

REGISTERED COMPANY NUMBER: RC000822 (England and Wales)
REGISTERED CHARITY NUMBER: 1124517

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER 2010
FOR
THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING

CBHC LLP
Chartered Accountants
Riverside House
1 - 5 Como Street
Romford
Essex
RM7 7DN

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2010**

| | Page |
|--|----------|
| Report of the Trustees | 1 to 7 |
| Report of the Independent Auditors | 8 to 9 |
| Statement of Financial Activities | 10 |
| Balance Sheet | 11 |
| Notes to the Financial Statements | 12 to 21 |
| Detailed Statement of Financial Activities | 22 to 23 |

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2010**

The Trustees present their report with the financial statements of the charity for the year ending 31st December 2010. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

RC000822 (England and Wales)

Registered Charity number

1124517

Registered office

64 Station Lane
Hornchurch
Essex
RM12 6NB

Trustees

R F James CBE- Chairman of Trustees

P Ashby

B Bradshaw

- appointed 4.6.10

A G Brunton

- resigned 4.6.10

A Kite

- appointed 4.6.10

J H Mayfield - Honorary Treasurer

G Nicoll

S M Raine

C Stainer

- resigned 4.6.10

Company Secretary

B Judd BEng CEng FIET Comp.IPHE

Auditors

CBHC LLP

Chartered Accountants

Riverside House

1 - 5 Como Street

Romford

Essex

RM7 7DN

Solicitors

Penningtons Solicitors LLP

da Vinci House

Basing View

Basingstoke

Hampshire

RG21 4EQ

Bankers

Barclays Bank PLC

Knightsbridge Business Centre

PO Box 32014

London

NW1 2ZG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Chartered Institute of Plumbing & Heating Engineering is a company incorporated by Royal Charter, granted on 12th February 2008. It is a registered charity, obtaining charitable status on 16 June 2008. The Institute is governed by its Royal Charter and Bye-laws.

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2010**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Applications for Trusteeship are sought by advertisement.

Induction and training of new trustees

After appointment an induction is arranged for new Trustees. Trustees serve up to a three year period and may be re-elected for a further three year period. The Trustees meet at least four times a year to review the strategy and performance and to set the operating plans and budgets.

Organisational structure

There are committees covering membership and professional standards and technical services. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the Institute.

Related parties

The Institute is the registered owner of 100% of the issued capital of Plumbing Promotions Limited, which has been incorporated to carry out commercial activities relating to the promotion of exhibitions and similar activities. The Institute is also the registered owner of 100% of the issued share capital of Greenplumb Limited and Safeplumb Limited, both of which have remained dormant since their respective incorporation. The ownership of the above companies was transferred to The Chartered Institute of Plumbing & Heating Engineering on 1st July 2008.

Risk management

The Trustees have, introduced a formal risk management process to assess business risks and implement risk management strategies. The Trustees are pleased to report that the charity's internal financial controls, in particular, conform to guidelines issued by the Charity Commission.

The Trustees are fully cognisant of their responsibility to evaluate and manage business risk which they have classified as:

- a. Governance and Management
- b. Operational Risks
- c. Financial Risk
- d. Environmental and External Factors
- e. Compliance
- f. Other Risks not classifiable under the above headings.

The executive team discuss and rate business risks as they are identified. On-going monitoring and updates on risk management is undertaken through reports provided by the Chief Executive.

Membership

The total paid up membership as at 31st December 2010 was 10,409. A total of 670 applications were processed through the Membership Department. This figure included 514 new members, 129 transfer applications and 37 reinstatements.

Annual General Meeting

The AGM was held on Friday 4th June. Allan McIntosh was elected as National President and Lee Davies as Vice-President. Tony Kite was elected as a corporate member to serve on the Board of Trustees for the next 3 years.

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2010**

OBJECTIVES AND ACTIVITIES

Mission statement and objectives

The Mission of the CIPHE is to operate as an independent technical and professional focal point, and be a catalyst for the plumbing and heating industry by providing technical and professional standards, expertise, education and technical innovation to the operatives within its scope.

The Vision of the CIPHE is to create technical excellence through which the public will receive the benefit of a protected environment and enhanced sustainability together with improved safety and health through the provision of correctly designed, specified, installed, commissioned, maintained and decommissioned plumbing and heating systems.

The objectives for which the Institute was established were, and remain:

To advance for the benefit and education of the public the science, practice and principles of Plumbing and Heating Engineering;

To further the education of persons, whether resident in the United Kingdom or elsewhere in the use of materials, apparatus, measures, methods and precautions related to the science, practice and principles of Plumbing and Heating Engineering particularly for the purpose of enhancing the safety and health of the public and the protection of the environment;

To promote the study of, and research into the science, practice and principles of Plumbing and Heating Engineering and allied subjects and to publish the useful result of such study and research for the benefit and education of the public and protection of the environment.

Significant activities

Public Benefit

Public benefit is derived in part from all the significant activities but most particularly in raising the safety, health and environmental aspects of plumbing and heating engineering in the perception of the public. The activities carried out by the CIPHE during the year in pursuit of its objectives were as follows:

To raise the safety, health and environmental aspects of plumbing and heating engineering in the perception of the public:

GreenPlumb

Since the launch of GreenPlumb, 43 applicants have been entered on to the Register.

Register of Heating Professionals

Since its launch in January 2010, 265 applicants have been entered on to the Register.

Strategic alliances with other professional and representative bodies

Through membership of the Engineering Council and the Construction Industry Council strategic alliances have continued to be developed with other engineering, construction and related professional groups. During 2010 in addition to presentations to its membership the Institute presented at seminars for local authority housing professionals, members of the Institute of Healthcare Engineering and Estate Management (IHEEM) and members of the Royal Society of Public Health and Hygiene. The Institute continues to grow its relationship with Gas Safe Register.

Registration Authority

Disciplinary Committee

The Committee have discussed 32 complaints from members of the public since January 2010. 12 members have been removed for failing to adhere to the Code of Professional Standards.

To promote the research and study of plumbing and heating engineering and publish the results:

Exhibitions

Head Office staff were on hand at the Wembley and Chelsea Plumbing and Heating Exhibition (PHEX) to assist with membership and technical enquiries and to promote the Institute and its work.

The CIPHE stand at PHEX Old Trafford in October was manned by the Greater Manchester Branch.

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2010**

OBJECTIVES AND ACTIVITIES

Mission statement and objectives

The Institute also exhibited at the Kitchens Bedrooms and Bathrooms show (kbb) at the NEC Birmingham in March. Industrial Associates Courtprice manned the CIPHE stand at this event.

Technical literature

Information Handling Services (IHS) has published the following Building Research Establishment (BRE) Good Building Guides, co-written by CIPHE staff, during 2010:

Below-ground drainage systems GBG 78

Provision of sanitary appliances and their space requirements GBG 79

Water Services for Domestic Properties GBG 80

In addition, various articles have been produced for P&HE magazine, on topics such as frost resistant taps, replacement urinal controls and other recent innovations within the plumbing and heating industry.

Continuing Professional Development (CPD)

The CIPHE provides members with Continuing Professional Development (CPD) articles in P&HE magazine, with members returning the questionnaires at the end of each article to record their CPD. In 2010 the Institute issued 180 certificates to those members who requested them. The CIPHE continues to offer approval of training courses and accreditation of professional development events as requested by industrial associates.

Technical Help

The technical department answers calls and e-mails from the public and members on a wide range of technical issues. In the last year calls relating to poor plumbing practice have risen by 5%. These calls are invariably consumers who have not used CIPHE members looking for someone to correct poor workmanship. The technical team also provides technical support via various seminars and branch events. The Institute was invited to present on the subject of "Onsite water reuse" at the International Water Association World Water Congress in Canada. The event was attended by over 3500 delegates from 90 countries.

Core Activities

EC registration for EngTech and IEng registrants

During 2010 71 new Engineering Technicians and 10 Incorporated Engineers were registered with the Engineering Council.

As at the end of 2010, the Institute had 1,090 Engineering Technicians and 119 Incorporated Engineers.

Chris Northey CEng MCGI FCIPHE RP and David Watkins IEng FCIPHE RP have carried out the Professional Review Interviews for Incorporated Engineer registration.

Promotional activities

Create greater awareness of CIPHE's educational profile

Links with Greenwich University on the renamed Water Engineering for the Built Environment BEng degree remain strong. In addition the course director Stuart Ashendon FCIPHE has represented the Institute on the Foundation Degree Forward panel run by SummitSkills.

Training and Education

The Institute continues to support the industry drive to protect new entrants to the sector being recruited to unsupported fast-track training providers. The Institute website carries guidance for new entrants on the need to follow an industry recognised vocational qualification.

Membership Progression

Articles have been published in both Connected and P&HE magazine regarding upgrading of membership to encourage members of the institute to move through the different membership levels.

Press and Public Relations

The CIPHE benefited from a high volume of media activity in 2010. This including BBC News 24, GMTV, BBC Radio Gloucestershire and a regular phone in slot on BBC Radio Essex

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2010**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Carbon Monoxide Awareness

The Institute has added its support to other charities seeking to raise consumer awareness of the risks from carbon monoxide generated by badly installed or maintained fossil fuel appliances.

Awards

Honorary Membership and Fellowship

Honorary Membership was conferred on John Edwards.

Master Plumber Certificate

The scheme has now reached its 9th year of operation and once more we are indebted to the Master Plumbing Certificate Working Group for their diligence in maintaining standards. 5 new Master Plumber Certificates were awarded, together with 3 Journeyman Plumber Certificates and 3 Apprentice Plumber Certificates.

Technical Coordination Committee

The TCC was reconstituted in 2010 and now incorporates leading people both from within the plumbing and allied industries. Proposals for Government policy and initiatives are discussed and comments returned. Timely technical issues are considered and the committee draws on the experience of both its members and other experts in the network.

Social Networking and Web presence

The CIPHE website has undergone some further development work to the 'find a Plumber' section to help members of the public to find details of their local Registered Plumbers (RP) and Registered Heating Professionals (RHP).

The CIPHE website continues to increase in popularity with professionals looking for technical information, and for consumers looking for details of RPs and RHPs. The site has increased its visitors by 50% in the last year recording over half a million page views. The site achieved its highest number of visits during the freezing weather in December. The Institute also operates a Twitter, BLOG (courtesy of Yell.com), Facebook and You Tube channels.

External Activities

The Smartheat project, which is seeking to solve the problems associated with controlling a number of renewable technologies in a domestic dwelling, is making good progress and completed its first year of activity. The European Consortium has made further funding awards for ALERT and NanoFlex projects. ALERT is developing Portable Real Time Detection of Airborne Asbestos Fibres for Trades persons and NanoFlex is looking to introduce a Universal Flexible Low-cost Plumbing and Heating pipe system fully Environment-compatible by using innovative Nanoparticle technology.

World Plumbing Council

The chief executive continues to serve on the executive board of the World Plumbing Council. He attended the first meeting of 2010 in Sydney, Australia but did not attend the second meeting held in Argentina in October due to financial constraints. He continued to contribute to the business of the council via email correspondence. This period of office will expire at the World Plumbing Conference 2011, to be held in Edinburgh.

FINANCIAL REVIEW

Reserves policy

The Trustees regularly review the reserves of the charity to meet its financial commitments and achieve its objectives. They consider that the charity had sufficient reserves to operate for the next 12 months and into the foreseeable future.

The prime objective of the reserves policy of the Trustees is to maintain the real value of any investments of the CIPHE over the long term by investing in a mixed portfolio comprising, where appropriate, equities, fixed income and cash.

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2010**

FINANCIAL REVIEW

Overall financial performance

One effect of the nationwide recession has been a significant reduction in income from investments, advertising, sponsorship and the trading company. Against this background and whilst subscription income has held up relatively well, the Board had to effect significant savings measures to turn round a deficit over the previous 18 month period of £114,040. In practice a modest surplus has been achieved due not only to the savings measures taken but also to greatly improved management accounting systems being put in place to facilitate more timely financial control.

Investment policy and objectives

The Institute has the power to make any investment, which the Trustees see fit.

THANKS

The Institute is indebted to those of its members and others who freely gave their time and expertise for the benefit of the CIPHE in many different capacities in the UK and overseas. The Institute would like to thank its Industrial Associates for the support given to CIPHE projects and events, including technical presentations that take place at Branch meetings.

The Board of Trustees would like to pay tribute to all the staff for their hard work, continued loyalty and dedication and would also like to thank the Presidents who have served over the period of this report.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales, the Charities Act 1993, Charity (Accounts and Reports) Regulations 2008 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993 and the charity A(Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information of which the charity`s auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charity`s auditors are aware of that information.

AUDITORS

The auditors, CBHC LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2010**

ON BEHALF OF THE BOARD:

.....
By order of the board
B Judd BEng CEng FIET FCIPHE - Secretary

Date:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

We have audited the financial statements of The Chartered Institute of Plumbing & Heating Engineering for the year ended 31st December 2010 on pages ten to twenty one. The financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page six.

We have been appointed auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Report of Trustees is not consistent with those financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available to Small Entities, in the circumstances set out in note 24 to the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's affairs as at 31st December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been prepared in accordance with the Charities Act 1993
-

David Belbin DCHA FCA (Senior Statutory Auditor)
for and on behalf of CBHC LLP
Chartered Accountants
Riverside House
1 - 5 Como Street
Romford
Essex
RM7 7DN

Date:

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2010**

| | Notes | Year Ended 31.12.10 Unrestricted funds £ | Period 1.7.08 to 31.12.09 Total funds as restated £ |
|---|-------|---|--|
| INCOMING RESOURCES | | | |
| Incoming resources from generated funds | | | |
| Voluntary income | 2 | 8,501 | 35,438 |
| Activities for generating funds | 3 | 24,005 | 43,175 |
| Investment income | 4 | 2,602 | 18,875 |
| Incoming resources from charitable activities | | | |
| Educational Magazines & Directory | 5 | 57,569 | 73,991 |
| Maintaining Professional Standards & Awareness | | 832,694 | <u>1,216,895</u> |
| Total incoming resources | | 925,371 | 1,388,374 |
| RESOURCES EXPENDED | | | |
| Costs of generating funds | | | |
| Fundraising trading: cost of goods sold and other costs | 6 | 4,883 | 13,751 |
| Charitable activities | | | |
| Educational Magazines & Directory | 7 | 181,172 | 271,586 |
| Support Services for Members | | 305,445 | 510,981 |
| Maintaining Professional Standards & Awareness | | 352,827 | 620,594 |
| Governance costs | 10 | 50,876 | <u>85,502</u> |
| Total resources expended | | 895,203 | 1,502,414 |
| NET INCOMING/(OUTGOING) RESOURCES | | | |
| | | 30,168 | (114,040) |
| RECONCILIATION OF FUNDS | | | |
| As previously reported | | 299,046 | 435,086 |
| Prior year adjustment | 15 | 22,000 | - |
| As Restated | | 321,046 | 435,086 |
| TOTAL FUNDS CARRIED FORWARD | | <u>351,214</u> | <u>321,046</u> |

The notes form part of these financial statements

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**BALANCE SHEET
AT 31ST DECEMBER 2010**

| | Notes | 31.12.10 Unrestricted funds | 31.12.09 Total funds as restated |
|--|-------|--|---|
| | | £ | £ |
| FIXED ASSETS | | | |
| Intangible assets | 16 | 42,566 | 73,348 |
| Tangible assets | 17 | 107,473 | 114,121 |
| Investments | 18 | <u>202</u> | <u>202</u> |
| | | 150,241 | 187,671 |
| CURRENT ASSETS | | | |
| Stocks | | 9,895 | 11,897 |
| Debtors | 19 | 79,703 | 63,323 |
| Cash at bank | | <u>342,734</u> | <u>205,780</u> |
| | | 432,332 | 281,000 |
| CREDITORS | | | |
| Amounts falling due within one year | 20 | (231,359) | (147,625) |
| | | 200,973 | <u>133,375</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 351,214 | 321,046 |
| NET ASSETS | | <u>351,214</u> | <u>321,046</u> |
| FUNDS | | | |
| Unrestricted funds | 21 | <u>351,214</u> | <u>321,046</u> |
| TOTAL FUNDS | | <u>351,214</u> | <u>321,046</u> |

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
R F James CBE- Chairman of Trustees - Trustee

.....
J H Mayfield - Honorary Treasurer - Trustee

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2010**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities Act 1993 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income and membership fees are included when receivable. Subscriptions received in advance are recognised as deferred income.
- Other incomes are recognised within the financial statements on an appropriate basis, generally when receivable by way of performance of services or upon receipt. Fees that are unpaid at the year end are included within debtors.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Charity expenditure is shown including VAT where it is irrecoverable by the charity.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

- | | |
|-------------------------|-----------------------------------|
| Land and buildings | - in accordance with the property |
| Plant and machinery etc | - 25% on cost |

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2010**

1. ACCOUNTING POLICIES - continued

Taxation

As a charity, The Chartered Institute of Plumbing and Heating Engineering is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

Designated funds are unrestricted funds 'ring fenced' by the trustees for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

European Projects

Income is recognised in full when The Chartered Institute of Plumbing & Heating Engineering is unconditionally entitled to receive it.

The entitlement of income is dependent on the probability of the successful completion of each project. The balance of income received is deferred forward until such time that entitlement is confirmed.

Incurred expenditure is recognised immediately in the current period of account.

2. VOLUNTARY INCOME

| | Year Ended 31.12.10 | Period 1.7.08 to 31.12.09 as restated |
|------------------|--------------------------------|---|
| | £ | £ |
| Deed of covenant | <u>8,501</u> | <u>35,438</u> |

3. ACTIVITIES FOR GENERATING FUNDS

| | Year Ended 31.12.10 | Period 1.7.08 to 31.12.09 as restated |
|-------------------|--------------------------------|---|
| | £ | £ |
| Sales of supplies | 7,449 | 18,974 |
| Office services | 750 | 3,627 |
| Sundry income | <u>15,806</u> | <u>20,574</u> |
| | <u>24,005</u> | <u>43,175</u> |

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2010**

4. INVESTMENT INCOME

| | Year Ended 31.12.10 | Period 1.7.08 to 31.12.09 as restated |
|--------------------------|--------------------------------|---|
| | £ | £ |
| Deposit account interest | <u>2,602</u> | <u>18,875</u> |

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Activity | Year Ended 31.12.10 | Period 1.7.08 to 31.12.09 as restated |
|-------------------|--|--------------------------------|---|
| | | £ | £ |
| Publications | Educational Magazines & Directory | 57,569 | 73,991 |
| Fees from members | Maintaining Professional Standards & Awareness | <u>832,694</u> | <u>1,216,895</u> |
| | | <u>890,263</u> | <u>1,290,886</u> |

6. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

| | Year Ended 31.12.10 | Period 1.7.08 to 31.12.09 as restated |
|-----------------------|--------------------------------|---|
| | £ | £ |
| Cost of supplies sold | <u>4,883</u> | <u>13,751</u> |

7. CHARITABLE ACTIVITIES COSTS

| | Direct costs | Grant funding of activities (See note 8) | Support costs (See note 9) | Totals |
|--|-----------------------|---|-------------------------------|-----------------------|
| | £ | £ | £ | £ |
| Educational Magazines & Directory | 103,968 | - | 77,204 | 181,172 |
| Support Services for Members | 56,326 | 23,349 | 225,770 | 305,445 |
| Maintaining Professional Standards & Awareness | <u>127,164</u> | - | <u>225,663</u> | <u>352,827</u> |
| | <u>287,458</u> | <u>23,349</u> | <u>528,637</u> | <u>839,444</u> |

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2010**

8. GRANTS PAYABLE

| | | |
|------------------------------|----------------------|----------------------|
| | Year Ended | Period |
| | 31.12.10 | 1.7.08 |
| | | to |
| | | 31.12.09 |
| | | as restated |
| | £ | £ |
| Support Services for Members | <u>23,349</u> | <u>22,279</u> |

9. SUPPORT COSTS

| | Staff costs | Commun | Office costs | Premises | |
|--|-----------------------|--------------------------------------|--|-----------------------|-----------------------|
| | £ | ications | £ | costs | |
| | | £ | | £ | |
| Educational Magazines & Directory | 28,115 | 8,261 | 36,906 | 1,801 | |
| Support Services for Members | 151,823 | 8,261 | 36,905 | 9,725 | |
| Maintaining Professional Standards & Awareness | <u>101,215</u> | <u>8,263</u> | <u>36,915</u> | <u>6,481</u> | |
| | <u>281,153</u> | <u>24,785</u> | <u>110,726</u> | <u>18,007</u> | |
| | | | | | |
| | Finance costs | Legal & professional fees | Meeting & conference expenses | Other expenses | Totals |
| | £ | £ | £ | £ | £ |
| Educational Magazines & Directory | 2,121 | - | - | - | 77,204 |
| Support Services for Members | 2,120 | 3,340 | 10,533 | 3,063 | 225,770 |
| Maintaining Professional Standards & Awareness | <u>2,121</u> | <u>14,239</u> | <u>44,904</u> | <u>11,525</u> | <u>225,663</u> |
| | <u>6,362</u> | <u>17,579</u> | <u>55,437</u> | <u>14,588</u> | <u>528,637</u> |

| Activity | Basis of allocation |
|-------------------------------|----------------------------|
| Staff costs | Use of Staff Time |
| Commun ications | Use of Resources |
| Office costs | Use of Resources |
| Premises costs | Use of Staff Time |
| Finance costs | Use of Resources |
| Legal & professional fees | Use of Resources |
| Meeting & conference expenses | Use of Resources |
| Other expenses | Use of Resources |

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2010**

10. GOVERNANCE COSTS

| | Year Ended 31.12.10 | Period 1.7.08 to 31.12.09 as restated |
|---|--------------------------------|---|
| | £ | £ |
| Staff costs | 38,722 | 63,448 |
| Other costs | 236 | 9,528 |
| Auditors' remuneration | 10,979 | 11,005 |
| Auditors' remuneration for non-audit work | <u>939</u> | <u>1,521</u> |
| | <u>50,876</u> | <u>85,502</u> |

11. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

| | Year Ended 31.12.10 | Period 1.7.08 to 31.12.09 as restated |
|--------------------------------|--------------------------------|---|
| | £ | £ |
| Auditors' remuneration | 10,979 | 11,005 |
| Depreciation - owned assets | 18,062 | 42,351 |
| Development costs amortisation | <u>21,127</u> | <u>11,160</u> |

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2010 nor for the period ended 31st December 2009.

Trustees' Expenses

Reimbursed meeting and travel expenses totalling £6,674 (Period ended 31st December 2009 £25,676) were paid to the trustees during the year.

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2010**

13. STAFF COSTS

| | Year Ended 31.12.10 | Period 1.7.08 to 31.12.09 as restated |
|-----------------------|--------------------------------|---|
| | £ | £ |
| Wages and salaries | 386,979 | 606,602 |
| Social security costs | 37,348 | 57,452 |
| Other pension costs | 28,999 | 43,705 |
| | <u>453,326</u> | <u>707,759</u> |

The average monthly number of employees during the year was as follows:

| | Year Ended 31.12.10 | Period 1.7.08 to 31.12.09 |
|------------------------------------|--------------------------------|------------------------------------|
| Management | 2 | 2 |
| Educational magazines & Directory | - | 1 |
| Support services for members | 2 | 3 |
| Maintaining professional standards | 3 | 4 |
| Administration | 7 | 7 |
| | <u>14</u> | <u>17</u> |

14. HIGHER EARNING EMPLOYEES

The table below shows the number of higher paid staff with emoluments falling into the following ranges. Emoluments include salary and taxable benefits in kind, pension contributions and other payments to employees.

| | Year ended 31.12.10 Total | Period ended 31.12.09 Total (Pro rata) |
|--------------------|--|---|
| Emoluments range | | |
| £80,000 to £89,999 | 1 | 1 |

Contributions totalling £11,839 (Period ended 31st December 2009: £17,606) accrued during the year under money purchase scheme for higher paid employees.

15. PRIOR YEAR ADJUSTMENT

The prior year adjustment of £22,000 relates to the reversal of a provision for underpaid VAT. As a result the net loss in 2009 has been reduced from £136,040 to £114,040 and the net asset position has been restated from £299,046 to £321,046.

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2010**

16. INTANGIBLE FIXED ASSETS

| | Other intangible assets £ |
|--|--|
| COST | |
| At 1st January 2010 and 31st December 2010 | <u>84,508</u> |
| AMORTISATION | |
| At 1st January 2010 | 11,160 |
| Charge for year | 21,127 |
| Reclassification/transfer | <u>9,655</u> |
| At 31st December 2010 | <u>41,942</u> |
| NET BOOK VALUE | |
| At 31st December 2010 | <u>42,566</u> |
| At 31st December 2009 | <u>73,348</u> |

17. TANGIBLE FIXED ASSETS

| | Land and buildings £ | Plant and machinery etc £ | Totals £ |
|---------------------------|-------------------------------------|--|-----------------------|
| COST | | | |
| At 1st January 2010 | 220,766 | 249,104 | 469,870 |
| Additions | <u>-</u> | <u>1,760</u> | <u>1,760</u> |
| At 31st December 2010 | <u>220,766</u> | <u>250,864</u> | <u>471,630</u> |
| DEPRECIATION | | | |
| At 1st January 2010 | 113,612 | 242,138 | 355,750 |
| Charge for year | 6,690 | 11,372 | 18,062 |
| Reclassification/transfer | <u>-</u> | <u>(9,655)</u> | <u>(9,655)</u> |
| At 31st December 2010 | <u>120,302</u> | <u>243,855</u> | <u>364,157</u> |
| NET BOOK VALUE | | | |
| At 31st December 2010 | <u>100,464</u> | <u>7,009</u> | <u>107,473</u> |
| At 31st December 2009 | <u>107,154</u> | <u>6,966</u> | <u>114,120</u> |

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2010**

18. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|--|---|
| MARKET VALUE | |
| At 1st January 2010 and 31st December 2010 | <u>202</u> |
| NET BOOK VALUE | |
| At 31st December 2010 | <u>202</u> |
| At 31st December 2009 | <u>202</u> |

There were no investment assets outside the UK.

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.10 | 31.12.09 as restated |
|------------------------------------|----------------------|-------------------------|
| | £ | £ |
| Trade debtors | 11,219 | 15,744 |
| Amounts owed by group undertakings | 17,492 | 3,832 |
| Other debtors | 50,992 | 43,747 |
| | <u>79,703</u> | <u>63,323</u> |

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.10 | 31.12.09 as restated |
|------------------------------------|-----------------------|-------------------------|
| | £ | £ |
| Trade creditors | 51,073 | 43,737 |
| Amounts owed to group undertakings | 2 | 2 |
| Taxation and social security | 14,705 | 15,844 |
| Other creditors | 165,579 | 88,042 |
| | <u>231,359</u> | <u>147,625</u> |

21. MOVEMENT IN FUNDS

| | At 1.1.10 £ | Prior year adjustment £ | Net movement in funds £ | Transfers between funds £ | At 31.12.10 £ |
|---|-----------------------|-------------------------------|----------------------------------|------------------------------------|-----------------------|
| Unrestricted funds | | | | | |
| General fund | (201,699) | 22,000 | 22,728 | 452,008 | 295,037 |
| Industrial Associates Promotion Fund | 36,547 | - | 5,080 | - | 41,627 |
| Development Fund | 449,648 | - | 2,360 | (452,008) | - |
| CIPHE Prize Fund | 14,550 | - | - | - | 14,550 |
| | <u>299,046</u> | <u>22,000</u> | <u>30,168</u> | - | <u>351,214</u> |
| TOTAL FUNDS | <u>299,046</u> | <u>22,000</u> | <u>30,168</u> | <u>-</u> | <u>351,214</u> |

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2010**

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|--------------------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 909,323 | (886,595) | 22,728 |
| Development Fund | 3,208 | (848) | 2,360 |
| Industrial Associates Promotion Fund | <u>12,840</u> | <u>(7,760)</u> | <u>5,080</u> |
| | <u>925,371</u> | <u>(895,203)</u> | <u>30,168</u> |
| TOTAL FUNDS | <u>925,371</u> | <u>(895,203)</u> | <u>30,168</u> |

Industrial Associates Promotion Fund

This is funded by a portion of the Industrial Associates annual subscriptions. Recommendations are made to the Board of Trustees by the Industrial Associates Support Group as to expenditure of the funds on specific projects to support the objects of the charity.

Development Fund

This represents money allocated to specific high profile projects for the promotion of the Institute and good plumbing practice. Income is derived from investment income and sales of Design Guides and Centenary Year Books.

Prize Fund

This fund is used to award prizes to recognise the achievements of trainees and may also be used to further their training. Income is derived from donations and investment income.

Transfers between funds

Development Fund

A decision was taken by the trustees during the year to transfer the funds remaining into the general reserve.

22. OTHER FINANCIAL COMMITMENTS

The company had no financial commitments as at 31st December 2010, or at 31st December 2009.

23. RELATED PARTY DISCLOSURES

During the year the Chartered Institute of Plumbing & Heating Engineering entered into transactions with Plumbing Promotions Ltd, its 100% subsidiary as follows:

| | Year to 31.12.10 £ | Period to 31.12.09 £ |
|-----------------------|---------------------------------|----------------------------|
| Charged to subsidiary | 750 | 2,000 |
| Charged by subsidiary | - | - |

At the year end amounts owed to the Chartered Institute of Plumbing & Heating Engineering totalled £17,492 (Period ended 31st December 2009 £3,832) which are included within amounts owed by group undertakings.

All transactions were carried out on general commercial terms.

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2010**

24. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

25. INDUSTRIAL ASSOCIATES PROMOTION FUND

| | 31.12.10 |
|-------------------------------|-----------------------------|
| | £ |
| Balance at 1st January 2009 | 36,547 |
| Allocation from subscriptions | <u>12,840</u> |
| | 49,387 |
| Less: | |
| Rugby league Advertising | 5,760 |
| National training awards | <u>2,000</u> |
| | <u>(7,760)</u> |
| Balance at 31st December 2010 | <u><u>41,627</u></u> |

26. DEVELOPMENT FUND

| | 31.12.10 |
|------------------------------------|------------------------|
| | £ |
| Balance at 1st January 2009 | 449,648 |
| Design guide & Centenary year book | |
| - sales | 3,208 |
| - cost of sales | <u>(848)</u> |
| | 2,360 |
| Transfer to General Fund | <u>452,008</u> |
| Balance at 31st December 2010 | <u><u>-</u></u> |

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2010**

| | Year Ended 31.12.10 £ | Period 1.7.08 to 31.12.09 as restated £ |
|--|--------------------------------------|--|
| INCOMING RESOURCES | | |
| Voluntary income | | |
| Deed of covenant | 8,501 | 35,438 |
| Activities for generating funds | | |
| Sales of supplies | 7,449 | 18,974 |
| Office services | 750 | 3,627 |
| Sundry income | <u>15,806</u> | <u>20,574</u> |
| | 24,005 | 43,175 |
| Investment income | | |
| Deposit account interest | 2,602 | 18,875 |
| Incoming resources from charitable activities | | |
| Fees from members | 832,694 | 1,216,895 |
| Publications | <u>57,569</u> | <u>73,991</u> |
| | <u>890,263</u> | <u>1,290,886</u> |
| Total incoming resources | 925,371 | 1,388,374 |
| RESOURCES EXPENDED | | |
| Fundraising trading: cost of goods sold and other costs | | |
| Cost of supplies sold | 4,883 | 13,751 |
| Charitable activities | | |
| Wages | 132,736 | 192,735 |
| Social security | 12,602 | 17,856 |
| Pensions | 6,627 | 9,589 |
| Maintaining professional | 805 | 16,205 |
| Postage and stationery | 103,968 | 88,981 |
| Awareness | 30,720 | 43,892 |
| Grants to institutions | <u>23,349</u> | <u>22,279</u> |
| | 310,807 | 391,537 |
| Governance costs | | |
| Wages | 32,742 | 53,581 |
| Social security | 3,068 | 5,110 |
| Pensions | 2,912 | 4,757 |
| Other costs | 236 | 9,528 |
| Auditors' remuneration | 10,979 | 11,005 |
| Auditors' remuneration for non-audit work | <u>939</u> | <u>1,521</u> |
| | 50,876 | 85,502 |
| Support costs | | |

This page does not form part of the statutory financial statements

**THE CHARTERED INSTITUTE OF PLUMBING &
HEATING ENGINEERING**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2010**

| | Year Ended 31.12.10 | Period 1.7.08 to 31.12.09 as restated |
|--|-------------------------------|---|
| | £ | £ |
| Staff costs | | |
| Wages | 221,501 | 360,286 |
| Social security | 21,678 | 34,486 |
| Pensions | 19,460 | 29,359 |
| Other staff costs | 18,514 | 47,200 |
| | 281,153 | 471,331 |
| Communications | | |
| Telephone | 4,962 | 10,890 |
| Postage and stationery | 19,823 | 38,311 |
| | 24,785 | 49,201 |
| Office costs | | |
| Insurance | 15,928 | 22,575 |
| Postage and stationery | 41,953 | 82,468 |
| Repairs and renewals | 20,079 | 35,965 |
| Sundries | 267 | 12,322 |
| Amortisation of intangible fixed assets | 21,127 | 11,160 |
| Depreciation of tangible fixed assets | 11,372 | 33,557 |
| | 110,726 | 198,047 |
| Premises costs | | |
| Rates and water | 2,831 | 4,140 |
| Insurance | 1,301 | 1,254 |
| Light and heat | 4,915 | 7,548 |
| Premises repairs | 2,270 | 9,275 |
| Freehold property | 6,690 | 10,046 |
| | 18,007 | 32,263 |
| Finance costs | | |
| Bank charges | 1,870 | 2,963 |
| Card service charges | 4,492 | 4,865 |
| | 6,362 | 7,828 |
| Legal & professional fees | | |
| Legal & professional fees | 17,579 | 68,284 |
| Meeting & conference expenses | | |
| Meeting expenses | 47,503 | 156,061 |
| Website expenses | 7,934 | 5,340 |
| | 55,437 | 161,401 |
| Other expenses | | |
| Subscriptions | 4,125 | 5,500 |
| Unrecoverable VAT | 10,463 | 17,769 |
| | 14,588 | 23,269 |
| Total resources expended | 895,203 | 1,502,414 |
| Net income/(expenditure) | 30,168 | (114,040) |

This page does not form part of the statutory financial statements