

CROHN'S & COLITIS UK

FIGHTING
INFLAMMATORY
BOWEL DISEASE
TOGETHER

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2016



Crohn's and Colitis UK

Registered Charity No. 1117148 (England and Wales) SC038632 (Scotland)

A Company Limited by guarantee in England and Wales Company No. 5973370

This report represents a Directors Report as required by S417 of the Companies Act 2006. The Trustees have taken advantage of the exemptions available to small companies in the preparation of this report.



**CROHN'S
COLITIS**

2460

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A WELCOME FROM OUR CEO & CHAIRMAN 2016: A YEAR OF ACHIEVEMENT

Welcome to our 2016 Annual Report and Accounts.

It has been a tremendous year of delivery and further development for Crohn's and Colitis UK – a year in which we have seen some of the rewards of the substantial changes made to the Charity in 2014/15. Within the pages of this report you can read about a number of our achievements in 2016 but in brief we have:

- reached out to and supported growing numbers of people affected by Crohn's Disease and Ulcerative Colitis
- funded a growing portfolio of research projects across genetics, treatments and children
- delivered innovative awareness and action-based campaigns around increasing specialist nursing provision and accessible toilets
- played a key role in supporting and driving quality improvement across healthcare services
- continued to innovate and harness digital opportunities across all our work
- delivered an impressive 19% growth in our fundraising – enabling us to do more for people affected by Inflammatory Bowel Disease
- focused on the continued development, productivity and governance of the Charity.

None of this would be possible without the hard work of our staff team, volunteers and growing community of members and supporters. Their enthusiasm, passion and shared determination to help the Charity grow and prosper have enabled us to deliver more things for more people affected by Crohn's Disease and Ulcerative Colitis. Their commitment to our work inspires us and we are eternally grateful for all they do.

Our work in 2016 has also been set against a backdrop of increasing scrutiny of charities across the UK. Our Board of Trustees, supported by our staff team, has played a key part in ensuring that all areas of our governance, compliance and delivery of best practice live up to the standards expected by all of our supporters, stakeholder groups and regulatory bodies. We take this responsibility very seriously and consider it our job to ensure that we keep doing the right things in the right way – from responsible fundraising to responsible spending and investing. We work hard to keep your trust and we are proud of the tremendous way in which all our staff and supporters work tirelessly to achieve our goals.

Going forward, we will continue to audit, monitor and constantly review all we do in order to ensure we are delivering a gold standard across all the work of the Charity. In 2017 we will be launching our next 5 Year Strategy based on work which is currently underway to assess and develop how the Charity can deliver the greatest possible impact for people affected by Crohn's Disease and Ulcerative Colitis over the next five years.

We have come a long way but there is a significant amount still to do and we are looking forward to 2017 and beyond with a sense of optimism about our future.



Sue Cherrie
Chairman



David Barker
Chief Executive

AN OVERVIEW OF CROHN'S & COLITIS UK

WHO WE ARE:

We are a UK Charity with a very clear purpose: To lead the battle against Crohn's Disease, Ulcerative Colitis and other forms of Inflammatory Bowel Disease (IBD).

Our staff, volunteers, supporters, donors and fundraisers are dedicated to improving the lives of everyone affected by these conditions.

OUR FUTURE:

At the end of 2016 we commenced a review of our vision, mission and values to ensure they continued to accurately reflect who we are and what we stand for. These will capture the essence of our ambition, aspirations and approach as we move into 2017 and beyond.

Before these are launched, however, all the activities and achievements outlined in this report continue to be underpinned by our existing vision, mission and values.

OUR VISION:

We want to see a world in which people's lives are not limited by Crohn's and Colitis. Our vision couldn't be more ambitious, yet with determination, a clear focus and a strong strategy, we passionately believe that it is possible to achieve it.

OUR MISSION:

We work with everyone affected by Crohn's and Colitis and help them achieve a better quality of life by providing support, improving services and ultimately finding a cure.

OUR VALUES:

Compassion
Inclusion
Collaboration
Empowerment
Excellence



WHAT WE DO:

We have a clear plan to help our Charity achieve our vision and mission. This plan concentrates on four strategic strands:

1. EDUCATION AND SUPPORT:

We generate greater awareness and understanding of Crohn's Disease and Ulcerative Colitis, and produce high quality information to support people living with the conditions. We arm them with the knowledge they need to manage their conditions and provide them with a range of support to help them live life to the fullest.

2. BETTER HEALTHCARE AND PUBLIC SERVICES

We work with the UK health sector to improve the diagnosis, treatment and management of IBD. We want everyone living with these conditions to access the best specialist services.

We campaign vigorously – for more knowledge, better health provision and more support for people affected by Crohn's and Colitis. This is a key part of our ongoing fight against IBD.

3. LIFE-CHANGING RESEARCH:

We support life-changing medical research so that we, and the medical profession, can better understand the causes and the best treatments for Crohn's and Colitis. We also fund research that looks at how the lives of people with IBD can be made easier on a day-to-day basis. We want to improve lives now and lead the mission to find a cure.

4. DEVELOPING THE CHARITY:

We need to continually grow and develop our Charity. By investing in, modernising and developing our people, systems and processes, we aim to grow our membership, our income, and our organisational capability and performance. This will enable us to support more people living with IBD.

We believe that by focusing on these four key areas of work, we will see our vision become a reality and improve many people's lives long into the future.



STRATEGIC REPORT

OUR ACTIVITIES AND
ACHIEVEMENTS IN 2016



**CROHN'S &
COLITIS UK**

OUR YEAR IN NUMBERS

31,579

In 2016 our membership grew for the first time in 16 years. Our 8,542 new members represent a net rise of 12% – more than double previous years – and bring our total membership to 31,579.

Our income in 2016 was £4,978,196 – a 18% rise on last year.

£4,978,196



We distributed 440,000 pieces of patient information, representing an increase of 150,000 (51%) on 2015.

Offering information and support via phone, email and Facebook, as well as trialling a Live Chat service, allowed us to respond to 11,166 enquiries – an increase of 36% on the previous year.



Our campaign for accessible toilet signs saw over 19,000 emails sent to the CEOs of the UK's four largest supermarket chains and has led to the adoption of new toilet signs in over 2,000 stores and counting.

WALK IT

WALK IT – a series of nationwide walks – brought together over 3,000 people affected by IBD, raising spirits and awareness, and almost tripling the campaign's income to over £350,000.



We held our most successful ever Raffle for Research, raising £118,000.



Our 50 networks of volunteers across the UK ran 638 events reaching around 20,000 people and raising £165,000. The number of core volunteers in our network teams rose by 20%.



The Charity's website enjoyed 113% more visits than last year from 112% more users resulting in 42% more page views and 29% more publication downloads.



Facebook likes rose by 22%, we gained 28% more followers on Twitter and 500% more on Instagram.



Our membership magazine Connect was distributed three times this year to over 31,500 members and picked up four industry awards.



Our seven Family Days in 2016 attracted over 800 attendees across the UK – nearly doubling last year's attendance.



More than 1,300 e-letters sent to CEOs of hospital trusts in support of our campaign for more IBD Nurses.



We gave out 267 grants to help people living on a low income with needs arising from their IBD, and distributed over £70,000 to help people with essential amenities.



Research grant expenditure totalled £544,024 of which medical research comprised £459,729.



EDUCATION AND SUPPORT

WHAT WE SAID WE'D DO...

We will improve public awareness and understanding of IBD and the work of the Charity.

WHAT WE DID...

This year saw a number of immensely successful campaigns which have raised awareness of our cause and led to some important practical improvements to the lives of people affected by IBD.

Our campaign for accessible toilet signs informed thousands that 'not every disability is visible' and educated them about the social stigma faced by people with IBD when using disabled toilets. With our help, over 19,000 emails were sent to the CEOs of the UK's four largest supermarket chains and so far Tesco, Morrisons and Asda have agreed to adopt new toilet signs in a combined total of over 2,000 stores across the UK. Marks & Spencer have also been in touch to signal an interest in placing the sign in all their newly refurbished stores.

As part of our activity around World IBD Day on 19th May 2016, we launched our 'More IBD Nurses – Better Care' campaign. This highlighted the importance of the specialist IBD nurses who make such a big difference to the lives of people affected by IBD. Thanks to another hugely successful email campaign:

- one trust has appointed an IBD Nurse Specialist
- four trusts have secured funding for posts
- four trusts have accessed support from the charity in discussion with Senior Nurse leaders and Health Managers to discuss the IBD Nursing Service and plan its development
- five trusts have reviewed or submitted business cases for IBD nursing roles
- 19 trusts have contacted the Charity directly for advice.

“ I very much feel a part of the IBD community and volunteering has helped me feel that engagement. ”

Aside from specific campaigns, our 50 networks of volunteers across the UK have worked tirelessly to run 638 events in 2016, raising funds and awareness, and bringing people together. Through these events we have reached approximately 20,000 people in their local communities and raised £165,000. We have also increased the number of core volunteers in our network teams by 20%, which will help us reach more people in the future.

Building on last year's website redesign and relaunch, we continued to raise our digital profile. The site enjoyed 1,950,000 visits from 1,380,000 users (respectively up 113% and 112% on last year), resulting in 42% more page views and 29% more publication downloads.

Our social media presence also continued to grow, with 159,000 likes on Facebook (up 22%), 24,300 followers on Twitter (up 28%) and 12,000 on Instagram (up a sensational 500%).

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**WHAT WE SAID
WE'D DO...**

Provide those people living with IBD with the information they need, when and how they need it

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WHAT WE DID...

In 2016, we continued to produce high quality publications to help people affected by IBD and raise awareness among the wider public. We distributed 440,000 pieces of patient information including booklets, patient information packs, guides and information sheets. This represented an increase of 150,000, a 51% increase compared to 2015.

Our membership magazine, Connect, was distributed three times this year to over 31,500 members and picked up four industry awards. Each edition featured a different guest editor from our membership.

During Crohn's and Colitis Awareness Week (1st-7th December 2016), we generated over 40 pieces of national and regional press coverage – including radio and television – raising the profile of both the conditions and the Charity.

Our seven Family Days in 2016 attracted over 800 attendees across the UK – nearly double last year's attendance. These events offered families affected by IBD updates from expert speakers, opportunities to meet others living with the conditions and access to healthcare professionals in a fun, informal setting.

Three of these were new, large-scale events in partnership with the NHS at exciting sporting venues, proving popular with young and old alike, and helped us extend our reach. Venues included Anfield football stadium in Liverpool, Headingley Rugby Stadium and Cricket Ground in Leeds, and Tottenham Hotspur's White Hart Lane stadium in London.

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“The experience was excellent. As parents we learnt some new and useful information, and our son said he enjoyed the day and found it useful to hear about other young people's experiences.”
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This year saw us diversify our helpline service – delivered by staff and volunteers – by offering information and support via phone, email and Facebook, as well as trialling a live chat service. Overall, these improvements allowed us to respond to 11,166 enquiries – an increase of 36% on the previous year – 42% of these came through email and digital channels.

The live chat trial proved to be very popular and we plan to extend its availability to coincide with our helpline operating hours. When asked, 86% of people using the new service said that they had received the information they wanted. Overall, 97% of people using all helpline and live chat services said they had found the information very or mostly helpful.
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**WHAT WE SAID
WE'D DO...**

Provide people affected by IBD with access to the necessary emotional, psychological and financial support.

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WHAT WE DID...

The need for financial information and support among people affected by IBD continues to rise and is the third most common enquiry to our helpline. That's why we were so pleased to have been able to give out 267 grants to help people living on a low income with a need arising from their IBD.

We distributed over £70,000 to help people access vital, life-improving amenities they needed but wouldn't otherwise have been able to afford, such as washing machines, beds and bedding, and tumble dryers. We were also able to support younger people living with IBD in their education and vocational training. The value of our Disability Benefits Service was underlined this year with a 43% rise in use on the previous year.

As well as financial support, we delivered a series of patient education sessions with IBD Nurse Specialists and other professionals in the North West of England. These sessions really helped attendees improve their knowledge and boost their confidence when it comes to managing their own condition. In 2017, we will be replicating these sessions in London.

We also ran Facebook FAQ group sessions with experts on living with a stoma, diet and nutrition. We plan to continue these bi-monthly.

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“ I was so relieved that someone was offering to help in a delicate situation that is difficult to talk about. It has made a massive difference to the running of my household. Being a single mother and having to deal with my own issues is very challenging. ”
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BETTER HEALTHCARE AND PUBLIC SERVICES

2016 has been another pioneering year in which we have led the way to improving the diagnosis, treatment and management of IBD for patients all over the UK.

WHAT WE SAID WE'D DO...

We will work to ensure IBD Services are adequately resourced, commissioned and working to defined quality standards

WHAT WE DID...

In June 2016, we were joined by 25 MSPs at Holyrood to launch our National Blueprint for improving health services for the 26,000 people affected by IBD in Scotland.

The National Blueprint is the first of its kind in the UK, and draws on real life experience and examples from two diverse NHS Health Boards to set out new approaches to the management of IBD across all NHS Boards in Scotland.

It is now being used to inform our work with stakeholder groups in Wales and Northern Ireland.

Our guide, My Crohn's and Colitis Care, has helped many users get the best out of their healthcare by working in partnership with their local health service this year. The guide has been recognised by National Voices, the BMA Patient Information Awards, and the Communiqué Awards for representing excellence and best practice in local healthcare communication. It is also being used to shape service development by at least one patient panel in the UK.

The Charity also represented IBD patients at a NICE appraisal of the drug Ustekinumab for the treatment of Crohn's Disease, submitting evidence and patient testimonials to inform the scope of the appraisal and the committee's understanding of the condition's impact.

Aside from this, we started nine new patient panels this year, supported six IBD Service open days and were involved with four commissioning workshops to share best practice in service redesign and effective business case planning.

We continued to support the work of the UK IBD Audit and UK IBD Registry and led discussions to form a new, overarching strategy group for IBD across the UK. This work is currently underway with strong consensus and agreement for the new group to begin its work in early 2017.

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**WHAT WE SAID
WE'D DO...**

Increase the number of IBD Nurses to support patients in the UK

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WHAT WE DID...

Marking World IBD Day 2016, our 'More IBD Nurses – Better Care' campaign has seen over 1,300 e-letters sent to the CEOs of hospital trusts across the UK raising awareness of the need for specialist IBD nurses in local communities. As a result:

- 19 Trusts contacted the Charity for advice
- four Trusts have reviewed or submitted business cases for IBD nursing roles
- four Trusts have secured funding for posts as a direct result of the e-action
- four Trusts have accessed support from the charity in discussion with Senior Nurse leaders and Health Managers to discuss the IBD Nursing Service and plan its development.

This year, we also conducted a National Audit of Current IBD Nurse Specialist Services and Numbers, and compared the findings with a similar survey undertaken by the Royal College of Nursing (RCN) in 2012.

The following findings stood out:

- a 52% overall Increase in IBD nurse provision over the last three years, translating into 130 new posts, 84 of which (65%) are in England
- yet only 16% of services meet the national standards for IBD nursing numbers, a figure unchanged since 2012
- 29 vacant posts (8%) with 8 (3%) struggling to recruit
- 53% of nurses asked for support with business planning.

Going forward, we will be working hard to build on the successes represented by some of these figures and remedy the shortcomings reflected by others.

This work has already begun, not least through our efforts with the RCN Nurses Network (14 regional groups across the UK), which has allowed the Charity to speak directly with all its nurses through email, and the development of closed Facebook pages which advertise our 'More IBD Nurses – Better Care' campaign and enable communication between nurses.

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**WHAT WE SAID
WE'D DO...**

Engage with GPs and Commissioners so that they better understand the illnesses and experiences of patients living with IBD

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WHAT WE DID...

In November, we launched our GP Project – a new initiative to help speed up the diagnosis of Crohn's Disease and Ulcerative Colitis and raise awareness of IBD in primary care.

Over the next year, we will be developing tools and resources to ensure that GPs are better able to recognise the symptoms of IBD and support their patients more effectively. To that end, we will be working with a high quality, multi-stakeholder advisory group dedicated to helping GPs achieve this goal, and recruiting for GP and Patient Reference Groups to provide a wider perspective to inform the project.

Over the past 12 months, we have worked hard to increase primary care awareness of IBD through attending and exhibiting at a variety of industry conferences, including Primary Care and Public Health, the Royal College of GPs and the Primary Care Society of Gastroenterology. At the latter, we gave a presentation on IBD Standards and role of primary care in looking after patients with IBD.

To assist with early diagnosis, we instituted a Model Pathway in 2016, enabling patients with suspected IBD to be referred from their GP to secondary care for diagnosis. A model pathway – sometimes called care pathways – are used to systematically plan and follow up a focused patient care programme.

We also had an article dedicated to improving GP understanding and earlier diagnosis of IBD published on the prestigious healthcare journal Guidelines in Practice, where it received over 1,300 views. The piece was also sent to around 20,000 key decision makers in primary care, including specialist GPs and nurses, clinical leads, commissioners, pharmacists and formulary advisers.

**WHAT WE SAID
WE'D DO...**

Reduce the discrimination people living with Crohn's and Colitis face in welfare, education and employment

WHAT WE DID...

As well as helping people manage the clinical symptoms of IBD, we have also aimed to reduce the discrimination and stigma they come up against in society.

As Co-Chair of the Prescription Charges Coalition, we continued to lead the campaign against prescription charges for those suffering IBD in England. We also held meetings with the disability benefits minister and continued to lobby for changes to the benefits available for those with IBD, not least with our response to the second statutory review into Personal Independence Payments. Alongside these efforts, we worked as part of the Disability Benefits Consortium to campaign for changes and against cuts to disability benefits, ensuring that those in need can access the benefits they require.

We continued to lobby successfully for changes to access to toilets through the Public Health (Wales) Bill and, across the UK our campaign for accessible toilet signs has seen over 2,000 new signs adopted in Asda, Morrisons and Tesco stores, with Marks & Spencer also keen to install them.

Working within the Health Conditions in Schools Alliance, we campaigned for the implementation of schools' legal duties under the Children and Families Act 2014.

We also responded to the Consultation on Social Security in Scotland and are continuing to work hard to help mould the new social security system north of the border.



RESEARCH

The Charity maintained its commitment to research funding this year, with grant expenditure totalling £544,024, of which medical research comprised £459,729. This figure was lower than 2015 (£757,992) due to exceptional levels of restricted funding in that year. The Charity also awarded grants to fund research into living with IBD and IBD Health Services.

WHAT WE SAID WE'D DO...

Work towards a long-term research strategy based on insight, need and understanding of the areas where we can make the greatest impact.

WHAT WE DID...

We had two strands of funding which enabled us to support a broad range of research projects. Combined, these studies have the potential to help people who are diagnosed with IBD in a number of ways. The details of these funding streams are outlined below:

1. Living with IBD Awards

Under this strand, we awarded £88,668 to developing a new intervention for IBD abdominal pain, and comparing it with an existing NHS pain management programme.

Prompted by good evidence that, for over a third of people with IBD, abdominal pain does not go away even when the IBD is in remission, the research will examine whether certain existing treatments can help to alleviate this pain. If successful, the researchers hope to obtain a major grant for an intervention and, ultimately, argue for its provision by the NHS.

“
If we show that interventions make a difference to IBD pain we will have a strong argument for the NHS to provide this service to people with IBD and we will be able to train IBD nurses to deliver help for pain as part of their role.”

Professor Christine Norton,
Kings College London

2. Medical Research Awards

Over the past year, we awarded grants to five applicants for medical research which totalled £389,641. We also awarded £70,088 in continuation awards to two of last year's research projects.

These five awards were:

What switches genes on and off? Looking at the epigenetics in paediatric IBD.

Over the last few decades there has been a steady increase in the number of children diagnosed with IBD which cannot just be down to genetics – there must be environmental and lifestyles factors involved which are affecting the way genes are turned on and off. This research will study how certain epigenetic markers can be used in clinic in order to improve diagnosis and help predict disease course, meaning that drug treatment can be tailored to each patient.

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“
Providing robust evidence that epigenetic mechanisms are critical in the development of IBD would open up the real possibility of a whole new approach to treatment.”

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Dr Matthias Zilbauer,
University of Cambridge

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Looking at the number of people with IBD who develop bowel cancer, the people who are most at risk, and what medications may prevent it.

People with IBD have an increased risk of developing bowel cancer (colorectal cancer). The aim of this study is find out how often bowel cancer occurs in IBD patients, identify the patients who are most at risk, and ascertain the efficacy of certain means of diagnosing and preventing bowel cancer in IBD patients.

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“
Identifying optimum surveillance intervals, high risk patients and potential chemopreventive agents could help reduce the burden of invasive testing on patients and healthcare organization authorities while still providing maximum clinical benefit to patients.”

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Dr Venkat Subramanian,
Leeds University

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Investigating the possibility of a new blood test to diagnose IBD early and predict how the disease may progress.

One scientific area which could help us understand why some people develop IBD, while other people with the same genes do not, is the field of epigenetics – the study of biological mechanisms that can change the way genes are switched on or off. This research hopes to develop a blood test to help diagnose people with IBD and predict which patients may need certain treatments or surgery, based on the presence of certain epigenetic mechanisms, called microRNAs, in their blood.

“

We hope to develop a blood-based biomarker to help diagnose IBD and predict which patients may go on to require potent medical treatments or surgery. ”

Professor Jack Satsangi,
University of Edinburgh

A blood test for Ulcerative Colitis patients to predict how well biological drugs will work.

Biological drugs can be used to treat Ulcerative Colitis but there is currently no way of knowing which sort of drug will work best on a patient. This research hopes to use the gene expression in the bowel lining to help develop an accurate predictor of how people with the condition will respond to biological drugs.

“

Identification of accurate predictors of response prior to commencing therapy will minimize time spent with active disease and enable the clinician to make an informed decision to commence the treatment to which the patient is most likely to respond to. ”

Dr Sreedhar Subramanian,
University of Liverpool

Studying the role of damaged mitochondria in causing IBD.

In healthy people, damaged mitochondria (often called the ‘batteries’ of the cell) are recycled or packaged away so they can be safely disposed. But in people with IBD, these processes do not work properly and the unhealthy colon leaks the damaged mitochondria into the internal environment of the cell and into the blood stream. The research hopes to open up exciting new IBD therapies by investigating whether this process has a direct role in causing inflammation.

“

Our current study seeks to investigate the importance of damaged mitochondrial ‘danger signals’ in driving the inflammatory response in IBD. ”

Dr Gwo-Tzer Ho,
University of Edinburgh

**WHAT WE SAID
WE'D DO...**

Seek partnerships to secure more funding for IBD research.

WHAT WE DID...

In 2016, we issued a call for grant applications relating to projects in IBD affecting children and young people, in particular preliminary research that would contribute significantly to a subsequent larger research grant proposal.

We agreed joint funding with BSPGHAN (British Society of Paediatric Gastroenterology, Hepatology and Nutrition) to offer four start-up research grants with a value of up to £40,000.

Together with ForCrohn's, we also awarded £58,641 for the second year of a project to look at the relationship between bacteria and fungi in the gut, and the role the latter plays in Crohn's Disease. This year's award follows the £60,615 awarded for the first year of the project in 2015.

**WHAT WE SAID
WE'D DO...**

Encourage more people with IBD to take part in research.

WHAT WE DID...

We launched a new initiative via a dedicated web page that aims to raise awareness of the importance of research and encourage people affected by IBD to consider taking part as research participants.

In the year since this was launched, an average of two new research studies per month have met the criteria and appeared on the page, receiving 76,000 page views and yielding greatly improved rates of response and recruitment.



FUNDRAISING ACTIVITIES

We are incredibly grateful to all the generous members, supporters and organisations that supported us throughout 2016. Thanks to them, we were able to raise £4,465,710 this year – a total that will enable us to improve the lives of even more people.

WHAT WE DID

We will always fundraise within our values framework, ensuring that the needs of the IBD community are at the heart of all fundraising communications and propositions.

Every day, our supporters help us fight the causes of IBD and this year the Board approved this pledge to them:

We couldn't do the work we do without you, which is why we value your trust so highly. It's also 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 so you can 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

Over the course of the year we received a total of four complaints in response to our fundraising marketing, these were all resolved without issue at first contact.

KEY ACHIEVEMENTS

Below are some of our fundraising highlights for 2016:

- We raised £4,465,710 (excluding membership subscriptions and investment income), representing a 19% rise on last year.
- WALK IT – a series of nationwide walks – brought together over 3,000 people affected by IBD, raising spirits and awareness, and almost tripling the campaign's income to over £350,000.
- This year, we have focused on a step change in supporter care, placing much more emphasis on thanking people promptly and delivering personalised communications. We also started to capture active consent in all supporter communications in advance of the EU's General Data Protection Regulation which will come into force in May 2018.
- We held our most successful ever Raffle for Research, raising £118,000.
- We sent out our first Supporter Survey to 47,000 people affected by IBD and received 10,700 responses, giving us real insight to what people with IBD and their carers really value.
- Our Christmas cards continued to be popular and, for the first time, two of them were designed by supporters in a great competition that showcased the wealth of talent among our followers.

CHARITY OF THE YEAR

We were delighted to be chosen as Charity of the Year for the following 24 organisations across the UK this year:

Association of Insurance and Reinsurance Service Providers	Naunton Downs Golf Club
Astute Technical Recruitment Ltd	Perfect Balance Studios
Barclays Bank, Coventry	Purley Downs Golf Club
British Gas Distribution Centre (Centrica)	Respond (formerly Pelican Healthcare)
Catenian Association	Soroptimist International
Chilwell Manor Golf Club	Starbucks Red Cup Cheer
CliniMed and SecuriCare	Tate Recruitment
Co-op Local Community Fund	The Buy to Let Business
International Financial Data Services Ltd	The Passport Office, Liverpool
Lilliput Surgery	Wildwood Golf Club, Alfold, Surrey
Marston Foods	Wine School of Cheshire
Mediaburst	ZC Social Media

We also saw a real increase in support from trusts and foundations in 2016. Over the course of the year, we made 81 medium and large applications with a conversion rate of 54% – doubling our trust fundraising income.

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

The Band Trust	Lillie Johnson Charitable Trust
Bernadette Charitable Trust	Martin Connell Charitable Trust
Bill Brown's Charitable Settlement of 1989	The Martin Currie Charitable Foundation
The Billmeir Charitable Trust	The Roger Raymond Charitable Trust
The Catherine McEwan Foundation	Sandra Charitable Trust
Coral Samuel Charitable Trust	The S.R & P.H Southall Charitable Trust
The Eric and Dorothy Leach Charitable Trust	The Sylvia Waddilove Foundation UK
Ganzoni Charitable Trust	

Corporate income also grew by 20% this year as, in addition to being selected Charity of the Year for 24 companies, we secured partnerships with a further 15 companies, including a new three-year agreement with Janssen-Cilag Ltd.

These organisations include:

AbbVie	Otsuka Pharmaceuticals
Allergan UK	Plane Catering Ltd
Coloplast UK	Roche Diagnostics
ConvaTec	Shire Pharmaceuticals Ltd
Janssen-Cilag Ltd	Takeda Pharmaceutical Company Ltd
Merck Sharpe & Dohme	Tillotts Pharma
MNB Properties	Waitrose (Community Matters scheme)
Napp Pharmaceuticals	





DEVELOPING THE CHARITY

The better our plans, policies and processes, the better we can operate. The better we can operate, the faster we can work. And the faster we can work, the more we can help.

WHAT WE SAID WE'D DO...

We will have a clear financial strategy that enables us to sustain and grow our charitable work.

WHAT WE DID...

The past year has seen a significant income growth of £750,451 (an 18% rise on last year), owing, in part, to an increase in legacy income. This means that we have finished the year with a substantial unforeseen surplus and higher reserves than we would wish.

The Board of Trustees is reviewing a new spending plan for 2017 that will align with the emerging objectives of our next five year strategy and ensure that these surplus funds are spent appropriately to benefit people affected by IBD. It is also developing more effective performance-monitoring processes to address these recent annual surpluses.

We have a clear operational plan and budget to help us deliver our objectives.

The Board has reviewed and approved policies for: Cash Management and Investment, Remuneration, and Reserves.

As a result of another strong fundraising performance, the Statement of Financial Activities (SOFA) shows an increase in funds of £517,081, compared to an increase of £170,275 in 2015. For more information about our fundraising activities throughout 2015, please see the previous section in this report.

Our Finance and Audit Sub-Committee met five times across 2016 giving strong oversight and development to our financial strategy.

WHAT WE SAID WE'D DO...

We will be working to a people management strategy that enables us to build a strong organisational capacity and performance.

WHAT WE DID...

Last year's introduction of progress reviews has enabled us to establish pay levels that are responsive to both individual performance and external factors.

Our second annual staff satisfaction survey 'Your Views Matter' returned encouraging results across a number of areas and our managers' network has made significant progress in addressing issues identified by the 2015 survey around staff development and training opportunities.

We have a newly established staff forum, which is helping to ensure that staff views, thoughts and ideas from across the organisation are gathered and implemented. We also created and issued a new employee handbook to all staff, helping them engage with and embody our mission, vision and values.

**WHAT WE SAID
WE'D DO...**

Our board of Trustees will be maintaining appropriate oversight and governance in order to further the work of the charity.

WHAT WE DID...

With the appointment of Sue Cherrie as our new National Chairman in June, we have increasingly focused on what more we can do to support the Trustees in their duty to challenge and assure the good governance of the Charity. We were also delighted to appoint Alan Thackrey as Vice Chair.

To this end, we have:

- discontinued the role of Lead Trustee to allow the same information to reach the whole Board
- appointed a part time specialist Governance Officer for the first time.

The appointment of three new Trustees (including an Honorary Treasurer) this year has brought some additional skills and expertise to the Board – in particular around HR and NHS perspectives – which will help it ensure our work remains valuable and relevant in a changing environment.

Towards the end of 2016 work began on the development of our next five year strategy including a review of our vision, mission and values. This significant piece of work will be launched at our 2017 Annual General Meeting.

With the lease on our current premises ending in 2018, the Relocation Task and Finish Group has been reinstated to advise the Board at an early stage.

The Fundraising Task and Finish Group has helped to refine the Fundraising Strategy, and work has been undertaken by the Governance Task and Finish Group to review our updated 'Memorandum and Articles of Association' to make it more meaningful and modern. This will be going to consultation with members in 2017.

**WHAT WE SAID
WE'D DO...**

We will have a membership offering which attracts, retains and adds value to people affected by IBD.

WHAT WE DID...

In 2016, we began taking membership applications and renewals online and by phone, and now offer a direct debit payment method for renewal payments. This means it has never been easier to join or renew memberships with Crohn's and Colitis UK.

As a result, we are proud to announce that in 2016, our membership not only grew for the first time in 16 years but grew significantly, as we welcomed 8,542 new members to the Charity – more than double previous years and a net rise of 12% in membership. Our membership reach is now 31,579 people.

We are also reaching a younger audience, with the average age of our membership dropping to 44 years (from 52 years 18 months ago). This was partly due to a number of successful promotions on social media, including the offer of a free radar key to new members.

We are currently reviewing a number of our membership interactions – such as communication on joining and ease of renewal – to help us hit our ambitious membership growth targets for 2017 and beyond.

.....
“
My Membership pack has just come through today! Brilliant to see how much more information is available now compared to 17 years ago...”
.....

.....
**WHAT WE SAID
WE'D DO...**

We will be using IT to its best effect, and operating efficient and effective systems, processes and evaluation techniques.

.....
WHAT WE DID...

This year, we have introduced a new People Management System with extensive self-service options. The plan to move to a single Customer Relationship Management (CRM) solution is also underway with the appointment of a Database Manager to ensure the Charity is 'data ready' for the transition while the solution is being identified and developed.

More than half of our staff have taken the opportunity to upgrade their skills in new digital applications through a series of popular voluntary workshops.

Work has also begun to migrate our entire systems infrastructure into a cloud environment. Email has already moved and the final migration was completed in early 2017.

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GOVERNANCE, STRUCTURE & 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 Memorandum and Articles of Association last amended 7th June 2014.

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.

The objects are fulfilled through the aims, strategies and activities expressed in the Organisational Strategy published in 2014, and revised further during the course of 2015/6. In the furtherance of these objects, the Directors as the Charity Trustees have complied with the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act. It should be noted that all of the Charity's services are open to non-members to use as well as members.

In 2016, a Governance Task & Finish Group was set up to further update the Memorandum and Articles of Association by AGM resolution during 2017.

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. We have demonstrated in this report (under our activities and achievements set against our strategic objectives) how we have met our principle objects.

The Trustees regularly review progress against its aims and objectives and are regularly updated by the Chairman who works closely with the Chief Executive on reporting of progress against agreed plans.

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 received inductions that included 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 Financial Delegation agreed by the Board in October 2016. 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 two sub committees of the Board – the Finance and Audit Committee, and the Research Strategy and Funding Committee. In 2016 three Task and Finish Groups were also set up, chaired by Trustees to bring recommendations to the Board regarding: Governance, Fundraising and Relocation.

In combination with its Professional Indemnity insurance, the Charity has maintained Trustee Liability cover with its insurers as permitted by our constitution, and this remains in place in 2017.

The Trustee Board met five times during the year from 1st January 2016 to the date of signing this Report and Accounts, in addition to holding an AGM in June. The Honorary Officers, Trustees, Senior Leadership Team and committee members are as outlined on page 62.

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 £27,577 (2015: £12,624) 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 2016 we repeated 'Your Views Matter', our staff survey which showed significant progress on last year, though there is still work to do. We will be setting up a Staff Forum in 2017 to look at some of the issues raised and further improve engagement.

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 57 visits to the Network teams to support their activity. We delivered social media training for our volunteers and the Networks have seen a 29% increase in Twitter followers. We 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 Cambridgeshire in November.

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 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:

- Inappropriate or inaccurate information provided by staff or volunteers on the helpline and/or in the Charity's publications or online resources. This was addressed by the further development of training and monitoring of volunteers and staff supported by exceptionally helpful relationships with a range of healthcare professionals. We also continue to be an accredited member of the NHS England Information Standard, having piloted this at its inception.
- Use of personal data by staff and volunteers, and the significant compliance requirements of UK and EU Data Protection legislation. A baseline assessment of policies and standards has been undertaken and a project is underway to meet the requirements of the EU General Data Protection Regulation (GDPR) coming into effect on 25th May 2018.
- The current high level of reserves as a consequence of legacy income may deter donors and supporters and undermine confidence in the charity. Plans to spend down the accumulated surpluses from 2015 and 2016 on projects aligned with the charity's strategy have been agreed by the Trustees.

PLANS FOR FUTURE PERIODS

A wide-ranging review of operations commenced in 2016 to prepare for the launch of our next five year strategy at the AGM in September 2017. The review includes our:

- constitution, vision, mission and values
- governance arrangements
- impact and outcomes measurement
- volunteer and employee engagement
- supporter care
- information management
- grant making
- fundraising investment.

The strategy itself is under preparation, and consultation will take place with volunteer networks across the UK and other important stakeholders.

The lease on our offices expires in mid-2018 and a Relocation Task and Finish Group has been established to assess the options available to the Board. Identifying the right option is critical for the best use of funds within the Charity. The Board has indicated that this will be the overriding priority in precipitating a move to new premises. Plans are already being developed to minimise disruption to operations.

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FINANCIAL REVIEW



FINANCIAL OVERVIEW

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 groups 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.

2016 RESULTS

2016 saw a significant expansion in the Charity's activities, in terms of both scale and range, sustained by a strong fundraising performance. As a result, the SOFA shows an increase in funds of £517,081, compared to an increase of £170,275 in 2015. During the course of the year, income grew by £750,451 (18%), and expenditure increased by £388,634 (10%).

Income growth was across the board, and the most significant contributor to this growth was legacy income which increased from £608,011 to £908,078, including £230,000 of legacies of which the Charity has been notified, but which have not yet been received. Events and community fundraising ('Other trading activities' in the SOFA) continues to flourish, with the WALK IT events around the country a huge success. These events, whether run at a national level or locally, depend on the vital input from our 750 volunteers around the country for their success.

In 2016, a fundraising strategy was put in place that seeks to nourish supporter fundraising, while extending the Charity's reach in other areas – for example, working with Trusts and corporate partners to source funds for specific projects or avenues of work. The Charity has been conscious of the negative publicity that the Voluntary Sector has attracted as a result of some charities' lack of compliance and bad practice around their fundraising. We are registered with the Fundraising Regulator and support the Regulator's drive to establish acceptable fundraising standards across the sector. We have ensured that fundraising approaches have only been made to individuals with an existing relationship with the Charity and abide by the fundraising pledge made to all our supporters. In 2016 we also began a major exercise to review and develop the processes and infrastructure which will enable us to continue to deliver gold standard fundraising.

Membership continues to form an important element of the Charity's income, as well as providing a framework for support and information for people with IBD. As well as receiving a 'Can't Wait' card, new members have the opportunity to receive a free RADAR key for a limited period. During the year, membership grew by 3,282 to 31,579.

In terms of expenditure, the establishment's headcount grew in 2016, with average staff numbers increasing from 45 to 51. Investment in our headcount is tracked against the Charity's proposed growth plans and the Board of Trustees track this proportion as a key performance indicator.

The Charity maintained its commitment to research funding, although grants made were down on the exceptional levels of 2015. In 2016, grants totalling £548,950 were made (2015: £757,992), of which medical research comprised £459,729. The Charity also awarded grants to fund research into living with IBD and IBD Health Services.

A significant development in 2016 was the launch of an initiative designed to promote and drive an increase in the number of IBD Specialist Nurses across the UK in line with UK IBD Standards. Access to an IBD Nurse has been identified as one of the most direct ways of improving the lives of people with IBD, and a Health Service Development Manager has been seconded from the NHS to coordinate this project, which is expected to run through 2017.

RESERVES POLICY

The Trustees have reviewed the Charity's Reserves Policy, which 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. The Trustees have considered the near to long-term goals of the Charity, the likely cost of meeting those goals, and the associated risks. They also took into consideration the cost structure of the Charity and the level of income volatility associated with different income streams.

The Charity holds restricted funds to the value of £258,548 (2015: £318,873), which may only be used in accordance with specific restrictions imposed by the donor.

Within those retained funds available for use on any of the Charity's activities – unrestricted funds – the Trustees have established a number of specific designated funds, totalling £1,381,252 in order to meet future commitments and liabilities that would otherwise be funded from free reserves, potentially putting key services at risk. These designated funds are as follows:

Research - The Trustees have 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.

Property - A 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.

Information and Technology - The Trustees have established a designated fund to enable the Charity to invest in developing its systems capability, and to exploit new technological opportunities for raising awareness of IBD, and providing services to beneficiaries.

Local Networks - The Trustees have 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 24 months 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.

A separate designated fund, 'The Heyman Fund', is also held in respect of a legacy received where the Trustees, after consulting with the representatives of the estate, resolved to apply the funds to the development of specialist IBD nursing.

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 the greater of 16 weeks' planned income, or 16 weeks' planned expenditure. At the end of 2016, free reserves stood at £1,967,933, which represents 22 weeks' planned unrestricted expenditure for 2017.

The Trustees have established a budget for 2017 that will consume a significant proportion of this surplus, including plans to increase Research spending by £287,000. The Charity is also planning to increase its investment in technology and digital media to improve the way in which we provide support and information to people with IBD.

Details of the various funds, and the balances held can be found at note 22 of the Financial Statements. Details of the various restricted funds, which can only be used for a purpose specified by the donor, are set out in note 23.

CASH AND INVESTMENTS

The funds of the Charity are largely represented by cash and term deposits. At the end of 2016, the Charity held £734,724 in the form of immediately available cash, including £322,097 held by Groups. A further £3,263,306 was held in notice deposits, and during the year, interest income of £37,490 (2015 £34,264) was received. In 2016 the Trustees approved a Cash and Investment Policy based on a risk-based assessment of cash demands over a five to seven year time horizon. The Trustees continue to adopt a low risk approach, which limits investment to cash and fixed income investments, and restricts the investment exposure to individual counterparties. As part of this diversification strategy, the Trustees approved the placement of £600,000 in M&G Charibond, a Fixed Interest Common Investment Fund available only to Charities. Details of the Charity's investments can be found at Note 17 to the Financial Statements, and of cash holdings at Note 19.

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. Further details are provided in Note 1 of the Financial Statements.

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 chief executive and directors 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' and 'Living with IBD' research are invited on an annual basis. Applications are considered by members of the Awards Panel, 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 the recommendations of the panel before obtaining final ratification by the 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.

PERSONAL GRANTS

Personal Grants are made from the Welfare Fund and are decided by the Personal 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 are £300 under the general scheme and £500 for education or vocational support for young people. In 2017 the Grants Panel has recommended the maximum grants are increased to £500 under the general scheme and £1,000 for education and vocational training.

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



TRUSTEES' RESPONSIBILITIES

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.

In so far 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.

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 29th April 2017 and signed on their behalf by:

.....
Sue Cherrie – Chair of the Board of Trustees

INDEPENDENT AUDITORS' REPORT

**CROHN'S &
COLITIS UK**

**FIGHTING
INFLAMMATORY
BOWEL DISEASE
TOGETHER**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROHN'S AND COLITIS UK

We have audited the Financial Statements of Crohn's and Colitis UK for the year ended 31st December 2016 which comprise the Consolidated Statement of Financial Activity, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows, and the related notes numbered 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Charity'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 Charity'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 Charity and the Charity'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.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 38, 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.

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st December 2016 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
- 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.

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' Annual Report, including the Strategic Report, for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' Annual Report, including the Strategic 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the Strategic Report.

We have nothing to report in respect of the following matters where 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.

Elizabeth Irvine (Senior Statutory Auditor)

For and on behalf of WMT

Chartered Accountants
Statutory Auditor
45 Grosvenor Road
St Albans
Hertfordshire
AL1 3AW

FINANCIAL STATEMENTS



**CONSOLIDATED STATEMENT OF FINANCIAL
 ACTIVITIES INCLUDING INCOME AND EXPENDITURE
 ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Unrestricted Funds (Inc. designated funds note 22)	Restricted Funds	Total Funds 2016	Total Funds 2015
		£	£	£	£
Income from:					
Donations and legacies	2	1,689,677	214,644	1,904,321	1,477,974
Charitable activities	5	453,857	18,890	472,747	454,372
Other trading activities	3	2,189,410	371,979	2,561,389	2,259,541
Investments	4	37,490	-	37,490	34,264
Other		174	2,075	2,249	1,594
Total income		4,370,608	607,588	4,978,196	4,227,745
Expenditure on:					
Raising funds	9	1,165,912	5,000	1,170,912	1,056,031
Charitable activities:					
Grantmaking	11	-	826,444	826,444	940,134
Supporter Services		270,165	46,650	316,815	352,041
Marketing and Communications		760,950	71,185	832,135	610,420
Policy, Public Affairs and Campaigns		540,417	146,855	687,272	518,715
Groups & Volunteering		325,027	34,889	359,916	291,894
Membership costs		252,610	-	252,610	288,235
Total expenditure	6	3,315,081	1,131,023	4,446,104	4,057,470
Net income/(expenditure) before investment gains/ (losses)		1,055,527	(523,435)	532,092	170,275
Gains/(losses) on investments	17	(15,011)	-	(15,011)	-
Net income/(expenditure)		1,040,516	(523,435)	517,081	170,275
Transfers between funds	15	(463,110)	463,110	-	-
Net movement in funds		577,406	(60,325)	517,081	340,550
Reconciliation of funds:					
Total funds brought forward		2,771,779	318,873	3,090,652	2,920,377
Total funds carried forward		3,349,185	258,548	3,607,733	3,090,652
		Note 22	Note 23		

All gains and losses arising in the year are included in the Statement of Financial Activities.
 The net income of the Charitable Company for the period was £517,081 (2015 net income £180,419).
 The Statement of Financial Activities for the year ended 31 December 2015, prepared under FRS 102 is shown in Note 28.

BALANCE SHEETS AT 31 DECEMBER 2016

	Note	Group*		Charitable Company	
		2016	2015	2016	2015
		£	£	£	£
Fixed assets					
Tangible assets	16	63,040	97,812	63,040	97,812
Investment	17	584,989	-	584,990	1
Total Fixed Assets		648,029	97,812	648,030	97,813
Current Assets					
Debtors	18	945,415	615,745	967,164	601,097
Cash at bank and in hand	19	3,998,030	4,316,232	3,910,489	4,278,460
Total Current Assets		4,943,445	4,931,977	4,877,653	4,879,557
Liabilities					
Creditors: amounts falling due within one year		(1,670,946)	(1,509,228)	(1,605,155)	(1,456,809)
Net current assets		3,272,499	3,422,749	3,272,498	3,422,748
Total assets less current liabilities		3,920,528	3,520,561	3,920,528	3,520,561
Creditors: amounts falling due after one year	20	(261,295)	(385,909)	(261,295)	(385,909)
Provisions for liabilities	21	(51,500)	(44,000)	(51,500)	(44,000)
Total net assets		3,607,733	3,090,652	3,607,733	3,090,652
The funds of the charity					
Unrestricted funds					
Designated funds held nationally		1,015,649	1,050,422	1,015,649	1,050,422
Designated funds held by Groups		365,603	315,789	365,603	315,789
General Reserve Fund held nationally		1,967,933	1,405,568	1,967,933	1,405,568
Total unrestricted funds		3,349,185	2,771,779	3,349,185	2,771,779
Restricted funds					
Held nationally	23	154,199	167,628	154,199	167,628
Held by Local Groups		104,349	151,245	104,349	151,245
Total restricted funds		258,548	318,873	258,548	318,873
Total charity funds		3,607,733	3,090,652	3,607,733	3,090,652

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 29th April 2017 by:

Sue Cherrie
 Chairman

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

Cash flows from operating activities	2016	2015
	£	£
Net cash provided by (used in) operating activities	251,308	355,555
Cash flows from investing activities:		
Dividends, interest and rents from investments	37,490	34,264
Purchase of property, plant & equipment	(7,000)	(100,924)
Purchase of investments	(600,000)	-
Net cash provided by (used in) investing activities	(569,510)	(66,660)
Change in cash and cash equivalents in the year	(318,202)	288,895
Cash and cash equivalents at 1 January 2016	4,316,232	4,027,337
Cash and cash equivalents at 31 December 2016	3,998,030	4,316,232

Reconciliation of net income/(expenditure) to net cash flow from operating activities:

Net income/(expenditure) for the year (as per the SOFA)	517,081	170,275
Depreciation charges	41,772	64,336
(Gains)/losses on investments	15,011	-
Dividends and interest from investments	(37,490)	(34,264)
(Increase)/decrease in stocks	-	12,479
(Increase)/decrease in debtors	(329,670)	(349,719)
Increase/(decrease) in creditors	37,105	448,448
Increase/(decrease) in provision	7,500	44,000
Net cash provided by (used in) operating activities	251,308	355,555

Analysis of cash and cash equivalents

Cash in hand	734,724	768,634
Notice deposits	3,263,306	3,547,598
Total cash and cash equivalents (a)	3,998,030	4,316,232

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 12 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 Groups

The charity had 51 local groups that were active to some degree during the year. All active groups are required to make returns of income and expenditure for the year which are consolidated in the financial statements. By the nature of the charity, however, the deadline for returns to be received cannot always be met which means that some results are omitted, and some groups are inactive. Returns had not been received from 1 of the groups at the time of the audit.

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 when received and then allocated annually to the various funds in proportion to their average balance throughout the year.
- iv) Donations received are treated as unrestricted funds unless they are specifically designated by the donor for either research or the welfare of sufferers, in which cases they are kept in the separate funds. All donations received "in memory" are treated as research unless the donor specifies otherwise.
- v) Legacies are included in the financial statements as soon as entitlement and receipt can be anticipated with
- vi) 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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 ACCOUNTING POLICIES

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.

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 apportioned across the costs to which it relates.

Stocks

Stocks of goods for resale are valued at the lower of cost and net realisable value.

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 present 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 fixed assets

With the exception of leasehold improvements, depreciation is provided in respect of fixed assets at a rate of 25% per year which rate it is believed fairly reflects the average estimated life of the charity's assets. Leasehold improvements are depreciated over the life of the lease.

1 ACCOUNTING POLICIES

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 the Association makes employer's contributions of either 5% or 8% of gross pay. Where employees prefer to maintain their personal pension schemes similar employer contributions are made. Outstanding contributions to the scheme at 31 December 2016 amounted to £13,741 these are included in creditors.

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 Groups. 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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

2 DONATIONS AND LEGACIES

	2016 £	2015 £
Donations from members	162,091	177,749
Donations to Local Groups	92,329	123,177
Other donations (in memoriam, payroll , gift aid)	741,823	569,038
	996,243	869,964

Legacies

Research	-	125,000
Unrestricted	908,078	483,010
	1,904,321	1,477,974

3 INCOME FROM OTHER TRADING ACTIVITIES

	2016 £	2015 £
National fundraising	2,403,328	2,099,836
Local groups' fundraising	73,400	86,600
External turnover of trading subsidiary	84,661	73,105
	2,561,389	2,259,541

4 INVESTMENT INCOME AND INTEREST

	2016 £	2015 £
Other Interest:		
Charity	37,483	34,179
Local Groups	-	80
Trading subsidiary	7	5
	37,490	34,264

5 INCOME FROM CHARITABLE ACTIVITIES

	2016 £	2016 £
Subscriptions	472,747	407,011
Other Grants	-	28,559
Other Income	-	18,802
	472,747	454,372

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct staff costs £	Other direct costs £	Support costs £	Total 2016 £	Total 2015 £
Cost of generating funds (note 9)	403,672	572,596	194,644	1,170,912	1,056,031
Charitable activities					
Grantmaking (note 11)	74,488	725,377	26,579	826,444	940,134
Supporter Services	238,660	49,483	28,672	316,815	352,042
Marketing and Communications	342,162	356,275	133,698	832,135	610,419
Policy, Public Affairs & Campaigns	320,521	282,485	84,266	687,272	518,715
Groups & volunteering	218,050	83,823	58,043	359,916	291,894
Membership costs	115,733	92,466	44,411	252,610	288,235
	1,713,286	2,162,505	570,313	4,446,104	4,057,470
	(note 7)		(note 8)		

7 STAFF COSTS

	2016 £	2015 £
Wages and salaries	1,472,376	1,319,593
Social security costs	143,661	133,994
Pension costs	97,249	76,130
	1,713,286	1,529,717

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

	No.	No.
Charitable activities		
Direct	31.0	30.0
Support	6.0	5.0
Cost of generating funds	14.0	10.0
	51.0	45.0

The charity was supported by 750 volunteers across the UK, engaged in fundraising and running events for people with IBD, and running the charity's Group network. Within this total are included 60 volunteers who man the charity's information and support telephone lines.

Key management compensation

Operational management of the charity is overseen by the Chief Executive, supported by a Senior Leadership Team (SLT) of five. Total remuneration, including pension costs in 2016 was £386,353 (2015: £346,425)

One member of staff was paid more than £70,000 and less than £80,000 in the year (2015: one), and one member of staff was paid more than £60,000 and less than £70,000 in the year (2015, none).

Pension contributions in respect of these staff members totalled £10,857

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

8 SUPPORT COSTS

	2016 £	2015 £
Other staff related costs	79,513	110,055
Premises costs	195,247	193,048
Office relocation	8,760	63,191
Office operating costs	210,245	173,976
Other costs	76,548	50,236
	570,313	590,506

Included in support costs are the following:

Depreciation	41,772	64,335
Property rental	137,585	94,582

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

	2016 £	2015 £
External costs of Trading Subsidiary	84,668	72,609
National fundraising direct costs	1,071,302	900,627
Local Groups' fundraising	14,942	82,795
	1,170,912	1,056,031

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 gift aids 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.

Profit and loss account	2016 £	2015 £
Turnover	84,661	73,105
Cost of sales	(45,297)	(34,196)
Gross profit	39,364	38,909
Distribution costs	-	(15,482)
Administrative expenses	(11,794)	(10,306)
Interest receivable	7	5
Net Profit/(loss) on ordinary activities	27,577	13,126
Amount gift aided to Crohn's & Colitis UK	(27,577)	(12,624)
Net Profit for the year	-	502
Retained profit brought forward	-	10,143
Prior Year Adjustment	-	(10,645)
Retained profit carried forward	-	-

11 GRANT MAKING EXPENDITURE

	2016 £	2015 £
Personal grants	74,802	80,366
Medical research	459,729	426,260
Living with IBD research	84,295	205,498
IBD Health Services	-	126,234
Other - Local Grants made by groups	48,896	-
	667,722	838,358
Direct costs of grant making process	158,722	101,776
	826,444	940,134

Personal grants

Grants are made to individual people who have a particular need arising as a result of their inflammatory bowel disease. 236 grants were made in the year totalling £74,802 (2015: £80,366).

Research grants

Grants are awarded by Crohn's and 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 2016 are listed below. Crohn's and Colitis UK does not contribute to the overhead costs of such institutions.

Medical research	2016 £
University of Liverpool	120,220
University of Edinburgh	108,089
University of Leeds	116,272
University of Cambridge	115,701
Completed grants reattributed	(553)
	459,729

Other grants

Local Groups raised funds for local projects to which grants totalling £48,896 (2015 £32,414) were made.

Social & Psychological Research

	2016 £
Kings College London	88,668
Completed grants reattributed	(4,373)
	84,295

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

12 GOVERNANCE DIRECT COSTS

	2016 £	2015 £
Auditors' remuneration - current year	16,019	19,000
Legal and professional expenses	8,630	20,401
Meetings and trustee expenses	14,961	6,243
	39,610	45,644

13 TRANSACTIONS WITH TRUSTEES

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

A total of £3,369 (2015 - £3,389) was reimbursed to or paid on behalf of 12 (2015, 12) trustees in respect of travelling expenses and other costs incurred in carrying out their responsibilities as trustees.

14 OPERATING LEASES

At 31 December 2016 the group had commitments under non-cancellable leases as follows:-

	Equipment 2016 £	Land and Buildings 2016 £	Equipment 2015 £	Land and Buildings 2015 £
Amounts payable within 1 year	5,249	136,742	7,874	136,741
Amounts payable between 2 and 5 years	-	91,160	5,249	227,899
	5,249	227,902	13,123	364,640

Total operating lease expenditure recognised in in the SOFA amounted to £143,153 (2015: £100,257)

15 TRANSFERS

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

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
National				
Transfers between national funds	(428,337)	15,041	463,110	49,814
Transfers from/to Local Groups' funds	-	-	(9,909)	(9,909)
Total national funds	(428,337)	15,041	453,201	39,905
Local Groups				
Transfers between Local Groups' funds	(49,814)	-	-	(49,814)
Transfers to national funds	-	-	9,909	9,909
Total Local Groups' funds	(49,814)	-	9,909	(39,905)
Total funds	(478,151)	15,041	463,110	-
	(note 22)	(note 22)	(note 23)	

16 FIXED ASSETS

All assets held for use by the charity.

Charity	Short Leasehold premises	Equipment and furniture	Total
Cost	£	£	£
Brought forward 1 January 2016	88,814	192,195	281,009
Additions	7,000	-	7,000
Disposals	-	-	-
Carried forward at 31 December 2016	95,814	192,195	288,009
Depreciation			
Brought forward 1 January 2016	9,031	174,166	183,197
Charge for the year	31,773	9,999	41,772
Disposals	-	-	-
Carried forward at 31 December 2016	40,804	184,165	224,969
Net book value			
At 31st December 2016	55,010	8,030	63,040
At 31st December 2015	79,783	18,029	97,812

Group*	Short Leasehold premises	Equipment and furniture	Total
Cost	£	£	£
Brought forward 1 January 2016	88,814	192,195	281,009
Additions	7,000	-	7,000
Disposals	-	-	-
Carried forward at 31 December 2016	95,814	192,195	288,009
Depreciation			
Brought forward 1 January 2016	9,031	174,166	183,197
Charge for the year	31,773	9,999	41,772
Disposals	-	-	-
Carried forward at 31 December 2016	40,804	184,165	224,969
Net book value			
At 31st December 2016	55,010	8,030	63,040
At 31st December 2015	79,783	18,029	97,812

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

17 INVESTMENTS

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Market value of investments at 1 January 2016	-	-	1	1
Acquisitions at cost	600,000	-	600,000	-
Disposals/proceeds	-	-	-	-
Gains/(losses) on investments	(15,011)	-	(15,011)	-
Market value of investments at 31 December 2016	584,989	-	584,990	1

In October 2016, the charitable company invested £600,000 in M&G's Charibond Fixed Interest Common Investment Fund. The charitable company's balance sheet includes a £1 investment in NACC Merchandise Ltd (see note 10).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

18 DEBTORS

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
All amounts fall due within one year				
Balance with trading subsidiary	-	-	37,721	29,901
Prepayments	189,715	144,987	189,715	144,987
Tax recoverable	75,041	55,196	75,041	55,196
Other debtors	93,646	73,962	77,674	29,413
Accrued income	587,013	341,600	587,013	341,600
	945,415	615,745	967,164	601,097

19 ANALYSIS OF CASH AT BANK AND IN HAND

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Current accounts and cash balances	412,627	409,759	325,086	371,987
Interest-bearing account balances	3,263,306	3,547,598	3,263,306	3,547,598
Local Groups	322,097	358,875	322,097	358,875

20 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Unpaid balances of research grants	1,092,763	1,076,675	1,092,763	1,076,675
Trade creditors	334,851	265,164	286,725	224,299
Social security and other taxes	60,855	49,432	53,967	45,878
Accruals and deferred income	182,477	117,957	171,700	109,957
	1,670,946	1,509,228	1,605,155	1,456,809

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Creditors: amounts falling due after one year				
Unpaid balances of research funds	261,295	385,909	261,295	385,909

21 PROVISIONS FOR LIABILITIES

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Dilapidations provision	51,500	44,000	51,500	44,000

A dilapidations provision has been recognised in respect of the short term leasehold. A payment in respect of this is likely to take place in August 2018 and is expected to be no more than the provision stated above. The prior year amount has been reclassified in the Balance Sheet from "Accruals and Deferred Income".

22 UNRESTRICTED FUNDS

		Brought forward	Income	Expenditure	Transfers *	2016 Carried forward
		£	£	£	£	£
Designated funds						
Heyman Fund	(a)	102,609	-	-	-	102,609
Research	(b)	250,000	-	-	-	250,000
Fixed Assets	(c)	97,813	-	-	(34,773)	63,040
Property Fund	(d)	500,000	-	-	-	500,000
Information & Technology Fund	(e)	100,000	-	-	-	100,000
Group retained funds	(f)	315,789	-	-	49,814	365,603
Designated total		1,366,211	-	-	15,041	1,381,252
Other unrestricted funds						
General Reserve Fund held						
Nationally		1,405,568	4,132,120	3,141,418	(428,337)	1,967,933
Non charitable trading funds		-	84,668	84,668	-	-
Local Groups	(f)	-	153,820	104,006	(49,814)	-
		1,405,568	4,370,608	3,330,092	(478,151)	1,967,933
Total		2,771,779	4,370,608	3,330,092	(463,110)	3,349,185

(a) The Heyman Fund has been established from a legacy to be used to fund the development of specialist nursing for IBD.

(b) The Trustees have 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.

(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 have established a designated fund to enable the charity to invest in developing its systems capability, and to exploit new technological opportunities for raising awareness of IBD, and providing services to beneficiaries.

(f) The Trustees have agreed that any accumulated surpluses from the Groups should be designated for future use by Groups. Groups are required to utilise these funds within 24 months of the year in which they are reported.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

23 RESTRICTED FUNDS

National		Brought forward	Income	Expenditure	Transfers *	2016 Carried forward
		£	£	£	£	£
Research	(a)	-	299,556	686,026	386,470	-
Welfare - personal grants	(b)	-	25,257	91,522	66,265	-
IT project (Scotland Health Service)	(c)	29,489	-	9,600	142	20,031
Bristol area (Sidney Hulin Legacy)	(d)	20,000	-	-	-	20,000
Intern programme	(e)	10,240	15,000	12,375	-	12,865
Summer camps	(f)	9,500	-	-	-	9,500
Publications and Videos	(g)	50	19,584	9,584	-	10,050
Health Support Scotland	(h)	10,600	10,000	24,130	3,530	-
Young people in Scotland	(i)	1,250	-	-	-	1,250
Northwest Nurses PEP	(j)	7,890	-	2,774	-	5,116
Patient Map/IBD Companion	(k)	37,204	4,475	24,601	-	17,078
Family Network	(l)	2,985	-	19	-	2,966
Section 16	(m)	5,000	-	5,600	600	-
Young people and families	(n)	29,420	48,019	32,096	-	45,343
UC Patient Survey	(o)	4,000	-	-	-	4,000
London Walk - Corporate Income	(p)	-	5,000	5,000	-	-
Helplines	(q)	-	46,650	46,650	-	-
IBD Nurses	(r)	-	75,888	91,900	16,012	-
Clinical Connect	(s)	-	6,000	-	-	6,000
Patient Information	(t)	-	37,000	37,000	-	-
Donations less than £5,000			3,250	3,250		
Total restricted funds held nationally		167,628	595,679	1,082,127	473,019	154,199
Local Groups						
Research		-	9,909	-	(9,909)	-
Local projects	(u)	151,245	2,000	48,896	-	104,349
Total restricted funds held by Local Groups		151,245	11,909	48,896	(9,909)	104,349
Total		318,873	607,588	1,131,023	463,110	258,548

* 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 Comaonion - Corporate funding to support this programme
- (l) Family Network - Funding to support the Family Network programme
- (m) Section 16 - grant awarded to procure the services of an IT professional to lead the development and implementation of IBD Patient View (Patient Portal) in three pilot sites in Scotland
- (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 provsion 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 groups projects - this is funding raised by groups locally to be expended specifically on local projects

24 ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS

	Unrestricted		Restricted		Total
	Local Groups	National	Local Groups	National	
	£	£	£	£	
Fund balances at 31 December 2016 are represented by:					
Tangible fixed assets	-	648,029	-	-	648,029
Current assets	365,603	2,973,726	104,349	1,499,767	4,943,445
Current liabilities	-	(586,673)	-	(1,084,273)	(1,670,946)
Long term liabilities	-	-	-	(261,295)	(261,295)
Provisions for liabilities		(51,500)			(51,500)
	365,603	2,983,582	104,349	154,199	3,607,733

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

25 RELATED PARTY

Apart from the Gift Aid transfer of profits from NACC Merchandise Ltd as detailed in Note 10, there have been no related party transactions in the year.

26 GIFTS IN KIND

Crohn's and Colitis received gifts in kind during the year relating to the goods and services as follows :-
 Salary benchmarking consultancy £1k and Strategic planning work £NIL (2015 £6k).

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

27 FINANCIAL INSTRUMENTS

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Financial assets				
Financial assets that are measured at amortised cost	680,659	410,549	702,408	395,901
Financial liabilities				
Financial liabilities that are measured at amortised cost	1,795,688	1,783,605	1,739,785	1,742,740

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

28 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Income from:				
Donations and legacies	2	1,118,318	359,656	1,477,974
Charitable activities	5	454,372	-	454,372
Other trading activities	3	2,020,305	239,236	2,259,541
Investments	4	34,264	-	34,264
		1,594	-	1,594
Total income		3,628,853	598,892	4,227,745
Expenditure on:				
Raising funds	9	1,056,031	-	1,056,031
Charitable activities:				
Grantmaking	11	-	940,134	940,134
Supporter Services		337,041	15,000	352,041
Marketing and Communications		585,223	25,197	610,420
Policy, Public Affairs and Campaigns		467,977	50,738	518,716
Groups & volunteering		290,284	1,610	291,894
Membership costs		261,635	26,600	288,235
Total expenditure	6	2,998,191	1,059,279	4,057,470
Net income/(expenditure)		630,662	(460,387)	170,275
Transfers between funds		(415,237)	415,237	-
Net movement in funds		215,425	(45,150)	170,275
Reconciliation of funds:				
Total funds brought forward		2,556,354	364,023	2,920,377
Total funds carried forward		2,771,779	318,873	3,090,652

ADMINISTRATIVE DETAILS



**BOARD OF TRUSTEES,
OFFICERS AND SENIOR
MANAGEMENT TEAM**

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Professor John Lennard-Jones

Vice Presidents

Margaret Chandler
Rod Mitchell
Bradley Brown
Elaine Steven

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Sarah Denselow (Hon Secretary)
(from June 2016)
Tom Reddy (Trustee and Honorary Treasurer
from June 2016)
Alan Thackrey (Vice Chair from December
2016, Hon Treasurer to June 2016)
Deborah Hodges
Caroline Silke
Azmina Verjee
Dr. Gill Holdsworth
Derek McEwan
Graham Bell (from June 2016)
Amanda Quincey (from June 2016)
Justine Woolf (from June 2016)

Trustees who retired June 2016

Keith Stewart (Chair)
Kati Simpson (Vice Chair)
John Stanley
Tim Mutum

Co-opted Advisors

Professor David Rampton
Professor Chris Probert
Dr. Barney Hawthorne
Isobel Mason (Nurse Advisor)

Senior Leadership Team

David Barker, Chief Executive
Helen Terry, Director of Policy, Public Affairs
and Research
Dan McLean, Director of Marketing
Communications and Membership
Sarah Porch, Director of Support Services
Ian Donald, Director of Finance and
Corporate Services
Sam Afhim, Director of Income Generation

**Research Strategy and Funding
Committee**

Dr Gill Holdsworth (Chair)
Kati Simpson
Prof. Jonathan Rhodes
Prof. Anna Madill
Prof. Christine Norton
Prof. Susan McLaren
Prof. David Rampton
Dr. Miles Parkes
Dr. Ailsa Hart
Helen Terry

Finance and Audit Sub Committee

Tom Reddy (Chair from June 2016)
Alan Thackrey (Chair until June 2016)
Sue Cherrie
Angus McLean
David Barker
Ian Donald
Kate Metcalfe

**Governance Sub Committee
(from Jan 2017)**

Sarah Denselow (Chair)
Sue Cherrie
Caroline Silke
Tim Mutum
David Barker
Jane Roberts

Fundraising Task & Finish Group

Caroline Silke (Chair)
Derek McEwan
Ian Donald
Joanna Pearce
Nicki Secker
Rachel Wagstaff

Relocation Task & Finish Group

David Barker (Chair)
Tom Reddy
Justine Woolf
Stuart Berliner
Ian Donald

Auditors

Williamson Morton Thornton LLP
45 Grosvenor Road
St. Albans
Herts AL1 3AW

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

Bankers

Principal bankers:

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

Other relevant bankers:

Bank of Scotland
Beauclerc House
3 Queens Road
Reading
RG1 4AR

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

Close Brothers Treasury
10 Crown Plaza
London EC2A 4FT

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

Cater Allen Private Bank
2 Triton Square
Regent's Place
London, NW1 3AN

THANK YOU SO MUCH

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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 2016.

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

Crohn's and Colitis UK
45 Grosvenor Road
St Albans
AL1 3AW

info@crohnsandcolitis.org.uk

Office Direct Line: **01727 830038**

Information Service: **0300 222 5700**
(Mon, Tue, Wed & Fri: 09:00 – 17:00, Thu: 09:00 - 13:00)

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

**CROHN'S &
COLITIS UK**

**FIGHTING
INFLAMMATORY
BOWEL DISEASE
TOGETHER**

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