k.

5.4 Investment and reserves policy

The Charity's investments are managed by M&G within its Charifund and Charibond portfolios, 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, as an organisation committed to good health, has also taken the view that it would be unethical to invest in the tobacco industry as this would impact on the Charity's reputation amongst its stakeholders.

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 ten months of operating costs (excluding restricted and designated expenditure) should be held as free reserves.

The reserves policy will undergo a major review in 2014 and the level of free reserves regularly throughout 2014 by the Board. 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 reducing expenditure and by managing levels of designated reserves.

The proportion of free reserves at the end of 2013 was 10 months of annual general expenditure which is within our policy. Total reserves rose by £338k in 2013 to £1.9m, with £587k as restricted and designated reserves.

6. Plans for Future Periods

Our strategic aims remain in place:

- authoritative support and advice, and valued services
- accelerated rate of diagnosis and uniformly high quality care and management
- 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/eating out sector
- continuing to fund high quality research with a view to improving clinical outcomes and developing long term solutions to living with coeliac disease
- continuing to develop the efficiency and effectiveness of the Charity's performance.

To support the achievement of the aims the 2014/15 Business Plan sets out its key themes of the plan as:

- roll out of the new Membership strategy trialling new approaches to Membership recruitment and engagement
- launch of the first strand of our new campaigning strategy which lobbies for a minimum standard of availability of gluten-free products in shops
- significantly increase the take up of our catering services with an associated improvement in the eating out experience for people with the condition
- implement the fundraising strategy to improve the resilience of our income base
- working towards the creation of a new autoimmune research alliance which will seek to secure major funding and interest in understanding the fundamentals of the disease process
- and utilise new ICT infrastructure to increase sophistication of analysis and response across all areas of activity.

Coeliac UK
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Report of the Board of Governors for the year ended 31 December 2013

7. Responsibilities of the Board of Governors

The Board of Governors (who are also directors of Coeliac UK for the purposes of company law) is responsible 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).

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

- select suitable accounting policies and then 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 charitable company will continue in operation.

The Board of Governors are responsible for keeping adequate accounting records which are sufficient to show and explain the charitable company's transactions and which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Charitable Company's constitution. 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.

In so far as the Board of Governors are aware:

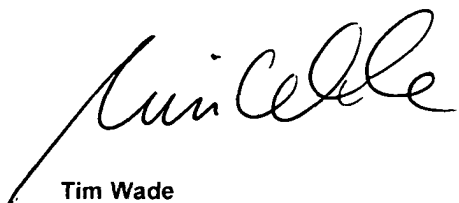
- there is no relevant audit information of the charitable company auditor is unaware; and
- the Board of Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislations in other jurisdictions.

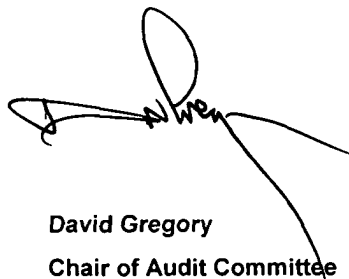
Auditor

This report has been prepared in accordance with the Special Provisions of Part 15 of the Companies Act 2006 relating to Small Companies.

This report was approved and authorised for issue by the Board of Governors on 28/3/2014 and signed on their behalf by



Tim Wade
Chair



David Gregory
Chair of Audit Committee

**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 (Limited by Guarantee) for the year ended 31 December 2013 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and to the charitable company's Governors, as a body, in accordance with section 44 (1)(c) of the Charities Accounts (Scotland) Regulations 2006 and of the Charities of Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the group and parent 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.

Respective responsibilities of the Board of Governors and auditors

As explained more fully in the Statement of Governor's Responsibility set out on page 8, the members of the Board of Governors (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the Report of the Board of Governors and the financial statements and for being satisfied that they give a true and fair view.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Board of Governors (incorporating the directors' report) to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 December 2013 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board of Governors (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Coeliac UK
(Limited by Guarantee)**

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Board of Governors.



**MIKE MCALLISTER (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
THAMES VALLEY**

Date: 08.05.14

Coeliac UK
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Consolidated Statement of financial activities (incorporating an income and expenditure account)
Year ended 31 December 2013

	Notes	Unrestricted funds £	Restricted funds £	2013 Total £	2012 Total £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	879,970	14,106	894,076	758,771
Activities for generating funds	2	292,296	-	292,296	268,395
Incoming resources from trading activities		302,429	-	302,429	280,777
Investment income	2	49,024	2,622	51,646	54,121
Incoming resources from charitable activities	2	1,371,924	-	1,371,924	1,358,873
Total incoming resources		2,895,643	16,728	2,912,371	2,720,937
Resources expended					
Costs of generating funds					
Costs of generating voluntary income		173,237	-	173,237	172,866
Fundraising trading		202,551	-	202,551	193,488
Costs of trading activities		38,628	-	38,628	49,807
Charitable activities	3	2,220,358	59,381	2,279,739	2,249,155
Governance costs	4	14,049	-	14,049	20,856
Total resources expended		2,648,823	59,381	2,708,204	2,686,172
Net incoming/ (outgoing) resources for the year	8	246,820	(42,653)	204,167	34,765
Other recognised gains/losses					
Unrealised gains on investment assets	13	126,921	6,789	133,710	72,184
Net movement in funds		373,741	(35,864)	337,877	106,949
Balances brought forward		1,441,912	156,443	1,598,355	1,491,406
Total funds carried forward		1,815,653	120,579	1,936,232	1,598,355

The notes on pages 13 to 23 form part of these financial statements.

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Balance sheet
31 December 2013

	Notes	Group		Charity	
		2013 £	2012 £	2013 £	2012 £
Fixed assets					
Tangible assets	12	250,319	153,829	250,319	153,829
Investments	13	1,072,521	938,811	1,072,523	938,813
		<u>1,322,840</u>	<u>1,092,640</u>	<u>1,322,842</u>	<u>1,092,642</u>
Current assets					
Investments & deposits		334,361	331,960	334,361	331,960
Debtors	14	344,020	268,155	368,190	361,938
Cash at bank and in hand		525,358	615,047	420,818	495,390
		<u>1,203,739</u>	<u>1,215,162</u>	<u>1,123,369</u>	<u>1,189,288</u>
Current liabilities					
Creditors: amounts falling due within one year	15	(565,345)	(689,447)	(487,182)	(665,779)
Net current assets		<u>638,394</u>	<u>525,715</u>	<u>636,187</u>	<u>523,509</u>
Total assets less current liabilities		<u>1,961,234</u>	<u>1,618,355</u>	<u>1,959,029</u>	<u>1,616,151</u>
Provisions for liabilities and charges	16	(25,000)	(20,000)	(25,000)	(20,000)
Net assets		<u>1,936,234</u>	<u>1,598,355</u>	<u>1,934,029</u>	<u>1,596,151</u>
Reserves					
Unrestricted funds					
– designated	17	466,103	246,914	466,103	246,914
– general		1,349,552	1,194,998	1,347,347	1,192,794
		<u>1,815,655</u>	<u>1,441,912</u>	<u>1,813,450</u>	<u>1,439,708</u>
Restricted funds	18	120,579	156,443	120,579	156,443
	19	<u>1,936,234</u>	<u>1,598,355</u>	<u>1,934,029</u>	<u>1,596,151</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 28/3/2014 and signed on their behalf by:


Tim Wade – Chair

Company number: 03068044

The notes on pages 13 to 23 form part of these financial statements.

**Coeliac UK
(Limited by Guarantee)**

**Notes to the financial statements
Year ended 31 December 2013**

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 consolidated Statement of Financial Activities and the Balance Sheet.

c) Income

Income from web advertising, sponsorship and licensing, and accreditation is deferred on a proportionate basis over the life of the contract. All other income is recognised on a received 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	33.3% p.a. straight line

h) Investments

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

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements
Year ended 31 December 2013

1. Accounting policies (*continued*)

i) Leasing

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

j) Resources expended

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

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

k) Designated funds

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

l) Pension

The charitable company 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.

m) 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 2013. No separate statement of financial activities or income and expenditure has been presented for the Charity alone as permitted by the Companies Act 2006 and the 2005 Charities SORP.

The amount of the result for the financial period dealt within the financial statement of the charity is disclosed in note 11 to these accounts.

n) 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
(Limited by Guarantee)

Notes to the financial statements
Year ended 31 December 2013

2. Incoming resources

	Unrestricted £	Restricted £	2013 Total £	2012 Total £
Incoming resources from generated funds				
Voluntary income				
Donations and gifts	579,863	14,106	593,969	592,651
Legacies	300,107	-	300,107	166,120
	<u>879,970</u>	<u>14,106</u>	<u>894,076</u>	<u>758,771</u>
Activities for generating funds				
Raffle	286,734	-	286,734	267,860
Affinity	2,412	-	2,412	505
Events	-	-	-	30
Other income	3,150	-	3,150	-
	<u>292,296</u>	<u>-</u>	<u>292,296</u>	<u>268,395</u>
Investment Income				
M&G Investments	46,527	2,489	49,016	47,866
Bank Interest	2,497	133	2,630	6,255
	<u>49,024</u>	<u>2,622</u>	<u>51,646</u>	<u>54,121</u>
Incoming resources from charitable activities				
Membership				
Membership fees	803,801	-	803,801	814,842
Information delivery	380,962	-	380,962	334,305
	<u>1,184,763</u>	<u>-</u>	<u>1,184,763</u>	<u>1,149,147</u>
Research	10,170	-	10,170	28,955
Campaigning	11,308	-	11,308	11,518
Groups	165,683	-	165,683	169,253
	<u>1,371,924</u>	<u>-</u>	<u>1,371,924</u>	<u>1,358,873</u>

3. Resources expended

	Unrestricted £	Restricted £	2013 Total £	2012 Total £
Charitable activities				
Membership	1,207,328	295	1,207,623	1,264,024
Research	114,550	1,507	116,057	147,808
Campaigning	613,765	57,579	671,344	539,740
Groups	284,715	-	284,715	297,583
	<u>2,220,358</u>	<u>59,381</u>	<u>2,279,739</u>	<u>2,249,155</u>

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements
Year ended 31 December 2013

3. Resources expended (continued)

Breakdown of costs of charitable activities

	Direct costs £	Grants made (note 7) £	Support costs (note 6) £	2013 Total £	2012 Total £
Membership	829,711	-	377,912	1,207,623	1,264,025
Research	43,507	34,340	38,209	116,056	147,809
Campaigning	373,665	-	297,680	671,345	539,589
Groups	216,307	-	68,408	284,715	297,732
	<u>1,463,190</u>	<u>34,340</u>	<u>782,209</u>	<u>2,279,739</u>	<u>2,249,155</u>

4 Governance costs

	Unrestricted £	Restricted £	2013 Total £	2012 Total £
Legal and professional fees	553	-	553	1,253
Audit fees	8,200	-	8,200	9,100
Cost of AGM	204	-	204	3,780
Cost of Governors meeting and travel	5,092	-	5,092	6,723
Total	<u>14,049</u>	<u>-</u>	<u>14,049</u>	<u>20,856</u>

5. Total support cost breakdown by activity

	Staff Costs £	Other costs £	Total 2013 £	Total 2012 £
Cost of generating funds (note 6)	15,480	23,015	38,495	37,130
Charitable activities (note 3)	314,551	467,658	782,209	748,451
Governance costs (note 4)	-	14,049	14,049	20,856
	<u>330,031</u>	<u>504,722</u>	<u>834,753</u>	<u>806,437</u>

6. Support cost apportionment

Generating funds

	Cost of generating voluntary income £	Fundraising £	Investment income £	Total 2013 £	Total 2012 £
Depreciation	1,624	1,443	-	3,067	3,009
Information technology	2,542	2,260	-	4,802	4,829
Support staff costs	11,042	9,816	-	20,858	17,243
Office costs	5,171	4,597	-	9,768	12,049
	<u>20,379</u>	<u>18,116</u>	<u>-</u>	<u>38,495</u>	<u>37,130</u>

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements
Year ended 31 December 2013

6. Support cost apportionment (*continued*)

Charitable activities

	Membership	Research	Campaigning	Groups	Total 2013	Total 2012
	£	£	£	£	£	£
Depreciation	30,117	3,045	23,723	5,452	62,337	60,649
Information technology	47,136	4,765	37,129	8,532	97,562	97,343
Support staff costs	204,772	20,704	161,298	37,067	423,841	347,564
Office costs	95,887	9,695	75,530	17,357	198,469	242,895
	<u>377,912</u>	<u>38,209</u>	<u>297,680</u>	<u>68,408</u>	<u>782,209</u>	<u>748,451</u>

7. Grants payable

	Grants to institutions	
	Total 2013	Total 2012
	£	£
CORE – Riches, Centre for Rheumatic Diseases	8,889	13,333
Twitter: Re-writing the city landscape with commons health knowledge, Martin, Warwick University	8,900	-
CORE – Joe West, University of Nottingham	16,552	20,690
Thomas, Manchester Childrens Hospital	-	20,000
	<u>34,341</u>	<u>54,023</u>

In accordance with the accounting policy outlined in Note 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:

	2013	2012
	£	£
Depreciation	72,790	70,329
Operating lease rentals	40,161	40,161
Governors liability insurance	1,100	1,100
Audit services	8,200	9,100
	<u>122,251</u>	<u>120,690</u>

Travel costs amounting to £2,470 (2012: £3,933) were reimbursed to 8 (2012: 9) members of the Board of Governors.

Coeliac UK
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Notes to the financial statements
Year ended 31 December 2013

9. Staff costs and numbers

Staff costs were as follows:

	2013 £	2012 £
Salaries and wages	947,837	860,481
Social security costs	94,695	90,264
Pension costs	35,078	34,192
	<u>1,077,610</u>	<u>984,937</u>

The number of the employees whose emoluments amounted to over £65,000 during:

	2013 No.	2012 No.
£65,001 - £75,000	<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:

	2013 No.	2012 No.
Advice and information	24	19
Administration and support	6	6
	<u>30</u>	<u>25</u>

10. Taxation

The charitable company's activities are exempt from corporation tax on its charitable activities under Sections 466 to 493 of the Corporation Tax Act 2010.

11. Results of Charity

The charity has total incoming resources in the year of £2,873,743 (2012:£2,671,130) and resources expended of £2,669,576 (2012: £2,636,365) giving net incoming resources of £204,167 (2012: £34,765). The net movement in funds after investment gains is £337,877 (2012:£106,949).

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Notes to the financial statements
Year ended 31 December 2013

12. Fixed assets – Group and Charity

	Furniture & fittings £	Computer Equipment £	Assets under Construction £	Total £
Cost				
At 1 January 2013	102,941	282,073	74,410	459,424
Additions	-	28,375	140,905	169,280
Cost adjustment for NBV items	-	(246,302)	-	(246,302)
Completion of WIP	-	215,315	(215,315)	-
	<u>102,941</u>	<u>279,461</u>	<u>-</u>	<u>382,402</u>
At 31 December 2013	102,941	279,461	-	382,402
Depreciation				
At 1 January 2013	87,473	218,122	-	305,595
Charge for the year	12,623	60,167	-	72,790
Depreciation adjustment for NBV items	-	(246,302)	-	(246,302)
	<u>100,096</u>	<u>31,987</u>	<u>-</u>	<u>132,083</u>
At 31 December 2013	100,096	31,987	-	132,083
Net book value				
At 31 December 2013	<u>2,845</u>	<u>247,474</u>	<u>-</u>	<u>250,319</u>
At 31 December 2012	<u>15,468</u>	<u>63,951</u>	<u>74,410</u>	<u>153,829</u>

Assets under construction represent costs of the website design and CRM development. The website design and CRM development Go Live date was 24 October 2013.

13. Fixed assets investments – Group and Charity

	(Charity only) Investment in Subsidiaries	Unit trusts	2013 Total	2012 Total
	£	£	£	£
Market value at 1 January 2013	2	938,811	938,813	866,629
Unrealised investment gains/(losses)	-	133,710	133,710	72,184
Market value at 31 December 2013	<u>2</u>	<u>1,072,521</u>	<u>1,072,523</u>	<u>938,813</u>
Historical cost at 31 December 2013	<u>2</u>	<u>1,181,016</u>	<u>1,180,018</u>	<u>1,180,018</u>
	Market Value £	2013 Cost £	Market Value £	2012 Cost £
M&G Charifund (Income units)	884,312	993,381	737,246	993,381
M&G Charibond (income units)	188,209	187,635	201,565	187,635
	<u>1,072,521</u>	<u>1,181,016</u>	<u>938,811</u>	<u>1,181,016</u>

Coeliac UK
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Notes to the financial statements
Year ended 31 December 2013

13. Fixed assets investments (continued)

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 2013 were:

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

During 2013 the Trading Company donated its entire profits under Gift Aid of £95,199 (2012:£76,860) 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

	Charity		Group	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	60,224	46,073	128,391	59,198
Income tax and VAT recoverable	24,591	28,280	12,249	20,058
Amounts owed by group undertakings	82,925	103,020	-	-
Prepayments and accrued income	200,450	184,565	203,380	188,899
	<u>368,190</u>	<u>361,938</u>	<u>344,020</u>	<u>268,155</u>

15. Creditors: amounts falling due within one year

	Charity		Group	
	2013	2012	2013	2012
	£	£	£	£
Grants payable	62,763	74,876	62,763	74,876
Trade creditors	102,412	174,640	106,763	175,142
Other tax and social security	25,270	21,400	25,270	21,400
Accruals	54,331	95,299	59,669	96,786
Deferred income(see below)	242,406	299,564	310,880	321,243
	<u>487,182</u>	<u>665,779</u>	<u>565,345</u>	<u>689,447</u>

Coeliac UK
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Notes to the financial statements
Year ended 31 December 2013

15. Creditors: amounts falling due within one year (*continued*)

Deferred income- Group and Charity

	2013 £	2012 £
At 1 January 2013	299,564	316,123
Released during the year	(299,564)	(316,123)
Deferred income relates to membership, licensing and sponsorship	242,406	299,564
At 31 December 2013	<u>242,406</u>	<u>299,564</u>

16. Provision for liabilities and charges – Group and Charity

	£
At 1 January 2013	20,000
Charge for the year	5,000
At 31 December 2013	<u>25,000</u>

17. Designated funds- Group and Charity

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 2013 £	Incoming £	Outgoing £	Investment income & gains £	Balance at 31 December 2013 £
Research	114,279	125,000	(29,904)	33,572	242,947
Groups	132,635	161,483	(145,962)	-	148,156
Fundraising activities	-	75,000	-	-	75,000
	<u>246,914</u>	<u>361,483</u>	<u>(175,866)</u>	<u>33,572</u>	<u>466,103</u>

Coeliac UK
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Notes to the financial statements
Year ended 31 December 2013

18. Restricted funds – Group and Charity

	Balance at 1 January 2013 £	Incoming £	Outgoing £	Investment income & gains £	Balance at 31 December 2013 £
Research	9,586	11,696	(1,508)	1,178	20,952
Food and drink directory	-	45	(45)	-	-
Catering and training	-	250	(250)	-	-
Awareness Week	-	88	(88)	-	-
Daily newspaper advert for Awareness Week	1,225	-	-	68	1,293
Scotland	145,632	-	(57,391)	8,059	96,300
Wales	-	100	(100)	-	-
Me and My Tummy leaflet	-	1,500	-	83	1,583
Care System campaigns	-	427	-	24	451
	<u>156,443</u>	<u>14,106</u>	<u>(59,382)</u>	<u>9,412</u>	<u>120,579</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 and drink directory

Donations to support the production of the Food & Drink Directory to support people with coeliac disease

Catering and training

To train up restaurants and other catering establishments to help them cater for people who follow a gluten free diet.

Awareness Week

For the annual Awareness Week campaign.

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.

Wales

Income received to support people with coeliac disease in Wales.

Me and My Tummy leaflet

For the updating of a children story book explaining coeliac disease. (Note: This is known as 'Me & My Tummy'.)

Care System campaigns

Campaign to improve awareness in the care system.

19. Analysis of net assets between funds - Group

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible assets	250,319	-	-	250,319
Investments	725,326	276,205	70,990	1,072,521
Net current assets less provisions for liabilities and charges	373,907	189,898	49,589	613,394
	<u>1,349,552</u>	<u>466,103</u>	<u>120,579</u>	<u>1,936,234</u>

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements
Year ended 31 December 2013

20. Lease commitments - Group

	Land and Buildings		Office Equipment	
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Within one year	5,400	5,400	-	7,388
Between two and five years	61,220	56,161	2,404	2,627
	<u>66,620</u>	<u>61,561</u>	<u>2,404</u>	<u>10,015</u>

21. Voluntary help

The Charity had extra support from 1,533 (2012: 1,706) volunteers. The benefit of their contribution is not reflected in the financial statements.

22. Related party transactions

The Charity received a management fee of £168,603 (2012: £ 154,124) from The Coeliac Trading Company Ltd.

At 31 December 2013 a balance of £82,925 (2012: £103,020) was due from The Coeliac Trading Company Limited.

23. Capital commitments

At the end of the year the Charity had capital commitments relating to the finalisation of the website, updating the ICT Infrastructure and CRM development of £32,509 (2012: £227,094).