

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

Coeliac UK
(Limited by Guarantee)

Financial statements
For the year ended 31 December 2018



Coeliac UK
(Limited by Guarantee)

Contents

	Page
Legal and administrative information	1 - 2
Report of the board of governors	3 - 17
Independent auditors' report	18 - 21
Statement of financial activities	22
Balance sheet	23 - 24
Consolidated statement of cash flows	25
Notes to the financial statements	26 - 42

**Coeliac UK
(Limited by Guarantee)**

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. 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

Claire Andrews
John Bremner
Maureen Burnside (elected 23 June 2018)
James Chappell – Vice Chair
Mike Elliott – Chair
Dr Dai Lloyd (resigned 7 June 2018)
Margaret Morgan
Kenneth O'Dea
Dr Anita Patel (co-opted 30 October 2018)
Professor Alan Perkins (elected 23 June 2018)
Professor David Sanders
Reshma Shah (co-opted 30 October 2018)
Robert Trice (elected 24 June 2017)

Company secretary

Julia Malthouse

Chief executive

Sarah Sleet (resigned 1 March 2019)

**Reference and administrative
details company number**

03068044

Charity number

1048167

Scottish Charity number

SC039804

**Registered office and
operation address**

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

**Coeliac UK
(Limited by Guarantee)**

Legal and administrative information (continued)

Auditors

Saffery Champness LLP
St John's Court
Easton Street
High Wycombe
Buckinghamshire
HP11 1JX

Bankers

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

Lloyds Bank
34 Oxford Road
High Wycombe
Buckinghamshire
HP11 2ED

Solicitors

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

Report of the board of governors for the year ended 31 December 2018

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 2018.

1. Introduction

In 2018 the charity launched its £5m Research Fund Appeal to our supporters in our 50th Anniversary Year. The year provided the charity with an opportunity to reflect on how far we have come, celebrate the amazing contribution of our long-term supporters and look to the future with new digital services and research.

The launch of the Research Fund got off to a flying start after a commitment of £500k from Innovate UK matched by £250k from the charity's reserves underpinned our first research call for the Fund.

In this report we aim to provide a clear account of how our work has targeted the needs of people with coeliac disease and dermatitis herpetiformis (DH) in the year ending 31 December 2018. 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 the Standard of Recommended Practice, (SORP) FRS102.

2. Objectives and activities for 2018

Our Business Plan for 2018 – 19 sets out our plans under six key objectives:

- accelerated rate of diagnosis and uniformly high quality care and management
- authoritative support and advice, and valued services
- 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
- and continuing to develop the efficiency and effectiveness of the charity's performance.

Report of the board of governors for the year ended 31 December 2018
(continued)

3. What we achieved in 2018

Each of our key activities are reported under our strategic aims as are our plans for 2019 in that area.

2018 was the charity's 50th Anniversary year and we celebrated by looking to the future with funding research into better diagnosis, better management of care and better gluten free bread. We also worked on improving the here and now with improvements in our food information service and continuing the drive to diagnosis.

3.1 Accelerated rate of diagnosis and uniformly high quality care

- At the beginning of the year, the Department of Health and Social Care issued its response to the consultation on gluten free prescribing choosing not to remove all access but rather to restrict the categories of foods available on prescription to gluten free breads and flour mixes against all expectation. The substantial evidence built up by the charity over many years and the voice of the coeliac community making clear the impact of no access, undoubtedly helped to retain access. Following the announcement the charity engaged with clinical commissioning groups throughout England to encourage change in local policy if needed to match the new approach. Whilst few of the CCGs who had severely restricted access changed their policies there was a significant slow down in the numbers who were consulting on new restrictions.
- We know that the experience of post diagnosis care is very patchy over the UK and to gather evidence on the issue we undertook a substantial data collection exercise throughout the year, receiving over 7,200 responses from members. Preliminary analysis confirms the wide variation in experience. Detailed analysis in 2019 will result in a peer reviewed publication to provide robust evidence for the need for urgent improvements in the NHS.
- There is little hard evidence on what people on a gluten free diet eat in their everyday lives. To understand more about the nutritional status of the diet and implications for its cost we undertook the first data collection for a unique coeliac diet and nutrition survey. The work will provide the first reliable data in the world on what people are really eating.
- Work on our campaign, *Is it coeliac disease?*, continued in 2018 with further support of £58k from Thermo Fisher Scientific through a fourth educational grant. We used refreshed creative in our advertising to drive people to the diagnosis assessment tool. We are extremely grateful to Thermo Fisher for this ongoing support and it resulted in 50,000 people completing the coeliac disease diagnosis assessment during the year.

Report of the board of governors for the year ended 31 December 2018
(continued)

- We worked to inform healthcare professionals through five GP training, one gastroenterologist and one dietitian events as they represent the key interfaces with the patient at diagnosis and after.
- Meanwhile in Scotland improving awareness was driven by working with 25 companies across the country to raise awareness of coeliac disease to their staff and a further 10 companies received talks on the subject from trained Coeliac UK volunteers. We also continue to work closely with NHS Scotland in the development of a patient pathway which is to help patients get an accurate and timely diagnosis.

2019 Plans

We have already secured further funding from Thermo Fisher Scientific for 2019 to continue our *Is it coeliac disease?* campaign and we will be seeking more substantial financial support from charitable trusts to deliver a demonstration project on achieving early diagnosis.

We will complete our work on the evidence base for post diagnosis care and the coeliac diet and nutrition survey.

We will develop a self care model that works for people with coeliac disease and scope out the services needed to support it.

And in Scotland and Wales we will continue to promote greater diagnosis and improved management in government, public health and Health Boards in Scotland and Wales.

3.2 Authoritative source of support and quality services

- With over 65k members at the end of 2018 we slightly increased our membership numbers welcoming back nearly 2k members who had left charity altogether and retaining 81%. However, we continue to have to fight hard to recruit and retain members falling just short of our targets for the year. We introduced a new two year membership offer in the year to address these concerns and by the end of the year the new join rate for December was the highest in four years.
- Our Food Information Service continued to develop with 32k members now downloading information via our Gluten Free Food Checker app – an 88% increase on the number of 2017 users. Across the year there have been 420k product searches via the app and website. And we know we have around 16% of our members including additional dietary preferences within their searches. Half of lapsed members reactivating their membership did so to gain access to the app. As the *Home of gluten free recipes* developed it has proved more popular than ever – with close to half a million page visits in 2018 across the service and 43k recipe searches. With the support of Awards for All, later in the year we launched our seven day meal plan, which includes three meals a day plus snacks. At a cost of £2.90 per day per person, the plan has

Report of the board of governors for the year ended 31 December 2018
(continued)

proved to be a lifeline for some with 1.2k downloads and around 5k views

- We also worked with our under thirties group, GUTs, to develop a moving on pack designed for those experiencing independent living for the first time. Since its launch in September 525 packs were sent out and they have won praise from young adults, parents and healthcare professionals. We are grateful to the James Tudor Trust for their support of this project.
- In September we welcomed more than 1,400 attendees to the Cardiff City Stadium for the second Wales Gluten Free Food Show; the largest Coeliac UK show to date. We had 20 exhibitors including a gluten free Fish & Chip kiosk, a gluten free catering area, children's area with colouring and free face painting, 1:1 dietetic sessions and a series of talks and cookery demos. The show prompted a range of media coverage including a feature on the BBC Website, live radio interviews on BBC Radio Wales & BBC Radio Cymru as well as reports and interviews on ITV Wales evening news & S4C's Newyddion evening news programme. The event received positive feedback with 85% of respondents rating it 8 out of 10 or higher.

2019 Plans

We will launch our revamped website to improve ease of use and our redesigned venue finder app - Gluten Free on the Move. Managing the gluten free diet at home will be made easier with advice about managing additional needs such as vegan diets and more filmed content in our *Home of gluten free recipes*, helping members to master the techniques of cooking without gluten.

Our publications will be restructured and redesigned to create a new *Live Well, Gluten Free* magazine focused on food and lifestyle and to relaunch *Crossed Grain* magazine as a charity focused supporter newsletter.

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

- We had a number of discussions throughout the year with retailers about adopting the Gluten free Guarantee but despite being very close to achieving the standard we have not been able to award the mark to any new supermarkets. We undertook a substantial survey of members on shopping habits which will inform future developments in this area. Nearly 5k members responded and the analysis will be completed in the first half of 2019.
- Easy identification of gluten free food is important to members and the appearance of the Crossed Grain symbol on food product packaging is the gold standard for signposting. During the year we attracted 29 new licensees – significantly below our target of 45 but still an expansion on the scheme overall.

Report of the board of governors for the year ended 31 December 2018
(continued)

2019 Plans

The Shopping Habits survey analysis will be used to re invigorate discussions with our commercial partners on what barriers shoppers are facing and what developments they want. An industry day in June 2019 will provide a platform to engage with the industry on these issues.

Work on promoting and marketing the Crossed Grain symbol will be given more prominence in 2019 to attract new licensees to the scheme.

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

- Our online training and guidance for caterers continues to be popular. In 2018 there were 1.2k downloads of our catering guidance and we exceeded our online course take up of 300.
- Current market conditions for high street restaurants has made it difficult to secure new sign ups to accreditation by high street chains. However, we exceeded our single site target achieving 22 new venue sign ups.
- We continued to ensure the robustness of our accreditation scheme by undertaking 290 audits. 77% of sites achieved an A rating and a further 16% a B. Only 2% of audits recorded a fail and all passed in the retake required within two weeks. The response from the venues to the feedback, good and bad, is very positive and a spur to improvement in their provision
- We undertook a major survey in the year to understand people's experiences of eating out and what they would like to improve. Nearly 6k members responded and 1.2k parents on behalf of their children

2019 Plans

We plan to redevelop our online catering module and review our catering guidance materials as well as deliver eight newly accredited restaurant chains and 20 individual outlets. We will use the results of our eating out survey to inform our influencing of policymakers and the catering industry.

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

- 2018 saw the development and launch of our new research strategy which will inform the work of the Research Strategy Board and which accompanied the public launch of our Research Fund. We also secured full membership of the Association of Medical Research Charities.

Report of the board of governors for the year ended 31 December 2018
(continued)

- To kick the Fund off we were extremely fortunate to be awarded £500k by Innovate UK to address three areas: improved diagnostic techniques, improved gluten free food technology and self care support technologies. The charity committed £250k of its own funds to match the award, and together with the required contribution by companies involved in the applications, around £1m was available for new research.
- We established a new Research Awards Panel and peer review process to assess the applications from this research call which resulted in three grants being awarded addressing three distinct areas of research.
- Clinical test specialists, Nonacus, will be working with Dr Liz Soilleux at the University of Cambridge to develop a new test to provide a less invasive way of diagnosing coeliac disease.
- Nandi Proteins Ltd will be working with Genius (the gluten free manufacturer), AB Mauri (bakery ingredients distributor), and Agrii (plant science experts) to develop three new plant proteins for ingredients used in gluten free bread with a view to lower cost and improving quality.
- Cievert, healthcare software specialists, will be working with the Sheffield coeliac disease centre to create software innovation to help in the ongoing management of coeliac disease.
- £180k remains to be spent from this stream of research and a new call will be launched in 2019

All in all we spent just over 11.5% of our total income in 2018 on research, over double that spent in 2017 reflecting the impact of working on the new Research Fund. We are extraordinarily grateful to all of our members and supporters who have contributed to the Fund since its launch – to a value of over £150k. Their support is building a research base which will make a real difference to future generations.

2019 Plans

We will complete our joint Innovate UK research call and develop further partnerships for joint research calls in the year.

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

- 2018 saw ongoing work on systems to underpin the introduction of the General Data Protection Regulation (GDPR) in May 2018. This has been a major piece of work and compliance was achieved although automation of the processes will not be fully implemented until 2019.

Report of the board of governors for the year ended 31 December 2018
(continued)

- We were thrilled to achieve Investors in Volunteers status at the beginning of the year. Nevertheless, we continued to work on governance issues to ensure that our volunteering approach and processes were GDPR ready. Promotion of social media is an effective communication channel and 70% of local groups are now on social media.

Plans for 2019

We will complete the launch of the revamped website and further develop its functionality particularly to deliver easier data permissions for members and a better donation experience. We will also be working on volunteer opportunities in our peer support scheme, Member2Member, and working with university students to promote awareness and support in the higher education sector.

3.7 Our Future Strategy

As we approach the end of our ambitious 10 year strategy, work is already underway to identify where there is still work to be done to ensure no life is limited by gluten and what role the charity will play to support people living gluten free. The Board has established a number of working groups to identify where new opportunities for services and support may arise. We will be looking at how new technologies may improve delivery of our vital information to support those following a gluten free diet, seeking diagnosis or help with self care. We will investigate ways to improve our income generation to fund more campaigning and continue to drive our Research Fund looking for long term solutions. By the end of 2019, we will deliver a new strategy for 2021 and beyond, laying out our future aims and targets in the context of an uncertain economic and political environment.

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 2008.

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

Report of the board of governors for the year ended 31 December 2018
(continued)

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.

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 2018. 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 senior directors with financial, pharmaceutical and food industry experience, lawyers and experienced senior healthcare professionals. All Governors are volunteers committing many days, evenings and weekends of the year 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 2018.

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.

Report of the board of governors for the year ended 31 December 2018
(continued)

Food Standards Committee

The Food Standards Committee provides the charity with additional technical expertise and independent appraisal of the standards applied to its licensing and accreditation activities. It also engages with other industry and regulatory bodies to ensure exchange of ideas and state of the art information.

Fundraising Committee

The Fundraising Committee provides the charity with expert insight and fulfils the governance requirements for the detailed scrutiny and oversight of the fundraising undertaken for the charity including for the Research Fund. This Committee reports to the Board of Governors.

Research Strategy Board

The Research Strategy Board (RSB) provides the charity with expert insight and fulfils governance requirements for the review and development of its research strategy which underpins the charity's £5m Research Fund. The Board reports to the Board of Governors.

The RSB will inform the Charity in its understanding of the research award types and associated merits and preferences; advantages and disadvantages of different approaches and development of a revised strategy for funding research from 2018. The RSB will also advise our Board of Governors on the best practice for reviewing and awarding research grants, providing a best practice peer review policy of research award applications for the Research Awards Panel and any necessary policies relating to our Research Strategy, including intellectual property rights, data sharing and ethics.

Research Awards Panel

The Panel was set up in 2018 to manage the awards process for grants under the Research Fund. It provides the charity with expert insight and fulfil governance requirements for the review, funding and management of the charity's research awards in line with the charity's Research Strategy. The Panel reports to the Board of Governors. Dr Rick Lones was recruited as the Panel's first chair after an open recruitment process.

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.

4.5 Recruiting and supporting Governors

After a recruitment process in 2017/18 Dr Anita Patel and Reshma Shah were co-opted onto the Board on 30 October 2018. Anita works as a GP in the West Midlands and having lived with coeliac disease for a number of years is able to bring the perspectives of a healthcare professional and patient to the charity.

Reshma has extensive experience in audit and risk governance in the banking and private health insurance sector. She also brings valuable local group experience and is currently a committee member for the Harrow Group. She

Report of the board of governors for the year ended 31 December 2018
(continued)

has previously raised funds for the charity by participating in the Jurassic Coastline walk in 2016.

Prior to any recruitment round the Board of Governors will undertake a skills audit to identify current and future skills gaps. Roles are advertised widely both in the charity's communications to members and on free trustee recruitment websites open to all. The selection process comprises shortlisting on the basis of cvs and supporting statements, followed by an interview panel for shortlisted candidates. Following appointment, new Governors are provided with induction packs and sessions spent with key staff. We are undertaking a new recruitment round in 2019.

4.6 Company Secretary

The charity's Company Secretary is Julia Malthouse.

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 39 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 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.

The Board of Governors appoints an HR Committee to oversee the setting of pay and remuneration for senior management and the entire organisation. Their remit is to regularly review and agree performance review arrangements; agree remuneration policies including terms, conditions and benefits; consider recommendations for individual pay on the basis of individual appraisals and to consider the Charity's human resource strategy. The committee is comprised of the Chair of the Board of Governors and two other governors.

The organisation is comprised of Coeliac UK, a registered charity, and its subsidiary The Coeliac Trading Company Ltd. The principal activity of the trading subsidiary is to raise funds on a commercial basis for the charity to support its charitable activities. The subsidiary is governed by two directors appointed from the senior management team of the charity, one governor from the Board of the charity and one non-executive independent director.

Following the end of the financial period in this report, it is with regret that we announce our Chief Executive, Sarah Sleet, has left Coeliac UK, joining national charity, Crohn's & Colitis UK as their new CEO in March 2019.

Report of the board of governors for the year ended 31 December 2018
(continued)

Sarah had been with us as Chief Executive for over 13 years and had been instrumental in building and leading a committed team, forging numerous positive changes, not only in the charity but also in government and across Europe.

It goes without saying that we will miss her tremendously but wish her all the very best in her new position.

The Board will be appointing a new Chief Executive in the near future. A rigorous recruitment process is being undertaken and on completion the Board will announce the new appointee.

4.8 Our volunteer community

We were supported by 1,220 of our amazing volunteers in 2018, compared to 1,406 in 2017. Recruitment of volunteers included a targeted campaign for health campaigners to be in ready for the re-launch of our diagnosis promotion in September 2018. 127 members supported our Member2Member programme, compared to 206 members in 2017.

We continued to receive tireless support across our volunteering opportunities including those who help to run local groups throughout the UK. New local groups opened in Fife, Oxfordshire, Swindon and Kings Lynn. Berkshire made plans to split into three groups and improve access for members across the county. Sadly, the Gloucestershire Local Group decided to close. Plans were made to open a new local group in North Surrey and volunteers came forward with an interest in reactivating the Young Wolverhampton Local Group.

The help offered by three volunteers working in the High Wycombe office has been much appreciated across the staff team. We are also grateful to the ten volunteers working on specific projects in Scotland.

4.9 Our approach to fundraising

Coeliac UK operates a small team of in-house staff to lead and develop its fundraising. As a charity regulated by the Fundraising Regulator we strive to achieve the highest standards in all our fundraising communications and will continue to do this, referring to all the relevant professional and statutory bodies as guidance and regulation develops. Developing positive long-term relationships with all our members, donors and supporters underpins all our actions in this area.

In the past year, we used the services of a number of carefully selected external companies who are able to provide significant specialist skills to help us deliver specific activities. With each of these companies, we have signed agreements, committing them all to adhere both to the letter and spirit of the regulations.

In 2018, we received one significant complaint concerning a raffle mailing. In the light of the individual's complaint we enacted the "Right to be Forgotten"

Report of the board of governors for the year ended 31 December 2018
(continued)

protocol on the database to make sure the individual is not contacted again. We also reviewed and improved our processes in order to minimise complaints like this in the future. We welcome feedback from donors, members and others who are approached for funds and this is always taken seriously and aids us in developing and improving our activities.

During 2018 everyone we contacted for fundraising purposes had a minimum of one opportunity to remove themselves from future communications and we are committed to adhering to these choices, recognising the need to protect vulnerable people and carefully monitoring the content and frequency of our approaches to individuals. With the changes made to the internal administrative systems, in light of General Data Protection Regulation, we can now offer individuals more choice when it comes to receiving information around particular activities, giving them more control over their data.

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

Key risks identified in 2018 remained the changing environment around data protection and income challenges. In particular, the income raising environment is particularly tough with general economic uncertainty affecting our commercial streams and our ability to expand our membership base as planned. We continue to monitor key developments through the Charity Commission, the Information Commissioner's office as well as fundraising professional bodies. Our cross organisation team worked on implementation of our new data protection approach.

5. Financial review

5.1 Overview

The charity's total income 2018 was £4.1m, above income for 2017 at £3.9m. The increase was mainly due to the grant of £500k awarded by Innovate UK (a Government body tasked with investment in innovation and research). This money will be restricted for expenditure under our Research Fund going forwards. The income result was also helped by the £58k grant from Thermo Fisher Scientific to further support the charity's *Is it coeliac disease?* campaign and £30k from Marks & Spencer including £10k to support our activity around our 50th Anniversary year. Our donation income benefitted from our focus on our Research Fund with £500k received from Innovate UK and around £150k from members and supporters for the Fund. Raffle and lottery income increased from £288k to £318k. Finally commercial income fell from £754k to £722k. Overall, the increase in income was welcome but we did not achieve the

Report of the board of governors for the year ended 31 December 2018
(continued)

budgeted targets we set and as a result we undertook mitigating action to reduce expenditure to offset the reduction in budgeted income. More detail may be found in the Statement of Financial Activities and subsequent notes.

5.2 Investment performance

Due to prudent management of the charity's finances cash reserves have grown over a number of years. As a result of movements in financial markets the charity had an unrealised loss of £97k in 2018 and compared to an unrealised gain of £37k in 2017 but the markets have shown some recovery in early 2019.

5.3 Investing in research

Research expenditure during the year increased from £204k to £469k or 11.5% of income.

5.4 Investment policy

The charity's investments were managed by M&G in 2018 within its Charifund and Charibond portfolios, 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.

During the year we undertook a major investment review and awarded management of our funds to Cazenove Capital after a rigorous assessment process. A new investment policy will be approved in 2019, setting out our aims and performance requirements for our portfolio.

5.5 Reserves policy

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. Our current policy is that the equivalent of between 5 and 10 months of operating costs (excluding restricted and designated expenditure) should be held as free reserves.

The level of free reserves will be reviewed regularly throughout the year by the Board. Excess reserves may be spent to further the objectives of the charity. The Board may allow free reserves to fall below the agreed level for a period of time for a specific purpose but will take steps to return to the agreed level as soon as possible.

The proportion of free reserves at the end of 2018 was just over 4.5 months of annual general expenditure just under the minimum set out in our policy. This was flagged in our 2017 report as a result of our plan to commit reserves of £250k to our Research Fund. We will aim to move back into the appropriate range as soon as possible. Total reserves at the end of the year were £2m, an increase of £139k reflecting a £336k increase in restricted reserves due to the Innovate grant and Research Fund donations, a £39k fall in designated reserves

Report of the board of governors for the year ended 31 December 2018
(continued)

and a fall of £158k in unrestricted reserves. Designated reserves associated with research are put in place by the Governors to ensure funds are available for multi year research grants awarded by the charity. Further designation is also routinely made to cover the income raised and spent locally by the charity's Local Voluntary Support Groups.

We plan to review our reserves policy in 2019 assessing key risks in the light of the new emphasis on research spending and as we review our strategy.

6. 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 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) FRS102
- 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 business.

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.

Report of the board of governors for the year ended 31 December 2018
(continued)

So far as the Board of Governors are aware:

- there is no relevant audit information of which 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.

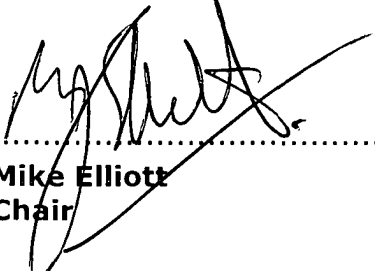
The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other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

Auditor

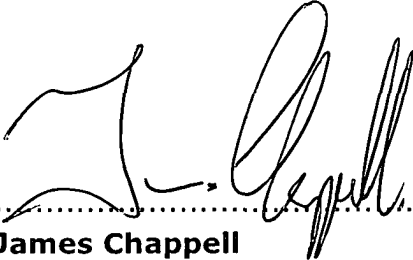
Saffery Champness LLP have expressed their willingness to remain in office as auditors of the charity.

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 26 March 2019 and signed on their behalf by



.....
Mike Elliott
Chair



.....
James Chappell
Chair of Audit Committee

**Coeliac UK
(Limited by Guarantee)**

**Independent auditors' report to the members and governors of Coeliac UK
(Limited by Guarantee)**

Opinion

We have audited the financial statements of Coeliac UK for the year ended 31 December 2018 which comprise a consolidated statement of financial activities, consolidated balance sheet, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2018 and of the group's incoming resources and application of resources, including its 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.

This report is made solely to the charitable company's members and the trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

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

**Coeliac UK
(Limited by Guarantee)**

**Independent auditors' report to the members and governors of Coeliac UK
(Limited by Guarantee) (continued)**

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

- the group or parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or

**Coeliac UK
(Limited by Guarantee)**

**Independent auditors' report to the members and governors of Coeliac UK
(Limited by Guarantee) (continued)**

- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 15 and 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

**Coeliac UK
(Limited by Guarantee)**

**Independent auditors' report to the members and governors of Coeliac UK
(Limited by Guarantee) (continued)**

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



.....
Karen Bartlett (Senior Statutory
Auditor)

**For and on behalf of
Saffery Champness LLP**

Saffery Champness LLP
Chartered Accountants
St John's Court
Easton Street
High Wycombe
Buckinghamshire
HP11 1JX

Statutory Auditors

Date: 28 March 2019

Saffery Champness 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 (including consolidated income and expenditure account)
For the year ended 31 December 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Income					
Donations and legacies	2	708,479	677,966	1,386,445	1,052,298
Income from charitable activities	2	1,881,279	58,000	1,939,279	2,083,739
Income from trading activities	2	711,794	7,580	719,374	754,207
Investment income	2	42,221	-	42,221	48,210
Total income		3,343,773	743,546	4,087,319	3,938,454
Expenditure					
Expenditure on raising funds		901,247	-	901,247	768,345
Expenditure on charitable activities	3	2,542,318	407,963	2,950,281	3,048,795
Total expenditure		3,443,565	407,963	3,851,528	3,817,140
Net (losses)/gains on investments	11	(97,133)	-	(97,133)	37,251
Net income/(expenditure) for the year	7	(196,925)	335,583	138,658	158,565
Balances brought forward		1,765,876	49,761	1,815,637	1,657,072
Total funds carried forward		1,568,951	385,344	1,954,295	1,815,637

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 26 to 42 form part of these financial statements.

Coeliac UK
(Limited by Guarantee)

Consolidated balance sheet
As at 31 December 2018

	Notes	Group		Charity	
		2018	2017	2018	2017
		£	£	£	£
Fixed assets					
Tangible assets	10	134,047	87,185	134,047	87,185
Investments	11	992,584	1,089,715	992,586	1,089,717
		<u>1,126,631</u>	<u>1,176,900</u>	<u>1,126,633</u>	<u>1,176,902</u>
Current assets					
Investments & deposits	11	155,286	80,160	155,286	80,160
Debtors	12	474,963	455,370	754,800	782,951
Cash at bank and in hand		1,455,289	1,131,477	1,091,808	706,788
		<u>2,085,538</u>	<u>1,667,007</u>	<u>2,001,894</u>	<u>1,569,899</u>
Current liabilities					
Creditors: amounts falling due within one year	13	(1,222,873)	(993,270)	(1,139,231)	(898,370)
		<u>862,665</u>	<u>673,737</u>	<u>862,663</u>	<u>671,529</u>
Net current assets					
		<u>1,989,296</u>	<u>1,850,637</u>	<u>1,989,296</u>	<u>1,848,431</u>
Total assets less current liabilities					
		<u>1,989,296</u>	<u>1,850,637</u>	<u>1,989,296</u>	<u>1,848,431</u>
Provisions for liabilities and charges	14	(35,000)	(35,000)	(35,000)	(35,000)
		<u>1,954,296</u>	<u>1,815,637</u>	<u>1,954,296</u>	<u>1,813,431</u>
Net assets					
		<u>1,954,296</u>	<u>1,815,637</u>	<u>1,954,296</u>	<u>1,813,431</u>
The funds of the charity					
Unrestricted funds					
Designated	15	333,482	372,872	333,482	372,872
General		1,235,469	1,393,004	1,235,469	1,390,798
		<u>1,568,951</u>	<u>1,765,876</u>	<u>1,568,951</u>	<u>1,763,670</u>
Restricted funds	16	385,345	49,761	385,345	49,761
		<u>1,954,296</u>	<u>1,815,637</u>	<u>1,954,296</u>	<u>1,813,431</u>
Total charity funds	17				
		<u>1,954,296</u>	<u>1,815,637</u>	<u>1,954,296</u>	<u>1,813,431</u>

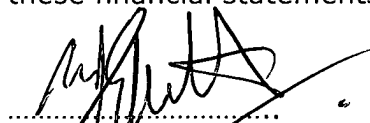
The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Coeliac UK
(Limited by Guarantee)

Consolidated balance sheet (continued)
As at 31 December 2018

As permitted by s408 Companies Act 2006, the company has not presented its own Statement of Financial Activity and related notes. The Company's profit for the year was £138,659 (2017: £158,565).

Approved by the Board of Governors and authorised for issue on 26 March 2019 these financial statements are signed on their behalf by:


.....
Mike Elliott – Chair

Company number: 03068044

The notes on pages 26 to 42 form part of these financial statements.

Coeliac UK
(Limited by Guarantee)

Consolidated statement of cash flows
For the year ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	23	450,319	26,500
Cash flows from investing activities:			
Dividends and interest from investments		42,221	48,210
Purchase of tangible fixed assets		(93,603)	(32,718)
Purchase of investments		-	400,000
Net cash used in investing activities		(51,382)	415,492
Increase in cash and cash equivalents in the year		398,937	441,992
Cash and cash equivalents at the beginning of the year	23	1,211,639	769,647
Total cash and cash equivalents at the end of the year	23	1,610,576	1,211,639

Notes to the financial statements
For the year ended 31 December 2018

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK (FRS102) and (Charities SORP (FRS 102)) and the Companies Act 2006.

Coeliac UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

There are no material uncertainties about the charity's ability to continue as a going concern. The charity's planned activities, together with its financial position; management of risk and approaches to investments, cashflow and reserves are described in the Report of the Board of Governors. As a consequence, the governors believe that the charity is well placed to manage its risks successfully despite the current uncertain economic outlook. The governors have a reasonable expectation that the charity and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.2 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.

1.3 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 when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

1.4 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

Notes to the financial statements (continued)
For the year ended 31 December 2018

1. Accounting policies (continued)

1.5 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.

Multiyear 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.

1.6 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.

1.7 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

1.8 Investments

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

1.9 Leasing

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

1.10 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of obligation can be measured reliably. Costs are analysed between expenditure on charitable activities and costs of raising funds of the charity.

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

1.11 Designated funds

Designated funds are unrestricted funds earmarked by the board of governors for particular purpose.

Notes to the financial statements (continued)
For the year ended 31 December 2018

1. Accounting policies (continued)

1.12 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.

1.13 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 2018. No separate statement of financial activities or income and expenditure has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

1.14 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2018

2. Income

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Income from donations and legacies				
Donations and gifts	597,000	675,681	1,272,681	575,338
Legacies	111,479	2,285	113,764	476,960
	<u>708,479</u>	<u>677,966</u>	<u>1,386,445</u>	<u>1,052,298</u>
Income from charitable activities				
Membership	1,317,581	-	1,317,581	1,403,066
Campaigning	494,338	58,000	552,338	578,552
Groups	69,360	-	69,360	102,121
	<u>1,881,279</u>	<u>58,000</u>	<u>1,939,279</u>	<u>2,083,739</u>
Income from trading activities				
Raffle and lottery	318,394	-	318,394	288,055
Other commercial activities	393,400	7,580	400,980	466,152
	<u>711,794</u>	<u>7,580</u>	<u>719,374</u>	<u>754,207</u>
Investment income				
M&G Investments – dividends	41,149	-	41,149	48,027
Bank interest	1,072	-	1,072	183
	<u>42,221</u>	<u>-</u>	<u>42,221</u>	<u>48,210</u>

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2018

3. Expenditure

	Unrestricted	Restricted	2018	2017
	£	£	Total	Total
			£	£
Charitable activities				
Membership	1,243,854	12,792	1,256,646	1,334,379
Campaigning	943,724	62,157	1,005,881	1,262,441
Research	136,096	333,014	469,110	203,976
Groups	218,644	-	218,644	247,999
	<u>2,542,318</u>	<u>407,963</u>	<u>2,950,281</u>	<u>3,048,795</u>

Breakdown of costs of charitable activities

	Direct costs	Grants made	Support costs	2018	2017
	£	(note 6)	(note 4+5)	Total	Total
		£	£	£	£
Membership	952,733	-	303,913	1,256,646	1,334,379
Campaigning	618,237	-	387,644	1,005,881	1,262,441
Research	162,355	256,410	50,345	469,110	203,976
Groups	167,737	-	50,907	218,644	247,999
	<u>1,901,062</u>	<u>256,410</u>	<u>792,809</u>	<u>2,950,281</u>	<u>3,048,795</u>

Research support cost breakdown

	Total Support Costs	Direct costs	Grants made
	£	£	£
Research costs	-	162,355	256,410
Support costs	<u>50,345</u>	<u>7,839</u>	<u>42,506</u>

All support costs are allocated on a headcount basis.

4. Total support cost breakdown by activity

	Staff costs	Other costs	Total 2018	Total 2017
	£	£	£	£
Cost of generating funds (note 5)	54,447	102,783	157,230	105,449
Charitable activities (note 3)	<u>274,542</u>	<u>518,267</u>	<u>792,809</u>	<u>788,508</u>
	<u>328,989</u>	<u>621,050</u>	<u>950,039</u>	<u>893,957</u>

Coeliac UK
(limited by Guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2018

5. Support cost apportionment										
		Support staff	Depreciation	Governance	HR costs	IT costs	Office costs	2018	2017	
		£	£	£	£	£	£	£	£	
Raising funds		54,447	6,784	2,736	16,974	28,839	47,450	157,230	105,449	
Charitable activities										
Membership		105,242	13,112	5,288	32,810	55,742	91,719	303,913	301,590	
Campaigns		134,237	16,725	6,744	41,849	71,102	116,987	387,644	385,706	
Research		17,434	2,172	876	5,435	9,234	15,194	50,345	40,252	
Groups		17,629	2,196	886	5,496	9,337	15,363	50,907	60,960	
Total		328,989	40,989	16,530	102,564	174,254	286,713	950,039	893,957	

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2018

6. Grants payable

	Grants to institutions	
	2018	2017
	£	£
Oxford University, Soilleux	-	28,250
Nottingham University, Bains	(638)	2,685
Leiden University Medical Centre, Koning	257	-
The Walter and Eliza Hall Institute, Tye-Din	-	1,667
INNOVATE	109,719	-
Development and validation of a minimally invasive comprehensive diagnostic coeliac disease test (Dr Michael Parks, Nonacus Ltd)		
INNOVATE	81,040	-
Using software to improve the long term management of people affected by coeliac disease (Dr Chris Kennelly, Cievert Ltd)		
INNOVATE	60,232	-
Protein ingredients from UK crops as source of gluten like functionality (Dr Lydia Campbell, Nandi Proteins Ltd)		
Oxford University, Crocker and Peters	-	15,833
Dissertations Awarded	5,800	2,000
	<u>256,410</u>	<u>50,435</u>

In accordance with the accounting policy outlined in note 1.5, only the first year of funding commitment is recognised on the accounts for multiyear grants which are conditional on an annual review of progress which determines if future funding is provided.

7. Net incoming/(outgoing) resources for the year

This is stated after charging:

	2018	2017
	£	£
Depreciation	46,740	40,743
Operating lease rentals	68,487	68,101
Governors liability insurance	1,100	1,100
Audit services	9,370	10,720
Non-audit services provided by the auditor		
General advice	500	600
Tax compliance	1,065	1,025
Deed of covenant and management charge advice	275	-
	<u></u>	<u></u>

Notes to the financial statements (continued)
For the year ended 31 December 2018

7. Net incoming/(outgoing) resources for the year (continued)

Travel costs amounting to £2,228 (2017 – £1,299) were reimbursed to 8 (2017 – 6) members of the Board of Governors.

8. Staff costs and numbers

Staff costs were as follows:

	2018	2017
	£	£
Salaries and wages	1,230,304	1,330,792
Social security costs	120,419	130,051
Pension costs	57,344	63,330
	<u>1,408,067</u>	<u>1,524,173</u>

The number of employees whose emoluments amounted to over £60,000 during:

	2018	2017
	Number	Number
£60,000 - £70,000	1	1
£70,000 - £80,000	-	-
£80,000 - £90,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel of the group (and charity) comprise the trustees, the chief executive and senior management team. The total employee benefits of the key management personnel of the group were £387,061 (2017: £422,063). None of the trustees have been paid any remuneration or received any benefits for performing their role as trustee of the charity.

The average monthly number of employees during the year, calculated on the basis of average headcount was as follows:

	2018	2017
	Number	Number
Advice and information	31	36
Administration and support	8	8
	<u>39</u>	<u>44</u>

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2018

9. Taxation

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

10. Fixed assets – Group and charity

	Furniture & fittings	Computer equipment	Assets under construction	Total
	£	£	£	£
Cost				
At 1 January 2018	150,884	440,838	19,588	611,310
Additions	318	81,742	31,130	113,190
Completion of WIP	-	-	(19,588)	(19,588)
At 31 December 2018	<u>151,202</u>	<u>522,580</u>	<u>31,130</u>	<u>704,912</u>
Depreciation				
At 1 January 2018	124,730	399,395	-	524,125
Charge for the year	9,594	37,146	-	46,740
At 31 December 2018	<u>134,324</u>	<u>436,541</u>	<u>-</u>	<u>570,865</u>
Net book values				
At 31 December 2018	<u>16,878</u>	<u>86,039</u>	<u>31,130</u>	<u>134,047</u>
At 31 December 2017	<u>26,154</u>	<u>41,443</u>	<u>19,588</u>	<u>87,185</u>

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2018

11. Fixed assets investments – Group and Charity

	(Charity only) Investments in subsidiaries £	Unit trusts £	2018 Total £	2017 Total £
Market value at 1 January 2018	2	1,089,715	1,089,717	1,452,466
Disposals	-	-	-	(400,000)
Realised investment gains/(losses)	-	-	-	6,970
Unrealised investment (losses)/gains	-	(97,133)	(97,133)	30,281
Market value at 31 December 2018	2	992,582	992,584	1,089,717
Historical cost at 31 December 2018	2	1,067,190	1,067,192	1,067,192
	Market value £	2018 cost £	Market value £	2017 cost £
M&G Charifund (income units)	510,498	579,555	588,882	579,555
M&G Charibond (income units)	482,084	487,635	500,833	487,635
	992,582	1,067,190	1,089,715	1,067,190

Holdings of more than 20%

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

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

The principal activity of The Coeliac Trading Company Limited (Company number 02856981) is to raise funds on a commercial basis for Coeliac UK (Limited by Guarantee), a registered charity. The address of the registered office is Third Floor, Apollo Centre, Desborough Road, High Wycombe, Buckinghamshire, HP11 2QW.

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2018

11. Fixed assets investments – Group and Charity (continued)

The aggregate amount of capital and reserves and the results of this undertaking for the year ended 31 December 2018 were:

	Profits to reserves Capital for the year	
	£	£
The Coeliac Trading Company Limited	2	-

During 2018 The Coeliac Trading Company Limited donated its entire profits under gift aid of £65,591 (2017: £138,835) to Coeliac UK (Limited by Guarantee). The profits are net of income and expenditure totalling £380,072 (2017: £457,445) and £316,686 (2017: £318,610) respectively.

Current asset investments and deposits held relate exclusively to cash deposit accounts amounted to £155,286 (2017: £80,160) as shown on the balance sheet.

12. Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	135,610	158,005	92,716	119,063
Income tax and VAT recoverable	35,681	-	50,813	-
Amounts owed by group undertakings	-	-	308,864	366,851
Prepayments and accrued income	303,672	297,365	302,408	297,037
	<u>474,963</u>	<u>455,370</u>	<u>754,800</u>	<u>782,951</u>

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2018

13. Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Grants payable	284,709	144,179	284,709	144,179
Trade creditors	183,423	195,391	180,773	192,321
Other tax and social security	33,526	47,862	33,526	33,949
Accruals	180,917	110,944	177,997	106,382
Deferred income (see below)	540,298	494,894	462,226	421,539
	<u>1,222,873</u>	<u>993,270</u>	<u>1,139,231</u>	<u>898,370</u>

Deferred income – Charity

	2018	2017
	£	£
At 1 January 2018	421,539	473,011
Released during the year	(421,013)	(472,064)
Deferred income related to membership, licensing and sponsorship	<u>461,700</u>	<u>420,592</u>
At 31 December 2018	<u>462,226</u>	<u>421,539</u>

14. Provision for liabilities and charges – Group and Charity

	£
At 1 January 2018	35,000
Charge for the year	<u>-</u>
At 31 December 2018	<u>35,000</u>

The provision relates to dilapidations costs that may become payable at the end of a current tenancy. The current tenancy has 10 years remaining.

Notes to the financial statements (continued)
For the year ended 31 December 2018

15. 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 2018 £	Incoming £	Outgoing £	Balance at 31 December 2018 £
Research	236,038	-	-	236,038
Local voluntary support groups	136,834	69,360	(108,750)	97,444
	<u>372,872</u>	<u>69,360</u>	<u>(108,750)</u>	<u>333,482</u>

Research

Income to be used for funding medical research into Coeliac disease and dermatitis herpetiformis, designated by the Board from unrestricted funds. The current balance represents the matched funding for the Innovate Grant and these will be awarded by the end of 2019 following a further research call.

Local voluntary support groups

The collective funds held and administered by Volunteer Groups, representing their working funds.

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2018

16. Restricted funds – Group and Charity

	Balance at 1 January 2018	Incoming	Outgoing	Investment income & gains	Balance at 31 December 2018
	£	£	£	£	£
Research	13,826	670,270	(328,610)	-	355,486
Local Support	-	2,485	-	-	2,485
Daily newspaper advert for Awareness Week	1,419	-	-	-	1,419
Care System campaigns	495	-	-	-	495
Freed from Research	15,242	-	-	-	15,242
Priority Setting Partnership	4,404	-	(4,404)	-	-
Diagnosis Campaign	-	18,000	(18,000)	-	-
Membership Helpline	-	25	(25)	-	-
Diagnosis TV Advert	2,278	40,000	(40,000)	-	2,278
Diagnosis Life Channel					
NHS	2,000	-	-	-	2,000
Pharmacy Packs	1,024	-	-	-	1,024
Big Lottery Fund – (Awards for All Scotland)	9,072	-	(4,157)	-	4,915
Moving on pack	-	8,386	(8,386)	-	-
Budget meal planner	-	4,381	(4,381)	-	-
	<u>49,761</u>	<u>743,547</u>	<u>(407,963)</u>	<u>-</u>	<u>385,344</u>

Restricted income and expenditure recorded in the previous accounting period was £137,959 and £120,295 respectively resulting in a net increase of £17,664 in the restricted funds held to £49,761 as at 31 December 2017.

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 herperiformis (DH).

Local support

The collective funds held and administered by Volunteer Groups.

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.

Care System campaign

Campaign to improve awareness in the care system.

16. Restricted funds – Group and Charity (continued)

Freed from Research

Campaign to raise funds for research.

Priority Setting Partnership

For funding of Priority Setting Partnership in research priorities.

Diagnosis Campaign

Campaign to improve diagnosis rates for Coeliac disease.

Membership Helpline

Funding for ongoing costs of providing the Coeliac UK Helpline.

Diagnosis TV Advert

TV advertising campaign to improve diagnosis rates for Coeliac disease.

Diagnosis Life Channel NHS

Advertising campaign for patients via Life Channel in GP surgeries to raise awareness of coeliac disease.

Pharmacy packs

Donations towards production of pharmacy information packs.

Big Lottery Fund (Awards for all Scotland)

Grant to fund awareness raising in the community in Scotland.

Moving On Pack (James Tudor Foundation)

Grant to provide an information pack for young adults designed for those experiencing independent living for the first time.

Awards For All Budget Meal Planner

To produce a range of weekly meal planners, to assist people on low incomes to manage their gluten free diet on a budget whilst maintaining a health balanced diet. The meal planners will be downloadable as pdf files from our website, available in hard copy for people without internet access and included in our packs for newly-diagnosed patients, as well as promoted to our network of Healthcare Professionals.

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2018

17. Analysis of net assets between funds – Group

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Tangible assets	134,046	-	-	134,046
Investments	992,582	-	-	992,582
Net current assets less provisions for liabilities and charges	108,841	333,482	385,345	827,668
	<u>1,235,469</u>	<u>333,482</u>	<u>385,345</u>	<u>1,954,296</u>

18. Lease commitments – Group

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and buildings		Office equipment	
	2018 £	2017 £	2018 £	2017 £
Within one year	96,265	80,986	7,155	4,462
Between two and five years	371,418	6,454	19,717	4,670
	<u>467,683</u>	<u>87,440</u>	<u>26,872</u>	<u>9,132</u>

19. Voluntary help

The charity had extra support from 1,220 (2017: 1,406) volunteers. The benefit of their contribution is not reflected in the financial statements.

20. Related party transactions

The charity received a management fee of £265,636 (2017: £236,320) from its subsidiary The Coeliac Trading Company Limited.

At 31 December 2018 a balance of £308,864 (2017: £366,851) was due from The Coeliac Trading Company Limited.

There were no other related party transactions in the reporting period that require disclosure.

Coeliac UK
(Limited by Guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2018

21. Capital Commitments

At the end of the year, the Charity was committed to capital expenditure of £Nil (2017: £4,250) in relation to the redesign of the website.

22. Pension commitments

The estimated pension deficit as at 30 September 2017 is £54,277. This is in accordance with the most recent independent valuation performed on 4 July 2018. Since April 2018, Coeliac UK has been contributing £1,773.84 a year, payable in monthly instalments of £147.82. Under the new recovery plan, from 1 April 2019 the deficit contributions that are required from Coeliac UK are £1,915.28 a year, payable in monthly instalments of £159.61. These payments increase by 3% per annum from 1 April 2020 and on each 1 April thereafter, as they do under the current recovery plan.

The current deficit of £54,277 is being paid at an immaterial amount to the charity on an annual basis, this deficit would only fall due in its entirety should the charity decide to withdraw from the scheme, the Board of Governors currently have no plans short or long term to withdraw from this scheme.

23. Reconciliation of net income/(expenditure) for the reporting period (as per the SOFA)

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the SOFA)	138,659	158,565
Adjustments for:		
Depreciation charges	46,740	40,743
Losses/(gains)/losses on investments	97,133	(37,251)
Dividends from investments	(41,149)	(48,027)
Bank interest	(1,072)	(183)
(Increase)/decrease in debtors	(19,593)	121,150
Decrease/(increase) in creditors	229,602	(208,497)
	<hr/>	<hr/>
Net cash provided by operating activities	450,319	26,500
	<hr/>	<hr/>
	2018	2017
	£	£
Analysis of cash and cash equivalents		
Cash in hand	336	925
Notice deposits (less than 3 months)	1,610,240	1,210,714
	<hr/>	<hr/>
Total cash and cash equivalents	1610,576	1,211,639
	<hr/>	<hr/>