



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
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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

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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 (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.

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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;

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- 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.

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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.

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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.

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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:

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- 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


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18/12/2023
Date:

Dr Russell Muirhead, 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 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

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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:

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

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

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.

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

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
FOR THE YEAR ENDED 31st MARCH 2023**

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 2023**

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 2023**

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>

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

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
FOR THE YEAR ENDED 31st MARCH 2023**

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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total direct costs	203,624	795,396	14,465	1,013,485	893,742
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

	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
FOR THE YEAR ENDED 31st MARCH 2023**

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 Owttrim	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.

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

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
FOR THE YEAR ENDED 31st MARCH 2023**

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
FOR THE YEAR ENDED 31st MARCH 2023**

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	<u>669,096</u>	<u>1,263,819</u>	<u>(1,322,873)</u>	<u>610,042</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
FOR THE YEAR ENDED 31st MARCH 2023**

	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>742,906</u>	<u>1,258,717</u>	<u>(1,332,527)</u>	<u>669,096</u>
Total Unrestricted funds	<u>1,112,868</u>	<u>1,258,717</u>	<u>(1,325,496)</u>	<u>1,046,089</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 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	<u>472,906</u>	<u>1,258,717</u>	<u>(1,332,527)</u>	<u>669,096</u>
	<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>

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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	-
	<u>534,379</u>	<u>(193,364)</u>	<u>341,015</u>

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
	<u>1,995</u>	<u>3,591</u>

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.