

HEALTH EXCHANGE

England & Wales · Charity number 1188838

Details

Status Registered

Legal form Charitable company

Company number [06445689](#)

Registered 2020-03-31

Register [View on the Charity Commission register](#)

Contact

Address Health Exchange
Avoca Court
27 Moseley Road
Birmingham
B12 0HJ

Phone 01216630007

Email info@healthexchange.org.uk

Website www.healthexchange.org.uk

Activities

Objects: 1.1 THE OBJECTS OF THE CHARITY ARE TO PURSUE ANY EXCLUSIVELY CHARITABLE PURPOSE, AS THE TRUSTEES SEE FIT FROM TIME TO TIME FOR THE BENEFIT OF THE PUBLIC, IN PARTICULAR:1.1.1 THE ADVANCEMENT OF HEALTH, INCLUDING PUBLIC HEALTH AND WELL-BEING;1.1.2 TO PROMOTE SOCIAL INCLUSION AMONGST MARGINALISED AND MINORITY GROUPS WHO ARE EXCLUDED FROM SOCIETY, OR PARTS OF SOCIETY, DUE TO THEIR SOCIAL AND ECONOMIC PROVIDING EDUCATION, TRAINING, INFORMATION AND OPPORTUNITIES FOR SOCIAL INTERACTION;1.1.3 THE PROMOTION OF URBAN REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION (IN PARTICULAR, BUT NOT EXCLUSIVELY IN, THE WEST MIDLANDS) BY ALL OR ANY OF THE FOLLOWING MEANS:(A) THE RELIEF OF POVERTY;(B) THE RELIEF OF UNEMPLOYMENT;(C) THE ADVANCEMENT OF EDUCATION, TRAINING OR RETRAINING, PARTICULARLY AMONG UNEMPLOYED PEOPLE, AND PROVIDING UNEMPLOYED PEOPLE WITH WORK EXPERIENCE; AND (D) THE PROVISION OF PUBLIC HEALTH FACILITIES. 1.1.4 THE ADVANCEMENT OF EDUCATION, INCLUDING THE PROVISION OF TRAINING, PARTICULARLY IN RELATION TO MATTERS OF HEALTH;1.1.5 TO DEVELOP THE CAPACITY AND SKILLS OF MEMBERS OF THE PUBLIC IN SUCH A WAY AND THEY ARE BETTER ABLE TO IDENTIFY, AND HELP MEET, THEIR NEEDS AND TO PARTICIPATE MORE FULLY IN SOCIETY.

Activities: The aim of the organisation is the design and development of health and wellbeing services in a way that will enable individuals and communities to have the capacity and confidence to to achieve better health and wellbeing.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Economic/community Development/employment, Other Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£8,053,247	£7,214,839	£2,705,486	55
2024-03-31	£7,611,927	£6,792,039	£1,867,078	51
2023-03-31	£1,263,819	£1,347,739	£962,169	48
2022-03-31	£1,258,717	£1,325,496	£1,046,089	48
2021-03-31	£1,467,003	£1,413,381	£1,112,868	45

Trustees

Name	Role	Appointed
Dr Andrew Kemp		2023-12-07
Dr Andrew Papadopoulos		2023-12-07
Dr JACKY CHAMBERS		2008-04-22
Dr RUSSELL MUIRHEAD		2019-01-28
Sir David Ross Winkley		2008-04-22
Stacey Taylor		2024-06-13

HEALTH EXCHANGE

England & Wales - Charity number 1188838

Accounts

Health Exchange Trustees' Report and Financial Statements For the year ended 31 March 2025

Company Number: 06445689 - Charity Number: 1188838

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

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**HEALTH EXCHANGE TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

The Trustees of Health Exchange, who are also Directors for the purposes of company law, present their report and financial statements for the year ended 31 March 2025.

Reference and Administration

Company & Charity name: Health Exchange
A Charity & Private Company Limited by Guarantee

Registered Company Number: 06445689
Charity number: 1188838

Registered and
Correspondence Address: Avoca Court,
27 Moseley Road, Digbeth,
Birmingham
B12 0HJ

Advisors

Auditor: PKF Francis Clark
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Banker: Santander UK

Legal advisers: Higgs & Sons Solicitors,
3 Waterfront Business Park Brierley Hill,
West Midlands
DY5 1LX

HEALTH EXCHANGE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

Trustees

The following Trustees, who are also the Directors for the purposes of company law, held office on the Health Exchange Governing Board during the year and to the date of signing these financial statements:

Dr. Jacky Chambers,
Mr. David Melbourne,
Dr. Russell Muirhead (Chair)
Sir David Winkley
Dr Andrew Kemp
Miss Amy Soar (resigned 9 September 2025)
Mr Alex Spyrou
Dr Andrew Papadopoulos
Stacey Taylor (appointed 13 June 2024)

Senior Staff

The senior executive staff of the Charity, and of its commercial subsidiary, Living Well Taking Control – Health Exchange Limited, during the year comprised:

Mr. Alan Weinstock, Chief Executive Officer
Mrs. Olabimpe Odubanjo, Head of Finance
Mrs. Rachel Georgiou, Head of Prevention Services
Mr Stuart Haw – Head of Social Prescribing (Until May 24)
Ms. Parminder Sandhu, Head of Mental Health Service (Until Sept 24)
Ms Sonal Siqueira (Maternity Cover) Head of Mental Health Services (from Sept 24)
Mrs. Claire Christie, HR manager (Until May 24)
Ms. Emily Wright, HR Manager (From June 24)

Narrative Report

This Trustees' Report covers the twelve-month period 1st April 2024 – 31st March 2025.

1. Structure, Governance and Management

Nature of Governing Document

The governing documents of Health Exchange are the Articles of Association, which were approved and registered on 29th October 2019.

Trustee Appointments

Trustees of Health Exchange serve as Governing Board members for a three-year period and may be re-elected for up to three consecutive terms. All trustees go through a comprehensive induction with Governing Board and Executive Team members and are provided with introductory documentation to assist them.

Organisational Structure

The Health Exchange Governing Board governs the charity on behalf of its members. The charity has a subsidiary, Living Well Taking Control – Health Exchange Limited (company no. 14541125) which has its own Board of Directors. The Governing Board determines the strategic direction of the organisation, including its policies, objectives and goals. Health Exchange's Chief Executive Officer (CEO) had overarching responsibility for the management of the organisation and the executive delivery of its plans and activities to implement these strategic goals. He leads the Executive Team which works to deliver the charity's mission.

HEALTH EXCHANGE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees on 5th April 2023 was six. The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

2. Objectives and Activities

Legal Objects

The legal objects of the Charity, as defined in its Articles of Association are:

- The advancement of health, including public health and wellbeing.
- To promote social inclusion amongst marginalised and minority groups who are excluded from society, or parts of society, due to their social and economic position by providing education, training, information, and opportunities for social interaction.
- The promotion of urban regeneration in areas of social and economic deprivation (in particular, but not exclusively in, the West Midlands) by all or any of the following means:
 - (a) The relief of poverty.
 - (b) The relief of unemployment.
 - (c) The advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience.
 - (d) The provision of public health facilities:
- The advancement of education, including the provision of training, particularly in relation to matters of health.
- To develop the capacity and skills of members of the public in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.

Mission of the Charity

Health Exchange's Mission is: 'To shape the design and development of health and wellbeing services that will enable everyone to have the capacity and confidence to choose positive health and wellbeing.' To achieve our mission, we rely on our core values:

- **Investing** in our people by recruiting local people and helping them to develop their skills and knowledge.
- **Being The Best** at providing services that meet the needs of every individual, commissioner, or buyer of our services.
- **Social Value** by spending money in a way that benefits our local communities.
- **Innovation** by creating new ways of working which continue to make our services more efficient and engaging.
- **Empowerment** support patients to develop the knowledge, skill, and confidence to become active participants in achieving their health and wellbeing goals.

Public Benefit Statement

Health Exchange's charitable objects are enshrined within its Articles of Association, and as such, the Trustees ensure that the objectives are achieved through our priority areas. Quarterly and annual reviews of our work evaluate our activities against our set aims, targets and outcomes. A structured model of evaluation enables us to identify if we are achieving our outcomes to allow us to tailor our service delivery to match local needs more closely.

In setting plans and priorities for areas of work, the Trustees of Health Exchange have had regard to the guidance from the Charity Commission on the provision of public benefit and Health Exchange meets the definition of a public benefit entity under FRS 102. In particular, the Trustees consider how planned activities contribute to meeting charitable objectives – as set out in the Articles of Association.

HEALTH EXCHANGE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

Fundraising

In the 2024-25 financial year Health Exchange did not engage in public fundraising and did not use professional fundraisers. The Charity, nevertheless, observes and complies with the relevant fundraising regulations and codes where appropriate. During the year there was no non-compliance of these regulations and codes, and we received no complaints relating to our fundraising practice.

Plans and Budgets

Each year Health Exchange's Executive Team develops annual targets for its programmes, and these are operationalised in annual plans and budget approved by the Governing Board. The monitoring and achievement of these targets, plan and budget is the principal means through which the Charity measures and reports on its progress in meeting its Mission.

Strategy and Operations Structure, Governance and Management

During 2024/25, Health Exchange demonstrated robust organisational governance and strategic adaptation across all operational areas.

Health Exchange board strengthened its leadership through the successful recruitment of one trustee, with experience in financial management.

As part of strengthening strategic direction and governance, Health Exchange held a strategic workshop with trustees and the senior management team in November 2024. The session sharpened organisational purpose and ambition, identifying clear priorities for growth and diversification to secure long-term sustainability.

Strategic developments during 2024/25 focused on building a resilient organisation through revenue diversification, stronger partnerships, enhanced service quality, and robust financial and risk management, ensuring Health Exchange continues to deliver vital community health prevention services.

Customer satisfaction with the social prescribing service remains exceptionally high, averaging 4.9 out of 5 across all key measures, with clients praising the supportive staff, clear communication, and positive impact on wellbeing. Similarly, Living Well Taking Control (LWTC) achieved strong outcomes in 2024/25, with wellbeing scores improving for 4,257 participants, an 11% increase on the previous year, reflecting the programme's growing impact in helping people improve their health, confidence, and overall wellbeing.

Operational excellence was demonstrated by achieving Cyber Essentials Plus certification and conducting thorough policy reviews, underscoring our commitment to data security and governance. Health Exchange's strategic investment in in-house marketing enhanced content quality and audience engagement. Despite market challenges, Health Exchange maintained strong financial reserves and upheld strict GDPR compliance.

People Management

Over the past year, we have continued to strengthen our people practices across Health Exchange (HEX) and Living Well Taking Control (LWTC), with a clear focus on supporting staff, developing talent, maintaining compliance, and responding thoughtfully to organisational change.

In 2024/25, we proudly invested in our people, reviewing the structured training programme that achieved compliance with statutory and mandatory requirements. Six team members began their Leadership and Management apprenticeships, five at Level 3 and one at Level 5, marking a fantastic step forward in nurturing talent and growing future leaders across our organisations.

HEALTH EXCHANGE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

This year also saw significant change within our Mental Health Talking Therapy service. Following financial and operational pressures, a decision was taken to close the service. A formal consultation process was carried out between March and May 2025. As a result, three colleagues were made redundant, with their departures carefully managed over the following months. We are grateful for the contribution these individuals made to our work and ensured appropriate support was provided throughout the process. The self-employed practitioners continued to deliver services until mid-June 2025, when the contract came to an end. We were pleased to support a smooth transition, with practitioners redeployed to other organisations, ensuring continuity of skills, experience, and community impact.

Recruitment activity during the final quarter of the year was intentionally limited, reflecting the reduced headcount within mental health services. Looking ahead, we anticipate new opportunities for growth, particularly through the expansion of our weight management programmes within LWTC.

As of May 2025, Health Exchange employed 51 people under PAYE, with a further 20 employed by LWTC.

Three employees were on maternity leave, two of whom were receiving statutory maternity pay. We are pleased to report that there were no employees on long-term sick leave and no active disciplinary cases during this period, reflecting a positive and supportive working culture.

3. Operations Report

Operational Achievements Overview 2024/25

In 2024/25, Health Exchange and its trading subsidiary Living Well Taking Control (LWTC) delivered strong outcomes and introduced new programmes that strengthened their role in prevention and community-based health.

Social Prescribing maintained high performance across Coventry and Warwickshire and PCN areas, with the contract extended to March 2026. New referral pathways from urgent treatment centres and secondary care expanded reach, supporting thousands of patients with mental health, loneliness, and social isolation as leading referral reasons. Engagement through green prescribing, veterans' initiatives, and family hubs enhanced local impact.

LWTC saw major service growth. NHS England extended the National Diabetes Prevention Programme (NDPP) framework for two years, and the Long-Term Conditions (LTC) pilot was confirmed for mobilisation in 2025. Waiting times and uptake improved across digital and face-to-face delivery.

Mental health services were safely decommissioned following the end of a contract, allowing the organisation to refocus resources on preventative and early intervention services.

Business development advanced, strengthening the organisation's role in prevention. New partnerships with hospitals, leisure providers, schools and voluntary sector partners expanded reach and created opportunities to integrate wellbeing support into urgent care and community settings. A broader funding pipeline was developed, targeting both grant and statutory funding opportunities to drive long-term sustainability.

These developments demonstrate a year of focused delivery, service innovation, and strategic positioning to expand preventative health programmes and build long-term sustainability.

Social Prescribing Services

Throughout 2024/25, our Social Prescribing service continued to change lives and strengthen communities, navigating funding and commissioning shifts with resilience and focus.

HEALTH EXCHANGE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The year began with contract renewals across Oldbury, Langley, Rugby and North Arden PCNs and the TUPE transfer of 14 staff. While this caused a short-term dip in referrals, we strengthened our foundations through ICB service reviews, improved data quality, stronger employment and secondary care pathways, and closer links with family hubs.

2,872 people were referred to Social Prescribing across Birmingham and Coventry & Warwickshire — a 36% reduction reflecting national PCN trends. Birmingham remained stable with 1,451 referrals (–6%), while Coventry & Warwickshire recorded 1,421 referrals, maintaining high-quality, personalised support.

Referral insights continue to shape our business development priorities, highlighting key needs around mental health (26%), loneliness (19%), and adult social care (16%). In Birmingham, physical activity, social care, and housing featured strongly. With 1,270 onward referrals made, we're supporting those most affected by health inequalities and the social determinants of health, particularly women, adults aged 30–59, and an increasing number of under-18s.

A major milestone was the extension of the Coventry and Warwickshire contract to March 2026, embedding our role in the Community Integrator model and enabling more proactive, preventative care. Innovation remained core, with new urgent care referral routes, migrant engagement, and initiatives like “Pets as Therapy” and green social prescribing.

Amid shifting priorities, our team-maintained quality, trust, and impact, proving the enduring power of social prescribing to build healthier, more connected communities.

Mental Health and Wellbeing Service.

In the 2024/25 reporting period, the mental health service received a total of 1,774 referrals, an increase of 1% from the previous year's 1756 referrals. The service access rate also rose by 6%, with 1,500 individuals accessing support compared to 1,415 the previous year. Additionally, there was an improvement in recovery outcomes, with 871 individuals achieving recovery, a 15% increase from the previous year's 760 recoveries.

Females continued to make up around 70% of service users, and the largest age group remained 18–35, with a sharp rise among 16–17-year-olds. Ethnicity remained diverse, with White British (32%) as the largest group and strong representation from Asian and Black communities (27%)

Although referral numbers to the mental health service remained stable, the service was ultimately decommissioned following both the loss of a key contract and a series of reviews highlighting the need for change. These reviews identified gaps in governance, communication, and integration with wider organisational functions, which limited the service's ability to adapt and demonstrate impact. Strengthened clinical governance, improved data systems, and more collaborative leadership have been identified as priorities for future development. These lessons will inform the design of more resilient, transparent, and outcome-focused services moving forward.

Living Well Taking Control

In 2024–25, Living Well Taking Control (LWTC) made a real difference to people's lives across the country. More than 82,000 people took their first step towards better health, supported by a programme that continues to grow in reach, impact, and innovation.

HEALTH EXCHANGE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

Through a combination of compassionate coaching and flexible delivery, more people than ever completed their journey. Initial attendance rose by 16% (43,000 people) milestone achievements increased by 26% (17,000 people) and completions grew by 11% (8,400 people).

Digital and remote options expanded dramatically, making support accessible to communities who may have struggled to engage in traditional ways. Behind these numbers are powerful stories of change. Over 18,000 people achieved weight loss, more than 8,000 reduced their waist measurements, and over 4,200 reported feeling better in themselves. These are not just statistics, they are lives transformed, families supported, and communities strengthened.

Commissioner confidence has grown too, with NHS England extending the NDPP contract to 2026 and selecting LWTC to help shape the future of hypertension prevention and weight loss programmes. With rising engagement among younger people and minority ethnic communities, LWTC is reaching further and working harder to ensure no one is left behind.

Together, these achievements reflect a simple truth: when people are given the right support, they can take control of their health and thrive. LWTC is proud to be part of that journey.

4. Financial Review

Income

Health Exchange's income comes from contracts for health services it is commissioned to provide by the National Health Service (NHS), both nationally – through NHS England's National Diabetes Prevention Programme (NDPP) – and locally, from Integrated Care Boards, Primary Care Networks and Clinical Commissioning Groups in Birmingham and the Midlands. The charity's income streams for the year can be divided into three categories:

- Fixed-income contracts;
- Payment-by-results contracts;
- Grants & Awards.

The first two categories are classified as unrestricted/designated to deliver on the service; and the last category is restricted as it is subject to specific restrictions imposed by the terms of the grant.

Total group income received from charitable activities in 2024/25 increased by 6% to £8,046,144 (2023/24: £7,608,767).

Donations and legacies

Health Exchange received no donation income or legacies in 2024/25.

Investments

Interest earned on funds on account generated income of £7,103 (2023/24: £3,160).

Expenditure

Charitable expenditure of £7,214,839 was made in 2024/25 (2023/24: £6,755,839).

As in previous years, 24% of Health Exchange's expenditures are on staffing cost to deliver services within the target communities; with 17% spent on management and support functions required for governance, oversight, compliance and to implement appropriate controls.

HEALTH EXCHANGE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

Remuneration and Pay Policy for Staff

Health Exchange is dedicated to fair and competitive pay that attracts and retains the skilled staff essential for maximising its impact and achieving charitable goals. The organisation strives to offer salaries that are both competitive within the health promotion sector and proportionate to each role's complexity, ensuring alignment with its overarching mission.

Reserves Policy

The aim of the charity's Reserves Policy is to accumulate sufficient funds to enable us to achieve our long-term strategic aims; and then to allocate these funds to projects of organisation-wide impact over single- or multi-year projects as required. The Governing Board has established a Reserves Policy setting a minimum of £300,000 to be retained for the charity's strategic reserves, with reserves above this level being used for activities that support Health Exchange's needs.

It is also the policy of the Trustees to have a contingency plan for maintaining Health Exchange's basic functions for three months in the event of the loss of core income. The resources necessary to enact the contingency plan are reviewed on an annual basis.

Reserves at the end of 2024/25 were £2,705,486 (2023/24 - £1,867,078). Free reserves (unrestricted funds minus fixed assets) were £2,337,382 (2023-24 – £1,491,478).

Future Plans

Key initiatives for 2024-25 will include expanding Social Prescribing Services by enhancing support for children, young people, and secondary care, guided by recent pilot successes. We plan to develop mental health and chronic disease programmes, strengthen partnerships, and invest in Link Worker training, proactively addressing contract risks from PCN shifts. Living Well Taking Control will target 50% referral uptake, broaden diabetes prevention across 13 areas, and join a Long-Term Conditions pilot with NHS England to amplify health impact.

Social Prescribing Services

2024/25 was a year of resilience, innovation, and renewed purpose for our Social Prescribing service. In line with the NHS Long Term Plan, we are proud to be part of the national shift from hospital to community, and from sickness to prevention, helping people live well, stay well, and connect to what matters most.

Despite a challenging year of contract transitions and funding pressures, our teams continued to deliver high-quality, person-centred support that transforms lives. Social prescribing remains a vital bridge between clinical care and community life, tackling social isolation, supporting mental health, and empowering people to take control of their wellbeing.

Looking ahead, we are building on this strong foundation. Over the next five years, we will expand our reach across Primary Care Networks, embed social prescribing in secondary and urgent care settings, and grow structured education and support programmes that empower people to manage their health earlier and more effectively. By integrating social prescribing with wellbeing, we will create seamless, preventative models of care that bridge hospital and community, strengthen resilience, and reduce pressure on the wider health system.

HEALTH EXCHANGE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

Our vision is a connected community infrastructure where health and wellbeing thrive beyond clinical settings. Together with our partners and communities, we are proving that prevention works — and connection changes lives.

Mental Health and Wellbeing Services

As we reset following the decommissioning of our talking therapy service, we are seizing the opportunity to build a stronger, more integrated model of care.

Through innovation and partnership, we will develop an Integrated Mental Health & Social Prescribing Proposal that connects clinical support with community wellbeing, ensuring earlier intervention, better outcomes, and lasting impact.

Living Well Taking Control

Living Well Taking Control is proud to stand at the forefront of national prevention strategies. Building on our strong foundation in diabetes prevention, we are ready to deliver the full suite of Healthier You interventions; four integrated programmes commissioned through single contracts per ICS. LWTC already delivers two of the four directly: NHS Diabetes Prevention, Behavioural Support for Obesity Prescribing (BSOP), with pilots planned for the Long-Term Condition Prevention (LTC) and the fourth, NHS Type 2 Path to Remission, via our digital partner, Liva. Together, these interventions create a unified, person-centred model supporting people to live healthier lives.

We aim to expand our reach across communities, and drive equity by ensuring that every individual has access to high-quality, tailored behavioural support. By working in partnership, harnessing innovation, and delivering at scale, we aim to shape a healthier future for thousands more people across England.

Principal Risks and Uncertainties

The senior management and information governance group regularly reviews key risks for Health Exchange, considering input from across the organisation. These are documented in a risk register, approved by trustees annually.

The risk register focuses on the following Risk Areas: external, financial, governance, management / business systems, and programme / operational risks. Each risk is assessed for impact and likelihood, with actions to mitigate risk.

Amid economic uncertainty and a Cost-of-Living crisis, some risks, like income reduction, are heightened. Health Exchange isn't immune but can plan actions carefully thanks to reserves. Current principal risks include:

Financial

- A substantial reduction in dependable revenue stream due to contracts coming to an end.

Governance

- The absence of direction, strategy, and proactive planning

Operational

- Damage to reputation and trust due to possible contravention of GDPR and regulatory requirements, as well as exposure to legal claims.
- Insufficient new business development and/or ability to retain current and attract new health and wellbeing opportunities.

HEALTH EXCHANGE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The plans and strategies for managing these risks are:

- Demonstrating impact through external reviews and reports evidencing the benefits and improvement areas of Social Prescribing in Coventry and Warwickshire.
- Maintaining active dialogue with commissioners to advocate for service continuation and explore alignment with new funding streams such as Community Integrators.
- Embedding proactive strategic planning through regular reviews, ensuring responsiveness to emerging risks and fostering a culture of continuous improvement.
- Strengthening financial resilience through proactive monitoring, dynamic cash flow forecasting, strategic reserves, and robust monthly management reporting.
- Driving growth through the early identification of opportunities and timely submission of grant and tender applications.
- Enhancing visibility and stakeholder confidence by unifying LWTC and HEx branding, launching a new website, and delivering a targeted marketing strategy to build strong client relationships and support service innovation.

Provision of information to the auditor

Each Trustees has taken steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Statement of Responsibilities of the Trustees

The Trustees (who are also directors of Health Exchange for the purposes of company law) are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

**HEALTH EXCHANGE TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

Auditor

PKF Francis Clark were appointed and approved by the members as its auditor.

The Trustees have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved and signed on behalf of the Trustees by

DocuSigned by:
Russell Muirhead
.....2507644FF208494.....

4 December 2025
Date:

Dr Russell Muirhead, Trustee and Chair

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF HEALTH EXCHANGE
FOR THE YEAR ENDED 31 MARCH 2025**

Opinion

We have audited the financial statements of Health Exchange (the 'charitable company') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and charity's affairs as at 31 March 2025 and of its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP)
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF HEALTH EXCHANGE
FOR THE YEAR ENDED 31 MARCH 2025**

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' report, (which includes the Strategic Report and Directors' report prepared for the purposes of company law) for the Financial Year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- The Strategic Report and Directors' Report included within the Trustees' report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the Charity. We gained an understanding of the Charity and the industry in which the Charity operates as part of this assessment to identify the key laws and regulations affecting the Charity. As part of this, we reviewed the Charity's website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF HEALTH EXCHANGE
FOR THE YEAR ENDED 31 MARCH 2025**

The key regulations we identified were Charity Legislation, health and safety regulations and The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We discussed with management and Trustees how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the Charity complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Charity's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.
- Reviewed filings with the Charity Commission and whether there were any serious incident reports made during the year, of which there were none.
- Discussed with the Health and Safety Officer if any incidents have been reported during the year under The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 ("RIDDOR").
- Review of the group's GDPR policy and enquiries to the Data Protection Officer as to the occurrence and outcome of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Reviewed Board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none. We evaluated the risk of fraud through management override. The key risks we identified were management bias in accounting judgements and estimates.

In response to the identified risk, as part of our audit work we:

- Audited the risk of management override of controls, including through testing journal entries and other adjustments or appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business of which there were none.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate omissions, collusion, forgery, misrepresentations, or the override of internal controls. We are also less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

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

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF HEALTH EXCHANGE
FOR THE YEAR ENDED 31 MARCH 2025**

Use of our Report

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. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

999771DCB5C24BA...
Neil Hitchings (Senior Statutory Auditor)

For and on behalf of
PKF FRANCIS CLARK, Chartered Accountants & Statutory Auditor
Centenary House,
Peninsula Park
Rydon Lane,
Exeter, EX2 7XE

Date: 10 December 2025

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st MARCH 2025**

	Note	Unrestricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Income from:				
Charitable activities	4	8,046,144	8,046,144	7,608,767
Investments	5	7,103	7,103	3,160
Total income		<u>8,053,247</u>	<u>8,053,247</u>	<u>7,611,927</u>
Expenditure on:				
Charitable activities	6	7,214,839	7,214,839	6,755,839
Total expenditure		<u>7,214,839</u>	<u>7,214,839</u>	<u>6,755,839</u>
Net income/(expenditure)		<u>838,408</u>	<u>838,408</u>	<u>856,088</u>
Taxation		-	-	36,200
Net movement in funds		<u>838,408</u>	<u>838,408</u>	<u>819,888</u>
Reconciliation of funds:				
Total funds brought forward		1,867,078	1,867,078	1,047,190
Net movement in funds		838,408	838,408	819,888
Total funds carried forward		<u>2,705,486</u>	<u>2,705,486</u>	<u>1,867,078</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 20 to 33 form part of these financial statements.

HEALTH EXCHANGE CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2025

REGISTERED NUMBER: 06445689

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	10	<u>368,104</u>	<u>375,600</u>
		368,104	375,600
Current assets			
Debtors	12	1,741,014	1,751,882
Cash at bank and in hand		<u>1,651,526</u>	<u>1,016,701</u>
		3,392,540	2,768,583
Creditors: amounts falling due within one year	13	<u>(1,055,158)</u>	<u>(1,255,034)</u>
Net current assets		<u>2,337,382</u>	<u>1,513,549</u>
Total assets less current liabilities		<u>2,705,486</u>	<u>1,889,149</u>
Creditors: amounts falling due over one year	14	-	(22,071)
Net assets		<u><u>2,705,486</u></u>	<u><u>1,867,078</u></u>
Charity funds			
Unrestricted funds			
Designated funds	15	368,104	344,604
General funds	15	2,337,382	1,522,474
Total funds		<u><u>2,705,486</u></u>	<u><u>1,867,078</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised on 4 December 2025 for issue by the Trustees and signed on their behalf by:

DocuSigned by:

2597641FE208494...
Dr Russell Muirhead
Chair

Signed by:

A1A89C9750ED4BC...
David Melbourne
Trustee

The notes on pages 20 to 33 form part of these financial statements.

**HEALTH EXCHANGE CHARITY BALANCE SHEET
AT 31 MARCH 2025**

REGISTERED NUMBER: 06445689

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	10	352,486	357,607
Investments	11	1	1
		<u>352,487</u>	<u>357,608</u>
Current assets			
Debtors	12	836,819	742,348
Cash at bank and in hand		749,698	568,941
		<u>1,586,517</u>	<u>1,311,289</u>
Creditors: amounts falling due within one year	13	<u>(160,473)</u>	<u>(190,103)</u>
Net current assets		<u>1,426,044</u>	<u>1,121,186</u>
Total assets less current liabilities		<u>1,778,531</u>	<u>1,478,794</u>
Net assets		<u><u>1,778,531</u></u>	<u><u>1,478,794</u></u>
Charity funds			
Unrestricted funds			
Designated funds		352,486	344,604
General funds		1,778,531	1,134,190
Total funds		<u><u>1,778,531</u></u>	<u><u>1,478,794</u></u>

The charity has taken advantage of the exemption contained within S.408 of the Companies Act not to present its own Income and Expenditure Account. The net income for the parent charity for the year ended 31 March 2025 was £299,737.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised on 4 December 2025 for issue by the Trustees and signed on their behalf by:

DocuSigned by:

 2597641FF208494...
Dr Russell Muirhead
 Chair

Signed by:

 A1A89C9750ED4BC...
David Melbourne
 Trustee

The notes on pages 20 to 33 form part of these financial statements.

**HEALTH EXCHANGE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash generated by operating activities	16	<u>652,679</u>	<u>496,633</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		7,103	2,655
Purchase of tangible fixed assets		<u>(789)</u>	<u>(1,021)</u>
Net cash used in investing activities		<u>6,314</u>	<u>1,634</u>
Cash flows from financing activities			
Repayment of borrowings		<u>(24,168)</u>	<u>(7,685)</u>
Net cash used in financing activities		<u>(24,168)</u>	<u>(7,685)</u>
Change in cash and cash equivalents in the year		634,825	490,582
Cash and cash equivalents at the beginning of the year		1,016,701	526,119
Cash and cash equivalents at the end of the year	17	<u><u>1,651,526</u></u>	<u><u>1,016,701</u></u>

The notes on pages 20 to 33 form part of these financial statements.

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. General information

Health Exchange is a registered company limited by guarantee with registered charitable status, in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements.

The company number is 06445689 and charity number is 1188838. The registered office is Avoca Court, 27 Moseley Road, Digbeth, Birmingham, B12 0HJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statement of the Charity and its subsidiary Living Well Taking Control – Health exchange. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Going concern

The Trustees of Health Exchange have a reasonable expectation that Health Exchange possesses sufficient resources to continue operating and fulfilling its mission of 'helping people make healthier choices' due to the financial outlook for the Charity in the annual accounts, supported by a comprehensive review considering the strategic plan and principal financial risks.

Careful resource management and service expansion, notably through the trading subsidiary's growth, Living Well Taking Control – Health Exchange Limited, contribute to the Charity's financial stability. This collective approach positions Health Exchange with the necessary stability and resources to fulfil its mission, demonstrating resilience, adaptability, and confidence in navigating challenges for a healthier future.

Therefore, the Trustees believe that Health Exchange is well placed to continue and expand its work in future. The charity has a strong cash position and the majority of its funds are unrestricted funds.

On this basis the trustees are confident at present that the society has adequate resources to continue in operation and, accordingly, there are no material uncertainties regarding the adoption of the going concern basis in preparing the financial statements.

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2.3 Income

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

No amount is included in the financial statements for volunteer time in line with the Charities SORP (FRS 102).

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.5 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The analysis of these costs is included in note 6.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2.7 Tangible fixed assets and depreciation

Tangible fixed assets, except for leasehold property, are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Leasehold property are stated at their revalued amounts. The revalued amounts equate to fair value at the date of revaluation, less any depreciation or impairment losses subsequently accumulated. Revaluations are carried out regularly so that the carrying amounts do not materially differ from the fair value at the balance sheet date.

Revaluation surpluses and losses are transferred to the revaluation reserve. Depreciation of the revalued amount is charged to the revaluation reserve.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	0.83% Over 120 years
Motor vehicles	-	25.00% straight line
Fixtures and fittings	-	25.00% straight line
Office equipment	-	33.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

2.13 Pensions

The Charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charity pays fixed contributions into a separate entity. Once the contributions have been paid, the Charity has no further obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Charity in independently administered funds.

Certain past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

2.14 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation and residual value:

The trustees have reviewed the asset lives and associated residual values of all tangible fixed assets classes, and have concluded that asset lives and residual values are appropriate.

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

4. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Mental Health & Wellbeing	508,450	508,450	516,684
Triage for EWH	88,544	88,544	86,634
Primary Care Network	639,718	639,718	1,032,992
Face to Face Milestones	4,453,578	4,453,578	4,163,264
Tailored Remote Milestones	21,171	21,171	8,425
Digital Milestones	2,258,938	2,258,938	1,767,320
Other Income	75,745	75,745	33,448
Total 2025	<u>8,046,144</u>	<u>8,046,144</u>	<u>7,608,767</u>
Total 2024	<u>7,608,767</u>	<u>7,608,767</u>	

5. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bank interest	7,103	7,103	3,160
TOTAL 2025	<u>7,103</u>	<u>7,103</u>	<u>3,160</u>
TOTAL 2024	<u>3,160</u>	<u>3,160</u>	

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

6. Expenditure on charitable activities

	Mental Health & Wellbeing £	Community Health & Wellbeing £	Living Well Taking Control £	Head Office £	Total 2025 £	Total 2024 £
Direct Costs						
Staff costs	281,031	513,673	-	-	794,704	1,078,641
Coach Fees	-	-	2,724,078	-	2,724,078	2,839,993
Digital delivery	-	-	2,251,534	-	2,251,534	1,729,474
Supporters	132,383	-	-	-	132,383	122,210
Telephone, internet and SMS	3,057	6,582	-	-	9,639	9,577
Travel and subsistence	575	600	-	-	1,175	3,246
Advertising, promotions and marketing	10	774	1,781	-	2,565	6,300
Other direct costs	9,308	353	25,702	-	35,363	77,575
Total direct costs 2025	426,364	521,982	5,003,095	-	5,951,441	5,867,016
Total direct costs 2024	341,387	882,091	4,637,719	5,819	5,867,016	

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

6. Expenditure on charitable activities (continued)

Support Costs	Mental Health & Wellbeing	Community Health & Wellbeing	Living Well Taking Control	Head Office	Total 2025	Total 2024
	£	£	£	£	£	£
Staff costs	-	-	774,399	166,114	940,513	580,718
Rent, rates and storage	-	-	2,308	12,056	14,364	8,725
Heat, light and power	-	-	2,242	2,241	4,483	4,805
Travel and subsistence	-	-	1,801	2,127	3,928	5,672
Telephone, internet and SMS	-	-	21,005	7,552	28,557	30,247
Office expenses	174	1,099	67,259	1,646	70,178	65,806
Legal and professional	1,275	-	29,116	31,945	62,336	57,101
Computer software and maintenance	-	-	55,976	2,288	58,264	41,368
Equipment and licenses	5,147	11,468	-	7,140	23,755	25,757
Premises expenses	-	-	1,396	6,864	8,260	3,434
Bank charges and interest	-	-	378	234	612	2,526
Depreciation	847	2,404	2,376	2,658	8,285	14,814
Subscriptions and donations	-	-	420	689	1,109	1,171
Insurance	-	-	6,775	12,559	19,334	14,813
Repairs and renewals	-	-	-	-	-	59
Other costs	-	(438)	3,924	527	4,013	5,359
IT consultancy core	-	-	-	15,407	15,407	26,448
Head office recharges	111,444	144,320	-	(255,764)	-	-
Total support costs 2025	118,887	158,853	969,375	16,283	1,263,398	888,823
Total support costs 2024	119,874	186,834	586,064	(3,949)	888,823	

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7. Auditors remuneration

	Group 2025	Group 2024
	£	£
Fees payable to the company's Auditor for the audit of the group's annual accounts	15,000	10,000
Fees payable to the charity's Auditor in respect of all non-audit services not included above	14,000	-
	<u>29,000</u>	<u>10,000</u>

8. Staff costs

	Group 2025	Group 2024
	£	£
Wages and salaries	1,525,358	1,460,399
Social security costs	139,988	128,787
Contribution to defined contribution pension schemes	70,028	65,025
	<u>1,735,374</u>	<u>1,654,211</u>

The average number of persons employed during the year was as follows:

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Administration	9	2	2	2
Frontline	24	39	24	39
Operational	12	5	3	5
Management	10	5	7	5
	<u>55</u>	<u>51</u>	<u>36</u>	<u>51</u>

The number of employees whose employee benefits (excluding employer pension costs and social security) exceeded £60,000 was:

	Group 2025	Group 2024
	£	£
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1

The trustees consider its key management personnel to comprise the CEO, Head of Finance, Head of Health Prevention, Head of Social Prescribing, Head of Mental Health & Wellbeing Services and Head of Human Resources. The total employment benefits including employer's national insurance and employer pension contributions of the key management personnel was £320,927 (2024: £341,776).

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

9. Trustees' remuneration and expenses

During the year ended 31 March 2025, no Trustees were paid remuneration (2024 - £nil).

During the year ended 31 March 2025, two (2024 – none) Trustees had reimbursed travel expenditure totaling £115 (2024 - £nil).

10. Tangible fixed assets

Group	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2024	354,205	36,913	153,383	544,501
Additions	-	-	789	789
At 31 March 2025	<u>354,205</u>	<u>36,913</u>	<u>154,172</u>	<u>545,290</u>
Depreciation				
At 1 April 2024	11,325	29,147	128,429	168,901
Charge for the year	2,102	251	5,932	8,285
At 31 March 2025	<u>13,427</u>	<u>29,398</u>	<u>134,361</u>	<u>177,186</u>
Net book value				
At 31 March 2025	<u>340,778</u>	<u>7,515</u>	<u>19,811</u>	<u>368,104</u>
At 31 March 2024	<u>342,880</u>	<u>7,766</u>	<u>24,954</u>	<u>375,600</u>

The interest in the long-term leasehold property was revalued on 1 February 2023 at £350,000. The valuation was provided by a qualified valuer who was a Registered valuer as defined under the RICS Valuation Registration Scheme.

The directors consider this valuation to still be accurate at the date of signing these accounts, and therefore feel it is appropriate to carry this at the revalued amount subject to depreciation.

Had this class of assets been measured on a historic cost basis, the carrying amount would have been £177,900.

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

10. Tangible fixed assets(continued)

Charity	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2024	354,205	36,913	133,013	524,131
Additions	-	-	789	789
At 31 March 2025	<u>354,205</u>	<u>36,913</u>	<u>133,802</u>	<u>524,920</u>
Depreciation				
At 1 April 2024	11,325	29,145	126,054	166,524
Charge for the year	2,102	253	3,555	5,910
At 31 March 2025	<u>13,427</u>	<u>29,398</u>	<u>129,609</u>	<u>172,434</u>
Net book value				
At 31 March 2025	<u>340,778</u>	<u>7,515</u>	<u>4,193</u>	<u>352,486</u>
At 31 March 2024	<u>342,880</u>	<u>7,768</u>	<u>6,959</u>	<u>357,607</u>

11. Investments

Charity	Investments in subsidiary companies £
Cost	
At 1 April 2024 and 31 March 2025	<u>1</u>
Net book value	
At 31 March 2025	<u>1</u>
AT 31 March 2024	<u>1</u>

The charity is the sole shareholder in Living Well Taking Control – Health Exchange Limited.

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

12. Debtors

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade debtors	1,680,596	972,663	377,899	308,763
Other debtors	-	118	-	118
Amounts owed by group undertakings	-	-	450,556	422,906
Prepayments and accrued income	60,418	105,553	8,364	10,561
	<u>1,741,014</u>	<u>1,078,334</u>	<u>836,819</u>	<u>742,348</u>

13. Creditors: Amounts falling due within one year

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade creditors	266,694	452,297	14,041	31,021
Other taxation and social security	289,041	328,109	75,782	120,108
Other creditors	18,288	41,492	14,090	23,915
Bank loans and overdrafts	-	2,097	-	2,097
Accruals and deferred income	481,135	431,039	56,560	12,962
	<u>1,055,158</u>	<u>1,255,034</u>	<u>160,473</u>	<u>190,103</u>

14. Creditors: Amounts falling due after more than one year

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Bank loans and overdrafts	-	22,071	-	-
	<u>-</u>	<u>22,071</u>	<u>-</u>	<u>-</u>

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

15. Consolidated statement of funds

Current year	Balance at 1 April 2024 £	Incoming resources £	Expenditure £	Transfers £	Balance at 31 March 2025 £
Unrestricted funds					
Designated funds					
Tangible fixed asset fund	101,836	-	(6,183)	(68,327)	27,326
Leasehold property	96,731	-	(1,204)	99,639	195,166
Revaluation reserve	146,037	-	(898)	473	145,612
	344,604	-	(8,285)	31,785	368,104
General funds					
General funds	1,522,474	8,053,247	(7,206,554)	(31,785)	2,337,382
Total unrestricted funds	1,867,078	8,053,247	(7,214,839)	-	2,705,486

Prior year	Balance at 1 April 2023 £	Incoming resources £	Expenditure £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
Designated funds					
Tangible fixed asset fund	109,359	-	(7,523)	-	101,836
Leasehold property	96,731	-	-	-	96,731
Revaluation reserve	146,037	-	-	-	146,037
	352,127	-	(7,523)	-	344,604
General funds					
General funds	695,063	7,611,927	(6,784,516)	-	1,522,474
Total unrestricted funds	1,047,190	7,611,927	(6,792,039)	-	1,867,078

Tangible fixed asset fund and leasehold property fund

The purpose of these funds is to recognise the value of operational assets which are not freely convertible into cash. The transfer between funds in the current year is in order to align the carried forward funds with the net book value of the assets.

Revaluation Fund

This represents the revaluation of the leasehold property. The trustees believe it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the Charity.

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

16. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	Group 2024 £
Net income/expenditure for the year (as per Statement of Financial Activities)	838,408	819,888
Adjustments for:		
Depreciation charges	8,285	16,432
Dividends, interests and rents from investments	(7,103)	(2,655)
Increase/(decrease) in debtors	10,868	(673,549)
Increase/(decrease) in creditors	(197,779)	336,517
Net cash generated by operating activities	652,679	496,633

17. Analysis of change in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	1,016,701	634,825	1,651,526
Bank loans and overdraft	(24,168)	24,168	-
Total funds	992,533	658,993	1,651,526

18. Pension commitments

The company operates a defined contribution stakeholder pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension cost charged in the year can be seen in note 8 of the accounts. Contributions totaling £18,222 (2024: £17,109) were payable to the fund at the balance sheet date and are included in other creditors.

19. Operating lease commitments

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Not later than 1 year	399	1,596	399	1,596
Later than 1 year and not later than 5 years	-	399	-	399
	399	1,995	399	1,995

**HEALTH EXCHANGE NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

20. Members' liability

Each member of the charity undertakes to contribute to the assets of the charity in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

21. Related party transactions

During the year Scotdoc Consultancy Ltd, a company where Trustee Russell Muirhead is a director, provided clinical supervision services to staff. The cost of these services totaled £6,504 (2024: £6,511). At the year-end an amount of £542 was owed to (2024: £542) Scotdoc Consultancy Ltd.

22. Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Holding	Included in consolidation
Living Well Taking Control - Health Exchange Limited	14541125	100%	Yes

The registered office is the same as that of the parent charity.

The financial results of the subsidiary was:

Name	Income and other gains £	Expenditure £	Profit / (Loss) for the year £	Net assets £
Living Well Taking Control - Health Exchange Limited	<u>6,810,258</u>	<u>(5,971,588)</u>	<u>838,670</u>	<u>926,955</u>

HEALTH EXCHANGE

England & Wales - Charity number 1188838

Accounts



**Trustees' Report and
Consolidated Financial Statements
2023 – 2024**

Company Number: 06445689 - Charity Number: 1188838

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

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**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

The Trustees of Health Exchange, who are also Directors for the purposes of company law, present their report and financial statements for the year ended 31st March 2024.

Reference and Administration

Company & Charity name: Health Exchange
A Charity & Private Company Limited by Guarantee

Registered Company Number: 06445689
Charity number: 1188838

Registered and
Correspondence Address: Avoca Court,
27 Moseley Road, Digbeth,
Birmingham
B12 0HJ

Advisors

Auditor: Prime Chartered Accountants
Corner Oak
1 Homer Road
Solihull
B91 3QG

Banker: Santander UK

Legal advisers: Higgs & Sons Solicitors,
3 Waterfront Business Park Brierley Hill,
West Midlands
DY5 1LX

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

Trustees

The following Trustees, who are also the Directors for the purposes of company law, held office on the Health Exchange Governing Board during the year and to the date of signing these financial statements:

Dr. Jacky Chambers,
Mr. David Melbourne,
Dr. Russell Muirhead (Chair)
Sir David Winkley
Dr Andrew Kemp (appointed 7 Dec 2023)
Miss Amy Soar (appointed 7 Dec 2023)
Mr Alex Spyrou (appointed 7 Dec 2023)
Dr Andrew Papadopoulos (appointed 7 Dec 2023)
Stacey Taylor (appointed 13 June 2024)

Senior Staff

The senior executive staff of the Charity, and of its commercial subsidiary, Living Well Taking Control – Health Exchange Limited, during the year comprised:

Mr. Alan Weinstock, Chief Executive Officer
Mrs. Olabimpe Odubanjo, Head of Finance
Mrs. Rachel Georgiou, Head of Service, Living Well Taking Control – Health Exchange Limited
Mrs. Claire Christie, HR manager
Dr Stuart Haw, Head of Social Prescribing
Ms. Parminder Sandhu, Mental Health Services Manager

Narrative Report

This Trustees' Report covers the twelve-month period 1st April 2023 – 31st March 2024.

1. Structure, Governance and Management

Nature of Governing Document

The governing documents of Health Exchange are the Articles of Association, which were approved and registered on 29th October 2019.

Trustee Appointments

Trustees of Health Exchange serve as Governing Board members for a three-year period and may be re-elected for up to three consecutive terms. All trustees go through a comprehensive induction with Governing Board and Executive Team members and are provided with introductory documentation to assist them.

Organisational Structure

The Health Exchange Governing Board governs the charity on behalf of its members. The charity owned one subsidiary, Living Well Taking Control – Health Exchange Limited (company no. 14541125) which has its own Board of Directors. The Governing Board determines the strategic direction of the organization, including its policies, objectives and goals. Health Exchange's Chief Executive Officer (CEO) had overarching responsibility for the management of the organisation and the executive delivery of its plans and activities to implement these strategic goals. He leads the Executive Team which works to deliver the charity's mission.

HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

Statement of Responsibilities of the Trustees

The Trustees (who are also directors of Health Exchange for the purposes of company law) are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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. They are also responsible for safeguarding the assets of the charitable company and 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.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees on 5th April 2024 was six. The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor

Prime Accountants were appointed and approved by the members as its auditor.

2. Objectives and Activities

Legal Objects

The legal objects of the Charity, as defined in its Articles of Association are:

- The advancement of health, including public health and wellbeing.
- To promote social inclusion amongst marginalised and minority groups who are excluded from society, or parts of society, due to their social and economic position by providing education, training, information, and opportunities for social interaction.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

- The promotion of urban regeneration in areas of social and economic deprivation (in particular, but not exclusively in, the West Midlands) by all or any of the following means:
 - (a) The relief of poverty.
 - (b) The relief of unemployment.
 - (c) The advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience.
 - (d) The provision of public health facilities:
- The advancement of education, including the provision of training, particularly in relation to matters of health.
- To develop the capacity and skills of members of the public in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.

Mission of the Charity

Health Exchange's Mission is: 'To shape the design and development of health and wellbeing services that will enable everyone to have the capacity and confidence to choose positive health and wellbeing.' To achieve our mission, we rely on our core values:

- **Investing** in our people by recruiting local people and helping them to develop their skills and knowledge.
- **Being The Best** at providing services that meet the needs of every individual, commissioner, or buyer of our services.
- **Social Value** by spending money in a way that benefits our local communities.
- **Innovation** by creating new ways of working which continue to make our services more efficient and engaging.
- **Empowerment** support patients to develop the knowledge, skill, and confidence to become active participants in achieving their health and wellbeing goals.

Public Benefit Statement

Health Exchange's charitable objects are enshrined within its Articles of Association, and as such, the Trustees ensure that the objectives are achieved through our priority areas. Quarterly and annual reviews of our work evaluate our activities against our set aims, targets and outcomes. A structured model of evaluation enables us to identify if we are achieving our outcomes to allow us to tailor our service delivery to match local needs more closely.

In setting plans and priorities for areas of work, the Trustees of Health Exchange have had regard to the guidance from the Charity Commission on the provision of public benefit and Health Exchange meets the definition of a public benefit entity under FRS 102. In particular, the Trustees consider how planned activities contribute to meeting charitable objectives – as set out in the Articles of Association.

Fundraising

In the 2023-24 financial year Health Exchange did not engage in public fundraising and did not use professional fundraisers. The Charity, nevertheless, observes and complies with the relevant fundraising regulations and codes where appropriate. During the year there was no non-compliance of these regulations and codes, and we received no complaints relating to our fundraising practice.

Plans and Budgets

Each year Health Exchange's Executive Team develops annual targets for its programmes, and these are operationalised in annual plans and budget approved by the Governing Board. The monitoring and achievement of these targets, plan and budget is the principal means through which the Charity measures and reports on its progress in meeting its Mission.

HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

Strategy and Operations Structure, Governance and Management

During 2023-24, Health Exchange demonstrated robust organisational governance and strategic adaptation across all operational areas. A significant milestone was achieved with the successful transition of the trading subsidiary Living Well Taking Control LLP which formally ceased trading on the 30th September. In its place Living Well Taking Control - Health Exchange Ltd. Commenced trading on October 1st, 2023.

The Health Exchange board was strengthened its leadership through the successful recruitment of four trustees, with experience in clinical practice, policy development, marketing and science while maintaining an ongoing commitment to enhancing board diversity. To deepen trustees' understanding of their roles, an externally facilitated governance workshop provided essential guidance on duties, responsibilities, legal structures, governance codes, and practical tools for effective oversight, including case studies on service expansion.

The key themes of the strategic developments for Health Exchange during 2023/24 centred on ensuring business sustainability through a proactive combination of revenue diversification, strengthening contract relationships, enhancing service quality, and implementing prudent financial and risk management strategies to safeguard essential community health services.

Operational excellence was demonstrated by achieving Cyber Essentials Plus certification and conducting thorough policy reviews, underscoring our commitment to data security and governance. Health Exchange's strategic investment in in-house marketing enhanced content quality and audience engagement. Despite market challenges, Health Exchange maintained strong financial reserves and upheld strict GDPR compliance.

People Management

During 2023/24 reporting year, Health Exchange employed 51 staff, with 15 part-time and 36 full-time staff, up from 48 at the year's start. Key changes included the introduction of a Grant and Fundraising Coordinator and the transition of social media support from an external provider to internal part-time staff. In response to the decision by Primary Care Networks (PCNs) to bring social prescribing services in-house, thirteen colleagues were transferred out of our organisation via TUPE between February and March 2024.

Following a thorough review and benchmarking exercise in 2023/24, we enhanced our employee benefits, including improved maternity pay, paternity leave, and increased annual leave entitlement, awarded after 5 years of service and the introduction of an Employee Assistance Program. The Employee Handbook was replaced with updated policies, to be issued in in 2024/25.

3. Operations Report

Achievements and Performance

Over the last year Health Exchange has continued to provide tailored health prevention and wellbeing support to thousands of people in Birmingham, West Midlands across and across the country through Living Well Taking Control – Health Exchange Ltd. educating, motivating, and helping people make changes which enable them to live healthier lives.

The 2023-24 financial year marked a period of significant achievement and resilience for Health Exchange, exceeding financial expectations, delivering a £140k profit despite market challenges with 5,995 people who were referred across Social Prescribing and Mental Health Services (5,596 in 2022-23).

Service delivery showed remarkable progress across multiple areas, with notable growth with the National Diabetes Prevention Programme (NDPP) referrals through the subsidiary company Living Well Taking Control – Health Exchange Ltd. which successfully retained the majority of NDPP regions through effective contract management and met key targets in mental health services despite capacity challenges.

HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

The Social Prescribing Service is navigating a period of transition, marked by contract changes within Primary Care Networks. Over the past year, the service has launched innovative pilot programs, built strong community partnerships, and driven quality improvements across all areas.

Workforce development remained a key focus with improved staff satisfaction metrics as evidenced through pulse surveys. Particularly notable improvements were seen in career development and recognition areas. Health Exchange maintained high service quality standards despite staffing challenges in specific areas, testament to the resilience and dedication of our teams.

In terms of business development, Health Exchange actively pursued new opportunities through strategic grant applications and tenders, including positioning for significant opportunities. The organisation demonstrated remarkable adaptability in responding to contract changes, developing innovative program offerings to offset contract losses, and maintaining a strong focus on sustainable growth. This proactive approach to business development, combined with strategic service expansion, has positioned Health Exchange strongly for continued success and impact in the coming years.

Social Prescribing Services

The Social Prescribing Service has had a significant impact in 2023-2024, supporting 4,509 patients across Coventry, Warwickshire, and Birmingham. The service focused on addressing mental health, loneliness, isolation, and adult social care needs. In Coventry and Warwickshire, the number of referrals increased to 2,694. Notably, one-third of patients showed improved wellbeing according to ONS4 wellbeing scores.

The service expanded its reach by piloting new initiatives in secondary care, including programs in Muscular-Skeletal, Neuro Rehab, and Physiotherapy. This led to a new commission for managing a social prescribing service at Coventry Urgent Care Centre. In Birmingham, Sandwell, and Solihull, the team worked with 1,545 clients, offering both one-on-one interactions and group health awareness sessions. These sessions, covering topics such as serious mental health, prostate cancer awareness, and digital exclusion, were well-received across the health sector.

Despite some changes in staffing due to NHS trust and PCN decisions to bring social prescribing in-house, the service adapted by increasing the number of Health and Wellbeing Coaches and developing new offerings in Secondary Care and Children and Young People's social prescribing. The service also improved its BAME representation, particularly in Coventry, where non-white British service users increased to 37%.

Partnerships played a crucial role in the service's success, with collaborations spanning ICBs, PCNs, secondary care services, and local authorities. The service significantly increased referrals to community groups, from 121 to 406, partly through the launch of Community Forums. These forums helped address gaps in services such as transport, housing support, and dementia care. Overall, the Social Prescribing Service demonstrated its ability to adapt, expand, and make a meaningful impact on patient wellbeing across diverse communities.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

Mental Health and Wellbeing Services

In the 2023/24 reporting period, the mental health service received a total of 1,756 referrals, marking a significant increase of 109% from the previous year's 839 referrals. The service access rate also rose by 13%, with 1,415 individuals accessing support compared to 1,252 the previous year. Additionally, there was a remarkable improvement in recovery outcomes, with 760 individuals achieving recovery—a 70% increase from the previous year's 446 recoveries.

Another encouraging trend is the shift towards self-referrals, which became the primary source for both IAPT and FTB services in 2022-23. This shift reflects growing mental health awareness and proactive self-care among our community.

While the 18-35 age group continues to form many of our clients, we have identified opportunities to expand our reach to other age demographics. Additionally, we've observed varying engagement levels across different ethnic groups. This insight guides our future efforts to develop more culturally informed outreach strategies, ensuring our mental health support is accessible and relevant to all members of our diverse community. As we move forward, we remain committed to building on these positive trends and addressing areas for improvement, continually striving to enhance the mental wellbeing of those we serve.

The work conducted in 23/24 highlights the Mental Health Service resilience and commitment to continuous growth, enabling it to better navigate challenges and enhance its positive impact on the wellbeing of those we support.

Living Well Taking Control

The 2023-24 period has been a year of stability and growth for Living Well taking Control (LWTC). While maintaining contracts across 13 regions in England, LWTC saw Derbyshire transition to another provider in November 2023. The organisation remains the primary provider in the Midlands and has expanded into the Southwest and Southeast, presenting new opportunities for service growth in these regions. A major focus this year was managing contract regions effectively and improving referral uptake. Key developments included enhancements to coach training materials and a consistent workforce supported by our digital partners increased digital coaching capacity.

LWTC processed 81,408 referrals, with 37,086 people progressing to join the NHS Diabetes Prevention Programme. (Up 44% from 25,791 in 2022-23). High retention rates and positive patient feedback highlight the program's effectiveness in reducing type 2 diabetes risk. Testimonials underscore the success of the program in transforming participants' health outcomes, such as reduced HbA1c levels. Additionally, 18,622 reduced weight during programme (up 133% from 7,968 in 2022-23) and 60% of participants reported maintaining or increasing their daily step count.

Throughout 2023-24, LWTC retained contracts in key regions, and its delivery team expanded to meet new challenges, fostering career growth among team members. The National Diabetes Prevention Programme continued to thrive, providing valuable employment opportunities while supporting patients in making critical lifestyle changes.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

Financial Review

Income

Health Exchange's income comes from contracts for health services it is commissioned to provide by the National Health Service (NHS), both nationally – through the Trading subsidiary's activities delivering NHS England's National Diabetes Prevention Programme (NDPP) – and locally, from Integrated Care Boards and Primary Care Networks in Birmingham and the Midlands.

The charity's income streams for the year can be divided into four categories:

- Fixed-income contracts;
- Payment-by-results contracts;
- Joint Venture/Trading Subsidiary
- Grants & Awards.

The first three categories are classified as unrestricted/designated to deliver on the service; and the last category is restricted as it is subject to specific restrictions imposed by the terms of the grant.

Health Exchange has seen significant growth in income attributable to investment in the subsidiary which transitioned from the joint venture Living Well Taking Control LLP (which ceased trading September 2023) to Living Well Taking Control -Health Exchange Limited.

Income from the charity's trading subsidiary is disclosed under charitable activities. The income is recognised when the criteria for the claim is achieved as they are contractually entitled to the income

Total income overall received in 2023-24 increased to £7,611,927 (2022-23: £2,833,371).

Donations and legacies

Health Exchange received no donation income or legacies in 2023-24.

Investments

Interest earned on funds on account generated income of £3,160 (2022-23: £863).

Expenditure

Charitable expenditure of £6,755,839 was made in 2023-24 (2022-23: £2,832,275).

Remuneration and Pay Policy for Staff

Health Exchange is dedicated to fair and competitive pay that attracts and retains the skilled staff essential for maximising its impact and achieving charitable goals. The organisation strives to offer salaries that are both competitive within the health promotion sector and proportionate to each role's complexity, ensuring alignment with its overarching mission.

Reserves Policy

The aim of the charity's Reserves Policy is to accumulate sufficient funds to enable us to achieve our long-term strategic aims; and then to allocate these funds to projects of organisation-wide impact over single- or multi-year projects as required. The Governing Board has established a Reserves Policy setting a minimum of £300,000 to be retained for the charity's strategic reserves, and £407,773 retained earnings from the LLP, as a loan to the trading subsidiary with reserves above this level being used for activities that support Health Exchange's needs.

It is also the policy of the Trustees to have a contingency plan for maintaining Health Exchange's basic functions for three months in the event of the loss of core income. The resources necessary to enact the contingency plan are reviewed on an annual basis.

HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

Reserves at the end of 2023-24 were £1,867,078 (2022-23 - £1,047,190).

Future Plans

Key initiatives for 2024-25 will include expanding Social Prescribing Services by enhancing support for children, young people, and secondary care, guided by recent pilot successes. We plan to develop mental health and chronic disease programs, strengthen partnerships, and invest in Link Worker training, proactively addressing contract risks from PCN shifts. In Mental Health, we will launch public health-focused pilots, recruit therapists to meet growing demand, and conduct a strategic review to ensure clinical governance and service quality. Living Well Taking Control will target 50% referral uptake, broaden diabetes prevention across 13 areas, and join a Long-Term Conditions pilot with NHS England to amplify health impact.

Social Prescribing Services

As we look towards 2024/25, Health Exchange is poised to develop our Social Prescribing initiatives, building on the groundwork laid in 2023/24. We are actively exploring emerging areas where social prescribing can make a meaningful impact, including support for children and young people, and integration with secondary care. Our service has piloted innovative projects in veterans support, dementia care, digital inclusion, employment assistance, and various secondary care domains.

These pilots will inform our strategy to accommodate new workstreams and reach a broader demographic and maintain this momentum. We plan to strengthen partnerships across healthcare and community sectors, develop specialised programs for mental health and chronic disease management. By investing in Link Worker training and expanding our service scope, we aim to demonstrate the long-term benefits of social prescribing on individual well-being and healthcare cost reduction, ensuring we remain at the forefront of this evolving field.

For the 2024/25 period, we anticipate a trend where Primary Care Networks (PCNs) may bring social prescribing services in-house, utilising funding from the Additional Roles Reimbursement Scheme (ARRS). This shift, along with potential PCN mergers, could pose challenges, including the possible loss or reduction of social prescribing contracts, which may affect Health Exchange's presence in specific localities. To mitigate these risks, we will be collaborating with local authorities such as Coventry City Council, Warwickshire County Council, and Solihull Council to formalise care pathways. We are committed to addressing these issues proactively.

Mental Health and Wellbeing Services

In 2024-2025, our Mental Health Service will focus on quality and diversification. We plan to launch pilot programmes operating independently of current funding streams, emphasising public health-oriented workshops and sessions to promote mental wellbeing and early intervention across diverse community settings. To support these initiatives, we will actively pursue new funding opportunities, including partnerships and grants.

A critical component of our plan is the recruitment of additional mental health therapists. This expansion of our professional team will ensure we have the capacity to meet growing demand, support our new programmes, and maintain the high quality of care our service users expect. By bolstering our workforce, we aim to reduce wait times, offer more specialised services, and enhance our ability to provide culturally competent care.

To support our ambitions and address upcoming challenges, we will conduct a comprehensive review to identify areas of the Mental Health and Well-Being Service that are currently effective and those requiring development and investment. This review will ensure we can strategically allocate resources and make informed decisions to enhance our service's impact.

HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

Living Well Taking Control

In 2024-2025, we aim to achieve a 50% referral uptake across all contract regions, leveraging historical data to provide NHS England with insights for contractual improvements. We will continue expanding our diabetes prevention programs across 13 contract areas, reaching more high-risk patients. Building on current partnerships, we plan to explore new health promotion services and collaborate with other Health Exchange services to drive growth into new markets.

Our focus will also include increasing stakeholder and patient engagement, supporting team development, and fostering shared learning to enhance our innovative health prevention services. As LWTC looks to the future, it will participate in a Long-Term Conditions pilot with NHS England to expand its impact on patient health.

Principal Risks and Uncertainties

The senior management and information governance group regularly reviews key risks for Health Exchange, considering input from across the organisation. These are documented in a risk register, approved by trustees annually.

The risk register focuses on the following Risk Areas: external, financial, governance, management / business systems, and programme / operational risks. Each risk is assessed for impact and likelihood, with actions to mitigate risk.

Amid economic uncertainty and a Cost-of-Living crisis, some risks, like income reduction, are heightened. Health Exchange isn't immune but can plan actions carefully thanks to reserves. Current principal risks include:

Financial

- A substantial reduction in dependable revenue stream due to contracts coming to an end.

Governance

- The absence of direction, strategy, and proactive planning

Operational

- Damage to reputation and trust due to possible contravention of GDPR and regulatory requirements, as well as exposure to legal claims.
- Insufficient new business development and/or ability to retain current and attract new health and wellbeing opportunities.

The plans and strategies for managing these risks are:

- Carrying out reports and external reviews demonstrating Social Prescribing impact, benefits, and areas for improvement in Coventry and Warwickshire.
- Ongoing communication and regular meetings with the lead commissioner advocate for the service's continuation, potentially under the new Community Integrators funding stream.
- Regularly reviewing and adjusting the strategic plan ensures it remains relevant and effective. Additionally, fostering a culture of proactive thinking and continuous improvement within Health Exchange to address issues before they become significant problems.
- Proactively manage financial risks and ensure the ongoing stability of Health Exchange through financial monitoring, dynamic cash flow projections, strategic reserve management, and monthly management accounts.
- Identification of and bidding for, new business opportunities through grant opportunities and tender applications.
- Implement a marketing strategy, enhance client relationships, and continuously innovate services.

The Trustees have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024

Approved and signed on behalf of the Trustees by



.....

27/03/2025

Date:

Dr Russell Muirhead, Trustee and Chair

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH EXCHANGE

Opinion

We have audited the financial statements of Health Exchange (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the group and parent charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the industry sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company including taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC and other relevant parties.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Kitson BA FCA (Senior statutory auditor) for and behalf of:
Prime Chartered Accountants
Corner Oak
1 Homer Road
Solihull
B91 3QG

Date: 27/03/2025

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total Funds 2023 As Re-stated £
Income from:				
Charitable activities	4	7,608,767	7,608,767	2,832,508
Investments	5	3,160	3,160	863
Total income		<u>7,611,927</u>	<u>7,611,927</u>	<u>2,833,371</u>
Expenditure on:				
Charitable activities		6,755,839	6,755,839	2,832,275
Total expenditure		<u>6,755,839</u>	<u>6,755,839</u>	<u>2,832,275</u>
Net movement in funds before tax		856,088	856,088	1,096
Taxation		36,200	36,200	-
Net movement in funds		<u>819,888</u>	<u>819,888</u>	<u>1,096</u>
Reconciliation of funds:				
Total funds brought forward		1,047,190	1,047,190	1,046,094
Net movement in funds		819,888	819,888	1,096
Total funds carried forward		<u>1,867,078</u>	<u>1,867,078</u>	<u>1,047,190</u>

All activities are of a continuing nature. There are no recognized gains or losses other than as shown above.

The notes on pages 20 to 39 form part of these financial statements.

The comparative Statements of Financial Activities is shown in note 15.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

REGISTERED NUMBER: 06445689

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2024

	Note	2024 £	2023 As restated £
Fixed assets			
Tangible assets	10	375,600	391,011
Investments	11	-	-
		375,600	391,011
Current assets			
Debtors	12	1,751,882	1,078,334
Cash at bank and in hand		1,016,701	526,119
		2,768,583	1,604,453
Creditors: amounts falling due within one year	13	(1,255,034)	(917,289)
Net current assets		1,513,549	687,164
Total assets less current liabilities		1,889,149	1,078,174
Creditors: amounts falling due over one year		(22,071)	(30,984)
Total net assets		1,867,078	1,047,190
Charity funds			
Restricted funds	15	-	-
Unrestricted funds			
Designated funds	15	344,604	352,127
General funds	15	1,522,474	695,063
		1,867,078	1,047,190
Total funds		1,867,078	1,047,190

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Dr Russell Muirhead
Chair



David Melbourne
Trustee

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

REGISTERED NUMBER: 06445689

CHARITY BALANCE SHEET

AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	357,607	364,109
Investments	11	1	52,843
		357,608	416,952
Current assets			
Debtors	12	742,348	402,031
Cash at bank and in hand		568,941	341,884
		1,311,289	743,915
Creditors: amounts falling due within one year	13	(190,103)	(145,861)
Net current assets		1,121,186	598,054
Total assets less current liabilities		1,478,794	1,015,006
Total net assets		1,478,794	1,015,006
Charity funds			
Restricted funds	15	-	-
Unrestricted funds			
Designated funds	15	344,604	376,993
General funds	15	1,134,190	638,013
Total unrestricted funds	15	1,478,794	1,015,006
Total funds		1,478,794	1,015,006

The net movement in funds for the year relating to the parent charity alone amounted to £463,788.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Dr Russell Muirhead
Chair



David Melbourne
Trustee

The notes on pages 20 to 39 form part of these financial statements.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
Cash flows from operating activities		
Net cash used in operating activities	488,948	14,503
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	2,655	863
Purchase of tangible fixed assets	(1,021)	(23,298)
	<hr/>	<hr/>
Net cash (used in)/provided by investing activities	1,634	(22,435)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	-	-
	<hr/>	<hr/>
Net cash used in financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	490,582	(7,932)
Cash and cash equivalents at the beginning of the year	526,119	534,051
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,016,701	526,119
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 20 to 39 form part of these financial statements

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. General information

Health Exchange is a registered company limited by guarantee with registered charitable status, in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to prevent or relieve poverty, suffering, distress or financial hardship amongst the beneficiaries by providing financial assistance and support as well as letting holiday properties to the beneficiaries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 Going concern

The Trustees of Health Exchange have a reasonable expectation that Health Exchange possesses sufficient resources to continue operating and fulfilling its mission of 'helping people make healthier choices' due to the financial outlook for the Charity in the annual accounts, supported by a comprehensive review considering the new strategic plan and principal financial risks.

The Trustees of Health Exchange and the board of Living Well Taking Control – Health Exchange Limited agreed that Living Well Taking Control LLP should cease trading on 30th September 2023. The new entity set up to take its place is Living Well Taking Control – Health Exchange Limited.

Living Well Taking Control – Health Exchange Limited was an LLP up until the 22nd of August 2022 and the exit of Westbank and a wholly owned subsidiary of Health Exchange thereafter.

Living Well Taking Control – Health Exchange Limited officially commenced trading from the 1st October 2023.

Careful resource management and service expansion, notably through the trading subsidiary's growth, Living Well Taking Control – Health Exchange Limited, contribute to the Charity's financial stability. This collective approach positions Health Exchange with the necessary stability and resources to fulfil its mission, demonstrating resilience, adaptability, and confidence in navigating challenges for a healthier future.

Therefore, the Trustees believe that Health Exchange is well placed to continue and expand its work in future. The charity has a strong cash position and the majority of its funds are unrestricted funds.

HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

On this basis the trustees are confident at present that the society has adequate resources to continue in operation and, accordingly, have adopted the going concern basis in preparing the financial statements.

2.3 Group Financial Statements

The financial statements consolidate the results of the charity and its subsidiaries on a line-by-line basis. The consolidation includes the results for Living Well Taking Control LLP from 23 August 2022 when it became solely owned by Health Exchange to 30 September 2023 when it ceased to exist. The consolidation also includes the results for Living Well Taking Control – Health Exchange Limited from 01 October 2023 to 31 March 2024. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

2.4 Income

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.6 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The analysis of these costs is included in note 6.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	0.83% Over 120 years
Motor vehicles	-	25.00% straight line
Fixtures and fittings	-	25.00% straight line
Office equipment	-	33.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

2.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

2.14 Pensions

The Charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charity pays fixed contributions into a separate entity. Once the contributions have been paid, the Charity has no further obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Charity in independently administered funds.

Certain past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

2.15 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

3 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation and residual value:

The trustees have reviewed the asset lives and associated residual values of all tangible fixed assets classes, and have concluded that asset lives and residual values are appropriate.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

4. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £
Mental Health & Wellbeing	516,684	516,684
Triage for EWH	86,634	86,634
Primary Care Network	1,032,992	1,032,992
Face to Face Milestones	4,163,264	4,163,264
Tailored Remote Milestones	8,425	8,425
Digital Milestones	1,767,320	1,767,320
Other Income	33,448	33,448
	<u>7,608,767</u>	<u>7,608,767</u>

	Unrestricted funds 2023 £	Total funds 2023 £
Mental Health & Wellbeing	209,824	209,824
Triage for EWH	86,634	86,634
Primary Care Network	964,508	964,508
Face to Face Milestones	1,351,094	1,351,094
Tailored Remote Milestones	3,211	3,211
Digital Milestones	158,730	158,730
Other Income	58,507	58,507
	<u>2,832,508</u>	<u>2,832,508</u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

5. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Bank interest receivable	3,160	3,160

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest receivable	863	863

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

6. Expenditure on charitable activities

	Mental Health & Wellbeing £	Community Health & Wellbeing £	Living Well Taking Control £	Head Office £	Total 2024 £	Total 2023 £
Direct Costs						
Staff costs	207,302	871,337		2	1,078,641	929,291
Coach fees	-	-	2,839,993	-	2,839,993	859,360
Digital delivery	-	-	1,729,474	-	1,729,474	154,567
Telephone, internet & SMS	2,660	6,917	-	-	9,577	10,033
Supporters	122,210	-	-	-	122,210	75,151
Travel and subsistence	180	2,997	-	69	3,246	3,721
Advertising, promotions and marketing	755	247	-	5,298	6,300	32,350
Other direct costs	8,280	593	68,252	450	77,575	16,259
Total direct costs	341,387	882,091	4,637,719	5,819	5,867,016	2,080,732

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

	Mental Health & Wellbeing	Community Health & Wellbeing	Living Well Taking Control	Head Office	Total 2024	2023
	£	£	£	£	£	£
Support costs						
Staff costs	-	-	417,267	163,451	580,718	500,484
Rent, rates and storage	-	-	(862)	9,587	8,725	13,826
Heat, Light and Power	-	-	2,209	2,596	4,805	3,672
Travel and subsistence	-	8	3,971	1,693	5,672	3,494
Telephone, Internet and SMS Text	-	-	20,662	9,585	30,247	19,382
Office expenses	149	1,736	62,491	1,430	65,806	30,571
Legal and professional	225	4,600	29,174	23,102	57,101	116,562
Computer software and maintenance	-	-	41,368	-	41,368	-
Equipment and licenses	3,002	15,413	-	7,342	25,757	28,141
Premises expenses	-	-	-	3,434	3,434	5,559
Bank Charges and Interest	-	-	124	2,402	2,526	6,835
Depreciation	1,082	3,287	7,291	3,154	14,814	13,706
Subscriptions and donations	-	-	13	1,158	1,171	3,016
Insurance	-	-	2,297	12,516	14,813	22,211
Repairs and renewals	-	-	59	-	59	237
Other costs	68	1,019	-	4,272	5,359	20,201
LWTC investment write off	-	-	-	-	-	(36,354)
IT consultancy core	-	-	-	26,448	26,448	-
Head office recharges	115,348	160,771	-	(276,119)	-	-
Total support costs	119,874	186,834	586,064	(3,949)	888,823	751,543

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

7. Auditor's remuneration

	2024	2023
	£	£
Audit fees	<u>10,000</u>	<u>8,000</u>

8. Staff costs

	2024	2023
	£	£
Wages and salaries	1,460,399	920,963
Social security costs	128,787	79,105
Contribution to defined contribution pension schemes	65,025	29,436
	<u>1,654,211</u>	<u>1,029,504</u>

The average number of persons employed by the Charity during the year was as follows:

	2024	2023
	No.	No.
Administration	2	3
Frontline	39	37
Operational	5	4
Management	5	4
	<u>51</u>	<u>48</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
	No.	No.
In the band £60,001 - £70,000	-	-
In the band £70,001 - £80,000	-	-
In the band £80,001 - £90,000	1	-

The trustees consider its key management personnel to comprise the CEO only. The total employment benefits including employer's national insurance and employer pension contributions of the key management personnel were £97,957 (2023: £61,654).

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

9. Trustees' remuneration and expenses

During the years ended 31 March 2023 and 31 March 2024, no Trustees were paid remuneration and no Trustee expenses have been incurred.

10. Tangible fixed assets

Consolidated Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2023	354,205	36,659	198,418	589,282
Additions	-	254	21,137	21,391
Disposals	-		(66,172)	(66,172)
At 31 March 2024	<u>354,205</u>	<u>36,913</u>	<u>153,383</u>	<u>544,501</u>
Depreciation				
At 1 April 2023	9,223	28,934	160,114	198,271
Charge for the year	2,102	213	14,117	16,432
Depreciation on disposals	-	-	(45,802)	(45,802)
At 31 March 2024	<u>11,325</u>	<u>29,147</u>	<u>128,429</u>	<u>168,901</u>
Net book value				
At 31 March 2024	<u><u>342,880</u></u>	<u><u>7,766</u></u>	<u><u>24,954</u></u>	<u><u>375,600</u></u>
At 31 March 2023	<u><u>344,982</u></u>	<u><u>7,725</u></u>	<u><u>11,400</u></u>	<u><u>364,109</u></u>

The interest in the long-term leasehold property was revalued on 1 February 2023 which deemed the leasehold interest in the property to be £350,000. The valuation was provided by a qualified valuer who was a Registered valuer as defined under the RICS Valuation Registration Scheme.

The directors have considered this valuation as at the date of signing these accounts and deem this valuation to represent current market conditions as at that date, therefore feel it is appropriate to carry this at the revalued amount subject to depreciation.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

10. Tangible fixed assets cont.

Charity Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2023	354,205	36,659	132,246	523,110
Additions	-	254	767	1,021
At 31 March 2024	<u>354,205</u>	<u>36,913</u>	<u>133,013</u>	<u>524,131</u>
Depreciation				
At 1 April 2023	9,223	28,932	120,846	159,001
Charge for the year	2,102	213	5,208	7,523
At 31 March 2024	<u>11,325</u>	<u>29,145</u>	<u>126,054</u>	<u>166,524</u>
Net book value				
At 31 March 2024	<u><u>342,880</u></u>	<u><u>7,768</u></u>	<u><u>6,959</u></u>	<u><u>357,607</u></u>
At 31 March 2023	<u><u>344,982</u></u>	<u><u>7,727</u></u>	<u><u>11,400</u></u>	<u><u>364,109</u></u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

11. Investments

Charity Investments

**Investment in joint ventures
£**

Cost or valuation

At 1 April 2023	190,000
Disposals in the year	<u>(190,000)</u>
At 31 March 2024	<u><u>-</u></u>

Impairment

At 1 April 2023	137,158
Release of investment	<u>(137,158)</u>
At 31 March 2024	<u><u>-</u></u>

Net book value

At 31 March 2024	<u><u>-</u></u>
At 31 March 2023	<u><u>52,842</u></u>

**Investment in subsidiary
£**

Cost or valuation

At 1 April 2023	1
Additions in the year	<u>-</u>
At 31 March 2024	<u><u>1</u></u>

The company are sole shareholders in Living Well Taking Control – Health Exchange Limited

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

12. Debtors

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Due within one year				
Trade debtors	972,663	329,136	308,763	329,136
Other debtors	118	22,295	118	22,295
Amounts owed from group undertakings	-	-	422,906	-
Prepayments and accrued income	105,553	50,600	10,561	50,600
	<u>1,078,334</u>	<u>402,031</u>	<u>742,348</u>	<u>402,031</u>

13. Creditors: Amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank overdrafts	2,097	869	2,097	869
Trade creditors	452,297	435,959	31,021	32,979
Other taxation and social security	328,109	203,925	120,108	75,459
Other creditors	41,492	67,280	23,915	2,043
Accruals & Deferred Income	431,039	209,256	12,962	34,511
	<u>1,255,034</u>	<u>917,289</u>	<u>190,103</u>	<u>145,861</u>

14. Creditors due over one year

	2024	2023
	£	£
Bank loans and overdrafts	<u>22,071</u>	<u>30,984</u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Unrestricted funds				
Designated funds				
Tangible fixed asset fund	109,359	-	(7,523)	101,836
Leasehold property	96,731	-	-	96,731
Revaluation reserve	146,037	-	-	146,037
	<u>352,127</u>	<u>-</u>	<u>(7,523)</u>	<u>344,604</u>
General funds				
General Funds	695,063	7,611,927	(6,784,516)	1,522,474
	<u>1,047,190</u>	<u>7,611,927</u>	<u>(6,792,039)</u>	<u>1,867,078</u>
Total Unrestricted funds	<u><u>1,047,190</u></u>	<u><u>7,611,927</u></u>	<u><u>(6,792,039)</u></u>	<u><u>1,867,078</u></u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Unrestricted funds				
Fixed Asset funds				
Tangible fixed asset fund	117,737	-	(8,378)	109,359
Leasehold property	96,731	-	-	96,731
Revaluation reserve	146,037	-	-	146,037
Investments	16,488	-	(16,488)	-
	<u>376,993</u>	<u>-</u>	<u>(24,866)</u>	<u>352,127</u>
General funds				
General	669,101	2,833,371	(2,807,409)	695,063
	<u>1,046,094</u>	<u>2,833,371</u>	<u>(2,832,275)</u>	<u>1,047,190</u>
Total Unrestricted funds	<u>1,046,094</u>	<u>2,833,371</u>	<u>(2,832,275)</u>	<u>1,047,190</u>

Tangible fixed asset fund and leasehold property fund

The purpose of these funds is to recognise the value of operational assets which are not freely convertible into cash.

Revaluation Fund

This represents the revaluation of the leasehold property. The trustees believe it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the Charity.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

16. Summary of funds

Summary of funds - current year

	Balance at 1 April 2023	Income	Expenditure	Balance at 31 March 2024
	£	£	£	£
Designated funds	352,127	-	(7,523)	344,604
General funds	695,063	7,611,927	(6,784,516)	1,522,474
	<u>1,047,190</u>	<u>7,611,927</u>	<u>(6,792,039)</u>	<u>1,867,078</u>

Summary of funds - prior year

	Balance at 1 April 2022	Income	Expenditure	Balance at 31 March 2023
	£	£	£	£
Designated funds	376,993	-	(24,866)	352,127
General funds	669,101	2,833,371	(2,807,409)	695,063
	<u>1,046,089</u>	<u>1,263,819</u>	<u>(2,832,275)</u>	<u>1,047,190</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2024	Total funds 2024
	£	£
Tangible fixed assets	375,600	375,600
Current assets	2,768,583	2,768,583
Creditors due within one year	(1,255,034)	(1,255,064)
Creditors due over one year	(22,071)	(22,071)
Total	<u>1,867,078</u>	<u>1,867,078</u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

**17. Analysis of net assets between funds (continued) Analysis
of net assets between funds - prior year**

	Unrestricted funds 2023	Total funds 2023
	£	£
Tangible fixed assets	391,011	391,011
Current assets	1,604,453	1,604,453
Creditors due within one year	(917,289)	(917,289)
Creditors due over one year	(30,984)	(30,984)
Total	<u>1,047,190</u>	<u>1,047,190</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>819,888</u>	<u>1,096</u>
Adjustments for:		
Depreciation charges	16,432	13,706
Dividends, interests and rents from investments	(2,655)	(863)
Decrease/(increase) in debtors	(673,549)	(805,551)
Increase/(decrease) in creditors	328,832	806,115
Net cash provided by operating activities	<u>488,948</u>	<u>14,503</u>

19. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	<u>1,016,701</u>	<u>526,119</u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

20. Analysis of changes in net debt

	At 1 April 2023	Cash flows	At 31 March 2024
Cash at bank and in hand	526,119	490,582	1,016,701
	526,119	490,582	1,016,701
	526,119	490,582	1,016,701

21. Pension commitments

The company operates a defined contribution stakeholder pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. A proportion of the pension cost charge represents contributions payable by the company to this fund and amounted to £47,101 (2023: £29,436) in the year. Contributions totaling £17,109 (2023: £2,038) were payable to the fund at the balance sheet date and are included in other creditors.

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”.

An outline of these follows:

Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as at 31 March 2020. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024 to 23.7%, and the Scheme Regulations were amended accordingly.

22. Operating lease commitments

At 31 March 2024 the Charity had commitments to make future minimum lease payments under non- cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	1,596	1,596
Later than 1 year and not later than 5 years	399	1,995
	1,995	3,591
	1,995	3,591

23. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

24. Related party transactions

In the prior year, Health Exchange participated in a joint venture arrangement with Living Well Taking Control LLP, an LLP incorporated in England and Wales (Company number: OC407449). During the year Health Exchange made payments on behalf of the Living Well Taking Control LLP amounting to £Nil (2023: £313,109). Included within trade debtors due within one year is £Nil (2023: £161,326) due from Living Well Taking Control LLP. Included within other debtors due within one year is £Nil (2023: £22,176).

Included within debtors owed to group undertaking is £422,906 (2023: £Nil) due from Living Well Taking Control – Health Exchange Limited.

During the year Scotdoc Consultancy Ltd, a company where CEO and Trustee Russell Muirhead is a director, provided clinical supervision services to staff. The cost of these services totaled £6,511 (2023: £18,707). At the year-end an amount of £542 (2023: £3,679) was owed to Scotdoc Consultancy Ltd.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

25. Prior period adjustment

The comparative amounts in the financial statements have been restated to include the consolidation of Living Well Taking Control LLP, which became solely owned by Health Exchange from 22 September 2022. This has led to an increase in profit and reserves of £85,021 for the year ended 31 March 2023.

26. Living Well Taking Control – Health Exchange Limited

The charity has a wholly owned trading subsidiary, Living Well Taking Control - Health Exchange Limited (LWTC) with paid-up share capital of £1. LWTC is incorporated in the UK.

The principal activities of the company are other healthcare activities including curriculum-based health training like Diabetes prevention and weight management.

A summary of its trading results and net assets is shown below. These results are included in the group consolidation. Unaudited financial statements are filed with Companies House.

Period from 13 December 2022 to 31 March 2024

Profit and Loss Account

	2024 £
Turnover	
Sales	3,306,387
Cost of sales	
Digital Delivery	(1,008,931)
Coach Fees	(1,502,831)
	(2,511,762)
Gross profit	794,625
Administrative Expenses	
Administrative Expenses	(369,873)
Operating Profit	424,752
Interest payable and similar charges	
Interest on bank overdrafts and borrowings	(265)
Profit before tax	424,487

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024**

Living Well Taking Control – Health Exchange Limited

Balance Sheet
31 March 2024

	2024 £
Fixed assets	
Tangible assets	17,994
Current assets	
Debtors	1,432,440
Cash at bank and in hand	447,760
	<u>1,880,200</u>
Creditors: Amounts falling due within one year	<u>(1,483,835)</u>
Net current assets	<u>396,365</u>
Total assets less current liabilities	<u>414,359</u>
Creditors: Amounts falling due after more than one year	<u>(22,071)</u>
Provisions for liabilities	<u>(4,000)</u>
Net assets	<u>388,288</u>
Capital and reserves	
Called up share capital	1
Profit and loss account	388,287
	<u>388,288</u>
Shareholders' funds	<u><u>388,288</u></u>

HEALTH EXCHANGE

England & Wales - Charity number 1188838

Accounts



Trustees' Report and Financial Statements 2022 – 2023

Company Number: 06445689 - Charity Number: 1188838

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

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**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

The Trustees of Health Exchange, who are also Directors for the purposes of company law, present their report and financial statements for the year ended 31st March 2023.

Reference and Administration

Company & Charity name: Health Exchange
A Charity & Private Company Limited by Guarantee

Registered Company Number: 06445689
Charity number: 1188838

Registered and
Correspondence Address: Avoca Court,
27 Moseley Road, Digbeth,
Birmingham
B12 0HJ

Advisors

Auditor: Prime Chartered Accountants
Corner Oak
1 Homer Road
Solihull
B91 3QG

Banker: Santander UK

Legal advisers: Higgs & Sons Solicitors,
3 Waterfront Business Park Brierley Hill,
West Midlands
DY5 1LX

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

Trustees

The following Trustees, who are also the Directors for the purposes of company law, held office on the Health Exchange Governing Board during the year and to the date of signing these financial statements:

Prof. Christopher Langley (resigned 9 January 2023)
Dr. Jacky Chambers,
Mr. Obaid Choudry (resigned 9 January 2023)
Mr. David Melbourne,
Dr. Russell Muirhead (Chair)
Sir David Winkley.

Senior Staff

The senior executive staff of the Charity, and of its commercial subsidiary, Living Well Taking Control LLP, during the year comprised:

Mr. Mark Wilson, Interim Chief Executive Officer (until Jan 2023)
Dr Russell Muirhead, Interim Chief Executive Officer
Mr. Alan Weinstock, Chief Executive Officer (from April 2023)
Mrs. Olabimpe Odubanjo, Head of Finance
Mrs. Rachel Georgiou, Regional Director, Living Well Taking Control
Mrs. Claire Christie, HR manager (from Jan 23)
Mrs. Nicola Earles, Interim Head of Social Prescribing (Until Jan 23)
Dr Stuart Haw, Head of Social Prescribing (from Jan 23)
Ms. Parminder Sandhu, Mental Health Services Manager

Narrative Report

This Trustees' Report covers the twelve-month period 1st April 2022 – 31st March 2023.

1. Structure, Governance and Management

Nature of Governing Document

The governing documents of Health Exchange are the Articles of Association, which were approved and registered on 29th October 2019.

Trustee Appointments

Trustees of Health Exchange serve as Governing Board members for a three-year period and may be re-elected for up to three consecutive terms. All trustees go through a comprehensive induction with Governing Board and Executive Team members and are provided with introductory documentation to assist them.

Organisational Structure

The Health Exchange Governing Board governs the charity on behalf of its members. The charity jointly owned one subsidiary, Living Well Taking Control LLP, which has its own Board of Directors however this ceased to trade 22 August 2022. The Governing Board determines the strategic direction of the organization, including its policies, objectives and goals. Health Exchange's Interim Chief Executive Officer (CEO), Mark Wilson (until January 2023), had overarching responsibility for the management of the organisation and the executive delivery of its plans and activities to implement these strategic goals. He led the Executive Team which works to deliver the charity's mission.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

Statement of Responsibilities of the Trustees

The Trustees (who are also directors of Health Exchange for the purposes of company law) are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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. They are also responsible for safeguarding the assets of the charitable company and 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;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees on 5th April 2023 was six. The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor

Prime Accountants were appointed and approved by the members as its auditor.

2. Objectives and Activities

Legal Objects

The legal objects of the Charity, as defined in its Articles of Association are:

- the advancement of health, including public health and wellbeing;
- to promote social inclusion amongst marginalised and minority groups who are excluded from society, or parts of society, due to their social and economic position by providing education, training, information and opportunities for social interaction;

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

- the promotion of urban regeneration in areas of social and economic deprivation (in particular, but not exclusively in, the West Midlands) by all or any of the following means:
 - (a) the relief of poverty;
 - (b) the relief of unemployment;
 - (c) the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience; and
 - (d) the provision of public health facilities.
- the advancement of education, including the provision of training, particularly in relation to matters of health;
- to develop the capacity and skills of members of the public in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.

Mission of the Charity

Health Exchange's Mission is: 'To shape the design and development of health and wellbeing services that will enable everyone to have the capacity and confidence to choose positive health and wellbeing.' To achieve our mission, we rely on our core values:

- **Investing** in our people by recruiting local people and helping them to develop their skills and knowledge.
- **Being The Best** at providing services that meet the needs of every individual, commissioner, or buyer of our services.
- **Social Value** by spending money in a way that benefits our local communities.
- **Innovation** by creating new ways of working which continue to make our services more efficient and engaging.
- **Empowerment** support patients to develop the knowledge, skill and confidence to become active participants in achieving their health and wellbeing goals.

Public Benefit Statement

Health Exchange's charitable objects are enshrined within its Articles of Association, and as such, the Trustees ensure that the objectives are achieved through our priority areas. Quarterly and annual reviews of our work evaluate our activities against our set aims, targets and outcomes. A structured model of evaluation enables us to identify if we are achieving our outcomes to allow us to tailor our service delivery to match local needs more closely.

In setting plans and priorities for areas of work, the Trustees of Health Exchange have had regard to the guidance from the Charity Commission on the provision of public benefit and Health Exchange meets the definition of a public benefit entity under FRS 102. In particular, the Trustees consider how planned activities contribute to meeting charitable objectives – as set out in the Articles of Association.

Fundraising

In the 2022-23 financial year Health Exchange did not engage in public fundraising and did not use professional fundraisers. The Charity, nevertheless, observes and complies with the relevant fundraising regulations and codes where appropriate. During the year there was no non-compliance of these regulations and codes, and we received no complaints relating to our fundraising practice.

Plans and Budgets

Each year Health Exchange's Executive Team develops annual targets for its programmes, and these are operationalised in annual plans and budget approved by the Governing Board. The monitoring and achievement of these targets, plan and budget is the principal means through which the Charity measures and reports on its progress in meeting its Mission.

HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Strategy and Operations Structure, Governance and Management

This year, Health Exchange has taken the bold step to reshape our future. Recognising the evolving needs of our clients we have formulated a new strategy. Our focus is on 'helping people make healthier choices.' We understand the increasing recognition that early interventions help people improve their mental and physical health, prevention is better than cure, and improved social care provision reduces health service demands, mean that Health Exchange's expertise and programmes are more important, relevant, and cost effective than ever before.

Health Exchange has developed a new multi-year strategy focused on helping people make healthier choices. The strategy outlines 5 key goals:

1. Become the provider of choice for social prescribing services in the Midlands by adapting and expanding offerings to NHS bodies.
2. Grow Living Well Taking Control into a nationally recognized partner for diabetes prevention and other health campaigns through combined in-person and digital services.
3. Ensure high quality, evidence-based services focused on measurable impact and patient satisfaction.
4. Increase community engagement by listening to local needs, building capacity, and adapting programs.
5. Use resources efficiently and effectively, with innovative and motivated staff delivering the mission with integrity.

People Management

2022 -23 was a period of transition, with senior management changes leading to interim CEOs stepping in and recruitment taking place. Notable appointments include Stuart Haw as Head of Social Prescribing and Claire Christie as HR Manager, reinforcing Health Exchange and its social prescribing initiatives. Initial priorities encompassed compliance, employee relations, accreditation, and staff retention, showcasing a commitment to a positive work environment amid shifts.

The workforce expanded from 33 to 52 employees, embracing diverse work arrangements with 11 part-time and 41 full-time members. Retaining the 'Investors in People' silver-level accreditation highlights Health Exchange's dedication to staff development. Reporting a 26.19% annual turnover rate from April 2022 to March 2023 underlines the importance of robust HR strategies for addressing retention challenges and enhancing engagement.

3. Operations Report

Achievements and Performance

Health Exchange has been unwavering in its commitment to improving community health through innovative programs and strategic initiatives. Over the course of 2022-2023, the organisation has achieved significant milestones that have both expanded its reach and deepened its impact.

The 2022-2023 annual report highlights success with 6,591 patients served, within Social Prescribing, improving well-being by 26% in Coventry and Warwickshire. Mental health was a key focus, with strong community partnerships, and a referral pathway for Primary Care Networks. The Mental Health service, despite challenges, continued delivering essential programs in Birmingham and Solihull. Living Well Taking Control expanded to 14 contract regions nationally, offering face-to-face and digital services, with 57,051 referrals processed and high retention rates. Partnerships with healthcare organizations position LWTC as a crucial contributor, promoting innovation and impact in diabetes prevention.

During 2022/23, Health Exchange served as the grant provider in collaboration with Sports England for the Together Fund project. The initiative aimed to distribute small grants, up to £10,000 each, to 29 grassroots and community organizations, benefiting a total of 1,800 participants who engaged in activity and well-being programmes. Health Exchange's role included outreach and impactful engagement by promoting the opportunity; simplifying the application process for eligible organisations and providing essential support and guidance to support the delivery for the diverse activities. This initiative had a geographical reach encompassing Birmingham, The West Midlands, Warwickshire, and Worcestershire.

HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Social Prescribing Services

The 2022-2023 annual report on the Social Prescribing Service highlights its remarkable achievements and profound impact over the past year. Serving Coventry, Warwickshire, and Birmingham, the service extended support to 6,591 patients, with a particular focus on mental health, loneliness, isolation, and adult social care needs.

In Coventry and Warwickshire, 2,463 referrals were directed, resulting in an impressive 26% improvement in the ONS4 Wellbeing Scale, demonstrating the tangible benefits of the service. In Birmingham, Sandwell, and Solihull, 4,128 clients were engaged, with a special emphasis on community involvement through partnerships with Active Black Country.

A noteworthy development was the referral pathway in collaboration with Health Exchange-employed social prescribers from Your Health Partnership and Oldbury and Langley, addressing social prescribing needs in Primary Care Networks (PCNs).

The service employed a dedicated team of social prescribers, health and wellbeing coaches, care coordinators, and community connectors, ensuring patients facing health barriers received the necessary support. Community forums were launched in North Warwickshire and Rugby, strengthening connections with Voluntary, Community, and Social Enterprise (VCSE) organizations.

Partnerships played a pivotal role in the service's success. Collaborations with Active Black Country, PCNs, and the Coventry and Warwickshire NHS Integrated Care Board expanded the network of stakeholders, aiding in addressing health inequalities.

Notably, referrals mainly pertained to mental health support, highlighting the link between mental health and overall well-being. Advice and guidance referrals were common, with staff members serving as valuable resources. Referrals to community groups underscored the commitment to community-driven solutions.

In summary, the Social Prescribing Service's 2022-2023 report showcases its significant impact in improving the well-being of patients in Coventry, Warwickshire, and Birmingham through robust partnerships, diverse programs, and a dedicated team, ultimately promoting community-driven health solutions.

Mental Health and Wellbeing Services

The Mental Health service reflects a transition from the challenges posed by the COVID-19 pandemic in the previous year. With lockdowns in the past, the focus shifted to rebuilding practitioner capacity and increasing outreach.

The Mental Health service outcome metric (KPI4) illustrated that the mental health practitioners met with 776 people, 57% of which moved to full recovery. This was based on 839 actual referrals.

Rebuilding the staffing team became a critical goal, with a decision to recruit on a contractor basis and engage new training students. Despite these challenges, the service continued to deliver the Improving Access to Psychological Therapies (IAPT), Forward Thinking Birmingham (FTB) and Early Help and Guidance (EHAG) programs, targeting different age groups, and made a significant impact on the well-being of individuals in the Birmingham and Solihull locality.

A CBT High Intensity therapist was recruited to enhance therapy delivery, and efforts were made to rebuild community connections, including partnerships with GP surgeries, educational institutions, and companies. The team's collaborative efforts, including expanding external connections and delivering support in previously untapped organizations, demonstrated a commitment to increasing service reach and delivery. The work carried out during 22/23 underscores the service's resilience and commitment to evolving in response to challenges, ultimately striving to make a more substantial and positive impact on the well-being of the people supported.

Living Well Taking Control

Living Well Taking Control (LWTC), achieved substantial growth, expanding services from 6 to 14 contract regions. This expansion, in collaboration with Health Exchange, established LWTC as the primary provider in the Midlands and extended its presence into the Southwest and Southeast regions of England, opening doors for new service opportunities.

A significant achievement during this period was the transition to exclusive face-to-face group sessions and 1:1 digital service across all contract regions since July 2022. This shift increased community engagement and strengthened connections between patients, service providers, and the voluntary sector.

HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

LWTC's goal of mobilizing eight new contract regions led to a 50% workforce growth and a remarkable 160% increase in contractor locality coaches, expanding their skill set and fostering community involvement. Their ongoing objective is to improve uptake rates across all regions.

In the past year, LWTC processed 57,051 referrals, with over 14,000 individuals joining programs to reduce their risk of developing type 2 diabetes. High retention rates suggest a potential reduction in diagnosed type 2 diabetes cases in England. Notably, 60% of service users increased their daily steps through program participation.

Despite challenges, LWTC retained contracts in Dorset and Shropshire, Telford & Wrekin, while expanding its Diabetes Prevention Programme. LWTC's National Diabetes Prevention Programme, established in 2016, supports deprived regions and streamlines operations for efficiency. Continued partnerships with organizations like Liva Healthcare, Diabetes UK, NHS England, and the Commissioning Support Unit position LWTC as a crucial contributor to service development, promoting innovation and impact in the field.

Financial Review

Income

Health Exchange's income comes from contracts for health services it is commissioned to provide by the National Health Service (NHS), both nationally – through NHS England's National Diabetes Prevention Programme (NDPP) – and locally, from Integrated Care Boards, Primary Care Networks and Clinical Commissioning Groups in Birmingham and the Midlands. The charity's income streams for the year can be divided into three categories:

- Fixed-income contracts;
- Payment-by-results contracts;
- Grants & Awards.

The first two categories are classified as unrestricted/designated to deliver on the service; and the last category is restricted as it is subject to specific restrictions imposed by the terms of the grant.

Total income received in 2022-23 increased by 0.4% to £1,263,819 (2021-22: £1,258,717). Major impacts

Donations and legacies

Health Exchange received no donation income or legacies in 2022-23.

Investments

Interest earned on funds on account generated income of £863 (2021-22: £23).

Expenditure

Charitable expenditure of £1,347,739 was made in 2022-23 (2021-22: £1,325,496).

As in previous years, 77% of Health Exchange's expenditures are on staffing cost to deliver services within the target communities; with 23% spent on management and support functions required for governance, oversight, compliance and to implement appropriate controls.

We had savings against prior year in some areas, including lower spend on:

HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

- Travel and subsistence;
- Office and premise expenses;
- Staff engaged in contracts we lost were redeployed to contracts with funded staff post;
- Costs that included management, administration, Information Technology, legal and accountancy services.

Remuneration and Pay Policy for Staff

Health Exchange is committed to ensuring it pays staff fairly and in a way that ensures it attracts and retains the right skills to have the greatest impact in delivering its charitable objectives. It aims to pay a fair salary that is competitive within the health services sector, proportionate to the complexity of each role, and in line with organizational objectives. To demonstrate this commitment, Health Exchange implemented a 5% pay increase in September 2022 for all staff, further aligning our compensation with our dedication to our mission. This step not only recognizes the hard work and dedication of our employees but also reaffirms our commitment to equitable compensation practices within the health and wellbeing sector.

Reserves Policy

The aim of the charity's Reserves Policy is to accumulate sufficient funds to enable us to achieve our long-term strategic aims; and then to allocate these funds to projects of organization-wide impact over single- or multi-year projects as required. The Governing Board has established a Reserves Policy setting a minimum of £300,000 to be retained for the charity's strategic reserves, with reserves above this level being used for activities that support Health Exchange's needs.

It is also the policy of the Trustees to have a contingency plan for maintaining Health Exchange's basic functions for three months in the event of the loss of core income. The resources necessary to enact the contingency plan are reviewed on an annual basis.

Reserves at the end of 2022-23 were £962,169 (2021-22 - £1,046,089). Free reserves (unrestricted funds minus fixed assets) were £610,042 (2021-22 - £669,096).

Future Plans

Key initiatives for 2022/23 include analysing new social prescribing offerings, developing partnerships with NHS bodies, strengthening impact measurement, reviewing governance, increasing resources for new services, empowering staff innovation, evaluating office needs post-COVID, and localising services to new areas. The future plans aims to help Health Exchange grow its reach and impact in educating, motivating and empowering people to make healthier choices.

In 2023-24, Health Exchange plans a comprehensive employee engagement survey for the Health Exchange and Living Well Taking Control workforce to measure satisfaction and enhance people engagement. Findings will boost engagement initiatives.

Starting in late 2023, Health Exchange will embark on a trustee recruitment drive with a strong emphasis on fostering diversity. This initiative aims to bring in a diverse range of perspectives and experiences to the Health Exchange's decision-making processes, ensuring a well-rounded governance structure.

Social Prescribing Services

In our community health and social prescribing service, we will be forming partnerships with hospitals and local authorities to pilot innovative care pathways. This helps divert patients from overcrowded hospital and urgent care services towards more suitable community-based support.

However, potential mergers of Primary Care Networks (PCNs) may introduce challenges. One concern is the possible loss or reduction of social prescribing contracts if PCNs decide to bring Social Prescribing 'in-house', impacting Health Exchange's presence in primary care settings in specific localities.

Additionally, collaborating with local authorities like Coventry City Council, Warwickshire County Council, and Solihull Council is vital for formalising care pathways. We're committed to addressing these issues,

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ensuring the community continues to receive quality care and support while adapting to changing healthcare landscapes.

Mental Health and Wellbeing Services

In the coming year, we anticipate significant growth in the demand for mental health support within Health Exchange. Our goal is to expand and further develop this initiative in the upcoming years.

In the new year and beyond, we have numerous collaborations and partnerships planned with external organizations and community groups. We are currently in the process of integrating with a new general practitioner (GP) practice, which will enable one of our practitioners to be available at the surgery throughout the week. Additionally, we have re-established connections with local colleges and sixth forms, where we will provide mental health support to students.

Our vision includes continued team expansion through recruitment efforts and a concentrated focus on community outreach.

Living Well Taking Control

Living Well Together Care (LWTC) sets forth an ambitious vision for 23/24. Our primary goal is to achieve a 50% uptake rate among referrals, backed by data-driven insights to improve contractual efficacy. We're expanding our reach to fourteen new contract areas to deliver exceptional diabetes prevention programs to high-risk patients.

Collaboration remains central to our strategy. LWTC will strengthen existing partnerships and explore opportunities to expand into new health promotion services. Within Health Exchange, we'll explore synergies for collective knowledge-sharing and market growth.

Engagement is key, involving stakeholders, partners, and patients in our journey. Our focus on high-quality, innovative health prevention services reflects our commitment to meeting evolving community needs.

Principal Risks and Uncertainties

The senior management regularly reviews key risks for Health Exchange, considering input from across the organisation. These are documented in a risk register, approved by trustees annually. Updates include recent operational and financial developments, annual objectives, and external changes. Each risk is assessed for impact and likelihood, with actions to mitigate risk.

Amid economic uncertainty and a Cost-of-Living crisis, some risks, like income reduction, are heightened. Health Exchange isn't immune but can plan actions carefully thanks to reserves. Current principal risks include:

Financial

- A substantial reduction in dependable revenue streams.
- Damage to reputation and trust due to possible contravention of GDPR and regulatory requirements, as well as exposure to legal claims.

Governance

- Inadequate senior management capacity, diversity on the board, and inclusion within the local community.
- The absence of direction, strategy, and proactive planning

Operational

- Insufficient new business development or/and ability to retain current and attract new health and wellbeing opportunities.

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The plans and strategies for managing these risks are:

- Proactively manage financial risks and ensure the ongoing stability of Health Exchange through financial monitoring, dynamic cash flow projections, strategic reserve management, and monthly management accounts.
- Building productive relationships with commissioners and key stakeholders at local, Primary Care Networks and Integrated Care Systems.
- The Governing Board to conduct a skills assessment of its membership and carry out trustee recruitment campaign.
- New members within the community who have additional and complementary skillsets be recruited to the Board in 23/24.
- Strategy planning exercise completed in 22/23 which redefines mission, its strategic direction, goals, and programmatic choices for 2023 onwards.
- Identification of and bidding for, new business opportunities.

The Trustees have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved and signed on behalf of the Trustees by



.....

18/12/2023

Date:

Dr Russell Muirhead, Trustee and Chair

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH EXCHANGE

Opinion

We have audited the financial statements of SIFA Fireside (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
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Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the industry sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity including taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC and other relevant parties.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Kitson BA FCA (Senior statutory auditor) for and behalf of:
Prime Chartered Accountants
Corner Oak
1 Homer Road
Solihull
B91 3QG

Date: **19.12.2023.**

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE
ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Charitable activities	4	1,262,956	1,262,956	1,258,694
Investments	5	863	863	23
Total income		<u>1,263,819</u>	<u>1,263,819</u>	<u>1,258,717</u>
Expenditure on:				
Charitable activities		1,347,739	1,347,739	1,325,496
Total expenditure		<u>1,347,739</u>	<u>1,347,739</u>	<u>1,325,496</u>
Net movement in funds		<u>(83,920)</u>	<u>(83,920)</u>	<u>(66,779)</u>
Reconciliation of funds:				
Total funds brought forward		1,046,089	1,046,089	1,112,868
Net movement in funds		(83,920)	(83,920)	(66,779)
Total funds carried forward		<u>962,169</u>	<u>962,169</u>	<u>1,046,089</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 18 to 36 form part of these financial statements.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

REGISTERED NUMBER: 06445689

BALANCE SHEET AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	364,109	364,925
Investments	11	1	16,488
		364,110	381,413
Current assets			
Debtors	12	402,031	272,783
Cash at bank and in hand		341,884	534,051
		743,915	806,834
Creditors: amounts falling due within one year	13	(145,856)	(142,158)
Net current assets		598,059	664,676
Total assets less current liabilities		962,169	1,046,089
Total net assets		962,170	1,046,089
Charity funds			
Restricted funds	15	-	-
Unrestricted funds			
Designated funds	15	352,127	376,993
General funds	15	610,042	669,096
Total unrestricted funds	15	962,169	1,046,089
Total funds		962,169	1,046,089

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Dr Russell Muirhead
Chair



David Melbourne
Trustee

The notes on pages 18 to 36 form part of these financial statements.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net cash used in operating activities	(201,956)	51,031
Cash flows from investing activities		
Dividends, interests and rents from investments	863	23
Purchase of tangible fixed assets	(7,562)	(5,238)
Write off fixed asset investment	16,488	-
Net cash (used in)/provided by investing activities	9,789	(5,215)
Cash flows from financing activities		
Repayments of borrowing	-	(7,896)
Net cash used in financing activities	-	(7,896)
Change in cash and cash equivalents in the year		37,920
	(192,167)	
Cash and cash equivalents at the beginning of the year	534,051	496,131
Cash and cash equivalents at the end of the year	341,884	534,051

The notes on pages 18 to 36 form part of these financial statements

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Health Exchange is a registered company limited by guarantee with registered charitable status, in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to prevent or relieve poverty, suffering, distress or financial hardship amongst the beneficiaries by providing financial assistance and support as well as letting holiday properties to the beneficiaries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 Going concern

The Trustees of Health Exchange have a reasonable expectation that Health Exchange possesses sufficient resources to continue operating and fulfilling its mission of 'helping people make healthier choices' due to the financial outlook for the Charity in the annual accounts, supported by a comprehensive review considering the new strategic plan and principal financial risks. Despite key personnel departures, including the CEO and COO, the timely appointment of an interim CEO, along with strategic hires, ensures leadership continuity.

The Trustees of Health Exchange and the board of Living Well Taking Control agreed that Living Well Taking Control LLP should cease trading on 30th September 2023 and be closed later in 2023. The new entity set up to take its place is Living Well Taking Control – Health Exchange.

Living Well Taking Control was an LLP up till the 22nd of August 2022 at the exit of Westbank and a wholly owned subsidiary of Health Exchange thereafter. The subsidiary accounts have therefore been prepared on that basis.

Living Well Taking Control – Health Exchange will officially commence trading from the 1st of October 2023.

Careful resource management and service expansion, notably through the trading subsidiary's growth, Living Well Taking Control, contribute to the Charity's financial stability. This collective approach positions Health Exchange with the necessary stability and resources to fulfil its mission, demonstrating resilience, adaptability, and confidence in navigating challenges for a healthier future.

Therefore, the Trustees believe that Health Exchange is well placed to continue and expand its work in future. The charity has a strong cash position and the majority of its funds are unrestricted funds.

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On this basis the trustees are confident at present that the society has adequate resources to continue in operation and, accordingly, have adopted the going concern basis in preparing the financial statements.

2.3 Income

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.5 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The analysis of these costs is included in note 6.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	0.83% Over 120 years
Motor vehicles	-	25.00% straight line
Fixtures and fittings	-	25.00% straight line
Office equipment	-	33.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.8 Associated joint ventures

Associates and Joint Ventures are held at cost less impairment. The investment has been accounted for as a programme related investment.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
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2.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

2.14 Pensions

The Charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charity pays fixed contributions into a separate entity. Once the contributions have been paid, the Charity has no further obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Charity in independently administered funds.

Certain past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

2.15 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
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3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation and residual value:

The trustees have reviewed the asset lives and associated residual values of all tangible fixed assets classes, and have concluded that asset lives and residual values are appropriate.

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4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Bham CCG-Type2 Diabetes Education Service	-	-
Mental Health & Wellbeing	209,824	209,824
Triage for EWH	86,634	86,634
Primary Care Network	964,510	964,510
Other Income	1,988	1,988
	<u>1,262,956</u>	<u>1,262,956</u>

	Unrestricted funds 2022 £	Total funds 2022 £
Bham CCG-Type2 Diabetes Education Service	157,090	157,090
Mental Health & Wellbeing	191,753	191,753
Triage for EWH	83,690	83,690
Primary Care Network	824,237	824,237
Other Income	1,924	1,924
	<u>1,258,694</u>	<u>1,258,694</u>

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5. Investment income

	Unrestricted funds 2023	Total funds 2023
	£	£
Bank interest receivable	863	863
	<u> </u>	<u> </u>

	Unrestricted funds 2022	Total funds 2022
	£	£
Bank interest receivable	23	23
	<u> </u>	<u> </u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
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6. Expenditure on charitable activities

	Mental Health & Wellbeing £	Community Health & Wellbeing £	Head Office £	Total 2023 £	Total 2022 £
Direct Costs					
Staff costs	128,764	783,256	6,206	918,226	790,093
Telephone, internet & SMS	2,251	7,781	-	10,033	11,788
Supporters	70,859	17	4,275	75,151	75,498
Mobile unit and van costs	-	-	-	-	566
Travel and subsistence	1,013	2,952	(244)	3,721	4,041
Advertising, promotions and marketing	377	940	3,928	5,245	3,216
Other direct costs	360	450	300	1,110	2,408
Recruitment costs	-	-	-	-	5,570
Room hire and rent	-	-	-	-	562
	<u>203,624</u>	<u>795,396</u>	<u>14,465</u>	<u>1,013,485</u>	<u>893,742</u>
Total direct costs					

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	Mental Health & Wellbeing	Community Health & Wellbeing	Head Office	Total 2023	2022
	£	£	£	£	£
Support costs					
Staff costs	-	-	116,069	116,069	235,409
Rent, rates and storage	115	-	13,746	13,861	10,014
Heat, Light and Power	-	-	3,672	3,672	3,649
Travel and subsistence	-	35	1,326	1,361	1,319
Telephone, Internet and SMS Text	-	-	9,422	9,422	10,705
Office expenses	204	1,389	2,650	4,243	5,992
Legal and professional	-	357	75,345	75,702	88,683
Equipment and licenses	2,895	16,499	8,747	28,141	23,471
Premises expenses	-	-	5,559	5,559	3,411
Bank Charges and Interest	-	-	6,448	6,448	222
Depreciation	933	4,080	3,364	8,377	8,822
Subscriptions and donations	240	-	2,776	3,016	2,632
Training	-	-	-	-	3,730
Repairs and renewals	-	-	237	237	50
Insurance	-	-	22,211	22,211	26,080
Other costs	-	17	19,430	19,447	17,565
LWTC investment write off	-	-	16,488	16,488	-
Head office recharges	120,972	145,941	(266,913)	-	-
Total support costs	125,359	168,318	40,577	334,254	431,754

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
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7. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the Charity's auditor for the Charity's annual accounts	<u>8,000</u>	<u>12,500</u>

8. Staff costs

	2023	2022
	£	£
Wages and salaries	925,754	912,551
Social security costs	79,105	75,867
Contribution to defined contribution pension schemes	29,436	27,109
	<u>1,034,295</u>	<u>1,015,527</u>

The average number of persons employed by the Charity during the year was as follows:

	2023	2022
	No.	No.
Administration	3	8
Frontline	37	32
Operational	4	6
Management	4	2
	<u>48</u>	<u>48</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £60,001 - £70,000	-	1

The trustees consider its key management personnel to comprise the management team. The total employment benefits including employer's national insurance and employer pension contributions of the key management personnel were £61,654 (2022: £140,755).

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
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9. Trustees' remuneration and expenses

During the prior year, one Trustee was paid remuneration or received other benefits from an employment with the Charity as permitted under the Charity's governing document. The value of Trustees' remuneration and other benefits was as follows:

		2023	2022
		£	£
Ronald Owtrim	Remuneration	-	64,167
	Pension contributions paid	-	1,750

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

10. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2022	354,205	36,134	125,210	515,549
Additions	-	526	7,036	7,562
At 31 March 2023	<u>354,205</u>	<u>36,660</u>	<u>132,246</u>	<u>523,111</u>
Depreciation				
At 1 April 2022	7,121	28,647	114,856	150,624
Charge for the year	2,102	286	5,990	8,378
At 31 March 2023	<u>9,223</u>	<u>28,933</u>	<u>120,846</u>	<u>159,002</u>
Net book value				
At 31 March 2023	<u><u>344,982</u></u>	<u><u>7,727</u></u>	<u><u>11,400</u></u>	<u><u>364,109</u></u>
At 31 March 2022	<u><u>347,084</u></u>	<u><u>7,487</u></u>	<u><u>10,354</u></u>	<u><u>364,925</u></u>

The interest in the long-term leasehold property was revalued on 30 August 2019 which deemed the leasehold interest in the property to be £350,000. The valuation was provided by a qualified valuer who was a Registered valuer as defined under the RICS Valuation Registration Scheme.

The directors have considered this valuation as at the date of signing these accounts and deem this valuation to represent current market conditions as at that date, therefore feel it is appropriate to carry this at the revalued amount subject to depreciation.

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11. Investments

	Investment in joint ventures £
Cost or valuation	
At 1 April 2022	<u>190,000</u>
At 31 March 2023	<u>190,000</u>
Impairment	
At 1 April 2022	173,512
Write-off in year	<u>16,488</u>
At 31 March 2023	<u>190,000</u>
Net book value	
At 31 March 2023	<u> -</u>
At 31 March 2022	<u>16,488</u>

The company previously participated in a joint venture arrangement in Living Well Taking Control LLP, an LLP incorporated in England and Wales, with one other party. However, in the current year this other party exited the arrangement on 22 August 2022 therefore the investment has been written off accordingly.

	Investment in subsidiary £
Cost or valuation	
At 1 April 2022	-
Additions in the year	<u>1</u>
At 31 March 2023	<u>1</u>

The company invested in a newly incorporated subsidiary, Living Well Taking Control – Health Exchange Limited, becoming sole shareholders on 14 December 2022 to the value of £1.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
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12. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	329,136	251,802
Other debtors	22,295	1,640
Prepayments and accrued income	50,600	19,341
	<u>402,031</u>	<u>272,783</u>

13. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank overdrafts	869	-
Bank loans	-	493
Trade creditors	32,979	45,760
Other taxation and social security	75,459	55,244
Other creditors	2,043	1,530
Accruals & Deferred Income	34,506	39,131
	<u>145,856</u>	<u>142,158</u>

14. Financial Instruments

	2023	2022
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	341,884	534,051

Financial assets measured at fair value through income and expenditure comprise cash in bank.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
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15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Unrestricted funds				
Designated funds				
Tangible fixed asset fund	117,737		(8,378)	109,359
Leasehold property	96,731			96,731
Revaluation reserve	146,037			146,037
Investments	16,488		(16,488)	-
	<u>376,993</u>	<u>-</u>	<u>(24,866)</u>	<u>352,127</u>
General funds				
General Funds	669,096	1,263,819	(1,322,873)	610,042
	<u>1,046,089</u>	<u>1,263,819</u>	<u>(1,347,739)</u>	<u>962,169</u>
Total Unrestricted funds	<u><u>1,046,089</u></u>	<u><u>1,263,819</u></u>	<u><u>(1,347,739)</u></u>	<u><u>962,169</u></u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
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	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
Fixed Asset funds				
Tangible fixed asset fund	126,560	-	(8,823)	117,737
Leasehold property	96,731	-	-	96,731
Revaluation reserve	146,037	-	-	146,037
Investments	634	-	15,854	16,488
	<u>396,962</u>	<u>-</u>	<u>7,031</u>	<u>376,993</u>
General funds				
General	742,906	1,258,717	(1,332,527)	669,096
	<u>1,112,868</u>	<u>1,258,717</u>	<u>(1,325,496)</u>	<u>1,046,089</u>
Total Unrestricted funds				

Tangible fixed asset fund and leasehold property fund

The purpose of these funds is to recognise the value of operational assets which are not freely convertible into cash.

Revaluation Fund

This represents the revaluation of the leasehold property. The trustees believe it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the Charity.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

16. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022	Income	Expenditure	Balance at 31 March 2023
	£	£	£	£
Designated funds	376,993		(24,866)	352,127
General funds	669,096	1,263,819	(1,322,873)	610,042
	<u>1,046,089</u>	<u>1,263,819</u>	<u>(1,322,873)</u>	<u>962,169</u>

Summary of funds - prior year

	Balance at 1 April 2021	Income	Expenditure	Balance at 31 March 2022
	£	£	£	£
Designated funds	369,962	-	7,031	376,993
General funds	472,906	1,258,717	(1,332,527)	669,096
	<u>1,112,867</u>	<u>1,258,717</u>	<u>(1,325,496)</u>	<u>1,046,089</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023	Total funds 2023
	£	£
Tangible fixed assets	364,109	364,109
Fixed asset investments	1	-
Current assets	743,915	743,915
Creditors due within one year	(145,856)	(145,855)
Total	<u>962,169</u>	<u>962,169</u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
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**17. Analysis of net assets between funds (continued) Analysis
of net assets between funds - prior year**

	Unrestricted funds 2022	Total funds 2022
	£	£
Tangible fixed assets	364,925	364,925
Fixed asset investments		16,488
Current assets	806,834	806,834
Creditors due within one year	(142,158)	(142,158)
Total	<u><u>1,046,089</u></u>	<u><u>1,046,089</u></u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	£	£
Net income/expenditure for the year (as per Statement of Financial Activities)	(83,920)	(66,779)
Adjustments for:		
Depreciation charges	8,378	8,824
Dividends, interests and rents from investments	(863)	(23)
Decrease/(increase) in debtors	(129,248)	117,196
Increase/(decrease) in creditors	3,697	(5,654)
Net cash provided by operating activities	<u><u>(201,956)</u></u>	<u><u>53,564</u></u>

19. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand	<u><u>341,884</u></u>	<u><u>534,872</u></u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
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20. Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	
Cash at bank and in hand	534,872	(192,988)	341,884
Bank overdrafts repayable on demand	-	(869)	(869)
Debt due within 1 year	(493)	493	-
	534,379	(193,364)	341,015
	534,379	(193,364)	341,015

21. Pension commitments

The company operates a defined contribution stakeholder pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. A proportion of the pension cost charge represents contributions payable by the company to this fund and amounted to £29,436 (2022: £27,109) in the year. Contributions totaling £2,038 (2022: £1,521) were payable to the fund at the balance sheet date and are included in other creditors.

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”.

An outline of these follows:

Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as at 31 March 2016. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

22. Operating lease commitments

At 31 March 2023 the Charity had commitments to make future minimum lease payments under non- cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	1,596	1,596
Later than 1 year and not later than 5 years	399	1,995
	1,995	3,591
	1,995	3,591

23. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

24. Related party transactions

As stated in note 11 Health Exchange participated in a joint venture arrangement with Living Well Taking Control LLP, an LLP incorporated in England and Wales (Company number: OC407449). During the period Health Exchange made payments on behalf of the Living Well Taking Control LLP amounting to £313,109 (2022: £193,723) of which £nil (2022: £nil) reflects the capital contribution being their share of the joint venture arrangement. Included within trade debtors due within one year is £161,326 (2022: £94,595) due from Living Well Taking Control LLP. Included within other debtors due within one year is £22,176 (2022: £1,522).

During the year Scotdoc Consultancy Ltd, a company where CEO and Trustee Russell Muirhead is a director, provided clinical supervision services to staff. The cost of these services totaled £18,707 (2022: £8,340). At the year-end an amount of £3,679 was owed to (2022: £700) Scotdoc Consultancy Ltd.

HEALTH EXCHANGE

England & Wales - Charity number 1188838

Accounts

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**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

The Trustees of Health Exchange, who are also Directors for the purposes of company law, present their report and financial statements for the year ended 31st March 2022.

Reference and Administration

Company & Charity name: Health Exchange
A Charity & Private Company Limited by Guarantee

Registered Company Number: 06445689
Charity number: 1188838

Registered and
Correspondence Address: Avoca Court,
27 Moseley Road, Digbeth,
Birmingham
B12 0HJ

Advisors

Auditor: Cooper Parry Group,
Chartered Accountants and Statutory Auditors,
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
West Midlands
B3 3AX

Banker: Santander UK

Legal advisers: Higgs & Sons Solicitors,
3 Waterfront Business Park Brierley Hill,
West Midlands
DY5 1LX

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Trustees

The following Trustees, who are also the Directors for the purposes of company law, held office on the Health Exchange Governing Board during the year and to the date of signing these financial statements:

Prof. Christopher Langley (Chair)
Dr. Jacky Chambers,
Mr. Obaid Choudry,
Mr. David Melbourne,
Dr. Russell Muirhead,
Sir David Winkley,
Mr. Ron Owtrim (resigned 30th March 2022).

Senior Staff

The senior executive staff of the Charity, and of its commercial subsidiary, Living Well Taking Control LLP, during the year comprised:

Mr. Ron Owtrim, Chief Executive Officer (until 30th March 2022)
Ms. Jennifer Jones-Rigby, Chief Operating Officer
Ms. Olabimpe Odubanjo, Head of Finance
Ms. Rachel Georgiou, Regional Director, Living Well Taking Control
Ms. Nicola Earles, Head of Social Prescribing
Ms. Parminder Sandhu, Mental Health Services Manager

Narrative Report

This Trustees' Report covers the twelve-month period 1st April 2021 – 31st March 2022.

1. Structure, Governance and Management

Nature of Governing Document

The governing documents of Health Exchange are the Articles of Association, which were approved and registered on 29th October 2019.

Trustee Appointments

Trustees of Health Exchange serve as Governing Board members for a three-year period and may be re-elected for up to three consecutive terms. All trustees go through a comprehensive induction with Governing Board and Executive Team members and are provided with introductory documentation to assist them.

Organisational Structure

The Health Exchange Governing Board governs the charity on behalf of its members. The charity jointly owns one subsidiary, Living Well Taking Control LLP, which has its own Board of Directors. The Governing Board determines the strategic direction of the organization, including its policies, objectives and goals. Health Exchange's Chief Executive Officer (CEO), Ron Owtrim (until 30th March 2022), had overarching responsibility for the management of the organization and the executive delivery of its plans and activities to implement these strategic goals. He led the Executive Team which works to deliver the charity's mission.

Statement of Responsibilities of the Trustees

The Trustees (who are also directors of Health Exchange for the purposes of company law) are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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. They are also responsible for safeguarding the assets of the charitable company and 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;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees on 5th April 2022 was six. The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor

Cooper Parry Group Limited. was appointed and approved by the members as its auditor.

2. Objectives and Activities

Legal Objects

The legal objects of the Charity, as defined in its Articles of Association are:

- the advancement of health, including public health and wellbeing;
- to promote social inclusion amongst marginalised and minority groups who are excluded from society, or parts of society, due to their social and economic position by providing education, training, information and opportunities for social interaction;
- the promotion of urban regeneration in areas of social and economic deprivation (in particular, but not exclusively in, the West Midlands) by all or any of the following means:
 - (a) the relief of poverty;
 - (b) the relief of unemployment;
 - (c) the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience; and
 - (d) the provision of public health facilities.

HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

- the advancement of education, including the provision of training, particularly in relation to matters of health;
- to develop the capacity and skills of members of the public in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.

Mission of the Charity

Health Exchange's Mission is: 'To shape the design and development of health and wellbeing services that will enable everyone to have the capacity and confidence to choose positive health and wellbeing.' To achieve our mission, we rely on our core values:

- **Investing** in our people by recruiting local people and helping them to develop their skills and knowledge.
- **Being The Best** at providing services that meet the needs of every individual, commissioner, or buyer of our services.
- **Social Value** by spending money in a way that benefits our local communities.
- **Innovation** by creating new ways of working which continue to make our services more efficient and engaging.
- **Empowerment** support patients to develop the knowledge, skill and confidence to become active participants in achieving their health and wellbeing goals.

Public Benefit Statement

Health Exchange's charitable objects are enshrined within its Articles of Association, and as such, the Trustees ensure that the objectives are achieved through our priority areas. Quarterly and annual reviews of our work evaluate our activities against our set aims, targets and outcomes. A structured model of evaluation enables us to identify if we are achieving our outcomes to allow us to tailor our service delivery to match local needs more closely.

In setting plans and priorities for areas of work, the Trustees of Health Exchange have had regard to the guidance from the Charity Commission on the provision of public benefit and Health Exchange meets the definition of a public benefit entity under FRS 102. In particular, the Trustees consider how planned activities contribute to meeting charitable objectives – as set out in the Articles of Association.

Fundraising

In the 2021-22 financial year Health Exchange did not engage in public fundraising and did not use professional fundraisers. The Charity, nevertheless, observes and complies with the relevant fundraising regulations and codes where appropriate. During the year there was no non-compliance of these regulations and codes, and we received no complaints relating to our fundraising practice.

Plans and Budgets

Each year Health Exchange's Executive Team develops annual targets for its programmes, and these are operationalised in annual plans and budget approved by the Governing Board. The monitoring and achievement of these targets, plan and budget is the principal means through which the Charity measures and reports on its progress in meeting its Mission.

3. Operations Report

Achievements and Performance

2021-22 was a difficult and challenging period for Health Exchange. The COVID-19 pandemic through 2020 and 2021 made it difficult or impossible for the Charity to provide the face-to-face services in the areas of diabetes prevention and management; social prescribing; and mental health and wellbeing that were its great strengths. All of these services were moved to remote or virtual provision as a result of the pandemic; but the numbers of people served fell because many of the most vulnerable that Health Exchange supported did not have or were reluctant or hesitant to use digital or online services.

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Several contracts that had financed important Health Exchange programmes also ended in 2021, reducing the Charity's provision of support services to patients with Type 2 diabetes and provide community-based interventions via the VCSE grant. Nevertheless, Health Exchange continued to maintain and grow its services with Primary Care Networks (PCNs), Clinical Commissioning Groups (CCGs), local authorities and other public bodies particularly in Birmingham and the West Midlands, but also across the whole country.

Social Prescribing Services

Health Exchange is an established provider of Social Prescribing and behaviour-change services, one of only 23 organizations across the country selected by the Department of Health to deliver Social Prescribing under the Voluntary, Community and Social Enterprise Fund. The Charity continued to work in partnership with PCNs and CCGs across the West Midlands and Warwickshire. Health Exchange provided Social Prescribing Link Workers, Health and Wellbeing Coaches, Care Coordinators and other health professionals who gave valuable guidance and support to 4,550 people to reduce their dependency on primary care services and live healthier lives.

For the past four years this support was delivered in Birmingham and Sandwell, for the last year in Coventry, Rugby and Warwickshire. The quality of these services - 90% of surveyed service users said that social prescribing support made them feel less isolated and better connected to other – have led to Health Exchange's growing reputation across the region. As a result, the growth in reach and impact of our services continued through the granting of another two Social Prescribing contracts with Rugby PCN and 'The Black Country Consortium'. Referrals continue to increase for social prescribing support, with the total number of contacts made to clients in 2021-22 reaching 22,327. However, the ongoing effects of Covid-19 – namely, the reluctance and lack of confidence of clients in venturing back out into the community – mean many require more in-depth support before being ready and able to attend community groups and activities. There is also a smaller number of community activities available to connect clients with. This has resulted in Health Exchange's Social Prescribers having to spend more time with their clients and their caseloads growing.

Health Exchange's team of dedicated staff continued to volunteer their services at events and activities across the service regions. However, we have been mainly unsuccessful in recruiting and retaining our own bank of volunteers. We need to review and improve our volunteer programme and processes including recruitment induction. training and management.

In addition, before the programme ended in late 2021, Health Exchange's Type 2 Diabetes service provided support for 1,026 individuals to manage their long-term condition, all of which completed a structured Diabetes Education programme in their local area.

Mental Health and Wellbeing Services

Health Exchange continued to provide Mental Health and Wellbeing services to people in Birmingham and the West Midlands. With the COVID-19 pandemic continuing to make individual and group face-to-face consultations impossible, these services were provided virtually via computer and telephone sessions. Health Exchange's trained and accredited practitioners moved over 60% of patients to recovery after their interventions – higher than the national average – through its two programmes:

- The Improving Access to Psychological Therapies (IAPT) programme supports the frontline NHS in implementing National Institute for Health and Clinical Excellence (NICE) guidelines for people suffering from depression and anxiety disorders.
- The Forward Thinking Birmingham (FTB) programme provides mental health counselling and support for young adults (up to 25 years of age) in the Birmingham area.

However, the overall number of patients treated in 2021-22 was extremely disappointing, falling to 703, a thousand fewer than two years before.

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This is particularly disappointing because the impact of the pandemic on the mental health of many people remains profound. One section of the community that Health Exchange continued to serve was young people and students who were struggling to cope with the social isolation the pandemic has exacerbated. Our Mental Health and Wellbeing Teams responded by adapting its group offering to suit the needs of students experiencing this, including providing on-site wellbeing support and groups for those who need this at BMet (Birmingham Metropolitan College). We hope that Health Exchange will continue to expand our services across BMET and other Universities in the Birmingham, Coventry and wider West Midlands areas.

Living Well Taking Control

Living Well Taking Control is the programme jointly owned by Health Exchange (with Westbank Community Health and Care, Devon) which is a framework provider of services in the NHS National Type 2 Diabetes Prevention Programme (NDPP). LWTC's 'The Healthier You' programme (for more details see <https://www.lwtcsupport.co.uk>) continued to provide diabetes prevention and management guidance and support to at risk patients in Derbyshire, Hereford & Worcestershire, Nottinghamshire, Northamptonshire, Shropshire and – from September 2021 – Dorset. The number of people served by the programme grew in 2021-22 to over 24,000. Health Exchange now runs the whole LWTC programme; and in February 2022 Westbank formally registered its intention to leave the LWTC partnership in August 2022.

Health Exchange's LWTC team worked hard to develop its operating model across all of the regions where it is managing the NDPP to one in which its network of trained self-employed professionals provided remote support and guidance to patients, alongside a digital support programme provided by LIVA, a specialist sub-contractor.

Financial Review

Income

Health Exchange's income comes from contracts for health services it is commissioned to provide by the National Health Service (NHS), both nationally – through NHS England's National Diabetes Prevention Programme (NDPP) – and locally, from Integrated Care Boards, Primary Care Networks and Clinical Commissioning Groups in Birmingham and the Midlands. The charity's income streams for the year can be divided into three categories:

- Fixed-income contracts;
- Payment-by-results contracts;
- Grants & Awards.

The first two categories are classified as unrestricted/designated to deliver on the service; and the last category is restricted as it is subject to specific restrictions imposed by the terms of the grant.

Total income received in 2021-22 decreased by 14% to £1,258,717 (2020-21: £1,467,003). Major impacts on income were affected by:

- Our Type 2 Diabetes grant ending in November 2021.
- We were awarded new contracts covering Social Prescribing and 'link workers' provision.
- Face-to-face and group delivery of Mental Health and Community support was significantly affected by the continuing COVID-19 pandemic lockdown.

Donations and legacies

Health Exchange received no donation income or legacies in 2021-22.

Investments

Interest earned on funds on account generated income of £23.

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Expenditure

Charitable expenditure of £1,325,000 was made in 2021-22 (2020-21: £1.413,000).

As in earlier years, 78% of Health Exchange's expenditures are on staffing cost to deliver services withing the target communities; with 25% spent on management and support functions required for governance, oversight, compliance and to implement appropriate controls. During the lockdown periods in 2021-22 we continued to invest and support Health Exchange staff to work efficiently from home. The cost of equipment required was capitalised in line with accounting conventions.

We had savings against prior year in some areas, including lower spend on:

- Travel and subsistence;
- Office and premise expenses;
- Staff engaged in contracts we lost were redeployed to contracts with funded staff post;
- Costs that included management, administration, Information Technology, legal and accountancy services.

Remuneration and Pay Policy for Staff

Health Exchange is committed to ensuring it pays staff fairly and in a way that ensures it attracts and retains the right skills to have the greatest impact in delivering its charitable objectives. It aims to pay a fair salary that is competitive within the health services sector, proportionate to the complexity of each role, and in line with organizational objectives.

Reserves Policy

The aim of the charity's Reserves Policy is to accumulate sufficient funds to enable us to achieve our long-term strategic aims; and then to allocate these funds to projects of organization-wide impact over single- or multi-year projects as required. The Governing Board has established a Reserves Policy setting a minimum of £300,000 to be retained for the charity's strategic reserves, with reserves above this level being used for activities that support Health Exchange's needs.

It is also the policy of the Trustees to have a contingency plan for maintaining Health Exchange's basic functions for three months in the event of the loss of core income. The resources necessary to enact the contingency plan are reviewed on an annual basis.

Reserves at the end of 2021-22 were £1,046,089. Free reserves (unrestricted funds minus fixed assets) were £669,096.

Future Plans

The Charity plans to develop a new Mission statement and a new Strategic Plan in 2022 to guide its future development in the next decade. We will establish new plans for Health Exchange's programmatic growth whilst maintaining our provision in 2022-23 of safe high-quality care and support services and our strong relationships with partners, commissioners and clients.

Social Prescribing Services

The Charity aims to maintain and grow the number of NHS contracts for Social Prescribing it achieves in Birmingham and the Midlands. Financial pressures on PCNs, CCGs and new Integrated Care Boards mean some of these NHS commissioning bodies are constantly demanding more services from Health Exchange for less money. To maintain the high-quality of our services Health Exchange will take a robust position to ensure it secures adequate funding from these commissioners, even where it means turning down contracts where a minimum price cannot be paid.

Health Exchange continued in 2021-22 its development of a new digital application to support its Primary Care and Diabetes prevention and management programmes. This digital hub will provide clients real-time

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access to their information plus supporting materials. Clients, Link Workers and Coaches will be able to communicate directly within the application through push notifications and instant communication channels. The application will be fully secure and will be able to integrate into a variety of external systems via an API to allow for functionality such as SMS, email & social communication. The application will be readily available across multiple devices allowing users to access their data at home from their computers or their smartphones.

Mental Health and Wellbeing Services

After a disappointing – and financially loss-making – year of operations in 2021-22, Health Exchange is working hard to get the Mental Health and Wellbeing Service back to the levels it was reaching before the COVID-19 pandemic. The Service continues to deliver therapy through online and telephone sessions, as there is almost no return of demand for face-to-face sessions from our clients. However, the resumption of face-to-face sessions may take place if this changes, and Health Exchange continues to monitor the situation closely.

Staff members lost to the programme in 2021-22 are slowly being replaced; and the aim is to develop a wider range of services relating to Mental Health and to expand Health Exchange’s capacity to accept many more referrals into the IAPT and FTB programmes in future. This will involve establishing a wider portfolio of practitioners and marketing our MH&W services ourselves, as well as receiving referrals through the Living Well Consortium. We are currently in the process of creating workshops to deliver MH&W advice and support to organisations for their staff – something which was done pre-Covid.

Living Well Taking Control

In 2022-23 and beyond we plan to expand the number of geographic regions receiving LWTC delivery of their National Diabetes Prevention Programme. We intend to continue tailoring delivery to best suit the needs of those classified at high risk of developing type 2 diabetes, as well as continue to support ongoing research and provide evidence to support outcomes of service delivery. We want to help locality coaches to grow their businesses, working for LWTC, ensuring best practice is embodied throughout. Fundamentally, we want to support NHS England in delivering the most suitable programme to meet patient needs and feeding service user comments back to NHSE national teams to help with service development.

As we grow and deliver more complex projects, we will ensure our Board and Senior Team have the skills experience to deliver the range of services.

Principal Risks and Uncertainties

The Governing Board of Trustees regularly considers the principal risks to which Health Exchange is exposed. It uses a risk management matrix to set out and evaluate the major risks, their likely impact, the steps taken to mitigate risk, and further action that could be taken. The principal risks for the charity in 2021-22 were:

Risk	Primary Mitigations
<p>Strategic risk that Health Exchange’s Mission and Strategy is insufficiently clear, focused and innovative to succeed</p>	<ul style="list-style-type: none"> • Health Exchange will undergo a strategic planning exercise in 2022 to help the Charity review and revise its Mission and Strategic Goals; and then align its programmes, plans, management and staff structures, and business processes to ensure it is well placed to deliver them. • We will develop improved monitoring, evaluation and impact indicators to help us measure our success – and highlight our failures – so that we are a learning organisation that reports accurately and adapts quickly and intelligently to changing circumstances, so that we can best serve our commissioning partners and – most importantly – the people and communities whom we serve.

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<p>Safeguarding, Regulatory and Operating risks</p>	<ul style="list-style-type: none"> • Strong safeguarding plans, with regular internal and external review of our compliance with safeguarding requirements. • Ensuring all Health Exchange staff/volunteers and those we work with have received mandatory training in safeguarding, with compliance reviewed regularly as part of Integrated Governance and Assurance. • Maintaining compliance of all quality standards by working with our internal audit team, and other providers of external assurance, to ensure recommendations are implemented promptly.
<p>Finance Risk of unanticipated falls in voluntary income, reducing liquidity and capacity to effectively deliver against plans</p>	<ul style="list-style-type: none"> • Health Exchange's Reserves Policy protects the Charity against the impact of short-term volatility of cash flow. • Key performance indicators are closely monitored against budgets, and regular reforecasting takes place where required to manage underperformance of contracts. • In the past year, specific consideration of finance risk has included our Mental Health provision contracts with the Living Well Consortium, including reviewing and diversifying income streams to boost income and mitigate losses.
<p>People Risk of an inability to find and retain people with the right skills to deliver our plans</p>	<ul style="list-style-type: none"> • Weekly performance and support meetings for staff – informed by an online platform providing key metrics and data – ensures that staff are supported and guided in an evidence-based way. • We are assessing our HR approaches to ensure that staff terms and conditions are consistent across the organisation. • In 2022-23 we will be investing in our HR capacity to improve guidance and support to managers; and direct HR support to staff.
<p>Cyber Security and IT risk</p>	<ul style="list-style-type: none"> • Regular reviews and reports are submitted by our IT Consultants on our IT infrastructure and system processes to the Senior Management Team; and our Integrated Governance Committee regularly monitors our compliance with Data, GDPR and IT technical standards and requirements. • Work continues on rationalising the technical infrastructure and leveraging software to improve efficiency.
<p>Key Partners and Partnerships Overreliance on key partners and partnership</p>	<ul style="list-style-type: none"> • We continue to grow our key partnerships into new geographic areas in which we expect our programmes to grow. • We continue to build new relationships with national funders that will support the diversification of the work we do, leading to increased scope of our operations and increased income.
<p>Change in Commissioners strategy and intentions – Movement to the Integrated Care System</p>	<ul style="list-style-type: none"> • We continue to maintain positive relationships with the NHS commissioners of the funding we receive, ensuring all reporting and evaluation criteria is met. • We try to be flexible within the varying demands made by commissioners, within the parameters we have set to provide efficient and effective services at a price we can afford to provide. • We try to build on our strategic partnerships to ensure that we can influence decision making on service provision around our evidence-based practice. • We continue to track the impact of the work we do to ensure that we can demonstrate to funders the efficacy of the services we provide

Health Exchange also continues to allow its staff and consultants to work remotely to respond effectively to the COVID-19 pandemic.

Contingency plans – including a Business Continuity Plan – have also been developed by Health Exchange's Senior Management Team (SMT) to manage and reduce these and other, less serious, risks.

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The Trustees have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved and signed on behalf of the Trustees by



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Date: 6 November 2022
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Christopher A. Langley, Trustee and Chair

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH EXCHANGE

Opinion

We have audited the financial statements of Health Exchange (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the Charitable Company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

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- obtaining an understanding of the legal and regulatory framework applicable to the Charitable Company and how the Charitable Company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Charitable Company's control environment and how the Charitable Company's control environment and how the Charitable Company has applied relevant control procedures, through discussions with Trustees and other management by performing walkthrough testing over key areas;
- obtaining an understanding of the Charitable Company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charges with governance throughout the year; and
- performing audit testing to address the risk of management override or controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.


Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Glen Bott FCA (Senior statutory auditor) for and behalf of:



Cooper Parry Group Limited
Chartered Accountants and Statutory Auditor
Office 401 4th Floor
Two Chamberlain Square Birmingham
West Midlands B3 3AX

Date: 18 November 2022

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE
YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	4	-	-	313,533
Charitable activities	5	1,258,694	1,258,694	1,152,935
Investments	6	23	23	535
Total income		1,258,717	1,258,717	1,467,003
Expenditure on:				
Charitable activities		1,325,496	1,325,496	1,413,381
Total expenditure		1,325,496	1,325,496	1,413,381
Net movement in funds		(66,779)	(66,779)	53,622
Reconciliation of funds:				
Total funds brought forward		1,112,868	1,112,868	1,059,246
Net movement in funds		(66,779)	(66,779)	53,622
Total funds carried forward		1,046,089	1,046,089	1,112,868

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 19 to 39 form part of these financial statements.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

REGISTERED NUMBER: 06445689

BALANCE SHEET AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	364,925	368,512
Investments	12	16,488	634
		381,413	369,146
Current assets			
Debtors	14	272,783	389,979
Cash at bank and in hand		534,051	496,131
		806,834	886,110
Creditors: amounts falling due within one year	15	(142,158)	(142,388)
		664,676	743,722
Net current assets		664,676	743,722
Total assets less current liabilities		1,046,089	1,112,868
Total net assets		1,046,089	1,112,868
Charity funds			
Restricted funds	17	-	-
Unrestricted funds			
Designated funds	17	376,993	369,962
General funds	17	669,096	742,906
		1,046,089	1,112,868
Total funds		1,046,089	1,112,868

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Professor Chris Langley
Chair



Mark Wilson
Interim Chief Executive

The notes on pages 19 to 39 form part of these financial statements.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net cash used in operating activities	51,031	70,132
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	23	535
Proceeds from the sale of tangible fixed assets	-	17,500
Purchase of tangible fixed assets	(5,238)	(17,833)
	<hr/>	<hr/>
Net cash (used in)/provided by investing activities	(5,215)	202
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	(7,075)	(9,648)
	<hr/>	<hr/>
Net cash used in financing activities	(7,075)	(9,648)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	38,741	60,686
Cash and cash equivalents at the beginning of the year	496,131	435,445
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	534,872	496,131
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 39 form part of these financial statements

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Health Exchange is a registered company limited by guarantee with registered charitable status, in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to prevent or relieve poverty, suffering, distress or financial hardship amongst the beneficiaries by providing financial assistance and support as well as letting holiday properties to the beneficiaries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 Going concern

The extremely difficult economic situation the UK is experiencing in 2022 will cause added pressures on the charity: particularly inflationary pressures on costs whilst revenue levels from existing National Health Service contracts remain largely fixed or stable; and supporting staff through a cost-of-living crisis that undermines the value of their salaries. Two of its three major programmes are growing, but the loss of some important service contracts in 2021 reminds the charity of the need to continue to offer professional, high quality, value for money programmes. Health Exchange is conducting a strategic review in 2022 to ensure that in the coming years of continued economic challenges, it increasingly focuses efforts on programmes and health services that meet its mission and are viable and sustainable.

Therefore, the Trustees believe that Health Exchange is well placed to continue and expand its work in future. The charity has a strong cash position and the majority of its funds are unrestricted funds.

On this basis the trustees are confident at present that the society has adequate resources to continue in operation and, accordingly, have adopted the going concern basis in preparing the financial statements.

2.3 Income

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.5 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The analysis of these costs is included in note 7.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	0.83% Over 120 years
Motor vehicles	-	25.00% straight line
Fixtures and fittings	-	33.33% straight line
Office equipment	-	33.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.8 Associated joint ventures

Associates and Joint Ventures are held at cost less impairment. The investment has been accounted for as a programme related investment.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

2.14 Pensions

The Charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charity pays fixed contributions into a separate entity. Once the contributions have been paid, the Charity has no further obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Charity in independently administered funds.

Certain past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

2.15 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Depreciation and residual value:

The trustees have reviewed the asset lives and associated residual values of all tangible fixed assets classes, and have concluded that asset lives and residual values are appropriate.

4. Income from donations and legacies

	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£
Grants			
VCSE Health and Wellbeing	-	-	313,533
	<u> </u>	<u> </u>	<u> </u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £
Bham CCG-Type2 Diabetes Education Service	157,090	157,090
Mental Health & Wellbeing	191,753	191,753
Triage for EWH	83,690	83,690
Primary Care Network	824,237	824,237
Other Income	500	500
	<u>1,257,270</u>	<u>1,257,270</u>

	Unrestricted funds 2021 £	Total funds 2021 £
Bham CCG-Type2 Diabetes Education Service	151,610	151,610
Mental Health & Wellbeing	279,763	279,763
Triage for EWH	84,755	84,755
Thrive Project	16,655	16,655
Primary Care Network	575,789	575,789
Other Income	362	362
Profit on disposal of fixed assets	17,500	17,500
Coronavirus job retention scheme income	25,212	25,212
	<u>1,151,646</u>	<u>1,151,646</u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

6. Investment income

	Unrestricted funds 2022	Total funds 2022
	£	£
Bank interest receivable	23	23
	23	23

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Bank interest receivable	507	28	535
	507	28	535

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

7. Expenditure on charitable activities

	Mental Health & Wellbeing £	Community Health & Wellbeing £	Social Prescribing £	Head Office £	Total 2022 £	Total 2021 £
Direct Costs						
Staff costs	185,236	604,857	-	-	790,093	674,064
Telephone, internet & SMS	3,937	7,578	273	-	11,788	10,832
Supporters	36,402	22,281	-	16,815	75,498	76,760
Mobile unit and van costs	-	-	-	566	566	5,544
Travel and subsistence	649	3,392	-	-	4,041	1,318
Advertising, promotions and marketing	471	581	-	2,164	3,216	20,964
Other direct costs	1,980	428	-	-	2,408	3,909
Recruitment costs	4,681	889	-	-	5,570	377
Room hire and rent	562	-	-	-	562	7,198
Impairment loss - LWTC	-	-	-	-	-	189,366
	<u>233,918</u>	<u>640,006</u>	<u>273</u>	<u>19,545</u>	<u>893,742</u>	<u>990,932</u>
Total direct costs						

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

	Mental Health & Wellbeing	Community Health & Wellbeing	Social Prescribing	Head Office	Total 2022	2021
	£	£	£	£	£	£
Support costs						
Staff costs	930	23,830	-	210,649	235,409	226,944
Rent, rates and storage	746	-	-	9,268	10,014	21,858
Heat, Light and Power	-	-	-	3,649	3,649	4,238
Travel and subsistence	-	-	-	1,319	1,319	(131)
Telephone, Internet and SMS Text	-	-	-	10,705	10,705	13,674
Office expenses	413	1,962	-	3,617	5,992	9,975
Legal and professional	-	52,308	-	41,407	93,715	50,306
Equipment and licences	1,758	6,916	-	14,797	23,471	26,004
Premises expenses	-	-	-	3,411	3,411	7,116
Bank Charges and Interest	-	-	-	222	222	25
Depreciation	1,007	2,721	-	5,094	8,822	10,691
Subscriptions and donations	-	-	-	2,632	2,632	3,281
Training	-	-	-	3,730	3,730	-
Repairs and renewals	-	-	-	50	50	327
Insurance	-	-	-	26,080	26,080	25,664
Other costs	-	207	-	17,358	17,565	23,077
Head office recharges	127,536	197,292	-	(324,828)	-	-
Total support costs	132,390	285,236	-	29,160	436,786	423,049

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

8. Auditor's remuneration

	2022	2021
	£	£
Fees payable to the Charity's auditor for the Charity's annual accounts	12,500	9,600

9. Staff costs

	2022	2021
	£	£
Wages and salaries	912,551	810,431
Social security costs	75,867	67,314
Contribution to defined contribution pension schemes	27,109	26,515
	<u>1,015,527</u>	<u>904,260</u>

The average number of persons employed by the Charity during the year was as follows:

	2022	2021
	No.	No.
Administration	8	7
Frontline	32	29
Operational	6	2
Management	2	7
	<u>48</u>	<u>45</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
	No.	No.
In the band £60,001 - £70,000	1	1

The trustees consider its key management personnel comprise the management team. The total employment benefits including employer's national insurance and employer pension contributions of the key management personnel were £140,755 (2021: £147,658).

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

10. Trustees' remuneration and expenses

During the year, one Trustee has been paid remuneration or has received other benefits from an employment with the Charity as permitted under the Charity's governing document. The value of Trustees' remuneration and other benefits was as follows:

		2022	2021
		£	£
Ronald Owtrim	Remuneration	64,167	70,000
	Pension contributions paid	1,750	2,100

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

11. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2021	354,205	36,134	119,973	510,312
Additions	-	-	5,237	5,237
At 31 March 2022	<u>354,205</u>	<u>36,134</u>	<u>125,210</u>	<u>515,549</u>
Depreciation				
At 1 April 2021	5,019	28,212	108,569	141,800
Charge for the year	2,102	435	6,287	8,824
At 31 March 2022	<u>7,121</u>	<u>28,647</u>	<u>114,856</u>	<u>150,624</u>
Net book value				
At 31 March 2022	<u><u>347,084</u></u>	<u><u>7,487</u></u>	<u><u>10,354</u></u>	<u><u>364,925</u></u>
At 31 March 2021	<u><u>349,186</u></u>	<u><u>7,922</u></u>	<u><u>11,404</u></u>	<u><u>368,512</u></u>

The interest in the long-term leasehold property was revalued on 30 August 2019 which deemed the leasehold interest in the property to be £350,000. The valuation was provided by a qualified valuer who was a Registered valuer as defined under the RICS Valuation Registration Scheme.

The directors have considered this valuation as at the date of signing these accounts and deem this valuation to represent current market conditions as at that date, therefore feel it is appropriate to carry this at the revalued amount subject to depreciation.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

12. Fixed asset investments

	Investment in joint ventures £
Cost or valuation	
At 1 April 2021	190,000
At 31 March 2022	190,000
Impairment	
At 1 April 2021	189,366
Reversal of impairment	(15,854)
At 31 March 2022	173,512
Net book value	
At 31 March 2022	16,488
At 31 March 2021	634

The company participates in a joint venture arrangement in Living Well Taking Control LLP, an LLP incorporated in England and Wales, with one other party.

In March 2013 Health Exchange joined forces with Exeter-based charity Westbank Community Health and Care to deliver the programme, called Living Well Taking Control, to people in Birmingham and Exeter identified as being at risk of developing, or recently diagnosed with, Type 2 diabetes.

Keen to ensure effective evaluation of this education and support programme, this partnership also worked with a number of Universities including Exeter, Bristol and Birmingham to evidence the value and benefits of the service to service-users.

The company owns 50% of the LLP and its share of trading results and assets and liabilities are shown in note 13.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

13. Joint venture trading result

	2022	2021
	£	£
Turnover	679,173	526,234
Cost of sales	(407,279)	(550,134)
Gross profit	271,894	(23,900)
Administrative expenses	(256,041)	(169,619)
	<hr/>	<hr/>
Operating (loss)/profit	15,854	(193,519)
Fixed assets	6,573	5,253
Current Assets	288,702	373,592
Creditors	(278,787)	(378,211)
	<hr/>	<hr/>
Net assets	16,488	634
Members other Interests		
Members capital classified as equity	190,000	190,000
Other reserves	(173,513)	(189,366)
	<hr/>	<hr/>
	16,488	634
	<hr/> <hr/>	<hr/> <hr/>

14. Debtors

	2022	2021
	£	£
Due within one year		
Trade debtors	251,802	372,729
Other debtors	1,640	3,149
Prepayments and accrued income	19,341	14,101
	<hr/>	<hr/>
	272,783	389,979
	<hr/> <hr/>	<hr/> <hr/>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

15. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank overdrafts	-	1,459
Bank loans	493	7,569
Trade creditors	45,760	16,275
Other taxation and social security	55,244	83,474
Other creditors	1,530	23,168
Accruals	39,131	10,443
	<u>142,158</u>	<u>142,388</u>

16. Financial Instruments

	2022	2021
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	534,051	496,131
	<u>534,051</u>	

Financial assets measured at fair value through income and expenditure comprise cash in bank.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
Designated funds				
Tangible fixed asset fund	126,560	-	(8,823)	117,737
Leasehold property	96,731	-	-	96,731
Revaluation reserve	146,037	-	-	146,037
Investments	634	-	15,854	16,488
	<u>369,962</u>	<u>-</u>	<u>7,031</u>	<u>376,993</u>
General funds				
General Funds	<u>742,906</u>	<u>1,258,717</u>	<u>(1,332,527)</u>	<u>669,096</u>
Total Unrestricted funds	<u><u>1,112,868</u></u>	<u><u>1,258,717</u></u>	<u><u>(1,325,496)</u></u>	<u><u>1,046,089</u></u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

17. Statement of funds (continued): Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
Fixed Asset funds					
Tangible fixed asset fund	116,497	-	(7,771)	17,834	126,560
Leasehold property	98,833	-	(2,102)	-	96,731
Revaluation reserve	146,037	-	-	-	146,037
Investments	190,000	-	(189,366)	-	634
	<u>551,367</u>	<u>-</u>	<u>(199,239)</u>	<u>17,834</u>	<u>369,962</u>
General funds					
General	490,833	1,153,442	(841,884)	(59,485)	742,906
	<u>1,042,200</u>	<u>1,153,442</u>	<u>(1,041,123)</u>	<u>(41,651)</u>	<u>1,112,868</u>
Restricted funds					
Big Lottery Fund	17,046	28	(57,999)	40,925	-
VCSE Health and Wellbeing	-	313,533	(314,259)	726	-
	<u>17,046</u>	<u>313,561</u>	<u>(372,258)</u>	<u>41,651</u>	<u>-</u>
Total of funds	<u><u>1,059,246</u></u>	<u><u>1,467,003</u></u>	<u><u>(1,413,381)</u></u>	<u><u>-</u></u>	<u><u>1,112,868</u></u>

Tangible fixed asset fund and leasehold property fund

The purpose of these funds is to recognise the value of operational assets which are not freely convertible into cash.

Revaluation Fund

This represents the revaluation of the leasehold property. The trustees believe it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the Charity.

VCSE Health and wellbeing

This fund represents grant income to be used on the social prescribing project.

Big Lottery Fund

This fund represents grant income was used in prior year on the wellbeing asset building project.

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Designated funds	369,962	-	7,031	376,993
General funds	742,906	1,258,717	(1,332,527)	669,096
	<u>1,112,868</u>	<u>1,258,717</u>	<u>(1,325,496)</u>	<u>1,046,089</u>

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Designated funds	551,367	-	(199,239)	17,834	369,962
General funds	490,833	1,153,442	(841,884)	(59,485)	742,906
Restricted funds	17,046	313,561	(372,258)	41,651	-
	<u>1,059,246</u>	<u>1,467,003</u>	<u>(1,413,381)</u>	-	<u>1,112,868</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	364,925	364,925
Fixed asset investments	16,488	16,488
Current assets	806,834	806,834
Creditors due within one year	(142,158)	(142,158)
Total	<u>1,046,089</u>	<u>1,046,089</u>

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021	Total funds 2021
	£	£
Tangible fixed assets	368,512	368,512
Fixed asset investments	634	634
Current assets	886,110	886,110
Creditors due within one year	(142,388)	(142,388)
Total	1,112,868	1,112,868

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net income/expenditure for the year (as per Statement of Financial Activities)	(66,779)	53,622
Adjustments for:		
Depreciation charges	8,824	10,689
Impairment of joint venture	-	189,366
Dividends, interests and rents from investments	(23)	(535)
Loss/(profit) on the sale of fixed assets	-	(17,500)
Decrease/(increase) in debtors	117,196	(166,652)
Increase/(decrease) in creditors	(5,654)	1,142
Net cash provided by operating activities	53,564	70,132

21. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	534,872	496,131
	534,872	496,131

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

22. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	496,131	38,741	534,872
Bank overdrafts repayable on demand	(1,459)	1,459	-
Debt due within 1 year	(7,569)	7,076	(493)
	<u>487,103</u>	<u>47,276</u>	<u>534,379</u>

23. Pension commitments

The company operates a defined contribution stakeholder pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. A proportion of the pension cost charge represents contributions payable by the company to this fund and amounted to £27,109 (2021: £26,515) in the year. Contributions totalling £1,521 (2021: £1,702) were payable to the fund at the balance sheet date and are included in other creditors.

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”.

An outline of these follows:

Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as at 31 March 2019, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the

**HEALTH EXCHANGE TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2019. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

24. Operating lease commitments

At 31 March 2022 the Charity had commitments to make future minimum lease payments under non- cancellable operating leases as follows:

	2022	2021
	£	£
Not later than 1 year	1,596	1,596
Later than 1 year and not later than 5 years	1,995	3,591
	<u>3,591</u>	<u>5,187</u>

25. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

26. Related party transactions

As stated in note 12 Health Exchange participates in a joint venture arrangement with Living Well Taking Control LLP an LLP incorporated in England and Wales (Company number: OC407449). During the period Health Exchange made payments on behalf of the Living Well Taking Control LLP amounting to £196,723 (2021: £305,217) of which £nil (2021: £nil) reflects the capital contribution being their share of the joint venture arrangement. Included within trade debtors due within one year is £94,595 (2021: £75,134) due from Living Well Taking Control LLP.

During the year Scotdoc Consultancy Ltd, a company where CEO and Trustee Russell Muirhead is a director, provided clinical supervision services to staff. The cost of these services totalled £8,340 (2021: £13,612). At the year-end an amount of £700 was owed to (2021: £1,252) Scotdoc Consultancy Ltd.

HEALTH EXCHANGE

England & Wales - Charity number 1188838

Accounts



2020-21: *Resilience*



Resilience

The teams at Health Exchange have demonstrated that regardless of the challenge, they exceed expectations in what has been a period of uncertainty across the world.

On the 17th March 2020 we entered into lockdown.

Our first response was to implement our robust Business Continuity Plan and quickly mobilise all staff to work from home. Some of my teams had never worked from home before and, with the prospect of getting COVID-19 heavily on everyone's mind, staff transitioned to being a remote-only service within a matter of days.

Whilst many organisations were having to close completely, our teams, and our IT support teams made it possible to continue to offer an excellent service to all those who needed to use our services.

Our Type 2 team, moved from 100% face to face to 100% remote within a week. This led to the team not only being able to meet the annual target, which is often a challenge, but actually led to an increase of 23% more individuals accessing our Type 2 Structured Education programme. We had our teething problems, as everyone did, but with the help and support of our Data teams and the Type 2 team we were able to ensure there was no interruption to our service for our service users with the additional telephone support provided where necessary.

Our social prescribing team, including Lorraine Crampton, who is pictured on the front cover of this report, were instrumental in supporting the vaccine roll out in their Primary Care Networks throughout the pandemic and also provided telephone support and assurances for those who were shielding and often very fearful. Our team members also provided support by accompanying PCN colleagues on home visits when the world began to open up, ensuring that those who needed the most support got it.

Never in my time as COO has the need for mental health and wellbeing services been highlighted in such a unique and dramatic way, however our teams answered the call and were instrumental in not only supporting and responding remotely to clients who were accessing mental health interventions but also providing mindfulness sessions and vital wellbeing interventions for the staff and wider team here at Health Exchange. These sessions have since been described as "invaluable" by colleagues who accessed them.

A few months into the pandemic, when we had no guidance or timeline of when things may begin to improve, I had to take the difficult decision to put some staff on furloughed leave. During this time it was essential that we kept those staff in the loop and supported so regular check-ins from their Line Managers and SMT members was crucial to them remaining part of our network of teams, even if not physically involved at the time in the day-to-day operations. Thankfully, I was able to successfully bring back all staff that were on furlough with no redundancies having to be made. That makes me so proud of how we, as a medium sized charity, handled the challenges of the pandemic.

Our teams across all of our services including our amazing support staff including; Finance, HR and Office Administration, Marketing and Data, have managed to keep the organisation going.

The goal for this coming year is to keep supporting staff as the world opens up and new contracts and opportunities come on stream, to continue to be the amazing values-based, mission-led organisation that we are, so that we can help individuals to choose positive lifestyles and wellbeing for themselves, their families and their communities.

I would like to extend a huge thank you to all of our teams on behalf of the Senior Management Team, **keep up the great work.**



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Our Mission

“To shape the design and development of health and wellbeing services that will enable everyone to have the capacity and confidence to choose positive health and wellbeing.”

Our Mission

To achieve our mission, we rely on our core values:

- ***Investing***: in our people by recruiting local people and helping them to develop their skills and knowledge.
 - ***Being The Best***: at providing services that meet the needs of every individual, commissioner, or buyer of our services.
- ***Social Value***: by spending money in a way that benefits our local communities.
- ***Innovation***: by creating new ways of working which continue to make our services more efficient and engaging.
- ***Empowerment***: support patients to develop the knowledge, skill and confidence to become active participants in achieving their health and wellbeing goals.

What Do Our Service Users Say About Us?

*I was given a lot of advice,
motivation and material to
help me.*

Saleem

*I felt Kalbinder really cared
about me as a person, I
wasn't just someone with
Diabetes to her. I think I
would have slipped into
depression without her
support.*



Tina

*I would have been lost
without the support I've
received, I've learned so
much.*

*I'm just sad I won't get to
see Kim now!*

**June
(Pseudonym)**



The Chair's Report



This is the first full year that Health Exchange has operated as a charity and on behalf of the other Non-Executive Directors, I would like to start my report by thanking all the organisation's staff and volunteers in ensuring that the transition from a community interest company to a fully-fledged charity has been successful.

All organisations have continued to feel the impact of the pandemic and I am pleased to see how Health Exchange has continued to manage the challenges which it faces while still implementing future growth plans. Supported by the Board, and under the leadership of the Chief Executive, Ron Owtrim, the future direction of the organisation has been set and designed to ensure the organisation is able to deliver its core objectives while remaining in a healthy position financially.

As I reported last year, I continue to believe that with our current Trustees and Executive we have a nicely balanced spread of experience and skills around the table to take the organisation forward and meet the challenges ahead. However, as the business grows, we will be undertaking a skills-mix review of our Non-Executive Directors to identify any additional requirements we may need as we move forward. This will enable us to recruit additional talent to our Board as necessary, and further ensure we are able to move ahead and grow the organisation safely.

Continuing to operate and deliver high-quality cost-effective services has been, as it was last year, a major achievement; home working has continued for many staff, as has other impacts caused by the continuing pandemic.

However, despite the continuing challenges, we have continued to provide the quality of service to our users that they expect and deserve.

A handwritten signature in blue ink, appearing to read 'Chris Langley'.

Professor Chris Langley
Chair of the Board of Trustees

Meet The Chief Executive



It has been another busy year, dealing with the effects of the pandemic and operating as a newly formed charity. The Annual review highlights some of the work we undertake and cannot really capture the commitment of our staff and volunteers and the fantastic work they have continued to provide over the past year. We continue to see the impact our staff and volunteers have on the health and wellbeing of our clients especially during this most challenging year. Our staff have continued to provide services remotely and have gone above and beyond to ensure services continued. I have enjoyed seeing so much of the inspiring work the organisation does within the communities we serve.

I wish to personally thank all our staff and volunteers within Health Exchange and our partner organisation Living Well Taking Control for all their hard work and commitment. Overall, it has been another good year and we continue to be in a strong financial position to continue to grow but, more importantly, our services continued to evolve, improve, and change.

During the coming year we will continue to look at ways to deliver the vision and values of the Charity and look at areas where we can make a difference by providing people focused quality services. We will continue to provide services that meet the needs of the population we serve and look forward to the future in terms of the commitment, enthusiasm and skills of our staff and volunteers. It is an honour to continue to lead a dedicated team at Health Exchange during this exciting time and I believe we will continue to meet the challenges ahead and the organisation has a bright future ahead.

Ron Owtrim
Chief Executive

An Example Of Our Work

A young client in their 20s accessed the Mental Health & Wellbeing service where they met with a therapist for 12, weekly sessions.

This referral was made by the weekly clinic that Health Exchange holds with the client's GP practice. The client was seeking support for symptoms of depression which included feeling sad, crying, lack of motivation which meant they were no longer doing things they used to do. Initially the client felt apprehensive about accessing the service, as they described a poor experience with previous therapy. However, as treatment progressed, having the therapeutic relationship at core, the therapist and client were able to identify the source of the symptoms and explore historic traumatic experiences, complex/familial environment, and a recent bereavement. In addition, the client was able to identify what maintained these symptoms which included beliefs such as not being 'good enough' which they were able to work through during the therapy.

By the end of treatment, the client had more self-awareness and felt able to cope with their feelings of Depression. Client's feedback included thanking for the support which they said had proved invaluable and reported that they had been this experience of therapy had been more positive than their first.

The client completed weekly questionnaires which assessed the severity of their symptoms, and at the beginning of therapy they scored in the 'moderate' range for symptoms of Depression, and by the end of the therapy this had moved into 'mild' and were sub-clinical, indicating the therapy had successfully helped the client manage their symptoms.



Our Headline Stats



91%

Of surveyed service users said that social prescribing support made them feel less isolated and better connected to others during 2020-21.

73%

The percentage of service users who completed one of our support services after starting a programme



3,280

The number of service users who accessed our support across all of our contracts and services

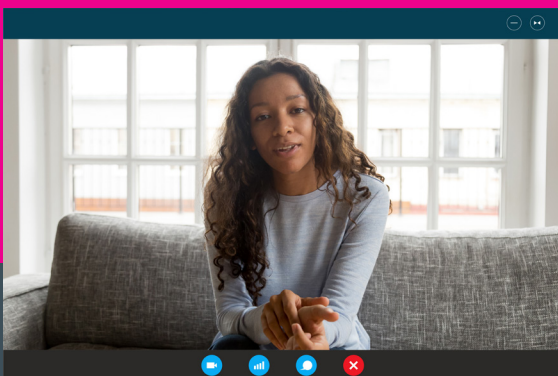
Our Covid Response

Our year has been defined by our ability to adapt to the restrictions of COVID, constantly facing ever-changing challenges in order to continue the delivery of our contracts and ensure support was available to those who needed it in our community. We did this through:

- Moving our deliver to online zoom group meetings, offered at different times during the day, evening and weekend to make them accessible
- Telephone support, for those who preferred it and those who didn't have access to the internet

We actually found that this way of delivering worked really well for our service users as:

- Taking part in group sessions and meetings felt more relaxed in a home environment
- Clients working from home could fit sessions in more easily rather than missing work
- Clients saved money in travel expenses
- Individuals with visual or mobility impairments felt it was easier to join in and contribute through audio interactions on remote sessions rather than trying to attend and participate in an in-person group.
- Non-English speaking patients found it easier to take part due to ease in having a translator/family member alongside them in a digital meeting



Impact Assessment

The Charity continues to grow through contracts for services with primary care trusts, clinical commissioning groups, local authorities and other public bodies thereby increasing our footprint across the country.

Throughout 2020-21, Health Exchange has impacted the lives of thousands of individuals across the West Midlands and beyond.

Our key services such as our Mental Health and Wellbeing Services moved more people to recovery than the national average with over 51% moving to recovery after intervention from one of our trained and accredited practitioners.

- In 2020-21 over 1654 patients were referred to the social prescribing service through VCSE work with Our Health Partnership and Primary Care Networks.
- On average 1,000 contacts with patients made every month.
- Through VCSE grant we have received 1250 referrals from Our Health Partnership practices with support adjusted in light of COVID 19 in March 2020
- Quote – “Overall this was an excellent result, social prescribing supported me through a difficult time financially and helped me talk to the DWP about my needs so I can get the support I need for me and my family.”

Community Health and Wellbeing services

This involves the Type 2 Diabetes and Social Prescribing. Our Type 2 Service has been providing Support in Communities for over 10 years helping individuals management their long-term condition. Each year over 1000 individuals are provided with information about how to better manage their condition, with over 850 completing a structured Diabetes Education programme in their area.

Our Social Prescribing service has highlighted the wide variety of support required throughout Birmingham, supporting a wider social prescribing steering group with newer partners to ensure consistency of support across the city. Referrals continue to increase for social prescribing support to enable people to live healthier and wealthier lives.

Primary Care Support services

Health Exchange is an established provider of Social Prescribing and behaviour change services, with over 10 years' experience delivering for people, not profit. We are 1 of 23 organisations within the country selected by the Department of Health to deliver Social Prescribing under the Voluntary, Community and Social Enterprise Fund, and currently work in partnership with Primary Care Networks (PCNs) across the West Midlands to provide Link Workers to their local populations. This has allowed us to support over 6000 individuals to access the support they require and reduce their dependency on primary care services.

For the past 3 years this support has been delivered in Birmingham and Sandwell, however 2020 has opened up opportunities to support individuals in Coventry, Rugby and Warwickshire.

We continue to develop our reporting mechanisms, enabling us to monitor and evaluate our performance and ensure that we remain accountable and transparent in our delivery.

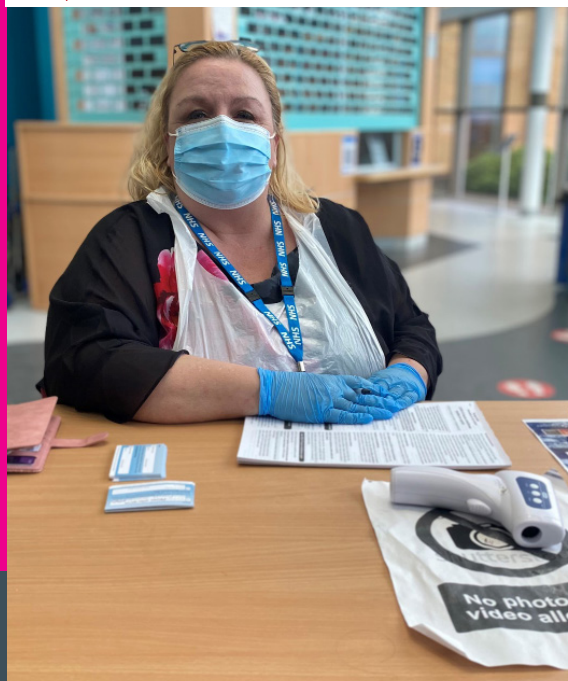


Going Above And Beyond

Volunteering across services and organisations

We are proud to say that Health Exchange employees have formed an integral part of our local vaccination rollout programmes, donating their time and support to the cause which took national priority following the approval of the vaccines in December 2020.

Following a press release celebrating the Health Exchange volunteers who helped Portway Vaccination Centre in Oldbury surpass 20,000 vaccines delivered in just 3 months, we received a wealth of enquiries from new volunteers who have stayed on and intend to volunteer with us into the 21-22 financial year.



Public Benefit

Health Exchange's charitable objects are enshrined within its Articles of Association, and as such, the Trustees ensure that the objectives are achieved through our priority areas.

Quarterly and annual reviews of our work evaluate our activities against our set aims, targets and outcomes. A structured model of evaluation enables us to identify if we are achieving our outcomes to allow us to tailor our service delivery to match local needs more closely.

In setting plans and priorities for areas of work, the Trustees of Health Exchange have had regard to the guidance from the Charity Commission on the provision of public benefit and Health Exchange meets the definition of a public benefit entity under FRS 102.

In particular, the Trustees consider how planned activities contribute to meeting charitable objectives – as set out in the Articles of Association.

Priority Areas

Each year Health Exchange supports thousands of clients with both information and person centred one to one support or group support. In the 12 months between April 2020 and March 2021, 3801 clients were assessed, supported and contacted, with 3280 customers having more in-depth support based on their needs which are often quite complex with many having co-morbidities needing specific support. Health Exchange offers services built around key pillars.

- Primary Care
- Mental Health and Wellbeing
- Social Prescribing
- Type 2 Diabetes support

In 2020-21 delivery focused on these primary areas, detailed on the next page.

Priority Areas

Mental Health and Wellbeing services

Our Mental health and Wellbeing Support that includes Increased Access to Psychological Therapy (IAPT) and Forward Thinking Birmingham (FTB) aimed at young people up to the age of 25.

Community Health and Wellbeing services

This involves the Type 2 Diabetes and Social Prescribing. Our Type 2 Service has been providing Support in Communities for over 10 years helping individuals management their long-term condition. Each year over 1000 individuals are provided with information about how to better manage their condition with over 850 completing a structured Diabetes Education programme in their area.

Primary Care Support services

Health Exchange is an established provider of Social Prescribing and behaviour change services, with over 10 years' experience delivering for people, not profit. We currently work in partnership with Primary Care Networks (PCNs) across the West Midlands to provide Link Workers to their local populations.

Service Name	Referrals	Contacted/Triaged/ Accessed Service	Completed Intervention/ Discharged
IAPT	830	723	371
FBG	815	477	439
SP	786	765	538
MANAGING TYPE 2 DIABETES	1370	1315	1036
TOTAL	3801	3280	2384

Service Performance

That's a cross-service completion rate of:

73%



Financial Review

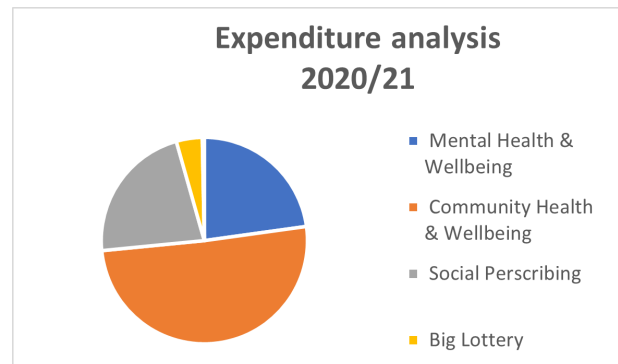
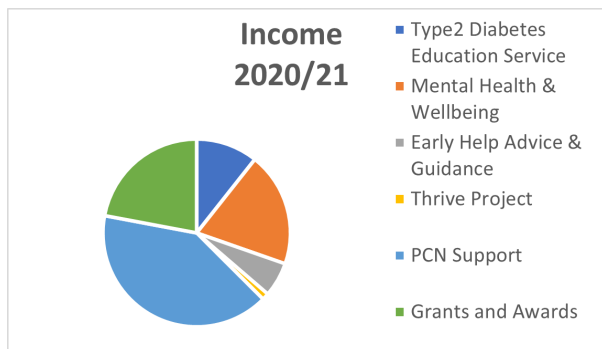
Our income sources

The charity's income streams for the year can be divided into three categories:

- Fixed income contracts
- Payment by result contract
- Grants & Awards

The first two categories are classified as unrestricted/designated to deliver on the service and the last category is restricted as it is subject to specific restrictions imposed by the terms of the grant. Our total income for the year 2020/21 was £1.467m,

- Our GE grant ended in August 2020.
- The VCSE grant ended in March 2021.
- We were awarded new contracts covering social prescribing and link workers provision in Coventry, Warwickshire, and Rugby
- Face to Face and group delivery of Mental Health and Community support was significantly affected by the lockdown.
- The Community health and Wellbeing support including the type 2 education program was able to exceed target for the year through digital delivery.



How our money was spent

Our total expenditure in the year including impairment losses for our investment in Living Well Taking Control LLP was £1.413m.

75% of staffing cost covers staff delivering services within the community, 25% is in relation to support function required for governance, compliance and to implement appropriate controls. During the lockdown we invested in supporting our staff to work efficiently from home, cost of equipment required was capitalised in line with accounting conventions.

We had savings against prior year in some areas (despite the 10month period of the previous financial years account) mainly due to the impact of COVID-19, e.g., lower spend on

- Travel and subsistence
- Office and premise expenses
- Bank staff required
- Reducing recruitment to only new contracts where roles were funded.
- Room hire and rent for teams working in the community

Financial Review Cont...

Funds

The charity's total funds increased by £54k to £1,113m on 31 March 2021.

£370k is designated to finance:

- Existing asset portfolio: Leasehold property revaluation reserve and investment (derived from initial value and revaluation and impairment adjustments) or
- Charity's commitments and anticipated future commitments and reserves
- Other redevelopment projects

After allowing for these existing plans, general funds (that is, funds not restricted, or designated in respect of use) amount to £743k, reflecting the rise in income due to the additional contracts but also the reduced expenditure on raising funds explained above.

Restricted Funds

The charity held a two grant funds to support specific activities as determined by the terms of the grant and falls within the objectives of the charity. The £41k deficit in restricted funds relates to expenditure in the year for which income was received in the previous year.

Unrestricted

Unrestricted funds are expendable at the discretion of the Trustees to further the charity's objectives. The charity's unrestricted funds at 31 March 2021 were £1.113k (31st March 2020: £1,059k). Each year, the Trustees review the need to designate unrestricted funds, the redevelopment of the web-based applications and specific projects to be committed and spent in future years. This helps to provide financial stability and confidence in the charity's ability to fund vital areas of work within communities.

Reserves and liquidity policy

The Trustees are keen to ensure that funds raised by the charity are not only used to achieve the objectives of the charity but deliver substantial impact. The Trustees need to balance this objective with the need to maintain financial prudence and ensure the long-term financial sustainability of the charity. The Trustees introduced guidelines for minimum liquidity levels which require the charity to be confident it can meet at least three months future liabilities, when they fall due, in circumstances where income would be significantly reduced. This level was set at £300k for 2019/20 and sustained in 2020/21.

Living Well Taking Control LLP

Living Well Taking Control LLP(LWTC) is a partnership between Health Exchange and Westbank Community Health and Care. The partnership made losses in 2021/22 that significantly impaired investment in the partnership (£190k in 2019/20 to £634 2020/21)

What's Next For Us?

The Charity's plan is to further develop services over the 12 to 24 months to set the foundation for the organisation for the next 5 years. Our strategy is to continue to deliver services in areas of deprivation that provide an additional safety net where we have identified health inequality and gaps in statutory and community provision. The areas we identify will form the basis for our continued growth and success whilst ensuring our core commitment to provide safe high-quality care services through developing strong relationships with our partners, commissioners, staff, and clients.

Utilising our skills gained providing Social Prescribing, Mental Health and Diabetes Prevention we will work with partners to improve the overall wellbeing of individuals ensuring they have improved accessibility to services. We will aim to work in three main areas to develop innovative services to support:

Support families in hard to reach areas with high levels of deprivation to improve their overall mental health wellbeing especially post covid.

Support groups of elderly clients to retain their independence and reduce levels of loneliness and isolation.

Work with families to help support a healthy lifestyle by providing and monitoring factors to improve lifestyle choices being overweight.

To support our ambition Hex will develop a digital application, this digital hub will provide clients real time access to their information plus supporting materials through the form of digital asset service. Clients and Link Workers and Coaches will be able to communicate directly within the application through push notifications and instant communication channels. The application will be fully secure and will be able to integrate into a variety of external systems via an API to allow for functionality such as SMS, email & social communication. The application will be readily available across multiple devices allowing users to access their data at home from their computers or their smartphones.

As we continue to grow and deliver more complex projects, we will ensure our Board and Senior Team have the skills experience to deliver the range of services. Key Executives will meet the challenges of the future and ensure we have the skills and competencies in our staff to meet the challenges ahead.

How Can You Help Us?

Referral

Health Exchange (HEX) carries out communications campaigns and multi-channel marketing throughout the year, however there is no better way to ensure the right people hear about this support than word of mouth. So if you know someone who you think would benefit from support or regularly find yourself working with members of the community, then please do get in contact with our team to find out more about how to refer a service user.

Volunteering

Whether it's with HEX or one of the many organisations the charity partners with in the community, particularly through its social prescribing work, volunteering opportunities are permanently available and the help is so gratefully received.

Awareness Raising

To support the charity in raising awareness of its services, any offer to share information, put up posters, write about this work in the press etc would go such a long way towards helping to spread the word amongst relevant communities.

Event Hosting/Invitations

Finally, Health Exchange staff are on hand and available to attend any information or community events that would be beneficial for getting the brand and the services offered in front of relevant members of the community or well-placed healthcare professionals. So if you are hosting an information event or would be in a position to put Health Exchange in front of the public or healthcare professions then the team would be very grateful for the opportunity to attend.

Administrative Information

Charity Name: Health Exchange

Charity Registration Number: 1188838

Company Registration Number: 06445689

Website: www.healthexchange.org.uk

Registered Office: Avoca Court, 27 Moseley Road,
Digbeth, B12 0HJ

Bankers: Santander UK

Auditors: Cooper Parry Group Limited, Chartered
Accountants and Statutory Auditors,
Sky View, Argosy Road, East Midlands Airport, Castle
Donington, Derby, DE74 2SA

The Board Of Trustees

Prof. Christopher Andrew
Langley - *Chairman*
Sir David Ross Winkley
Dr Jacky Chambers
Dr Russell Muirhead
Ronald Patrick Owtrim
Obaid Mahmood Choudry
David Melbourne

Senior Management Team

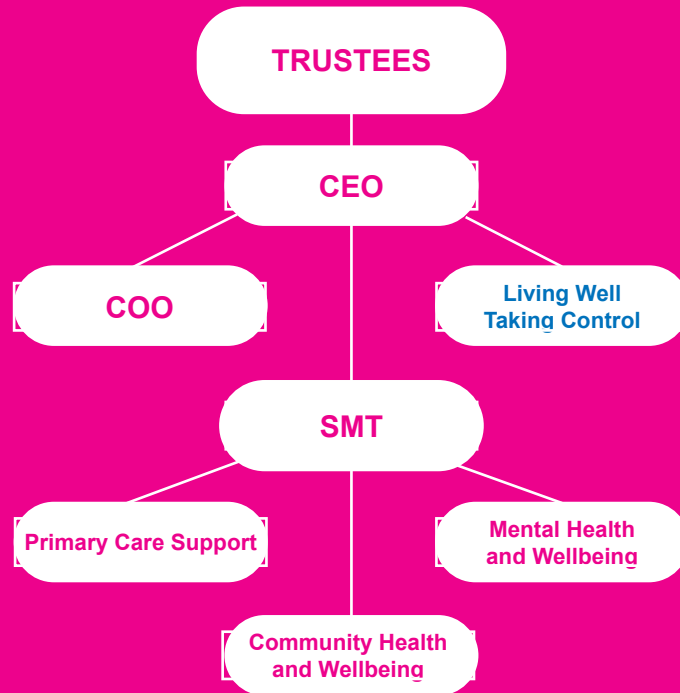
Ronald Patrick Owtrim
Jennifer Jones-Rigby
Olabimpe Odubanjo
Rachel Georgiou
Parminder Sandhu
Stuart Brown

Risk Management

Strategic management of risk is an integral part of Health Exchange's decision-making quality and assurance processes and culture, supporting effective planning and evaluation of activities. By following the ISO 9001:2015 model for which we have been accredited for almost 10 years, we identify review and track all risks on our live Risk Tracker. The trustees review the charity's main risks on a regular basis. They are responsible for approving and then overseeing the implementation of any changes to procedures, training or other actions to mitigate the risks. The Trustees have in place a risk register which is reviewed quarterly and updated annually. These risks cover all aspects of the operations of the organisation, including, but not limited to:

Risk	Primary Mitigations
<p>Safeguarding, regulatory and operating risk</p>	<ul style="list-style-type: none"> Implementing strong safeguarding plans, with external review of our compliance with safeguarding requirements Ensuring all Health Exchange staff/volunteers and those we work with have received appropriate training in safeguarding. We are Working with our internal auditors and other providers of external assurance in ensuring recommendations are implemented promptly.
<p>Finance Risk of unanticipated falls in voluntary income, reducing liquidity and capacity to effectively deliver against plans</p>	<ul style="list-style-type: none"> Our reserves policy protects us against the impact of short-term volatility in cash flow. We closely monitor our key performance indicators, against budgets and perform regular reforecasting. In the past year specific consideration of finance risk has included the end/loss of key contracts/grants and sourcing new funding opportunities.
<p>People People are a critical part of our delivery at Health Exchange, we therefore face risk of an inability to find, and keep, people with the right skills to deliver our plans.</p>	<ul style="list-style-type: none"> We map the capability of our teams against requirements and continually refine communications to ensure staff engagement. To remain competitive as a potential employer and retain current staff, with incentives including flexible working and bolstering reward and recognition policy amongst existing staff.
<p>Cyber security and IT risk</p>	<ul style="list-style-type: none"> Continue to receive regular reports on our IT estates and review the security of systems. Implementation of a Digital Transformation Plan to ensure all internal systems are fit for purpose, and support efficiency across the business. Continue to rationalise the technical estate, leveraging software to improve efficiency. <ul style="list-style-type: none"> Invest in Health Technology and in return negotiate shared IP Continue to invest in the database team.
<p>Key Partners and partnerships Overreliance on key partners and partnership</p>	<ul style="list-style-type: none"> Offer consortia opportunities, collaboration of local reach with national reaching organisations, buying the right expertise and implement robust diligence process to ensure partners work to the same standard.
<p>Change in Commissioners strategy and intentions</p>	<ul style="list-style-type: none"> Flex and change to new demands, adjust service offer accordingly Ensure we are at the right briefings, service planning, listening events so that we can steer service provision around our evidence-based practice.
<p>Strategic plan The risk that our strategy is not sufficiently clear and innovative to deliver against our ambitions.</p>	<ul style="list-style-type: none"> Our future plans expands Health Exchange geographical reach in each of our priority areas. We will continually test our strategy to ensure maximum impact for the communities we support. We constantly scan the internal and external environment for opportunities and threats. We are focusing efforts on our digital delivery and our ability to demonstrate impact and efficiency.
<p>Operational risk of Covid-19 The impact of Covid-19 on the Charity's operations.</p>	<ul style="list-style-type: none"> Hybrid working is in place and our office has COVID safe systems designed to ensure a safe working environment whilst adhering to external environment and Government guidelines. All key risks including strategic and clinical are reviewed at monthly integrated governance and mitigating actions recommended and implemented.

Structure & Governance



The members of the Board of Trustees present their report together with the financial statements of Health Exchange for the 11-month period ended 31 March 2021. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies outlined in the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" (FRS102) issued in 2019.

Health Exchange is a charitable company limited by guarantee, incorporated on the 5 December 2007 and registered as a charity on the 31st of March 2020. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

A scheme of delegation is in place and day to day responsibility for the provision of the services, which rests with the Chief Executive along with the Senior management team. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met.

The COO has responsibility for the day to day operational management of the teams, the service leads are responsible for the individual supervision of staff within the team and also ensuring cohesiveness with the overall charity objectives.

Structure & Governance

Trustees responsibilities

The Trustees have control of the Charity, its property and funds. Trustees are appointed by the Members or co-opted by the Trustees. The number of Trustees shall be at least three but not more than twelve persons, all of whom must support the Objects.

The Trustees must hold at least two meetings each year. A quorum at a meeting of the Trustees is at least three or one third of the total number of Trustees for the time being, whichever is greater.

Finance Sub-committee

The Finance Sub-Committee provides expert advice to the board and trustees on the financial health of the charity and any remedial action necessary. It holds the professional finance staff accountable for discharge of their responsibilities, including compliance with external regulation.

The Finance Subcommittee is also responsible for preparing and submitting to the Board a proposed budget for each financial year, for monitoring income and spending against budget profile, and for progressing matters related to the finances of the Society.

Objectives and activities

The Charity's objectives are to further such charitable purposes relating to:

- 1) the advancement of health, including public health and well-being.
- 2) to promote social inclusion amongst marginalised and minority groups who are excluded from society, or parts of society, due to their social and economic position by providing education, training, information, and opportunities for social interaction.
- 3) the promotion of urban regeneration in areas of social and economic deprivation (in particular, but not exclusively in, the West Midlands) by all or any of the following means:
 - (a) the relief of poverty.
 - (b) the relief of unemployment.
 - (c) the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience; and
 - (d) the provision of public health facilities.
- 4) the advancement of education, including the provision of training, particularly in relation to matters of health.
- 5) to develop the capacity and skills of members of the public in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.

Living Well Taking Control

After a number of successful contract tenders in 2020, Living Well Taking Control delivers the **NHS Healthier You Type 2 Diabetes Prevention Programme** in 6 geographies across the UK:

- Derby & Derbyshire
- Dorset
- Herefordshire & Worcestershire
- Northamptonshire
- Nottingham & Nottinghamshire
- Shropshire, Telford & Wrekin

Adapting To Covid

When COVID lockdowns prevented LWTC from delivering face-to-face group sessions, the entire service was digitised with an online self-referral pathway built for at-risk members of the community who couldn't attend a GP appointment. Online sessions are now the norm with thousands of residents accessing the NDPP remotely across England.



Some Key Stats

- 95% of completers in the pandemic said they “found it easy to access remotely”
- 93% of participants surveyed said they felt more positive for having attended the programme
- 88% stated that the Healthier You programme had helped them become more active
- Service users who achieved milestone 4 lost an average of 5.61% of their body weight

“I’ve lost 2 stone in the first 4 months of the programme and expect to get at least another stone off before it ends!”

- Nick, Kidderminster

“Since taking part in the programme, I get my 10,000 steps every day now”
- Paul, Shropshire (pictured)

“I don’t feel 69 anymore!”
- Chris, Nottingham

Thank You

As an organisation, we would like to thank the incredible people who make up our team, delivering vital support across England and ensuring we go from strength to strength as a charity.

Without each and every member of the Health Exchange family, vital care and support simply wouldn't be available to those who need it most.

In this truly unique year, our people have met every challenge with enthusiasm, positivity and resilience.

So from all of the Board and Senior Management Team, we would like to say a heartfelt thank you to all of our staff, volunteers, partner organisations and referral partners, past and present, who have all made such a huge contribution to our work and their communities.

Here's to the future!

Statement of Trustee Responsibilities

The Trustees, who are also the directors of Health Exchange or the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for 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 2019 (FRS102);
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

The 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.

AUDITORS

Cooper Parry Group Limited has expressed their willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting.

Approved by the Trustees on 31/01/2022 and signed on their behalf by



Professor Chris Langley
Chairman

Registered number: 06445689

Charity number: 1188838

HEALTH EXCHANGE

(A company limited by guarantee)

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Contents

29-32: Independent auditor's report on the financial statements

33: Statement of financial activities

34: Balance sheet

35: Statement of cash flows

36-55: Notes to the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH EXCHANGE

Opinion

We have audited the financial statements of Health Exchange (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustee are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Trustee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustee's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the Charitable Company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Charitable Company and how the Charitable Company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Charitable Company's control environment and how the Charitable Company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Charitable Company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

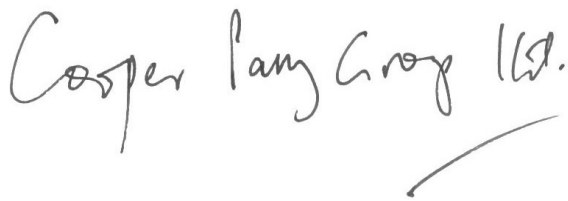
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Glen Bott FCA (Senior statutory auditor)
for and on behalf of

Cooper Parry Group Limited Chartered Accountants Statutory Auditor

Sky View, Argosy Road,
East Midlands Airport, Castle Donington,
Derby,
DE74 2SA

Date: 11 February 2022

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

		Unrestricted funds	Restricted funds	Total funds	Total funds 10 months ended 31 March 2020
	Note	31 March 2021 £	31 March 2021 £	31 March 2021 £	31 March 2020 £
Income from:					
Donations and legacies	4	-	313,533	313,533	367,732
Charitable activities		1,152,935	-	1,152,935	609,125
Investments	6	507	28	535	542
Total income		<u>1,153,442</u>	<u>313,561</u>	<u>1,467,003</u>	<u>977,399</u>
Expenditure on:					
Charitable activities		1,041,123	372,258	1,413,381	1,005,051
Total expenditure		<u>1,041,123</u>	<u>372,258</u>	<u>1,413,381</u>	<u>1,005,051</u>
Net income/(expenditure)		112,319	(58,697)	53,622	(27,652)
Transfers between funds	18	(41,651)	41,651	-	-
Net movement in funds		<u>70,668</u>	<u>(17,046)</u>	<u>53,622</u>	<u>(27,652)</u>
Reconciliation of funds:					
Total funds brought forward		1,042,200	17,046	1,059,246	1,086,898
Net movement in funds		70,668	(17,046)	53,622	(27,652)
Total funds carried forward		<u>1,112,868</u>	<u>-</u>	<u>1,112,868</u>	<u>1,059,246</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	388,512	361,368
Investments	12	634	190,000
		<u>389,146</u>	<u>551,368</u>
Current assets			
Debtors	13	389,979	223,327
Cash at bank and in hand		496,131	435,445
		<u>886,110</u>	<u>658,772</u>
Creditors: amounts falling due within one year	14	(142,388)	(141,396)
Net current assets		<u>743,722</u>	<u>517,376</u>
Total assets less current liabilities		<u>1,112,868</u>	<u>1,068,744</u>
Creditors: amounts falling due after more than one year	15	-	(9,498)
Net assets excluding pension asset		<u>1,112,868</u>	<u>1,059,246</u>
Total net assets		<u><u>1,112,868</u></u>	<u><u>1,059,246</u></u>
Charity funds			
Restricted funds	17	(41,651)	17,046
Unrestricted funds			
Designated funds	17	369,962	551,367
General funds	17	784,557	490,833
Total unrestricted funds	17	<u>1,154,519</u>	<u>1,042,200</u>
Total funds		<u><u>1,112,868</u></u>	<u><u>1,059,246</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustee on 31/01/2022 and signed on their behalf by:



Professor Chris Langley
Chairman



Ron Owtrim
Chief Executive

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	31 March 2021 £	10 months ended 31 March 2020 £
Cash flows from operating activities		
Net cash used in operating activities	70,132	118,797
Cash flows from investing activities		
Dividends, interests and rents from investments	535	542
Proceeds from the sale of tangible fixed assets	17,500	-
Purchase of tangible fixed assets	(17,833)	(1,170)
Net cash provided by/(used in) investing activities	202	(628)
Cash flows from financing activities		
Repayments of borrowing	(9,648)	(5,796)
Net cash used in financing activities	(9,648)	(5,796)
Change in cash and cash equivalents in the year	60,686	112,373
Cash and cash equivalents at the beginning of the year	435,445	323,072
Cash and cash equivalents at the end of the year	496,131	435,445

1. General information

Health Exchange is a registered company limited by guarantee with registered charitable status, in the United Kingdom. The address of the registered office is given in the charity information on page 20 of these financial statements. The nature of the charity's operations and principal activities are to prevent or relieve poverty, suffering, distress or financial hardship amongst the beneficiaries by providing financial assistance and support as well as letting holiday properties to the beneficiaries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 Going concern

At the year end the continued outbreak of Coronavirus has developed into a global pandemic. At this stage the Trustees are assessing what impact this may have on the Charity, though there remains a high level of uncertainty about the extent and the timeframe of the virus on the global economy, they believe the Charity is strongly placed to handle any downturn that may occur in any of the sectors the Charity operates in.

The Trustees believe the Charity is well placed through the uncertain times caused by the Coronavirus pandemic due to its strong cash balance and significant net current assets position amounting to £744k as at 31 March 2021.

The Trustees have reviewed the financial position of the charity, including its forecast cash flows, liquidity position and existing and potential funding commitments for the next 12 months and a range of scenarios that consider potential future implications of the COVID-19 virus on the charity. The Trustees are also considering a new five-year strategy, with ambitious fundraising targets so that we can do even more to support the communities we serve. Consequently, the Trustees believe that there are adequate resources for the charity to meet its liabilities as they fall due and continue in operation for the foreseeable future and that it is appropriate to continue to adopt the going concern basis of accounting in preparing this Annual Report and Financial Statements.

2.3 Income

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.5 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The analysis of these costs is included in note 7.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 0.83%	Over 120 years
Motor vehicles	- 25.00%	straight line
Fixtures and fittings	- 33.33%	straight line
Office equipment	- 33.33%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.8 Associated joint ventures

Associates and Joint Ventures are held at cost less impairment. The investment has been accounted for as a programme related investment.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.14 Pensions

The Charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charity pays fixed contributions into a separate entity. Once the contributions have been paid, the Charity has no further obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Charity in independently administered funds.

Certain past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

2.15 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Depreciation and residual value:

The trustees have reviewed the asset lives and associated residual values of all tangible fixed assets classes, and have concluded that asset lives and residual values are appropriate.

4. Income from donations and legacies

	Restricted funds	Total funds	Total funds 10 months ended
	31 March 2021 £	31 March 2021 £	31 March 2020 £
Grants			
VCSE Health and Wellbeing	313,533	313,533	250,000
Big Lottery	-	-	117,732
	<u>313,533</u>	<u>313,533</u>	<u>367,732</u>

5. Income from charitable activities

	Unrestricted funds	Total funds
	31 March 2021	31 March 2021
	£	£
Bham CCG-Type2 Diabetes Education Service	151,610	151,610
Mental Health & Wellbeing	279,763	279,763
Triage for EWH	84,755	84,755
Thrive Project	16,655	16,655
Primary Care Network	575,789	575,789
Other Income	362	362
Profit on disposal of fixed assets	17,500	17,500
Coronavirus job retention scheme income	25,212	25,212
	<u>1,151,646</u>	<u>1,151,646</u>

	Unrestricted funds	Total funds
	10 months ended	10 months ended
	31 March 2020	31 March 2020
	£	£
USE_IT Project	25,628	25,628
Bham CCG-Type2 Diabetes Education Service	99,905	99,905
Modality (Connected Care Partnership Vanguard Programme)	6,625	6,625
Mental Health & Wellbeing	325,392	325,392
Triage for EWH	68,333	68,333
Thrive Project	27,185	27,185
Primary Care Network	38,065	38,065
Other Income	7,512	7,512
Pharmacy Voucher	1,257	1,257
NRT – Pharmacy – Patches	4,078	4,078
NRT - Pharmacy - Oral	5,145	5,145
	<u>609,125</u>	<u>609,125</u>

6. Investment income

	Unrestricted funds	Restricted funds	Total funds
	31 March 2021 £	31 March 2021 £	31 March 2021 £
Bank interest receivable	507	28	535
	<u>507</u>	<u>28</u>	<u>535</u>
		Unrestricted funds 10 months ended 31 March 2020 £	Total funds 10 months ended 31 March 2020 £
Investment income - local cash		542	542
		<u>542</u>	<u>542</u>

7. Expenditure on charitable activities

	Mental Health & Wellbeing £	Community Health & Wellbeing £	Social Prescribing £	Big Lottery £	Head Office £	Other Activities £	Total 2021 £	Total 2020 (10 Month Period) £
Direct Costs								
Staff costs	157,001	368,029	186,363	10,153	(44,803)	(2,679)	674,064	509,576
Telephone, internet & SMS	3,646	3,667	3,234	282	3	-	10,832	5,889
Supporters	35,499	23,501	5,400	-	12,360	-	76,760	97,442
Mobile unit and van costs	-	80	-	-	5,464	-	5,544	5,982
Travel and subsistence	271	879	158	-	10	-	1,318	10,195
Advertising, promotions and marketing	-	500	4,800	9,900	5,764	-	20,964	8,825
Other direct costs	2,545	364	450	-	550	-	3,909	21,837
Recruitment costs	-	377	-	-	-	-	377	7,257
Room hire and rent	5,584	714	-	340	560	-	7,198	24,747
Impairment loss - LWTC	-	189,366	-	-	-	-	189,366	-
Total direct costs	204,546	587,477	200,405	20,675	(20,092)	(2,679)	990,332	691,750

	Mental Health & Wellbeing	Community Health & Wellbeing	Social Prescribing	Big Lottery	Head Office	Other Activities	Total 2021	Total 2020 (10 Month Period)
	£	£	£	£	£	£	£	£
Support costs								
Staff costs	388	134	-	17,244	209,178	-	226,944	169,739
Rent, rates and storage	91	-	-	-	21,767	-	21,858	19,644
Heat, Light and Power	-	24	-	-	4,214	-	4,238	-
Travel and subsistence	-	-	-	-	(131)	-	(131)	7,279
Telephone, Internet and SMS Text	287	152	31	-	13,204	-	13,674	-
Office expenses	290	860	449	-	8,376	-	9,975	28,785
Legal and professional	530	660	7,335	4,800	36,981	-	50,306	28,154
Equipment and licences	1,802	3,796	3,191	-	17,215	-	26,004	7,626
Premises expenses	120	95	-	-	6,901	-	7,116	11,757
Bank Charges and Interest	-	-	-	(28)	53	-	25	-
Depreciation	604	2,599	587	232	6,669	-	10,691	8,607
Subscriptions and donations	-	125	385	-	2,771	-	3,281	2,409
IT/website costs	-	-	-	-	-	-	-	6,473
Repairs and renewals	-	-	-	-	327	-	327	475
Insurance	-	-	390	-	25,274	-	25,664	18,493
Other costs	-	10,275	1,128	5,238	6,436	-	23,077	3,863
Head office recharges	114,939	112,268	100,359	9,811	(337,377)	-	-	-
Total support costs	119,051	130,988	113,855	37,297	21,858	-	423,049	313,301

8. Auditor's remuneration

	31 March 2021 £	10 months ended 31 March 2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	9,600	9,500

9. Staff costs

	31 March 2021 £	10 months ended 31 March 2020 £
Wages and salaries	810,431	566,160
Social security costs	67,314	46,003
Contribution to defined contribution pension schemes	26,515	17,242
	<u>904,260</u>	<u>629,405</u>

The average number of persons employed by the Charity during the year was as follows:

	31 March 2021 No.	10 months ended 31 March 2020 No.
Administration	7	7
Frontline	29	31
Operational	2	2
Management	7	7
	<u>45</u>	<u>47</u>

9. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31 March 2021 No.	10 months ended 31 March 2020 No.
In the band £60,001 - £70,000	1	1

The trustees consider its key management personnel comprise the management team. The total employment benefits including employers national insurance and employer pension contributions of the key management personnel were £147,658 (2020: £147,165).

10. Trustee's remuneration and expenses

During the year, one Trustee has been paid remuneration or has received other benefits from an employment with the Charity as permitted under the Charity's governing document. The value of Trustee's remuneration and other benefits was as follows:

		31 March 2021 £	10 months ended 31 March 2020 £
Ronald Owtrim	Remuneration	70,000	65,233
	Pension contributions paid	2,100	2,100

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

11. Tangible fixed assets

	Long-term leasehold property £	Motor Vehicle £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 April 2020	350,000	33,675	33,052	109,427	526,154
Additions	4,205	-	3,082	10,546	17,833
Disposals	-	(33,675)	-	-	(33,675)
At 31 March 2021	<u>354,205</u>	<u>-</u>	<u>36,134</u>	<u>119,973</u>	<u>510,312</u>
Depreciation					
At 1 April 2020	2,917	33,675	27,174	101,020	164,786
Charge for the year	2,102	-	1,038	7,549	10,689
On disposals	-	(33,675)	-	-	(33,675)
At 31 March 2021	<u>5,019</u>	<u>-</u>	<u>28,212</u>	<u>108,569</u>	<u>141,800</u>
Net book value					
At 31 March 2021	<u>349,186</u>	<u>-</u>	<u>7,922</u>	<u>11,404</u>	<u>368,512</u>
At 31 March 2020	<u>347,083</u>	<u>-</u>	<u>5,878</u>	<u>8,407</u>	<u>361,368</u>

The interest in the long-term leasehold property was revalued on 30 August 2019 which deemed the leasehold interest in the property to be £350,000. The valuation was provided by a qualified valuer who was a Registered valuer as defined under the RICS Valuation Registration Scheme.

The directors have considered this valuation as at the date of signing these accounts and deem this valuation to represent current market conditions as at that date, therefore feel it is appropriate to carry this at the revalued amount subject to depreciation.

12. Fixed asset investments

	Investment in joint ventures £
Cost or valuation	
At 1 April 2020	190,000
At 31 March 2021	<u>190,000</u>
Impairment	
Charge for the year	189,366
At 31 March 2021	<u>189,366</u>
At 31 March 2021	<u>634</u>
At 31 March 2020	<u>190,000</u>

The company participates in a joint venture arrangement in Living Well Taking Control LLP, an LLP incorporated in England and Wales, with one other party.

In March 2013 Health Exchange joined forces with Exeter-based charity Westbank Community Health and Care to deliver the programme, called Living Well Taking Control, to people in Birmingham and Exeter identified as being at risk of developing, or recently diagnosed with, Type 2 diabetes.

Keen to ensure effective evaluation of this education and support programme, this partnership also worked with a number of Universities including Exeter, Bristol and Birmingham to evidence the value and benefits of the service to service-users.

The company owns 50% of the LLP and its share of trading results and assets and liabilities are shown in note 13.

13 Joint venture trading result

	2021 £	2020 £
Turnover	526,234	1,058,266
Cost of sales	(550,134)	(781,485)
Gross profit	(23,900)	276,781
Administrative expenses	(169,619)	(321,346)
Operating (loss)/profit	<u>(193,519)</u>	<u>(44,565)</u>
Fixed assets	5,253	2,443
Current Assets	373,592	642,765
Creditors	(378,211)	(430,809)
Net assets	<u>634</u>	<u>214,399</u>
Members other interests		
Members capital classified as equity	190,000	190,000
Other reserves	(189,366)	24,399
	<u><u>634</u></u>	<u><u>214,399</u></u>

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	372,729	130,405
Other debtors	3,149	50,319
Prepayments and accrued income	14,101	42,603
	<u><u>389,979</u></u>	<u><u>223,327</u></u>

15. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	1,459	-
Bank loans	7,569	7,719
Trade creditors	16,275	34,841
Other taxation and social security	83,474	65,023
Other creditors	23,168	8,241
Accruals	10,443	25,572
	<u>142,388</u>	<u>141,396</u>

16. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	-	9,498
	<u>-</u>	<u>9,498</u>

17. Financial instruments

	2021	2020
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	496,131	435,445
	<u>496,131</u>	<u>435,445</u>

Financial assets measured at fair value through income and expenditure comprise cash in bank.

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
Tangible fixed asset fund	116,497	-	(7,771)	17,834	126,560
Leasehold property	98,833	-	(2,102)	-	96,731
Revaluation reserve	146,037	-	-	-	146,037
Investments	190,000	-	(189,366)	-	634
	<u>551,367</u>	<u>-</u>	<u>(199,239)</u>	<u>17,834</u>	<u>369,962</u>
General funds					
General	490,833	1,153,442	(841,884)	(59,485)	742,906
Total Unrestricted funds	<u>1,042,200</u>	<u>1,153,442</u>	<u>(1,041,123)</u>	<u>(41,651)</u>	<u>1,112,868</u>
Restricted funds					
Big Lottery Fund	17,046	28	(57,999)	40,925	-
VCSE Health and Wellbeing	-	313,533	(314,259)	726	-
	<u>17,046</u>	<u>313,561</u>	<u>(372,258)</u>	<u>41,651</u>	<u>-</u>
Total of funds	<u><u>1,059,246</u></u>	<u><u>1,467,003</u></u>	<u><u>(1,413,381)</u></u>	<u><u>-</u></u>	<u><u>1,112,868</u></u>

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
Fixed Asset funds					
Tangible fixed asset fund	121,832	-	(6,505)	1,170	116,497
Leasehold property	101,750	-	(2,917)	-	98,833
Revaluation reserve	146,037	-	-	-	146,037
Investments	190,000	-	-	-	190,000
	<u>559,619</u>	<u>-</u>	<u>(9,422)</u>	<u>1,170</u>	<u>551,367</u>
General funds					
General Funds - all funds	<u>527,279</u>	<u>609,667</u>	<u>(644,943)</u>	<u>(1,170)</u>	<u>490,833</u>
Total Unrestricted funds	<u>1,086,898</u>	<u>609,667</u>	<u>(654,365)</u>	<u>-</u>	<u>1,042,200</u>
Restricted funds					
Big Lottery Fund	-	117,732	(100,686)	-	17,046
VCSE Health and well being	-	250,000	(250,000)	-	-
	<u>-</u>	<u>367,732</u>	<u>(350,686)</u>	<u>-</u>	<u>17,046</u>
Total of funds	<u><u>1,086,898</u></u>	<u><u>977,399</u></u>	<u><u>(1,005,051)</u></u>	<u><u>-</u></u>	<u><u>1,059,246</u></u>

Tangible fixed asset fund and leasehold property fund

The purpose of these funds are to recognise the value of operational assets which are not freely convertible into cash.

Revaluation Fund

This represents the revaluation of the leasehold property. The trustees believe that it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the Charity.

VCSE Health and wellbeing

This fund represents grant income to be used on the social prescribing project.

Big Lottery Fund

This fund represents grant income to be used on the wellbeing asset building project.

19. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Designated funds	551,367	-	(199,239)	17,834	369,962
General funds	490,833	1,153,442	(841,884)	(59,485)	742,906
Restricted funds	17,046	313,561	(372,258)	41,651	-
	<u>1,059,246</u>	<u>1,467,003</u>	<u>(1,413,381)</u>	<u>-</u>	<u>1,112,868</u>

Summary of funds - prior year

	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Designated funds	559,619	-	(9,422)	1,170	551,367
General funds	527,279	609,667	(644,943)	(1,170)	490,833
Restricted funds	-	367,732	(350,686)	-	17,046
	<u>1,086,898</u>	<u>977,399</u>	<u>(1,005,051)</u>	<u>-</u>	<u>1,059,246</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	368,512	368,512
Fixed asset investments	634	634
Current assets	886,110	886,110
Creditors due within one year	(142,388)	(142,388)
Total	<u>1,112,868</u>	<u>1,112,868</u>

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	361,368	-	361,368
Fixed asset investments	190,000	-	190,000
Current assets	641,726	17,046	658,772
Creditors due within one year	(141,395)	-	(141,395)
Creditors due in more than one year	(9,498)	-	(9,498)
Total	<u>1,042,201</u>	<u>17,046</u>	<u>1,059,247</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	10 months ended 2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	53,622	(27,652)
Adjustments for:		
Depreciation charges	10,689	9,422
Impairment of joint venture	189,366	-
Dividends, interests and rents from investments	(535)	(542)
Loss/(profit) on the sale of fixed assets	(17,500)	-
Decrease/(increase) in debtors	(166,652)	316,945
Increase/(decrease) in creditors	1,142	(179,376)
Net cash provided by operating activities	<u>70,132</u>	<u>118,797</u>

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	<u>496,131</u>	<u>435,445</u>

23. Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	435,445	60,686	496,131
Bank overdrafts repayable on demand	-	(1,459)	(1,459)
Debt due within 1 year	(7,719)	150	(7,569)
Debt due after 1 year	(9,498)	9,498	-
	<u>418,228</u>	<u>68,875</u>	<u>487,103</u>

24. Pension commitments

The company operates a defined contribution stakeholder pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. A proportion of the pension cost charge represents contributions payable by the company to this fund and amounted to £26,515 (2020: £17,242) in the year. Contributions totalling £1,702 (2020: £3,819) were payable to the fund at the balance sheet date and are included in other creditors.

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years".

An outline of these follows:

Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as at 31 March 2019, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

24. Pension commitments (continued)

Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2019. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

25. Operating lease commitments

At 31 March 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	1,596	1,596
Later than 1 year and not later than 5 years	3,591	5,187
	<u>5,187</u>	<u>6,783</u>

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

27. Related party transactions

As stated in note 12 Health Exchange participates in a joint venture arrangement with Living Well Taking Control LLP an LLP incorporated in England and Wales (Company number: OC407449). During the period Health Exchange made payments on behalf of the Living Well Taking Control LLP amounting to £305,216 (2020: £456,840) of which £nil (2020: £nil) reflects the capital contribution being their share of the joint venture arrangement. Included within trade debtors due within one year is £75,134 (2020: £63,974) due from Living Well Taking Control LLP. At year end there is an amount of £83,824 in deferred income which relates to redundancy costs incurred on behalf of Living Well Taking Control LLP. All of the Trustees' in Health Exchange are also Trustees of Health Exchange UK a company registered in England and Wales (Company number: 09595839). Health Exchange provided a loan during year ending 2017 for £5,000 to the charitable company and the balance outstanding in respect of this loan at the year end was: £Nil (2020 : £20) this is included within other debtors due within one year. During the year Scotdoc Consultancy Ltd, a company where CEO and Trustee Russell Muirhead is a director, provided clinical supervision services to staff. The cost of these services totalled £13,612 (2020: £6,063). At the year end an amount of £1,252 was owed to (2020: £Nil) Scotdoc Consultancy Ltd.