

CROHN'S & COLITIS UK

FIGHTING INFLAMMATORY BOWEL DISEASE TOGETHER

Annual Report
and Financial
Statements
for the year ended
31st December 2018

Crohn's and Colitis UK
Registered Charity No. 1117148 (England and Wales) SC038632 (Scotland)
A Company limited by guarantee in England and Wales No. 05973370

This report represents a Directors' Report as required by S417 of the Companies Act 2006.

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A Welcome from our Chair & Chief Executive

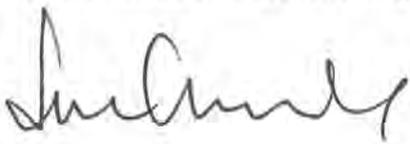
Delivering greatest impact

2018 represented the first year of our new 5 year strategy which marks a step change for people with Crohn's and Colitis as we pursue action to deliver the greatest impact. Our campaigns are achieving real world change with major travel hubs across the UK taking up the challenge of making toilet facilities accessible to those with invisible disabilities, but even more importantly providing the opportunity to promote awareness of Crohn's and Colitis with people in businesses and the public generally.

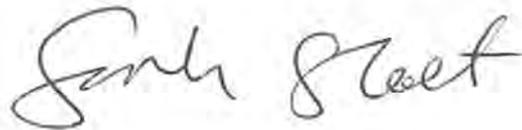
We are investing more than ever before in research, supporting the experts of the future through our first ever Richard Driscoll IBD Research Fellowship as well as a new collaboration addressing pain in Crohn's and Colitis. And we laid the foundations for improving the quality of essential clinical services so necessary for better patient experience. New IBD Standards of care were developed in 2018 including agreement on higher levels of access to IBD nurse specialists. Together with our work on supporting GPs to better diagnose and encouraging the take up of evidence based clinical practice elsewhere, our impact on patient care should be felt for many years to come.

To deliver more for everybody with Crohn's and Colitis the charity itself needs to be fit for purpose. In 2018 we began a complete overhaul of our Information and Communications Technology (ICT) infrastructure to meet modern standards as well as moved offices to support more productive working practices.

All this could not have been done without the ongoing support of our community who remain as passionate as ever about making the changes we need to deliver the impact we have agreed upon.



Sue Cherrie
Chair



Sarah Sleet
Chief Executive

Signed on 18 May 2019

An Overview of Crohn's & Colitis UK

We are the UK's leading charity for Crohn's and Colitis. Right now, over 300,000 people are living with these lifelong conditions that too many people have never heard of. We are working to improve diagnosis and treatment, and to fund research into a cure; to raise awareness and to give people hope, comfort and confidence to live freer, fuller lives.

OUR VISION:

Improved lives today
A world free from Crohn's and Colitis tomorrow

OUR MISSION:

We break taboos
We drive pioneering research
We support and bring people together
We campaign to improve lives
We are leading the fight against Crohn's and Colitis

OUR VALUES:

We are ambitious
We are compassionate
We are stronger together

Strategic Report

We want everyone to understand Crohn's and Colitis

2018 has been a year in which we made more impact than ever:

- Our 'Not every disability is visible' campaign made an even greater impact in its second year targeting travel hubs to work with us to change their toilet signage and train staff to recognise and support people with Crohn's or Colitis. Twenty one of the twenty seven 'hubs' approached have implemented support measures including Gatwick and Heathrow airports and Moto Hospitality service stations
- We laid the groundwork for doing more on the campaign in 2019 by winning external funding of £80K (including £20K for core costs) to target high street restaurants and pub chains.
- We increased our reach to gain universal recognition and acceptance of the Can't Wait Card by establishing an Alliance to work in partnership with other organisations such as the IBS Network and Colostomy UK.

- The quality of our campaigning was recognised with two national awards: Excellence in Healthcare Collaboration and Partnerships winners at Communique Awards & PMEA awards, and Highly Recommended in Charity of the Year awards for Campaigning and Advocacy
- We made sure that people are more likely to engage and take action on behalf of the charity by rolling out our new brand and communications messaging framework guidelines.

We want to drive world class research into the disease

2018 has been a year of trying out new things

- We continue to spend significant amounts of money on research with **£833,169** expenditure in 2018.
- Our portfolio of funding is broader than ever with a highly competitive funding round completed resulting in nine awards made utilising 99% of the funding available. Research ranged from ways to block the inflammation pathway in the gut, getting us one step closer to a new treatment for Crohn's and Colitis, to identifying the genetic variations associated with previously unknown disease pathways.
- We are bringing in new expertise to issues which matter to patients through our first collaborative network on Pain in IBD with Professor Christine Norton as Chair. The first two projects under the theme were awarded grants in 2018 and will begin in 2019.
- We are developing the experts of the future by appointing our first Richard Driscoll IBD Research Fellow – Dr Neil Chanchilani.
- We are encouraging more patient engagement in IBD research by launching a *Take Part in Research* section on our website and holding a research day with 120 attendees.

We want to support people and empower them to be active participants in managing their life with Crohn's and Colitis

2018 has been a year in which we reached more people in more ways

- More people found our support and information through our digital channels such as Facebook Live, Companion website and Facebook Forum. Four Live Q&A chats were held on Facebook/Twitter. Our Facebook page grew by 6% to 184,000 likes, Instagram followers by 60% (30,000) and Twitter followers by 17% (33,000). Our Forum membership was up by 23% (34,000).
- We inspired our members with two new publications, *Unstoppable*, for adults and young people towards the end of the year reaching nearly 6,000 adults and 1,225 children since launch.
- Demand for our information grew with a 48% increase in printed publications made available particularly around living with Crohn's and Colitis, and self-management.
- People encountering Crohn's and Colitis for the first time were helped to understand with an animated video on basics of inflammatory bowel disease, along with a Transition guide and films commended by the British Medical Association.
- We could help more people by extending our multichannel Helpline increasing use by 14% while LiveChat was extended to match Helpline hours growing its usage by 264% in 2018.
- We wanted to improve Disability Assessors' understanding of Crohn's and Colitis so that the right assessment is made first time for people with the conditions through our training of 2,000 assessors.
- We made use of new technology to support self-management by partnering with two self-management Apps for go live in April 2019.

We want high quality, sustainable, clinical care across the UK

2018 has been a pioneering year in which we led the way to improving the diagnosis, treatment and management of Crohn's and Colitis for patients all over the UK

- We helped to move the IBD Registry, a unique data resource for improvement in clinical care, to its next stage of development by brokering a strategic partnership to establish the Registry as a non-profitmaking company. The Registry continues to grow with a 10% increase in sites registering to supply data and use its services
- We chaired IBD UK, a partnership of organisations working together for everyone affected by Inflammatory Bowel Disease (IBD), leading the work on the new IBD Standards and the development of the first UK benchmarking tool by 17 stakeholder organisations – 152 healthcare professionals and 732 patients were involved
- We are improving care by producing specific indicators for NHS Right Care Optimum Pathway, to be disseminated to all commissioners in 2019
- A new IBD nursing caseload standard lifted the access levels from 1.5 to 2.5 full time equivalents per 250,00 patient population which was published in the *Health Service Journal*. The new level will be incorporated into the agreed IBD Standards in 2019.
- An audit of IBD nurse provision undertaken in 2018 is demonstrating the positive influence of the charity in the uptake of IBD nurses in services – 17% of nurses reported our positive impact.
- New tools were developed in Scotland: Flare Card/Care Plan to be rolled out to all IBD Services in Scotland will be made available on the Crohn's and Colitis UK Patient Empowerment Guide and the IBD UK website.
- Help for patients and nurses to find their nearest IBD nurse specialist was given a boost with the launch of an Interactive IBD Nurse map: 13,571 page views, with 8,726 uses of the post code search function.
- We helped to secure a new model of community based IBD Nurses with funding for a Scottish government pilot to commence spring 2019.

We want early and accurate diagnosis for all

2018 has been a year of consolidation and planning for expansion

We wanted to help GPs understand what is needed to diagnose and manage patients with Crohn's and Colitis by collaborating on a module for e-learning and GP toolkit going live on Royal College of General Practitioners website. Following a linked promotion in an article in *British Journal of General Practice* there have been 5,340 unique users of the GP toolkit and 1,500 GPs reached directly via sessions, constituting 8.7% of the UK GP population **Flare Pathways** for Crohn's & Colitis being developed via a task & finish group set up with representatives from the British Society of Gastroenterology, Royal College of Nursing, Primary Care Society for Gastroenterology, Royal College of General Practitioners and invaluable patient experts.

- Collaboration with NHS Business Authority & Academic Health Science (AHS) Networks to roll out the NICE-endorsed faecal calprotectin pathway
- Six GP IBD Champions recruited.

Enabling the charity to achieve our goals

2018 has been a year of substantial changes

In order to achieve our five year strategy we have changed where and how we work.

We have vacated the Grosvenor Road office and set up a modern replacement in Hatfield based on agile working and a clear desk policy. Staff can move to different desks to work with others on projects and paper data protection risks have been reduced.

As reported last year, the Board recognised that more investment is needed in ICT infrastructure to really benefit from technology available and a designated fund of £575,000 has been utilised to ensure that we provide the smartest services possible to our supporters and beneficiaries. All work is now conducted and stored on a system based on MS Office 365. A new MS Dynamics Customer Relationship Management (CRM) solution has been rolled out in a number of services and will be fully implemented in 2019.

Our Data Protection programme completed in time to comply with new legislation and a cross team Steering Group set up to: learn from any incidents; monitor and recommend on the comprehensive training put in place for staff; and develop further guidance and procedures as needed. In 2018 we received 15 complaints/queries of which 9 were breaches caused by system errors. We have learned from these and changed procedures where necessary. None were at a level that required further reporting.

We have invested time in introducing new policies as well as reviewing some old ones. The investment in Governance has resulted in: a comprehensive review of processes; the introduction or revision of policies; and effective implementation and reporting. Work continues to refine decision making and guidance.

Funding our work

Our pledge by the Board

We could not do the work we do without you. This is why we value your trust so highly and why, when you make the decision to support us, we make this promise to you:

We will:

- only contact you if you have expressed an interest in our work and have given your consent for us to do so
- communicate with our supporters and beneficiaries with respect and sensitivity
- provide information about our charitable spend to see what a difference you're making
- change how we communicate with you, or stop communicating with you, if you ask us to
- abide by the Fundraising Regulator's codes of practice
- ensure all our activities are open, fair, honest and legal
- train, educate and monitor any fundraising agencies we use to ensure they live up to this promise
- make it easy for you to contact our supporter care team with any questions or queries you have about our fundraising
- protect your data, taking every effort to ensure it is both safe and up to date
- never sell or swap anyone's contact details with other organisations
- only use fundraising agencies that live up to our values and this pledge
- not conduct our fundraising with the use of persistent 'hard sell' techniques or unreasonable pressure to elicit your support.

We actively support the Fundraising Regulator's drive to establish acceptable fundraising standards across the sector. In 2018 we worked particularly hard to ensure that the introduction of the General Data Protection Regulation is seamless for our supporters. We ensure that fundraising approaches are only made to individuals with an existing relationship with the charity and abide by our fundraising pledge to enable us to continue to deliver gold standard fundraising.

Complaints: In 2018 we received 22 complaints about our fundraising representing a very small proportion of our interactions. A revised Complaints Policy was approved on 13 July 2018 to meet the new legislative requirements and ensure that we learn from feedback effectively. The new CRM will greatly assist tracking how we deal with this when fully rolled out next.

How we have raised the money

Below are some of our fundraising highlights for 2018:

- We raised £5,860,166 (excluding membership subscriptions and investment income), representing a 15% rise on last year.
- We grew Membership by 14% reaching 40,857 members by the end of the year and raised £636,858 in subscriptions.
- With an established trust fundraising team in place, income from charitable trusts and foundations grew by 57% in 2018, exceeding £400,000 for the first time in the charity's history.
- 364 incredible runners raised £58,700 in sponsorship at our brand new **10 kilometre** event Run the Night.
- We launched our Weekly Supporters' Lottery in June which has raised over £24,000 already.
- We also launched our first ever legacy recognition programme with the tree of hope.
- We retained or upgraded all of our major corporate partnerships delivering our best ever year.
- We launched our Facebook Fundraiser platform in May and raised over £173,000 during the remainder of the year. All donations through Facebook are fee free and over 90% of these donations were in aid of birthday fundraisers set-up by our supporters.

Charity of the Year

We were delighted to be chosen as Charity of the Year for the following 29 organisations across the UK this year:

B/E Aerospace Kilkeel	Moravian Women's Association	Southam College
Bletchley Masonic Lodge	Mrs R Sweeney Annual Golf Day	Surbiton High Girls' Prep School
Davidsons Chemists	Orchard School	Sutton Green Golf Club
Father And Son Golf	Pelican Healthcare	Temple Golf Club
Inner Wheel Club Of Ipswich	Ponteland Golf Club	The Elsevier Foundation
James Tredwell Testimonial Year	QVC	The Friends That Do
Jardine Lloyd & Thompson	Riverside Farmers Beluncle Farm	Total E&P UK Limited
Lanhydrock Hotel & Golf Club	Sainsbury's - Willerby	W.L. Gore & Associates (UK) Ltd
Lochinver House School	Securicare and Clinimed	Wareham Golf Club
MHS Homes	Sinai Synagogue	

Corporate income remained in excess of £600k for the year, in addition to being selected Charity of the Year for the above companies, we secured and retained partnerships or received donations from the following companies to whom we extend our sincere thanks for their support:

Abtec Limited	Enterprise Rent-A-Car (UK) Ltd	Pfizer
Abbvie (UK)	Ergonomic Solutions	Pickering Electronics Ltd
Aico	Garden Centre Overstrand	Roche Products Limited
Amgen	Gastropharm	Sandoz
Argus Media	Gilead	Shire Pharmaceuticals Group Plc
Artemis Charitable Foundation	HCD Economics Ltd	Stifel
Arval Uk Ltd	Healthcare Financial Management	Takeda UK Ltd
Aubrey Fish & Son Ltd	Association	Tillotts Pharmaceutical UK
Brannen & Partners	ICAEW South Essex	TK Maxx - Guiseley
Brewdog	Incisive Media	TK Maxx - Prescot
C Brewer & Sons Ltd	Janssen	TK Maxx - Warrington
Caledonian Society, Riyadh	MNB Properties Ltd	W.L. Gore & Associates (UK) Ltd
Canada Life	Selective Market Place Ltd	Waitrose
Coal Merchants' Federation	NFRC	West Kington Nurseries Ltd
Coloplast Ltd	Norgine	William Grant & Sons Distillers Ltd
Enquest	Pennies from Heaven	Youngs

Trusts and Foundations

We saw a significant increase in support from charitable trusts and foundations in 2018, with a 68% increase in trust income, securing awards from numerous new trusts as well as those which continue to value and support our work.

We would like to express our sincere and heartfelt gratitude to all these trusts, including:

Big Lottery Awards for All	NHS England Community Grant
Bill Brown's Charitable Settlement	Peter Kershaw Trust
Chelsea Football Foundation	PF Charitable Trust
BBC Children in Need	QBE European Operations Foundation
February Foundation	Robert Luff Foundation
Garfield Weston Foundation	The Band Trust
Grocers' Charity	The D'Oyly Carte Charitable Trust
Lord Leverhulme's Charitable Trust	William Adlington Cadbury Charitable Trust
Morrisons Foundation	

Governance, structure and management

Legal status and objects

Crohn's and Colitis UK is a Company Limited by Guarantee in England and Wales (05973370) and is a Charity registered in England and Wales no. 1117148 and in Scotland no. SC038632. Until 2006, the Charity was a Charitable Unincorporated Association registered in England and Wales under charity number 282732 in the name of The National Association for Colitis and Crohn's Disease. It adopted Crohn's and Colitis UK as a working name in 2010 and formally changed it in June 2016.

The Charity is governed by its Articles of Association, last amended 2 Sept 2017.

The Charity's objects, as set out in its constitution, are:

- the relief of those suffering from Ulcerative Colitis, Crohn's Disease or related inflammatory bowel diseases (together, generally referred to as IBD) including the support of those who care for them
- the promotion of the welfare of those suffering from Ulcerative Colitis, Crohn's Disease or related inflammatory bowel diseases
- the advancement of education and research into the causes, prevention, treatment and cure of Ulcerative Colitis, Crohn's Disease or related inflammatory bowel diseases, improvements in the management of the conditions, and the publication of the results of such research.

Mindful of the need to further strengthen governance with the growth of Crohn's and Colitis UK over recent years and the widespread publicity undermining confidence in charities, we have again continued to invest in ensuring legal compliance alongside high standards of governance and accountability.

Public benefit

In accordance with the Charities Act 2011, Crohn's and Colitis UK is required to confirm that the activities it undertakes to achieve its objectives are all carried out for public benefit as described by the Charity Commission. It should be noted that all of the Charity's services are open to non-members to use as well as members. We have demonstrated in this report how we have met the objects above.

Members

In 2018 our membership continued to grow by significantly taking our total membership to 40,857. This reach brings us real insight into how we can support those living with Crohn's and Colitis to live well. We are continuing to review the role of members and our membership interactions – such as communications on joining and our membership offer including member benefits.

We welcomed almost 11,000 new members to the charity in 2018 many of whom were newly diagnosed or joined to receive our Can't Wait Card.

	2018
Members start of the year	35,622
New members	10,948
Lapsed members	5,713
End of year figure	40,857
% change	15% growth
% retention rate	83%

Trustees and organisational structure

The constitution provides for a Board of Trustees consisting of four honorary officers plus no fewer than three and not more than eight ordinary Trustees, elected at the annual general meetings of members. New Trustees are appointed through a transparent recruitment and selection process and are elected for an initial period of three years following which they are eligible for re-election for two further terms of three years. Once elected, they receive inductions that include spending time at the Charity's offices, meeting with the Senior Leadership team, engaging with staff, attending an external Trustee induction course and being supplied with a Trustee Handbook.

The Board of Trustees has responsibility for the governance and strategic direction of the Charity, ensuring that the Charity upholds its ethos and values and delivers its objectives. Authority for the operation of the Charity is delegated to the Senior Leadership Team (SLT), led by the Chief Executive, which reports to the Trustees to the levels described in a Scheme of Delegation last revised by the Board in December 2017. The SLT is responsible for advising the Trustees and carrying through the policies and activities in accordance with the direction and budget set out by the Trustees.

The Trustees have the power to co-opt advisers as non-voting members of the Board and appoint a number of committees. There are five committees of the Board: Finance and Audit; Research Strategy and Funding; Governance; People and Organisational Development; and Fundraising. In 2018 we also had two Task and Finish Groups chaired by Trustees to bring recommendations to the Board regarding: Relocation; and IT/CRM systems.

The Trustees regularly review progress against its aims and objectives at every Board meeting and receive interim updates on important matters through Board Committees and electronic communication.

The Charity has maintained Trustee Liability cover with its insurers as permitted by our constitution.

The Trustee Board met three times during 2018. The Honorary Officers, Trustees, Senior Leadership Team and committee members are as outlined on page 39 and 40.

Subsidiary undertaking

NACC Merchandise Ltd is a wholly owned subsidiary company of the Charity. The principal activity of the company is the sale of Christmas cards and merchandise sold online and by mail order. Taxable profits of £41,665 (2017: £89,783) were transferred to the Charity under Gift Aid. More information on the results of NACC Merchandise Ltd is given in note 10 to the Financial Statements.

Employees

Crohn's and Colitis UK is committed to creating a great place to work. We recognise the direct link between employee satisfaction and great service delivery, which is evident in the impact we have on the people we work with and campaign for.

We place great value on ensuring our employees are well informed and engaged to deliver their best for people with IBD. In 2018 we continued to work with our Staff Forum to look at issues raised and further improve engagement and promote our values. We also had a task & finish group of mixed employees to work specifically on 'The Way We Work'.

It is the Charity's policy to provide equal opportunities to job applicants and employees of any race, nationality, ethnic origin, marital status, religion or belief, gender, disability, sexual orientation, age or employment status. The Charity does not condone or tolerate any form of discrimination in its recruitment or employment practices.

Volunteers

Volunteers continue to play a vital role in the work of the Charity and we value the time, dedication and support we receive from all our volunteers and supporters. We have been actively engaging with our Volunteer Networks and the Volunteer team have travelled the UK making regular and frequent visits to the Network teams to support their activity. The Networks have continued to roll out our flexible model of volunteering simplifying the processes for Networks. We successfully recruited new volunteers to help us run our support helplines and their annual training event took place in Hatfield in the Autumn. WALK IT volunteers supported the successful delivery of 8 Walk Its with 92% reporting a Good or Excellent experience. In the year we revised and updated our volunteer policy to reflect current best practice.

Risk review

The Trustees, with input from the Chief Executive and staff, have conducted a review of the risks to which the Charity is exposed in its ongoing activities. In particular, the Trustees considered:

- the type of risks the Charity faces
- the level of risks they regard as acceptable
- the likelihood of the risk concerned materialising
- the Charity's ability to reduce the incidence and impact of risks that have been identified
- the costs of operating particular controls relative to the benefit obtained.

The Trustees review risks in relation to any new developments proposed and the Finance and Audit Committee reviews the full risk register (maintained by the SLT) at their quarterly meetings. The top line risks are also discussed at the full Trustees' meeting on a quarterly basis. The Trustees undertake to conduct at least annual reviews of the areas for which they are responsible.

The Trustees have identified the following principal risks facing the Charity:

- Consistent representation of the Crohn's and Colitis patient's voice is essential to our credibility and reputation. To ensure we build on this we are developing a Patient Engagement Team for a cross organisational approach to place patients and their voices at the centre of our strategies.
- Ability to evaluate the impact of our activities against our strategy is essential to the effectiveness of our work. We worked to identify and embed impact measurement into the charities activities.
- A fast moving technology environment and our own rapid organisational growth has meant that our existing systems cannot deliver the level of service that we and our supporters require including allowing us to measure our impact. A Trustee led customer relationship management (CRM) ICT project was set up in 2017. Many changes were implemented with our relocation and all new systems are due online by the summer of 2019.
- Failure to properly use the new IT infrastructure by identifying all the requisite skills needed by new and existing staff could impact the efficiency of the charity. Training requirements and ways of working are being actively assessed.

Plans for future periods

Within our five year strategy considerable time was spent in preparing an operational plan for 2019 and the review included our:

- constitution, vision, mission and values
- governance arrangements
- impact and outcomes measurement
- volunteer and employee engagement
- supporter care
- information management
- grant making
- fundraising investment
- research priorities
- health service development

Financial review

Compliance

The Financial Statements have been prepared in accordance with the accounting policies set out in the notes to the Financial Statements and comply with:

- the Charity's governing document
- the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act 2011
- Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Ireland published on 16 July 2014.

The financial results for the year are set out in the Consolidated Statement of Financial Activities (SOFA). This represents the total income and expenditure relating to all activities in the year, made up of the work of the Charity at national level, local networks and the contribution from the trading company, NACC Merchandise Ltd.

The figures in the following paragraphs are taken from the SOFA and from the notes to the Financial Statements.

2018 results

During 2018 the Charity has made an overall deficit of £336,035 (2017: £524,947 deficit) split between an unrestricted funds deficit of £260,820 (2017: £387,204 deficit) and restricted funds deficit of £75,215 (2017: £137,743 deficit).

Income has increased significantly to £6,522,303 from £5,637,768 in 2017. The main sources were legacies, donations, membership subscription, events and community fundraising (featuring the successful nationwide WALK IT events), trust and corporate partnership income.

In terms of expenditure, the Charity's commitment to grants totalling £1,287,457 (2017: £1,292,966), included research grants, support grants and local grants alongside direct costs. The establishment's headcount grew in 2018, with average staff numbers increasing from 61 to 71 providing additional resource across all departments.

Reserves Policy

The Reserves Policy revised by the Board on 14th February 2018 outlines a framework to balance the need to maintain adequate funds to sustain future activity with that of making best use of those funds raised and donated by supporters and partners.

Total reserves fell to £2,746,751 (2017 £3,082,786) after the planned deficit in 2018.

The Charity holds restricted funds to the value of £45,590 (2017: £120,805), which may only be used in accordance with specific restrictions imposed by the donor.

The Charity also holds unrestricted funds to the value of £2,701,161 (2017: £2,961,981) of which £1,185,534 (2017: £1,722,369) were designated funds as follows:

- Customer Relationship Management (CRM) System Development – the charity identified the need for improved software and hardware to support better engagement with its supporters. The Board authorised £575,000 for the development of this important infrastructure, of which £288,973 has been used to date.
- Local Networks – The Trustees also agreed that any accumulated surpluses from the Volunteer Networks should be held for future use by Networks, and a designated fund has been established for this purpose. Networks are required to utilise these funds within 2 years of the end of the year in which they are reported.
- Fixed Assets – A designated fund has been created that represents the net book value of tangible fixed assets insofar as these funds are not available for immediate use.

The balance of unrestricted funds not otherwise designated represents the free reserves of the Charity. The Trustees have agreed that in order to maintain adequate levels of working capital to fund day-to-day operations, and to protect the Charity from income fluctuations and seasonal volatility, free reserves should represent a minimum of eight weeks' planned income, or eight weeks' planned expenditure. At the end of 2018, free reserves stood at £1,515,627 which represents 11 weeks' planned unrestricted expenditure for 2019.

Cash and investments

The funds of the Charity are largely represented by cash and term deposits including £262,478 held by our Local Networks. In early 2019 the investment policy has been revised and funds placed into a charity restricted ethical investment fund managed by CCLA Investment Management.

Pension costs

The Charity operates a defined contribution pension scheme, established in 2015 through Legal & General. New employees are automatically enrolled in the scheme, and staff that may subsequently opt to leave the scheme will be re-enrolled after three years.

Staff remuneration

Crohn's and Colitis UK is committed to ensuring a proper balance between (i) paying our staff who work for us fairly so that we attract and retain the very best people with the right experience and leadership qualities and (ii) careful management of our charity funds. In so doing we ensure the greatest effectiveness in delivering our charitable objectives and meeting the needs of our beneficiaries.

Staff salaries are determined by reference to bands that take account of the levels of capability and experience required, authority and discretion levels. Our salaries need to be competitive within the charity sector but we do not aim to compete on pay with the public or private sectors.

Our salary bands are independently benchmarked against charities of similar size, income, location and structure, to ensure that salary levels are both appropriate and competitive. Salaries are reviewed annually by line managers on the basis of performance against key objectives, and on evidence of behaviours exemplifying the Charity's values. The Trustees have oversight of and agree any annual staff salary award which may be made.

Salaries of the Senior Leadership Team are agreed by the Board of Trustees and will take account of the past year's achievements, environmental and market conditions, and of sector comparisons.

Our overall staff numbers are closely monitored to ensure that we have the necessary capacity to deliver the Charity's work whilst ensuring that any future growth in staff numbers is in line with the Charity's overall growth plans.

Our work is dependent on voluntary donations and we act in an open and transparent way that respects the money, time and energy given by donors and volunteers. In our commitment to openness, we disclose information about senior staff salaries within our annual report. This is in line with recommendations and guidelines from the National Council for Voluntary Organisations (NCVO).

Grant making policies

Research grants

Applications for grants for: Medical; Living with IBD; and Health Service Development research are invited on an annual basis. Applications are considered by members of the Awards Panels, comprising academic and medical specialists as well as lay representatives. External specialist referees are asked to comment confidentially on applications.

Crohn's and Colitis UK has been awarded a Certificate of Good Practice for its peer review procedures by the Association of Medical Research Charities. Grants are normally made for periods of up to three years, with reports required at annual intervals. Funds are normally set aside for the total cost of the project in the year of the award.

The Research Strategy and Funding Committee review and approve the recommendations of the panel by delegated authority from Board of Trustees. Our website now has an area dedicated to reporting back, in 'plain English', on the findings from the research projects we fund.

Support grants

Support Grants were made from the Welfare Fund and are decided by the Support Grants Panel, a small group of volunteers including a Trustee. Grants are made to people living on low incomes and with specific needs arising from their IBD. The normal maximum grants in 2018 were £500 under the personal grants and £1,000 for education and vocational training. A review of Personal Grants was undertaken to determine the impact achieved through grants. After careful consideration a decision was taken to discontinue the grants and reinvest the money in educational support and patient education.

Local grants

Local Networks may make grants to local hospitals to support or enhance aspects of the provision for IBD patients. Grants have to be made according to the policy guidelines approved by the Trustees and generally cannot be made for items that should otherwise be funded by the relevant NHS Trust.

Statement of responsibilities of trustees

The Trustees (who are also Directors of Crohn's and Colitis UK for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law requires Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these Financial Statements, the Trustees 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 business.

The Trustees are responsible for keeping adequate accounting records that 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 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the Trustees are aware:

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

The Trustees are 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 financial statements may differ from legislation in other jurisdictions.

The Strategic Report and The Financial Review were approved by the Trustees on 18 May 2019 and signed on their behalf by Sue Cherrie – Chair of the Board of Trustees.

Independent auditors' report

Independent auditor's report to the members of Crohn's and Colitis UK

Opinion

We have audited the financial statements of Crohn's & Colitis UK (the parent 'charitable company') and its subsidiary undertaking (the group) for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the 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 group's and of the parent charitable company's affairs 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, the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006; and to the Charity's Trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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 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, and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 and 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Elizabeth Irvine
Senior Statutory Auditor
For and on behalf of WMT
Chartered Accountants and Statutory Auditor
Verulam Point
St Albans
Hertfordshire
AL1 5HE

Financial statements

Crohn's and Colitis UK
 Consolidated Statement of Financial Activities
 Including Income and Expenditure Account for the year ended 31 December 2018

	Note	Unrestricted funds (inc. designated funds note 22)	Restricted funds	Total funds 2018	Total funds 2017
		£	£	£	£
Income from:					
Donations and legacies	2	1,963,538	644,642	2,608,180	1,936,913
Charitable activities	5	613,072	23,786	636,858	535,195
Other trading activities	3	2,710,162	528,415	3,238,577	3,135,779
Investments	4	25,279	-	25,279	23,931
Other		13,409	-	13,409	5,950
Total income		5,325,460	1,196,843	6,522,303	5,637,768
Expenditure on:					
Raising funds	9	2,108,855	35,263	2,144,118	1,912,284
Charitable activities:					
Grantmaking	11	-	1,287,457	1,287,457	1,292,966
Supporter Services		503,878	266,812	770,690	677,445
Marketing and Communications		768,482	85,677	854,159	843,983
Policy, Public Affairs and Campaigns		670,797	62,467	733,264	705,129
Networks & Volunteering		369,481	89,021	458,502	396,981
Membership costs		602,846	-	602,846	345,735
Total expenditure	6	5,024,339	1,826,697	6,851,036	6,174,523
Net income/(expenditure) before investment gains/(losses)		301,121	(629,854)	(328,733)	(536,755)
Gains/(losses) on investments	17	(7,302)	-	(7,302)	11,808
Net income/(expenditure)		293,819	(629,854)	(336,035)	(524,947)
Transfers between funds	15	(554,639)	554,639	-	-
Net movement in funds		(260,820)	(75,215)	(336,035)	(524,947)
Reconciliation of funds:					
Total funds brought forward		2,961,981	120,805	3,082,786	3,607,733
Total funds carried forward		2,701,161	45,590	2,746,751	3,082,786
		Note 22	Note 23		

All gains and losses arising in the year are included in the Statement of Financial Activities.

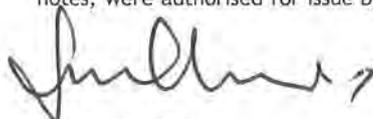
The net deficit of the Charitable Company for the year was £336,035 (2017 £524,947).

Crohn's and Colitis UK
Balance sheets at 31 December 2018

	Note	Group*		Charitable Company	
		2018 £	2017 £	2018 £	2017 £
Fixed assets					
Intangible assets	16	272,237	36,794	272,237	36,794
Tangible assets	16	611,118	238,896	611,118	238,896
Investment	17	-	596,797	1	596,798
Total Fixed Assets		883,355	872,487	883,356	872,488
Current assets					
Debtors	18	861,091	851,475	860,757	852,410
Cash at bank and in hand	19	3,731,518	3,876,944	3,705,397	3,819,910
Total Current Assets		4,592,609	4,728,419	4,566,154	4,672,320
Liabilities					
Creditors: amounts falling due within one year	20	(2,238,551)	(2,146,126)	(2,212,097)	(2,090,029)
Net current assets		2,354,058	2,582,293	2,354,057	2,582,291
Total assets less current liabilities		3,237,413	3,454,780	3,237,413	3,454,779
Creditors: amounts falling due after one year	20	(440,662)	(320,494)	(440,662)	(320,494)
Provisions for liabilities	21	(50,000)	(51,500)	(50,000)	(51,500)
Total net assets		2,746,751	3,082,786	2,746,751	3,082,786
The funds of the charity					
Unrestricted funds					
Designated funds held nationally	22	566,993	1,145,542	566,993	1,145,542
Designated funds held by Networks		618,541	576,827	618,541	576,827
General Reserve Fund held nationally		1,515,627	1,239,612	1,515,627	1,239,612
Total unrestricted funds		2,701,161	2,961,981	2,701,161	2,961,981
Restricted funds					
Held nationally	23	45,590	120,805	45,590	120,805
Held by Local Networks		-	-	-	-
Total restricted funds		45,590	120,805	45,590	120,805
Total charity funds		2,746,751	3,082,786	2,746,751	3,082,786

Under the Companies Act 2006 s454, on a voluntary basis the Trustees can amend these financial statements if they subsequently prove to be defective.

The accounts, which comprise the consolidated statement of financial activities, the balance sheets and the related notes, were authorised for issue by the Board of Trustees on 18 May by:



Sue Cherrie, Chair

Company Number : 05973370
English Charity Number : 01117148
Scottish Charity Number : SC038632

* Group represents the consolidation of the Charity with its trading company.

Crohn's and Colitis UK
Consolidated statement of cash flows
for the year ended 31 December 2018

	2018	2017
	£	£
Cash flows from operating activities		
Net cash provided by (used in) operating activities	<u>(43,477)</u>	<u>110,387</u>
Cash flows from investing activities:		
Interest from investments	25,279	23,931
Purchase of property, plant & equipment	(716,723)	(255,404)
Sale/(purchase) of investments	589,495	-
Net cash provided by (used in) investing activities	<u>(101,949)</u>	<u>(231,473)</u>
Change in cash and cash equivalents in the year	(145,426)	(121,086)
Cash and cash equivalents at 1 January 2018	3,876,944	3,998,030
Cash and cash equivalents at 31 December 2018	<u><u>3,731,518</u></u>	<u><u>3,876,944</u></u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities:		
Net income/(expenditure) for the year (as per the SOFA)	(336,035)	(524,947)
Depreciation charges	109,057	42,755
(Gains)/losses on investments	7,302	(11,808)
Dividends and interest from investments	(25,279)	(23,931)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in debtors	(9,616)	93,940
Increase/(decrease) in creditors	212,593	534,378
Increase/(decrease) in provision	(1,500)	-
Net cash provided by (used in) operating activities	<u>(43,478)</u>	<u>110,387</u>
Analysis of cash and cash equivalents		
Cash in hand	486,045	767,961
Notice deposits	3,245,473	3,108,983
Total cash and cash equivalents (a)	<u><u>3,731,518</u></u>	<u><u>3,876,944</u></u>

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018

1 Accounting policies

Basis of accounting

The Charity is a public benefit entity and the accounts have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice for Charities (SORP), FRS102, the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, relevant law and accounting standards.

Going Concern

The Trustees have reviewed the financial plans and cash flows for the coming twelve months and are satisfied that it is appropriate for the accounts to be prepared on a going concern basis.

Group financial statements

These financial statements consolidate the results of the Charity and its wholly owned trading subsidiary NACC Merchandise Limited, on a line by line basis, using the purchase method. A separate statement of financial activities (SOFA) and separate statement of cash flows are not presented because the Charity has taken advantage of the provisions of paragraph 408 of the Companies Act 2006.

Local Networks

The Charity had fifty local networks that were active to some degree during the year. All active networks are required to make returns of income and expenditure for the year which are consolidated in the financial statements.

Income

- i) All income is included in the accounts without netting off expenditure.
- ii) Members' subscriptions are taken to income in full in the year of receipt.
- iii) Investment income is taken to income on the accruals basis.
- iv) Donations received are treated as unrestricted funds unless they are specifically designated by the donor.
- v) Legacies are included in the financial statements as soon as entitlement and receipt can be anticipated with a high degree of probability, and a reliable basis for valuation is established, and are not discounted.

Expenditure

- i) Expenditure is charged on an accruals basis.
- ii) The full cost of booklets, leaflets etc. is charged in the year the expenditure is incurred.
- iii) Research grants are charged to expenditure at the time they are allocated.

Grants are allocated to cover the cost of equipment and/or the salaries of research staff.

The majority of grants, which can be for more than one year, are paid quarterly in arrears. For administrative reasons it can take some time for the grantee to appoint suitable staff and consequently some grants may remain partly unpaid at the year end.

Full provision is made for amounts allocated but not yet paid and this provision is shown as a creditor falling due within one year and after one year.

- iv) The majority of costs are directly attributable to specific activities. Costs incurred in respect of the charitable activities include elements of staff costs and attributable support costs.
- v) Support costs are those costs which are common to all areas of the organisation, including premises and office operating costs. Included in support costs are Governance costs, which comprise those costs associated with meeting the constitutional and statutory requirements of the Charity. Support costs are allocated across all areas of activity on the basis of staff time spent on each activity.
- vi) Irrecoverable VAT has been analysed and but not apportioned across the costs to which it relates.

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Debtors

Debtors are stated in the balance sheet at estimated net realisable value, being the invoiced amount less provisions for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and interest bearing deposits.

Creditors

Expenditure is recognised in the accounts on the accruals basis, giving rise to creditors at the year end.

Other than grants (discussed below), these are all payable within one year.

Grants

Grants are split between current and non-current liabilities. The provision for a multi-year grant is recognised at its actual value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions that would permit the Charity to avoid making the future payment(s) and settlement is probable. The effect of discounting has been discussed and is considered immaterial in both current and prior year ends.

Capitalisation and depreciation of tangible and intangible fixed assets

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	straight line over the lease period
Fixtures and fittings	25% per annum straight line
Software development	20% per annum straight line
Computer equipment	33% per annum straight line

Capital commitments are disclosed as at the year end.

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the SOFA.

Pension Contributions

The Charity makes contributions for employees to a group personal pension scheme. This is a defined contribution scheme to which Crohn's and Colitis UK makes employer's contributions of either 5% or 8% of gross pay.

Funds Accounting

Funds held by the Charity are:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds - these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes in accordance with the development plans of the organisation and to enable the completion of existing projects.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

These funds are further divided between those held nationally and those held by Local Networks. Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis as they arise.

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

2	Donations and legacies				2018	2017
					£	£
	Donations from members				144,149	147,425
	Donations to Local Networks				63,537	109,488
	Other donations (in memoriam, payroll, gift aid)				1,104,066	915,172
					<u>1,311,752</u>	<u>1,172,085</u>
	Legacies					
	Research				171,605	-
	Unrestricted				1,124,823	764,828
					<u>2,608,180</u>	<u>1,936,913</u>
3	Income from other trading activities				2018	2017
					£	£
	National fundraising				3,093,081	2,913,550
	Local Networks' fundraising				68,863	73,223
	External turnover of trading subsidiary				76,633	149,006
					<u>3,238,577</u>	<u>3,135,779</u>
4	Investment income and interest				2018	2017
	Other Interest:				£	£
	Charity				25,259	23,923
	Trading subsidiary				20	8
					<u>25,279</u>	<u>23,931</u>
5	Income from charitable activities				2018	2017
					£	£
	Subscriptions				636,858	535,195
					<u>636,858</u>	<u>535,195</u>
6	Expenditure on charitable activities					
		Direct	Direct	Support	Total	Total
		staff	other	costs		
		costs	costs		2018	2017
		£	£	£	£	£
	Cost of generating funds (note 9)	685,468	1,072,170	386,480	2,144,118	1,912,284
	Charitable activities					
	Grantmaking (note 11)	106,297	1,181,160	-	1,287,457	1,292,966
	Supporter Services	551,846	121,326	97,518	770,690	677,445
	Marketing and Communications	424,954	283,267	145,938	854,159	843,983
	Policy, Public Affairs & Campaigns	329,074	277,740	126,450	733,264	705,129
	Networks & volunteering	252,044	135,398	71,060	458,502	396,981
	Membership costs	209,953	280,615	112,278	602,846	345,735
		<u>2,559,636</u>	<u>3,351,676</u>	<u>939,724</u>	<u>6,851,036</u>	<u>6,174,523</u>
		(note 7)		(note 8)		

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

7 Staff costs	2018	2017
	£	£
Wages and salaries	2,212,001	1,837,103
Social security costs	212,518	181,349
Pension costs	135,117	111,793
	<u>2,559,636</u>	<u>2,130,245</u>

The average number of staff and the allocation of their time was:

	2018	2017
	No.	No.
Charitable activities		
Direct	37	33
Support	11	9
Cost of generating funds	23	19
	<u>71</u>	<u>61</u>

The Charity was supported by 850 volunteers across the UK, engaged in events delivery as well as awareness, fundraising and information sharing. Volunteers also support the Charity on a variety of internal panels, as well as in the media, as Trustees, in our office and providing three separate Helpline services.

Key management compensation

Operational management of the Charity is overseen by the Chief Executive, supported by a Senior Leadership Team of seven (2017: five). Total remuneration, including pension costs in 2017 was £595,094 (2017: £410,533).

One member of staff was paid more than £120,000 and less than £130,000 (2017: none).

One member of staff was paid more than £70,000 and less than £80,000 in the year (2017: two).

Two members of staff were paid more than £60,000 and less than £70,000 in the year (2017: three).

Pension contributions in respect of these staff members totalled £30,767 (2017: £26,601).

During the year the sum of £55,083 termination payments was paid out to three members of staff whose contracts were terminated by the Charity, and paid in full in the year when the staff left.

8 Support Costs	2018	2017
	£	£
Other staff related costs	109,804	158,728
Premises costs	416,366	197,437
Office operating costs	355,487	234,585
Other costs	58,067	54,656
	<u>939,724</u>	<u>645,406</u>

Included in support costs are the following:

Amortisation of intangible fixed assets	16,736	-
Depreciation of tangible fixed assets	92,322	42,755
Property rental	<u>331,221</u>	<u>137,834</u>

Support costs are allocated across the activity areas of the Charity on the basis of direct staff time related to that activity.

9 Direct cost of generating funds	2018	2017
	£	£
External costs of trading subsidiary	76,653	149,014
National fundraising direct costs	2,033,202	1,727,212
Local Networks' fundraising	34,263	36,058
	<u>2,144,118</u>	<u>1,912,284</u>

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

10 Trading Subsidiary

The Charity has a wholly owned trading subsidiary NACC Merchandise Limited, a company incorporated in England & Wales. The company sells Christmas cards and other products. The company transfers its taxable profits to the Charity. A summary of the trading results of the company is shown below. Audited accounts have been filed with the Registrar of Companies.

	2018	2017
	£	£
Profit and loss account		
Turnover	76,633	149,006
Cost of sales	(23,072)	(46,515)
Gross profit	<u>53,561</u>	<u>102,491</u>
Administrative expenses	(11,916)	(12,716)
Interest receivable	20	8
Net Profit/(loss) on ordinary activities	<u>41,665</u>	<u>89,783</u>
Amount gift aided to Crohn's & Colitis UK	(41,665)	(89,783)
Net Profit for the year	<u>-</u>	<u>-</u>
Retained profit brought forward	<u>-</u>	<u>-</u>
Retained profit carried forward	<u>-</u>	<u>-</u>

11 Grant making expenditure

	2018	2017
	£	£
Support grants	175,265	199,338
Medical research	469,790	459,529
Living with IBD research	243,427	196,684
IBD Health Services	119,952	111,580
Research partnership grants	-	164,980
Other - Local Grants made by Networks	45,136	15,879
	<u>1,053,570</u>	<u>1,147,990</u>
Direct costs of grant making process	233,887	144,976
	<u>1,287,457</u>	<u>1,292,966</u>

Support grants

Grants are made to individuals who have a particular need arising as a result of their inflammatory bowel disease. 439 grants were made in the year totalling £175,265 (2017: £199,338).

Research grants

Grants are awarded by Crohn's & Colitis UK Research Committees to fund research projects that have been approved by peer review. Grants may be for equipment, consumables or salaries. The institutions to which grants were paid in 2018 are listed below. Crohn's & Colitis UK does not contribute to the overhead costs of such institutions.

Crohn's and Colitis UK Notes to the Accounts
For the year ended 31 December 2018 (continued)

11 Grant making expenditure (continued)

	2018	2017
	£	£
Medical research		
University of Cambridge	157,450	-
University of Exeter	120,000	-
MRC Laboratory of Inflammation	118,767	-
Queen Mary University of London	73,573	-
University of Oxford	-	23,779
University of Edinburgh	-	74,597
University of Leeds	-	58,067
University of Nottingham	-	118,379
Kings College London	-	64,945
University of Norwich	-	119,762
	<u>469,790</u>	<u>459,529</u>

Other grants

Local Networks raised funds for local projects to which grants totalling £45,136 (2017 £15,879) were made.

Social & Psychological Research

	2018	2017
	£	£
University of Exeter	-	119,721
Royal Wolverhampton NHS Trust	-	72,653
University of Edge Hill	-	48,979
University of Aston	33,790	-
Sheffield Teaching Hospitals	119,967	-
St Georges University	89,670	-
Completed grants reattributed	-	(44,669)
	<u>243,427</u>	<u>196,684</u>

IBD Health Service Grants

Guys and St Thomas' Hospital	-	111,580
University of Cambridge	119,562	-
	<u>119,562</u>	<u>111,580</u>

Research Partnership grants

Queen Mary University	-	10,000
University of Cambridge	-	10,000
University of Oxford	-	10,000
University of Glasgow	-	9,980
Royal College of Surgeons	-	60,000
IBD Registry	-	65,000
	<u>-</u>	<u>164,980</u>

12 Governance direct costs

	2018	2017
	£	£
Auditor's remuneration - current year	16,900	14,735
Legal and professional expenses	1,039	6,607
Meetings and trustee expenses	14,776	16,651
	<u>32,715</u>	<u>37,993</u>

13 Transactions with Trustees

No Trustee received any remuneration for their services as a Trustee.

A total of £3,866 (2017 - £3,682) was reimbursed to or paid on behalf of 5 (2017: 4) Trustees in respect of travelling expenses and other costs incurred in carrying out their responsibilities as Trustees.

14 Operating Leases

At 31 December 2018 the group had commitments under non-cancellable leases as follows:-

	Equipment	Land and Buildings	Equipment	Land and Buildings
	2018	2018	2017	2017
	£	£	£	£
Amounts payable within 1 year	-	288,958	-	317,343
Amounts payable between 2 and 5 years	-	818,713	-	986,982
	<u>-</u>	<u>1,107,671</u>	<u>-</u>	<u>1,304,325</u>

Total operating lease expenditure recognised in the SOFA amounted to £331,221 (2017: £136,740)

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

15 Transfers

Transfers are made for a variety of reasons, between types of funds and between National and Local Networks, the note below illustrates these:

	Unrestricted Funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
National				
Transfers between national funds	(17,804)	(536,835)	554,639	0.50
Transfers (from)/to Local Networks' funds	-	-	-	-
Transfers (from)/to designated funds	-	-	-	-
Total national funds	<u>(17,804)</u>	<u>(536,835)</u>	<u>554,639</u>	<u>-</u>
Local Networks				
Transfers from national funds	-	-	-	-
Transfers between Local Networks' funds	-	-	-	-
Transfers to national funds	-	-	-	-
Total Local Networks' funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>(17,804)</u>	<u>(536,835)</u>	<u>554,639</u>	<u>-</u>
	(note 22)	(note 22)	(note 23)	

16 Intangible fixed assets

All assets held for use by the Charity

Charity

	Software development	Total
Cost	£	£
Brought forward 1 January 2018	36,794	36,794
Additions in year	252,179	252,179
Disposals	-	-
Carried forward at 31 December 2018	<u>288,973</u>	<u>288,973</u>
Amortisation		
Brought forward 1 January 2018	-	-
Charge for the year	16,736	16,736
Disposals	-	-
Carried forward at 31 December 2018	<u>16,736</u>	<u>16,736</u>
Net book value		
At 31st December 2018	<u>272,237</u>	<u>272,237</u>
At 31st December 2017	<u>36,794</u>	<u>36,794</u>
Group*		
Cost	£	£
Brought forward 1 January 2018	36,794	36,794
Additions in year	252,179	252,179
Disposals	-	-
Carried forward at 31 December 2018	<u>288,973</u>	<u>288,973</u>
Amortisation		
Brought forward 1 January 2018	-	-
Charge for the year	16,736	16,736
Disposals	-	-
Carried forward at 31 December 2018	<u>16,736</u>	<u>16,736</u>
Net book value		
At 31st December 2018	<u>272,237</u>	<u>272,237</u>
At 31st December 2017	<u>36,794</u>	<u>36,794</u>

*Group represents the consolidation of the Charity with its trading company.

At 31 December 2018 there are capital commitments relating to the CRM software development of £78,027 (2017 : Nil)

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

16 Tangible fixed assets (continued)

All assets held for use by the Charity

Charity	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Total
Cost	£	£	£	£
Brought forward 1 January 2018	254,528	252,092	-	506,620
Additions	302,577	25,836	136,131	464,544
Disposals	(95,815)	-	-	(95,815)
Carried forward at 31 December 2018	<u>461,290</u>	<u>277,928</u>	<u>136,131</u>	<u>875,349</u>
Depreciation				
Brought forward 1 January 2018	73,440	194,284	-	267,724
Charge for the year	50,206	20,355	21,761	92,322
Disposals	(95,815)	-	-	(95,815)
Carried forward at 31 December 2018	<u>27,831</u>	<u>214,639</u>	<u>21,761</u>	<u>264,231</u>
Net book value				
At 31st December 2018	<u>433,459</u>	<u>63,289</u>	<u>114,370</u>	<u>611,118</u>
At 31st December 2017	<u>181,088</u>	<u>57,808</u>	<u>0</u>	<u>238,896</u>
Group*	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Total
Cost	£	£	£	£
Brought forward 1 January 2018	254,528	252,092 0	-	506,620
Additions	302,577	25,836 0	136,131	464,544
Disposals	(95,815)	-	-	(95,815)
Carried forward at 31 December 2018	<u>461,290</u>	<u>277,928</u>	<u>136,131</u>	<u>875,349</u>
Depreciation				
Brought forward 1 January 2018	73,440	194,284 0	-	267,724
Charge for the year	50,206	20,355 0	21,761	92,322
Disposals	(95,815)	-	-	(95,815)
Carried forward at 31 December 2018	<u>27,831</u>	<u>214,639</u>	<u>21,761</u>	<u>264,231</u>
Net book value				
At 31st December 2018	<u>433,459</u>	<u>63,289</u>	<u>114,370</u>	<u>611,118</u>
At 31st December 2017	<u>181,088</u>	<u>57,808</u>	<u>-</u>	<u>238,896</u>

*Group represents the consolidation of the Charity with its trading company

At 31 December 2018 there are no capital commitments (2017 : £197,157)

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

17 Investments	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Market value of investments at 1 January 2018	596,797	584,989	596,798	584,990
Acquisitions at cost	-	-	-	-
Disposals/proceeds	(589,495)	-	(589,495)	-
Gains/(losses) on investments	(7,302)	11,808	(7,302)	11,808
Market value of investments at 31 December 2018	<u>-</u>	<u>596,797</u>	<u>1</u>	<u>596,798</u>

In October 2016, the charitable company invested £600,000 in M&G's Charibond Fixed Interest Common Investment Fund.

This was sold on 26 July 2018 for £589,496.

The charitable company's balance sheet includes a £1 investment in NACC Merchandise Ltd (see note 10).

18 Debtors	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
All amounts fall due within one year				
Balance with trading subsidiary	-	-	-	61,257
Prepayments	363,404	364,644	363,403	364,644
Tax recoverable	65,714	38,042	65,714	38,042
Other debtors	60,143	112,596	60,143	111,624
Accrued income	371,830	336,193	371,497	276,843
	<u>861,091</u>	<u>851,475</u>	<u>860,757</u>	<u>852,410</u>

19 Analysis of cash at bank and in hand	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Current accounts and cash balances	223,567	465,791	197,446	408,757
Interest-bearing account balances	3,245,473	3,108,983	3,245,473	3,108,983
Local Networks	262,478	302,170	262,478	302,170
	<u>3,731,518</u>	<u>3,876,944</u>	<u>3,705,397</u>	<u>3,819,910</u>

20 Creditors: amounts falling due within one year	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Unpaid balances of research grants	1,503,626	1,368,527	1,503,626	1,368,527
Trade creditors	396,538	522,934	372,199	473,499
Social security and other taxes	56,287	67,056	56,020	64,944
Accruals and deferred income	282,100	187,609	280,252	183,059
	<u>2,238,551</u>	<u>2,146,126</u>	<u>2,212,097</u>	<u>2,090,029</u>

Creditors: amounts falling due after one year	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Unpaid balances of research funds	<u>440,662</u>	<u>320,494</u>	<u>440,662</u>	<u>320,494</u>

21 Provisions for liabilities	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Dilapidations provision	<u>50,000</u>	<u>51,500</u>	<u>50,000</u>	<u>51,500</u>

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

22 Unrestricted funds		2018 Brought forward	Income	Expenditure	Transfers	2018 Carried forward
		£	£	£	£	£
Designated funds						
Fixed Assets	(a)	275,691	-	-	5,275	280,966
Property Fund	(b)	331,645	-	-	(331,645)	-
CRM	(c)	538,206	-	-	(252,179)	286,027
Networks retained funds	(d)	576,827	-	-	41,714	618,541
		<u>1,722,369</u>	<u>-</u>	<u>-</u>	<u>(536,835)</u>	<u>1,185,534</u>
Other unrestricted funds						
General Reserve Fund held Nationally		1,239,612	5,248,807	4,954,988	(17,804)	1,515,627
Non charitable trading funds		-	76,653	76,653	-	-
		<u>1,239,612</u>	<u>5,325,460</u>	<u>5,031,641</u>	<u>(17,804)</u>	<u>1,515,627</u>
Total		<u><u>2,961,981</u></u>	<u><u>5,325,460</u></u>	<u><u>5,031,641</u></u>	<u><u>(554,639)</u></u>	<u><u>2,701,161</u></u>

- (a) A fund is maintained that represents the net book value of tangible fixed assets in so far as these funds are not available for immediate use.
- (b) The Property fund was established by the Trustees in order to fund the acquisition and fit-out of a new property on the expiry of the previous tenancy in 2018.
- (c) The CRM designated fund is the identified need of the Charity for improved software to assist with income generation and improved database of supporters and sponsors.
- (d) The Trustees have agreed that accumulated surpluses from the Networks should be designated for future use by Networks. Networks are required to utilise these funds within two years of the end of the year in which they are reported.

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

23 Restricted funds		2018 Brought forward	Income	Expenditure	Transfers *	2018 Carried forward
		£	£	£	£	£
National						
Research	(a)	-	554,648	648,436	93,788	-
Welfare - support grants	(b)	-	36,110	175,265	139,155	-
Publications and Videos	(c)	11,324	64,500	75,824	(1)	-
Health Support Scotland	(d)	18,455	2,000	20,455	-	-
Northwest Nurses PEP	(e)	427	-	427	-	-
Patient Map/IBD Companion	(f)	12,018	-	11,710	-	308
Family Network	(g)	-	11,910	11,910	-	-
Young people and families	(h)	36,639	39,614	76,684	431	-
London Walk - Corporate Income	(i)	0	1,000	1,000	-	-
Helplines	(j)	11,500	73,018	84,518	-	-
IBD Nurses	(k)	7,494	18	7,512	-	-
Clinical Connect	(l)	6,000	-	5,879	-	121
Patient Information	(m)	12,000	94,471	106,471	-	-
IBD Register	(n)	-	43,953	43,953	-	-
Travel with IBD	(o)	4,948	-	4,948	-	-
Patient Engagement	(p)	-	16,922	16,922	-	-
External events	(q)	-	7,500	7,500	-	-
In Their Shoes	(r)	-	60,450	46,218	-	14,232
Living with IBD Research	(s)	-	-	363,379	363,379	-
Richard Driscoll IBD fellowship	(t)	-	467	-	-	467
Spotlight	(u)	-	27,000	27,000	-	-
IBD Boost	(v)	-	2,462	-	-	2,462
Volunteer Development	(w)	-	2,500	-	-	2,500
Patient Empowerment Guide	(x)	-	5,500	-	-	5,500
Not Every Disability is Visible	(y)	-	20,000	-	-	20,000
Property	(z)	-	400	-	(400)	-
Total restricted funds held nationally		120,805	1,064,443	1,736,011	596,353	45,590
Local Networks						
Local projects	(u)	-	132,400	90,687	(41,714)	-
Total restricted funds held locally		-	132,400	90,687	(41,714)	-
Total restricted funds		120,805	1,196,843	1,826,697	554,639	45,590

* Where expenditure on a particular fund exceeds income, a transfer has been made from Unrestricted funds.

- (a) Research - Medical and Living with IBD research grants funded by individual supporters
(b) Welfare - personal grants funded by individual supporters
(c) Publications and Videos - Corporate and supporter funding for publications made available to the public
(d) Health Support Scotland - Funding for the parliamentary lobbying of Scotland Government
(e) Northwest Nurses PEP - Corporate funding to support this programme
(f) Patient Map/IBD Companion - Corporate funding to support this programme
(g) Family Network - Funding to support the Family Network programme
(h) Young people and families - funds received for events and support of younger people and families
(i) London Walk - corporate funding received in support of the London Walk supporter event
(j) Helplines - funds received to support the running and staffing of the Charity's helplines
(k) IBD Nurses - funding to support the achievement of the IBD Standard regarding provision and access to IBD Nurses
(l) Clinical Connect - funds to support the development of a designated area of the website for Health Care Professionals
(m) Patient Information - funds received to support the re-printing and distribution of patient literature provided to hospitals
(n) IBD Register - to help fund a new CEO of the newly incorporated IBD registry
(o) Travel with IBD - to improve the experience of travelling with IBD
(p) Patient Engagement - allow IBD patients participation in the planning, development and delivery of their healthcare services
(q) External Events- exhibit at the BSG annual meeting to gather information, distribute materials and educate key individuals
(r) In Their Shoes - to help everyone understand what sufferers of the disease experience

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

23 Restricted funds (continued)

- (s) Living with IBD research - helping to understand the full effects of the disease
- (t) Richard Driscoll IBD fellowship - specific fellowship for IBD research
- (u) Spotlight - to improve understanding of IBD amongst GPs, and to produce a toolkit and educational materials
- (v) IBD Boost - utilise digital platforms to import Patient Reported Outcomes Measurement data into the IBD Registry through currently available NHS data safe-havens
- (w) Volunteer Development- support for volunteer networks hosting events for patients, families and medical professionals
- (x) Patient Empowerment Guide - help patients feel in control of their condition and allow them to actively manage it
- (y) Not Every Disability is Visible - change accessible toilet signage to help raise awareness
- (z) Property - to help develop the new office premises as part of the relocation

24 Analysis of Charity net assets between funds

	Unrestricted		Restricted		Total £
	Local Networks	National	Local Networks	National	
	£	£	£	£	
Fund balances at 31 December 2018 are represented by:					
Fixed assets	-	883,355	-	-	883,355
Current assets	618,541	1,987,141	-	1,986,927	4,592,609
Current liabilities	-	(737,876)	-	(1,500,675)	(2,238,551)
Long term liabilities	-	-	-	(440,662)	(440,662)
Provisions for liabilities	-	(50,000)	-	-	(50,000)
	<u>618,541</u>	<u>2,082,620</u>	<u>-</u>	<u>45,590</u>	<u>2,746,751</u>

25 Related Party

Apart from the Gift Aid transfer of profits from NACC Merchandise Ltd as detailed in Note 10, and the £8,000 charge for administration and merchandise (2017:£8,000) there are no related party transactions in the year.

At the year end the Charity owed the subsidiary £2,592 (2017: £61,257 debtor).

26 Gifts in kind

Crohn's & Colitis UK received gifts in kind during the year relating to the goods and services to a value of £57,850 relating to Google grants.

These amounts have not been included in the financial statements as their value is not considered to be material.

27 Financial Instruments

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Financial assets				
Financial assets that are measured at amortised cost	<u>431,640</u>	<u>389,439</u>	<u>431,640</u>	<u>388,467</u>
Financial liabilities				
Financial liabilities that are measured at amortised cost	<u>2,622,926</u>	<u>2,399,563</u>	<u>2,596,739</u>	<u>2,345,578</u>

Financial assets measured at amortised cost comprise trade and other debtors, and accrued income.

Financial liabilities measured at amortised cost comprise the unpaid balance of research grants, trade creditors, accruals and deferred income.

In addition, balances at bank as detailed on the balance sheet, represent financial instruments.

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

28 Consolidated Statement of Financial Activities for the year ended 31 December 2017	Unrestricted funds 2017	Restricted funds 2017	Total funds 2017
	£	£	£
Income from:			
Donations and legacies	2 1,535,987	400,926	1,936,913
Charitable activities	5 521,595	13,600	535,195
Other trading activities	3 2,656,289	479,490	3,135,779
Investments	4 23,931	-	23,931
Other	4,310	1,640	5,950
Total income	4,742,112	895,656	5,637,768
Expenditure on:			
Raising funds	9 1,875,226	37,058	1,912,284
Charitable activities:			
Grantmaking	11 -	1,292,966	1,292,966
Supporter Services	653,547	23,898	677,445
Marketing and Communications	721,530	122,453	843,983
Policy, Public Affairs and Campaigns	661,072	44,057	705,129
Groups & Volunteering	292,331	104,650	396,981
Membership costs	341,735	4,000	345,735
Total expenditure	4,545,441	1,629,082	6,174,523
Net income/(expenditure) before investment gains/(losses)	196,671	(733,426)	(536,755)
Gains/(losses) on investments	17 11,808	-	11,808
Net income/(expenditure)	208,479	(733,426)	(524,947)
Transfers between funds	30 (595,683)	595,683	-
Net movement in funds	(387,204)	(137,743)	(524,947)
Reconciliation of funds:			
Total funds brought forward	30 3,349,185	258,548	3,607,733
Total funds carried forward	2,961,981	120,805	3,082,786

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

29 Expenditure on charitable activities

	Direct staff costs	Other direct costs	Support costs	Total 2017	Total 2016
	£	£	£	£	£
Cost of generating funds (note 9)	625,729	1,027,321	259,235	1,912,285	1,170,912
Charitable activities					
Grantmaking (note 11)	76,694	1,216,272	-	1,292,966	826,444
Supporter Services	459,381	122,110	95,954	677,445	316,815
Marketing and Communications	288,773	452,100	103,110	843,983	832,135
Policy, Public Affairs & Campaigns	315,395	294,709	95,025	705,129	687,272
Networks & Volunteering	197,949	156,205	42,826	396,980	359,916
Membership costs	166,325	130,154	49,256	345,735	252,610
	2,130,246	3,398,871	645,406	6,174,523	4,446,104

30 Unrestricted funds

	2017 Brought forward	Income	Expenditure	Transfers	2017 Carried forward
	£	£	£	£	£
Designated funds					
Heyman Fund (a)	102,609	-	-	(102,609)	-
Research (b)	250,000	-	-	(250,000)	-
Fixed Assets (c)	63,040	-	-	212,651	275,691
Property Fund (d)	500,000	-	-	(168,355)	331,645
Information & Technology Fund (e)	100,000	-	-	(100,000)	-
Networks retained funds (f)	365,603	-	-	211,224	576,827
CRM (g)	-	-	-	538,206	538,206
Designated total	1,381,252	0	0	341,117	1,722,369
Other unrestricted funds					
General Reserve Fund held					
Nationally	1,967,933	4,593,098	4,384,619	(936,800)	1,239,612
Non charitable trading funds	-	149,014	149,014	-	-
	1,967,933	4,742,112	4,533,633	(936,800)	1,239,612
Total	3,349,185	4,742,112	4,533,633	(595,683)	2,961,981

- (a) The Heyman Fund was established from a legacy to be used to fund the development of specialist nursing for IBD. Expenditure has been allocated against this during the year and the fund exhausted.
- (b) The Trustees previously established a fund to enable the Charity to enter into or sustain commitments for research funding for which no third party funding has been identified, and which would otherwise have to be met from operating income and free reserves. Given the high level of research expenditure this additional designation has not been continued.
- (c) A fund is maintained that represents the net book value of tangible fixed assets in so far as these funds are not available for immediate use.
- (d) The Property fund has been established by the Trustees in order to fund the acquisition and fit-out of a new property on the expiry of the existing tenancy in 2018.
- (e) The Trustees previously established a designated fund to enable the Charity to invest in developing its systems capability, an exploit new technological opportunities for raising awareness of IBD, and providing services to beneficiaries. This funding was all allocated during the year with new hardware and detailed reviews and planning of new software.
- (f) The Trustees have agreed that any accumulated surpluses from the Networks should be designated for future use by Network. Networks are required to utilise these funds within three years in which they are reported.
- (g) The CRM designated fund is the identified need of the Charity for improved software and hardware to assist with income generation and improved database of supporters and sponsors.

Crohn's and Colitis UK Notes to the Accounts
for the year ended 31 December 2018 (continued)

31 Restricted funds		2017 Brought forward	Income	Expenditure	Transfers *	2017 Carried forward
		£	£	£	£	£
National						
Research	(a)	-	369,461	994,905	625,444	-
Welfare - support grants	(b)	-	50,719	207,182	156,463	-
IT project (Scotland Health Service)	(c)	20,031	-	20,000	(31)	-
Bristol area (Sidney Hulin Legacy)	(d)	20,000	-	20,000	-	-
Intern programme	(e)	12,865	-	12,865	-	-
Summer camps	(f)	9,500	-	9,500	-	-
Publications and Videos	(g)	10,050	40,416	39,142	-	11,324
Health Support Scotland	(h)	-	19,300	845	-	18,455
Young people in Scotland	(i)	1,250	-	1,250	-	-
Northwest Nurses PEP	(j)	5,116	-	4,689	-	427
Patient Map/IBD Companion	(k)	17,078	-	5,060	-	12,018
Family Network	(l)	2,966	-	2,998	32	-
Young people and families	(n)	45,343	75,869	84,573	-	36,639
UC Patient Survey	(o)	4,000	-	4,000	-	-
London Walk - Corporate Income	(p)	-	1,000	1,000	-	-
Helplines	(q)	-	11,500	0	-	11,500
IBD Nurses	(r)	-	17,841	10,347	-	7,494
Clinical Connect	(s)	6,000	-	0	-	6,000
Grant for training		-	1,640	1,640	-	-
Patient Information	(t)	-	30,199	18,199	-	12,000
IBD Register	(v)	-	50,000	75,000	25,000	-
Patient panels	(w)	-	5,000	5,000	-	-
Travel with IBD	(x)	-	40,000	35,052	-	4,948
Total restricted funds held nationally		154,199	712,945	1,553,247	806,908	120,805
Local projects	(u)	104,349	182,711	75,835	(211,225)	-
Total restricted funds held locally		104,349	182,711	75,835	(211,225)	-
Total		258,548	895,656	1,629,082	595,683	120,805

* Where expenditure on a particular fund exceeds income, a transfer has been made from Unrestricted funds.

- (a) Research - Medical and Living with IBD research grants funded by individual supporters
- (b) Welfare - personal grants funded by individual supporters
- (c) IT project (Scotland Health Service) - specific IT related project
- (d) Sidney Hulin Legacy - funds to be utilised in the Bristol area
- (e) Intern programme - externally funded programme for staff intern placements in Government
- (f) Summer camps - funds raised to cover summer camps for sufferers of IBD
- (g) Publications and Videos - Corporate and supporter funding for publications made available to the public
- (h) Health Support Scotland - Funding for the parliamentary lobbying of Scotland Government
- (i) Young people in Scotland - funding to support young people in Scotland
- (j) Northwest Nurses PEP - Corporate funding to support this programme
- (k) Patient Map/IBD Companion - Corporate funding to support this programme
- (l) Family Network - Funding to support the Family Network programme
- (n) Young people and families - funds received for events and support of younger people and families
- (o) UC Patient Survey - funds received for a survey of patients with Ulcerative Colitis
- (p) London Walk - corporate funding received in support of the London Walk supporter event
- (q) Helplines - funds received to support the running and staffing of the Charity's helplines
- (r) IBD Nurses - funding to support the achievement of the IBD Standard regarding provision and access to IBD Nurses
- (s) Clinical Connect - funds to support the development of a designated area of the website for Health Care Professionals
- (t) Patient Information - funds received to support the re-printing and distribution of patient literature provided to hospitals
- (u) Local Networks projects - these funds are now all held under designated
- (v) IBD Register - to help fund a new CEO of the newly incorporated IBD registry
- (w) Patient panels - to support patients and healthcare professionals to improve their IBD service
- (x) Travel with IBD - to improve the experience of travelling with IBD

Administrative details

Board of Trustees, officers and senior management team

Life President

Professor John Lennard-Jones (deceased April 2019)

Vice Presidents

Rod Mitchell

Bradley Brown

Elaine Steven

Board of Trustees

Sue Cherrie (Chairman)

Sarah Denselow (Hon Secretary)

Tom Reddy (Hon Treasurer)

Alan Thackrey (Vice Chairman)

Deborah Hodges

Caroline Silke

Azmina Verjee (until June 2018)

Dr Gill Holdsworth

Derek McEwan (until June 2018)

Graham Bell

Amanda Quincey

Justine Woolf

Co-opted Advisors

Dr Barney Hawthorne – Chief Medical Advisor

Isobel Mason – IBD Nursing Advisor

Senior Leadership Team

David Barker, Chief Executive (until September 2018)

Sarah Sleet, Chief Executive (from March 2019)

Helen Terry, Director of Research

Dan McLean, Director of Marketing Communications and Membership

David Risser, Director of Information and Support Services (from March 2018)

Andrew Adie, Director of Finance and Corporate Services (from Jan 2018)

Rukshana Kapasi, Director of Health Service Development (from June 2018)

Sam Afhim, Director of Income Generation

Sam Holliday, Director of People and Organisational Development (until August 2018)

Board Committees

Research Strategy and Funding Committee

Dr Gill Holdsworth (Chair)

Azmina Verjee (until June 2018)

Kati Simpson

Prof. Jonathan Rhodes

Mr Omar Faiz

Prof. Christine Norton

Dr Karen Kemp

Prof. David Rampton

Dr. Miles Parkes

Dr. Ailsa Hart

Prof. Richard Russell

Helen Terry (Ex officio)

David Barker (Ex officio) until Sept 2018

Finance and Audit Committee

Tom Reddy (Chair)

Alan Thackrey

Sue Cherrie

Angus McLean

David Barker (Ex officio)

Andrew Adie (Ex officio)

Kate Metcalfe (Ex officio)

Governance Committee

Sarah Denselow (Chair)

Sue Cherrie

Deborah Hodges

Tim Mutum

David Barker (Ex officio) until Sept 2018

Jane Roberts (Ex officio)

People and Organisational Development Committee

Deborah Hodges (Chair)
Sue Cherrie
Amanda Quincey
Sam Holliday (Ex officio) until August 2018
David Barker (Ex officio) until Sept 2018

Relocation Task and Finish Group

David Barker (Chair) until Sept 2018
Tom Reddy
Justine Woolf
Group formally stood down Nov 2018

Fundraising Committee

Caroline Silke (Chair)
Derek McEwan until June 2018
Sam Afhim (Ex officio)
Andrew Adie (Ex officio)
Joanna Pearce (Ex officio)
Nicki Secker (Ex officio)
Leanne Downie (Ex officio)
Alice Kennedy (Ex officio)

IT/CRM Project Group

Graham Bell (Chair)
Sam Afhim
Andrew Adie
Productle (external adviser)

Professional services

Auditors

Williamson Morton Thornton LLP
Verulam Point,
Station Way
St Albans
Hertfordshire
AL1 5HE

Bankers

Principal bankers:

Lloyds TSB plc
36 Chequer Street
St. Albans
Herts AL1 3YQ

Other relevant bankers:

Bank of Scotland

Beauleerc House
3 Queens Road
Reading
RG1 4AR

Close Brothers Treasury

10 Crown Plaza
London EC2A 4FT

Cater Allen Private Bank

2 Triton Square
Regent's Place
London NW1 3AN

Solicitors

Bates, Wells & Braithwaite
10 Queen Street Place
London EC4R 1BE

Debenhams Ottaway Solicitors

Ivy House
107 St. Peter's Street
St. Albans
Herts AL1 3EW

Clydesdale Bank

4th Floor, Verulam Point
Station Way
St. Albans
Herts AL1 5HE

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Thank you so much

We are incredibly grateful to each and every one of our supporters for enabling us to reach so many people living with Crohn's, Colitis and other forms of IBD in 2018.

For more information about who we are, what we do and how you can help, please get in touch.

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Crohn's & Colitis Support: **0121 737 9931**
(Mon to Fri: 13:00 – 15:30 and 18:30 – 21:00)

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