

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**

CONTENTS

	Page
Trustees' Report	1-11
Independent Auditor's Report	12-15
Consolidated Statement of Financial Activities	16
Consolidated Balance Sheet	17
Charity Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20-41

**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 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 well-being 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		<u>36,200</u>	<u>36,200</u>	-
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	-	-
		<u>375,600</u>	<u>391,011</u>
Current assets			
Debtors	12	1,751,882	1,078,334
Cash at bank and in hand		<u>1,016,701</u>	<u>526,119</u>
		2,768,583	1,604,453
Creditors: amounts falling due within one year	13	<u>(1,255,034)</u>	<u>(917,289)</u>
Net current assets		<u>1,513,549</u>	<u>687,164</u>
Total assets less current liabilities		<u>1,889,149</u>	<u>1,078,174</u>
Creditors: amounts falling due over one year		<u>(22,071)</u>	<u>(30,984)</u>
Total net assets		<u><u>1,867,078</u></u>	<u><u>1,047,190</u></u>
Charity funds			
Restricted funds	15	-	-
Unrestricted funds			
Designated funds	15	344,604	352,127
General funds	15	<u>1,522,474</u>	<u>695,063</u>
Total unrestricted funds	15	<u>1,867,078</u>	<u>1,047,190</u>
Total funds		<u><u>1,867,078</u></u>	<u><u>1,047,190</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

**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
		<u>357,608</u>	<u>416,952</u>
Current assets			
Debtors	12	742,348	402,031
Cash at bank and in hand		<u>568,941</u>	<u>341,884</u>
		1,311,289	743,915
Creditors: amounts falling due within one year	13	<u>(190,103)</u>	<u>(145,861)</u>
Net current assets		<u>1,121,186</u>	<u>598,054</u>
Total assets less current liabilities		<u>1,478,794</u>	<u>1,015,006</u>
Total net assets		<u><u>1,478,794</u></u>	<u><u>1,015,006</u></u>
Charity funds			
Restricted funds	15	-	-
Unrestricted funds			
Designated funds	15	344,604	376,993
General funds	15	<u>1,134,190</u>	<u>638,013</u>
Total unrestricted funds	15	<u>1,478,794</u>	<u>1,015,006</u>
Total funds		<u><u>1,478,794</u></u>	<u><u>1,015,006</u></u>

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
Cash flows from investing activities		
Dividends, interests and rents from investments	2,655	863
Purchase of tangible fixed assets	(1,021)	(23,298)
Net cash (used in)/provided by investing activities	1,634	(22,435)
Cash flows from financing activities		
Repayments of borrowing	-	-
Net cash used in financing activities	-	-
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
Cash and cash equivalents at the end of the year	1,016,701	526,119

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	<u>2,102</u>	<u>213</u>	<u>5,208</u>	<u>7,523</u>
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>342,880</u>	<u>7,768</u>	<u>6,959</u>	<u>357,607</u>
At 31 March 2023	<u>344,982</u>	<u>7,727</u>	<u>11,400</u>	<u>364,109</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			Balance at
	April 2023	Income	Expenditure	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	<u>695,063</u>	<u>7,611,927</u>	<u>(6,784,516)</u>	<u>1,522,474</u>
Total Unrestricted funds	<u>1,047,190</u>	<u>7,611,927</u>	<u>(6,792,039)</u>	<u>1,867,078</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>669,101</u>	<u>2,833,371</u>	<u>(2,807,409)</u>	<u>695,063</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
	<u>526,119</u>	<u>490,582</u>	<u>1,016,701</u>
	<u><u>526,119</u></u>	<u><u>490,582</u></u>	<u><u>1,016,701</u></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 £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
	<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

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)
	<u>(2,511,762)</u>
Gross profit	794,625
Administrative Expenses	
Administrative Expenses	<u>(369,873)</u>
Operating Profit	424,752
Interest payable and similar charges	
Interest on bank overdrafts and borrowings	<u>(265)</u>
Profit before tax	<u><u>424,487</u></u>

**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	<u>388,287</u>
Shareholders' funds	<u><u>388,288</u></u>