

REGISTERED COMPANY NUMBER: 92374 (England and Wales)
REGISTERED CHARITY NUMBER: 278169

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE PERIOD
1ST JANUARY 2008 TO 30TH JUNE 2008
FOR
THE INSTITUTE OF PLUMBING & HEATING
ENGINEERING

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

THE INSTITUTE OF PLUMBING & HEATING
ENGINEERING

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FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

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THE INSTITUTE OF PLUMBING & HEATING
ENGINEERING

CHIEF EXECUTIVE'S REPORT
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

This report is the last of the Institute of Plumbing and Heating Engineering. With effect from 1st July 2008 the IPHE became The Chartered Institute of Plumbing and Heating Engineering (CIPHE). The Royal Charter was formally conferred upon the Institute at the behest of Her Majesty's Privy Council at their meeting in February 2008.

The Royal Charter is recognition of the considerable contribution that plumbing and heating engineering makes to protect the health and safety of the public and the environment, which is our key charitable objective.

The profile of the Institute continues to grow as the impact of our publicity campaigns reach their target audiences. The 'Ask to See IPHE' will become the 'Ask to See CIPHE' campaign, which is aimed at assisting the public in finding professionally qualified plumbing and heating engineers. It is estimated that this educational campaign has touched over 2 million consumers through magazine and broadcast media activity. By working with the industry more organisations are signing up to the concept of expecting to have professionally qualified installers providing quality service to the public. Finally, the 'Proud to be IPHE' campaign will also continue in the new CIPHE name. This will continue to assist consumers to identify professionally qualified members to install and maintain plumbing and heating systems and consequently avoid the risk to public safety and health through poor installation.

The Institute would like to thank all of the members, volunteers, officers and supporters who have worked hard to take IPHE to CIPHE. We look forward to continuing to work with you all as we take CIPHE into the future as the professional body for plumbing and heating engineering.

THE INSTITUTE OF PLUMBING & HEATING
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REPORT OF THE TRUSTEES
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the period 1st January 2008 to 30th June 2008. 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

92374 (England and Wales)

Registered Charity number

278169

Registered office

64 Station Lane
Hornchurch
Essex
RM12 6NB

Trustees

A G Brunton

L R Gold

R F James CBE- Chair of Trustees

J H Mayfield - Honorary Treasurer

S M Raine

J T Smartt

- resigned 6.6.08

P Ashby

G Nicoll

- appointed 6.6.08

Company Secretary

B Judd BEng CEng FIET Comp.IPHE

Auditors

CBHC LLP

Chartered Accountants and Registered Auditors

Riverside House

1-5 Como Street

Romford

Essex

RM7 7DN

Bankers

Barclays Bank PLC

United Kingdom House

180 Oxford Street

London

W1D 1EA

Solicitors

Penningtons Solicitors LLP

da Vinci House

Basing View

Basingstoke

Hampshire

RG21 4EQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Institute of Plumbing & Heating Engineering is a company limited by guarantee and a registered charity. The organisation is governed by its Memorandum and Articles of Association. Under the terms of the Memorandum of Association, the maximum contribution for which a member can be liable in the event of the Institute's liquidation is £1.

Recruitment and appointment of new trustees

Applications for Trusteeship have been sought by advertisement. No further Trustees will be appointed.

THE INSTITUTE OF PLUMBING & HEATING
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REPORT OF THE TRUSTEES
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

STRUCTURE, GOVERNANCE AND MANAGEMENT

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. Appointed committees operate under specific terms of reference, which delegate certain functions from the Trustee board.

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 CIPHE on 1st July 2008.

Risk management

The Trustees have, with advice from their auditors, introduced a formal risk management process to assess business risks and implement risk management strategies. This involved identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Trustees have reviewed the adequacy of the Institute's current internal controls. The Trustees are pleased to report that the charity's internal financial controls, in particular, conform to guidelines issued by the Charity Commission.

The Board of Trustees are fully cognisant of their responsibility to evaluate and manage business risk and have classified these 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.

OBJECTIVES AND ACTIVITIES

Mission statement and objectives

The Mission of the IPHE was 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 IPHE was 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 installed, commissioned, maintained and decommissioned plumbing and heating systems.

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

(a) to advance for the benefit and education of the public the science, practice and principles of Plumbing and Heating Engineering;

(b) 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;

(c) 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.

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REPORT OF THE TRUSTEES
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

OBJECTIVES AND ACTIVITIES

Significant activities

The activities carried out by the Institute during the year in pursuit of its objectives were as follows:

To raise the safety and health aspects of plumbing in the perception of the public:

Membership

The total paid up membership as at the end of June was 11,086.

694 Applications had been processed through the Membership Department, which included 606 new members, 62 transfer applications and 26 reinstatements (+3 years).

Worcester, Bosch Group had enrolled 167 of their approved installers, trainers and technical staff into individual membership of IPHE.

Awareness Campaigns

The Institute ran three awareness campaigns:

'Proud to be IPHE'

The object of this campaign was to encourage members to show their IPHE membership card to their clients and to educate them on the benefits of using a professional registered with the Institute. Vehicle stickers were produced and sent out to the members, free of charge. Articles were published in P&HE magazine and in various trade press publications.

'Ask to see IPHE'

This campaign was aimed at the public and encouraged them to seek out IPHE members when they were looking for professional plumbing and heating installers. Press releases were sent to local and national newspapers.

'Expect to see IPHE'

This campaign was aimed at Industrial Associates. The message was to raise standards in the plumbing and heating industry by getting manufacturers and service providers to enrol their technical staff, installers and trainers as members of the IPHE. We also urged them to promote the Institute in their literature and newsletters. The chief executive met with a number of organisations that signed up to the initiative. Articles were published in P&HE magazine and in various trade press publications.

Professional Standards Committee

The Committee discussed 22 complaints from January to June 2008. Three members were 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:

Regional Conferences & Exhibition

Challenge to Change Area Conferences

- o Midlands Area - 16th May
- o South East Area - 30th May
- o South West Area - 6th June

Three events in the Challenge to Change series took place with a total of 150 delegates in attendance. 98% of the delegates who responded to a satisfaction questionnaire said the events were interesting and informative.

Technical Programme

The presentations received great acclaim and included the following subject areas:

- o Legionella is a killer!
- o Drainage design standards
- o The Benefits of Heat Pump Technology
- o Water Efficiency, Sanitation and Hot Water Safety
- o Health and Safety- Don't lose your livelihood!

Our thanks go to all the speakers, sponsors, chairmen and delegates who supported this initiative.

Minimum Technical Competency (MTC) Group

In collaboration with the various Competent Persons Scheme (CPS) providers, DCLG and SummitSkills, the IPHE completed both the Plumbing and Heating MTC documents, which will in turn be adopted by all CPS providing self certification for plumbing and heating installation work once SummitSkills have completed their assessment strategy documentation.

Exhibitions

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REPORT OF THE TRUSTEES
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

OBJECTIVES AND ACTIVITIES

Significant activities

IPHE participated in the following industry exhibitions throughout January and June 2008;

- o HPE - NEC Birmingham - 2nd - 5th March
- o PHEX Leicester City Football Club - 18th March
- o PHEX Belfast - 14th & 15th April
- o PHEX Dublin - 16th & 17th April
- o HIP!-Ex Student Show - 22nd & 23rd April
- o PHEX West Ham United football club - 8th May

At events attended and manned by staff from head office, student memberships and technical publications were sold. Free technical papers and Data Flow sheets were available for visitors to the stand and copies of P&HE magazine were distributed.

Some of the events were managed on site by agency staff, who had been briefed prior to the event and were instructed on how to handle enquires.

Technical Literature

IPHE pursued the development of a joint publication with the Chartered Institution of Building Services Engineers (CIBSE) to combine the content of CIBSE Guide G (Public Health Engineering), and the IPHE Plumbing Engineering Services Design Guide. The outcome of the project will see the development of two publications based upon the same content but aimed at different a readership within the Plumbing / Public Health Engineering Industry.

To promote the education and professional development of plumbing and heating practitioners and enhance their awareness of plumbing and heating, in relation to the health and safety of the public:

Professional Development (PD)

The IPHE continued to provide members with Professional Development articles in P&HE magazine, and these articles continue to gain in popularity.

The IPHE also continued to accredit training courses offered by Industrial Associates of the IPHE, and looked at ways to approve other training courses that would not otherwise be accredited, but are nonetheless of value to IPHE members.

Technical Help

The technical advice line provided to IPHE members remained popular. Members telephoned the IPHE for advice on technical and Regulatory matters. Members of the public are also directed to the same technical staff via a different line for advice regarding compliance with standards and regulations relating to work that has been completed for them, or that they are seeking to have carried out.

The IPHE Technical team continued to provide technical assistance via email, letter and facsimile and also provided technical information via seminars, conference and Branch events. In April, the Technical Director resigned, a new post of Senior Technical Officer has been created to fill this vacancy.

CORE ACTIVITIES

Engineering Council

Engineering Technician registrations showed an increase over the previous year. 80 submissions had been made to ECuk between January and June 2008.

Institute News

Three issues of the Institute's newsletter were produced from January to June. The newsletter was redesigned and renamed News and Reviews. It is printed and distributed in between the publication dates of P&HE magazine and is circulated to Branch Secretaries, Industrial Associates and Committee members. The newsletter kept Branches and Industrial Associates up-to-date with news and up-coming Institute events.

P&HE magazine

Three issues of the Institute's bi-monthly magazine were published. In 2008 the magazine's circulation stood at 13,183. All members and Industrial Associates receive a copy. Extra copies are distributed free at exhibitions, such as PHEX, seminars and conferences.

Press and Public Relations

The period saw considerable media interest in plumbing issues, much of this as a result of reporting on the Rhianna Hardie scalding inquest. Blane Judd and Danny Davis took part in numerous radio interviews, as did other members of the Institute. Blane Judd was interviewed on GMTV, and provided advice to the public on what they should do to avoid a recurrence of the Rhianna Hardie scalding. Sky News filmed Blane at IPHE head office, Hornchurch explaining what had caused the tragedy and the implications of case.

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FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

OBJECTIVES AND ACTIVITIES

Significant activities

There was also good coverage in the trade press and articles supplied and published on a regular basis. We also received coverage in national and local newspapers.

Women in Plumbing and Heating Group (WPHG)

PTS once again became the principal sponsor for the WPHG. Claire Curtis-Thomas MP agreed to be the principal speaker at the WPHG conference 'Sustainable Careers' organised for November 2008.

A trip was organised with Thames Water for a group of WPHG members to go into a working sewer, followed by a tour around the pumping station in West Ham, East London.

World Plumbing Council

Since 1996, the Institute has acted as Secretariat to the World Plumbing Council (WPC), the Mission of which is: to unite the world plumbing industry to safeguard and protect the environment and the health of nations for the benefit of all. The Institute would like to record its thanks for all the work that Andy Watts MBE has contributed in providing the Secretariat. The WPC comprises some 40 full and 90 affiliate member organisations located in over 30 countries.

Volunteers

The Institute is indebted to its members who freely gave their time and expertise for the benefit of others. These include: Branch Committee members in the UK and Hong Kong; Technical Services Working Groups; Area Co-ordinators and those representing the Institute at external meetings and events. The Institute would also like to thank its Industrial Associates for the support given to IPHE projects and events, including technical presentations that take place at Branch meetings.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Awards

Honorary Membership and Fellowship

On 17th June Honorary Membership was conferred on Dennis Frost in recognition of his sterling contribution to the Institute and his support of the Sheffield Branch.

Master Plumber Certificate

The scheme has now reached its seventh year of operation and once more we are indebted to the Master Plumbing Certificate Working Group for their diligence in maintaining standards.

Five new Master Plumber Certificates were awarded. The recipients were: Martin Shepherd EngTech LCGI MIPHE RP, David Hamilton EngTech LCGI FIPHE RP, Mark Elliott EngTech LCGI MIPHE RP, William Eastman EngTech LCGI MIPHE RP and Chan Kai Ki Colbert IEng MIPHE RP.

Recognition of service

For the second year running the bronze, silver and gold lapel badges were awarded to members in recognition of their service to the Institute at Branch Committee, Area and National level.

One particular award deserves special mention. The Institute was privileged to recognise 93-year-old Alf Sands for his immense and longstanding support. Alf, who served as National President in 1970, actively participates in meetings of the Sheffield Branch and following his award gave an eloquent presentation on previous National Presidents from his Branch.

Thanks

The Board of Trustees would like to thank the staff of the Institute for their loyalty and dedication during the course of the year.

National President

The Institute would like to acknowledge the work carried out by its National President, Grant Nicholl during the period 2007-2008. Grant represented the IPHE at many functions and events in his presidential year, as did his wife Anna.

THE INSTITUTE OF PLUMBING & HEATING
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REPORT OF THE TRUSTEES
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

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 Institute over the long term by investing in a mixed portfolio comprising, where appropriate, equities, fixed income and cash. In particular the Development Fund is invested with due regard to potential calls on the fund as identified in the business plan.

Funds in deficit

At the year end the charity's general fund was in deficit by £50,553. The trustees do not consider this to be an immediate concern as the charity has sufficient designated funds from which its ongoing activities will be supported. The trustees consider that this is due to the fact that whilst income is spread throughout the year, some of the expenditure included in these accounts is non recurring. The trustees will discuss the level of designated funds within the chartered institute and consider whether a transfer should be made to the general fund.

Investment policy and objectives

Under the memorandum and articles of association, the Institute has the power to make any investment which the trustees see fit.

FUTURE DEVELOPMENTS

Royal Charter

On 12th February Her Majesty the Queen, in Council, agreed to award a Charter of Incorporation to the IPHE. The announcement was made at the President's Dinner on 5th March and an official launch was scheduled for 1st July 2008.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company'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 charitable company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD :

.....
By order of the Board
B Judd BEng CEng FIET Comp.IPHE - Secretary

Date:

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

We have audited the financial statements of the Institute of Plumbing & Heating Engineering for the period ended 30th June 2008 on pages nine to nineteen. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company'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 trustee's responsibilities for preparing the Annual Report 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 seven.

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 properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Trustees and the Chairman's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 22 to the financial statements.

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 charitable company's affairs as at 30th June 2008 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Trustees is consistent with the financial statements.

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

Date:

THE INSTITUTE OF PLUMBING & HEATING
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

	Notes	Unrestricted funds £	Restricted funds £	Period 1.1.08 to 30.6.08 Total funds £	Year Ended 31.12.07 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	-	-	-	13,830
Activities for generating funds	3	27,691	-	27,691	40,232
Investment income	4	18,814	-	18,814	32,641
Incoming resources from charitable activities					
Educational Magazines & Directory	5	23,584	-	23,584	62,268
Maintaining Professional Standards & Awareness		368,436	-	368,436	802,065
Other incoming resources		68	-	68	-
Total incoming resources		438,593	-	438,593	951,036
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	6	13,221	-	13,221	13,362
Charitable activities					
Educational Magazines & Directory	7	102,991	-	102,991	186,513
Support services for members		188,134	-	188,134	279,981
Maintaining Professional Standards & Awareness		219,714	-	219,714	453,435
Governance costs	10	49,572	-	49,572	67,254
Total resources expended		573,632	-	573,632	1,000,545
NET INCOMING/(OUTGOING) RESOURCES		(135,039)	-	(135,039)	(49,509)
RECONCILIATION OF FUNDS					
Total funds brought forward		570,125	-	570,125	619,634
TOTAL FUNDS CARRIED FORWARD		435,086	-	435,086	570,125

The notes form part of these financial statements

THE INSTITUTE OF PLUMBING & HEATING
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BALANCE SHEET
AT 30TH JUNE 2008

	Notes	Unrestricted funds £	Restricted funds £	30.6.08 Total funds £	31.12.07 Total funds £
FIXED ASSETS					
Tangible assets	15	154,178	-	154,178	143,980
Investments	16	202	-	202	202
		<u>154,380</u>	-	<u>154,380</u>	144,182
CURRENT ASSETS					
Stocks		9,240	-	9,240	19,952
Debtors: amounts falling due within one year	17	79,352	-	79,352	129,926
Cash at bank		633,559	-	633,559	388,453
		<u>722,151</u>	-	<u>722,151</u>	538,331
CREDITORS					
Amounts falling due within one year	18	(441,445)	-	(441,445)	(112,388)
NET CURRENT ASSETS					
		<u>280,706</u>	-	<u>280,706</u>	425,943
TOTAL ASSETS LESS CURRENT LIABILITIES					
		435,086	-	435,086	570,125
NET ASSETS					
		<u>435,086</u>	-	<u>435,086</u>	570,125
FUNDS					
	19				
Unrestricted funds				435,086	570,125
Restricted funds				-	-
TOTAL FUNDS					
				<u>435,086</u>	570,125

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

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

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

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

The notes form part of these financial statements

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ENGINEERING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

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 Standards for Smaller Entities (effective January 2007), the Companies Act 1985 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.
- 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. Expenditure includes any VAT which cannot be fully recovered:

- 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.
- 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.

Freehold property	-in accordance with the property
Fixtures and fittings	-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.

Taxation

As a charity, The 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.

THE INSTITUTE OF PLUMBING & HEATING
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

1. ACCOUNTING POLICIES - continued

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.

2. VOLUNTARY INCOME

	Period 1.1.08 to 30.6.08 £	Year Ended 31.12.07 £
Deed of covenant	-	13,830
	<u> </u>	<u> </u>

3. ACTIVITIES FOR GENERATING FUNDS

	Period 1.1.08 to 30.6.08 £	Year Ended 31.12.07 £
Sales of supplies	8,640	17,667
Office services	3,836	7,300
Sundry income	15,215	15,265
	<u>27,691</u>	<u>40,232</u>

4. INVESTMENT INCOME

	Period 1.1.08 to 30.6.08 £	Year Ended 31.12.07 £
Deposit account interest	18,814	32,641
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

		Period	
		1.1.08	
		to	Year Ended
		30.6.08	31.12.07
		£	£
	Activity		
Publications	Educational Magazines & Directory	23,584	62,268
Fees from members	Maintaining Professional Standards & Awareness	368,436	759,623
European low heat project	Maintaining Professional Standards & Awareness	-	42,442
		<u>392,020</u>	<u>864,333</u>

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

		Period	
		1.1.08	
		to	Year Ended
		30.6.08	31.12.07
		£	£
Cost of supplies sold		<u>13,221</u>	<u>13,362</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 8)	Support costs (See note 9)	Totals
	£	£	£	£
Educational Magazines & Directory	52,146	-	50,845	102,991
Support services for members	29,445	15,305	143,384	188,134
Maintaining Professional Standards & Awareness	62,105	-	157,609	219,714
	<u>143,696</u>	<u>15,305</u>	<u>351,838</u>	<u>510,839</u>

8. GRANTS PAYABLE

		Period	
		1.1.08	
		to	Year Ended
		30.6.08	31.12.07
		£	£
Support services for members		<u>15,305</u>	<u>15,981</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

9. SUPPORT COSTS

	Staff costs	Commun- -ications	Office costs	Premises costs
	£	£	£	£
Educational Magazines & Directory	16,360	9,174	22,929	1,334
Support services for members	88,345	9,175	22,928	7,202
Maintaining Professional Standards & Awareness	58,896	9,178	22,936	4,804
	<u>163,601</u>	<u>27,527</u>	<u>68,793</u>	<u>13,340</u>
		Legal & professional fees	Meeting & conference expenses	Other expenses
	Finance costs	£	£	£
	£			Totals
				£
Educational Magazines & Directory	1,048	-	-	50,845
Support services for members	1,048	646	10,313	3,727
Maintaining Professional Standards & Awareness	1,048	2,755	43,971	14,021
	<u>3,144</u>	<u>3,401</u>	<u>54,284</u>	<u>17,748</u>
				<u>351,838</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

10. GOVERNANCE COSTS

	Period 1.1.08 to 30.6.08	Year Ended 31.12.07
	£	£
Staff costs	29,236	37,239
Annual conference	-	4,582
Premises expenses	-	223
Other costs	1,404	4,286
Other meeting expenses	9,943	13,443
Auditors' remuneration	8,450	6,803
Auditors' remuneration for non-audit work	539	678
	<u>49,572</u>	<u>67,254</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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11. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	Period 1.1.08 to 30.6.08	Year Ended 31.12.07
	£	£
Auditors' remuneration	8,450	6,803
Depreciation - owned assets	12,279	25,088
Surplus on disposal of fixed asset	(68)	-
	<u><u> </u></u>	<u><u> </u></u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 30th June 2008 nor for the year ended 31st December 2007.

Trustees' Expenses

Reimbursed meeting and travel expenses totalling £7,960 (Year ended 31st December 2007 £8,548) were paid to the trustees during the period.

13. STAFF COSTS

	Period 1.1.08 to 30.6.08	Year Ended 31.12.07
	£	£
Wages and salaries	221,634	391,877
Social security costs	22,197	38,795
Other pension costs	16,760	28,838
	<u><u>260,591</u></u>	<u><u>459,510</u></u>

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

	Period 1.1.08 to 30.6.08	Year Ended 31.12.07
Management	2	3
Educational magazines & Directory	1	1
Support services for members	3	3
Maintaining professional standards	4	4
Administration	7	6
	<u><u>17</u></u>	<u><u>17</u></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.

	31.06.08	31.12.07
	Total	Total
Emoluments range		
£80,000 to £89,999 (pro rata for 30.06.08)	1	1

Contributions totalling £4,899 (Year ended 31 December 2007: £4,847) accrued during the period under money purchase scheme for higher paid employees.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

15. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1st January 2008	220,766	226,514	447,280
Additions	-	22,495	22,495
Disposals	-	(3,450)	(3,450)
	<hr/>	<hr/>	<hr/>
At 30th June 2008	220,766	245,559	466,325
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1st January 2008	100,219	203,082	303,301
Charge for year	3,348	8,931	12,279
Eliminated on disposal	-	(3,433)	(3,433)
	<hr/>	<hr/>	<hr/>
At 30th June 2008	103,567	208,580	312,147
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 30th June 2008	117,199	36,979	154,178
	<hr/>	<hr/>	<hr/>
At 31st December 2007	120,547	23,432	143,979
	<hr/>	<hr/>	<hr/>

The Institute owns The President's Chain and Lady's Pendant which have not been incorporated into the balance sheet. The Chain and Pendant are valued for insurance purposes.

The Institute's freehold building is insured for its reinstatement value, which is in excess of the value shown in the Balance Sheet.

16. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st January 2008 and 30th June 2008	202
	<hr/>
NET BOOK VALUE	
At 30th June 2008	202
	<hr/>
At 31st December 2007	202
	<hr/>

There were no investment assets outside the UK.

Investments represent 100% of the issued share capital of Greenplumb Limited, Safeplumb Limited, and Plumbing Promotions Limited. Greenplumb Limited and Safeplumb Limited were incorporated during the year ended 31st December 2007 and remain dormant. Plumbing Promotions Limited was incorporated to carry out commercial activities relating to the promotion of exhibitions and similar activities. Profits are covenanted to the Institute of Plumbing & Heating Engineering and a summary of the results for the period is shown below:

	Year Ended 31.12.07 £
Ended	£
Turnover	82,336
Cost of sales	(63,372)
	<hr/>
Gross profit	18,964
Interest received	325

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

16. FIXED ASSET INVESTMENTS - continued

Administrative expenses	(5,459)
Net profit covenanted to parent	13,830
Assets at 31st December 2007	16,543
Liabilities at 31st December 2007	(12,070)
Net assets represented by shareholders funds	4,473

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.08	31.12.07
	£	£
Trade debtors	7,035	49,658
Amounts owed by group undertakings	2,500	11,630
Prepayments	69,817	68,638
	79,352	129,926

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.08	31.12.07
	£	£
Amounts owed to group undertakings	2	2
Social security and other taxes	13,092	8,927
Deferred income	369,354	88,402
Accrued expenses	58,997	15,057
	441,445	112,388

Deferred income relates to subscriptions received in advance. During the period amounts totalling £44,201 (year ended 31st December 2007 £88,599) were released in to the Statement of Financial Activities.

19. MOVEMENT IN FUNDS

	At 1.1.08	Net movement in funds	Transfers between funds	At 30.6.08
	£	£	£	£
Unrestricted funds				
General fund	50,002	(106,555)	6,000	(50,553)
Industrial Associates Promotion Fund	30,542	6,325	(6,000)	30,867
Development Fund	474,953	(34,751)	-	440,202
IPHE Prize Fund	14,628	(58)	-	14,570
	570,125	(135,039)	-	435,086
TOTAL FUNDS	570,125	(135,039)	-	435,086

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

19. 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	417,011	(523,566)	(106,555)
Development Fund	13,857	(48,608)	(34,751)
Industrial Associates Promotion Fund	7,725	(1,400)	6,325
IPHE Prize Fund	-	(58)	(58)
	<u>438,593</u>	<u>(573,632)</u>	<u>(135,039)</u>
TOTAL FUNDS	<u><u>438,593</u></u>	<u><u>(573,632)</u></u>	<u><u>(135,039)</u></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

During the year amounts totalling £6,000 have been transferred from the Industrial Associates Promotion Fund to the General Fund. This constitutes the Industrial Associates contribution towards the cost of the annual conference.

20. OTHER FINANCIAL COMMITMENTS

The company had no financial commitments as at 30th June 2008, nor at 31st December 2007.

21. RELATED PARTY DISCLOSURES

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

	Period to 30.06.08 £	Year Ended 31.12.07 £
Charged to subsidiary	2,500	18,630
Charged by subsidiary	-	12,803

At the period end amounts owed to the Institute of Plumbing & Heating Engineering totalled £2,500 (31st December 2007 £11,630) which are included within amounts owed by group undertakings.

All transactions were carried out on general commercial terms.

22. 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.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1ST JANUARY 2008 TO 30TH JUNE 2008

23. INDUSTRIAL ASSOCIATES PROMOTION FUND

	30.06.08	
	£	31.12.07
		£
Balance at 1st January 2008	30,542	28,554
Allocation from subscriptions	7,725	12,360
	<hr/>	<hr/>
	38,267	40,914
Less:		
Centenary award	1,400	1,300
Contribution to annual conference	6,000	5,000
New exhibition stand	-	4,072
	<hr/>	<hr/>
	(7,400)	(10,372)
	<hr/>	<hr/>
Balance at 30th June 2008	30,867	30,542
	<hr/> <hr/>	<hr/> <hr/>

24. DEVELOPMENT FUND

	30.06.08	
	£	31.12.07
		£
Balance at 1st January 2008	474,953	519,247
Design guide & Centenary year book		
- sales	3,856	10,016
- cost of sales	(7,860)	(8,948)
	<hr/>	<hr/>
	(4,004)	1,068
Allocation from interest received	10,000	17,000
Royal charter costs	(41,968)	(62,760)
Closed branch accounts	1,221	398
	<hr/>	<hr/>
Balance at 30th June 2008	440,202	474,953
	<hr/> <hr/>	<hr/> <hr/>