

REGISTERED COMPANY NUMBER: 04789584 (England and Wales)
REGISTERED CHARITY NUMBER: 1187235

Report of the Trustees and
Unaudited Financial Statements
for the year ended 31 August 2022
for
Boat Building Academy Limited

Ward Goodman
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Boat Building Academy Limited

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for the year ended 31 August 2022**

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Boat Building Academy Limited (Registered number: 04789584)

**Report of the Trustees
for the year ended 31 August 2022**

INTRODUCTION

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To teach men and women to build boats and design and make furniture of the highest quality to accepted industry standards using traditional and modern methods and materials, thus enabling our students to fully realise their potential.

The charity's objects ('Objects') are specifically restricted to the following, for the public benefit:

- a). to advance the education of the public in the art, craft and science of boat building, fine woodworking and related skills; and
- b). to educate people through the provision of sailing or sailing related activities and other training to develop their physical, mental and social capabilities.

Significant activities

The principal activity of the Boat Building Academy (BBA) is to train students on an intensive, practical course over both a 40-week ('the long course') or a 12-week furniture making course to a level where they have the potential to gain immediate employment in the marine or furniture making industries. The Charity runs two long courses and three furniture making courses every year.

In addition to these courses the BBA offers a wide range of short courses (between two and 30 days) covering everything from skills based development to product making objectives with boatbuilding, furniture making and general woodworking in mind.

The majority of the younger graduates (those seeking to enter the industry rather than those in retirement) are successful in finding work, and employers regularly approach the BBA directly to seek skilled workers. A number of the former students have returned after working in the industry and now teach at the Academy, including the Principal.

As a fee-paying college, the BBA offers bursaries to support impoverished men and women who would benefit from the training.

The second object 'to educate people through the provision of sailing or sailing related activities and other training to develop their physical, mental and social capabilities' is in its infancy. The BBA does not currently undertake sail training activities but has continued to develop relationships with several sail training organisations and charities including Adventure Under Sail (AUS) and the Tectona Trust.

The relationship with AUS has started with staff and BBA graduates staying aboard and sailing on Training Ship Pelican of London. Staff/student exchange visits were planned but put on hold due to the COVID pandemic. This collaboration will be further explored in due course.

Boat Building Academy Limited (Registered number: 04789584)

**Report of the Trustees
for the year ended 31 August 2022**

OBJECTIVES AND ACTIVITIES

Significant activities (continued)

The BBA has a long history with TS Pelican: The former Chair of Trustees and Director - Tim Gedge - project managed the refit in 2007 using a team of BBA graduates and one of the graduates crossed the Atlantic serving as her ship's carpenter.

More recently Will Reed, Principal, ran over the last two years a very successful campaign to raise funds for necessary workshop expansion so that we could better define the BBA's two main activities, Boat Building and Furniture Making, in the physical space at our site in Lyme Regis.

Main activities undertaken for the public benefit

The BBA employs a fundraiser/adviser on an ad hoc basis to lead on increasing our bursary fund as well as capital.

The BBA is an important business within Lyme Regis, Dorset and the South West and in addition to connecting with the Local Enterprise Partnerships (LEP), aspires to further establish its relationship with the local community and beyond:

- Relationship development through many different forums including the Dorset Coast Forum and the Wooden Boat Industry Associations
- Open days for local, potential students and all friends of the Academy. Our first event in May 2022 had record attendance and proved very popular with the Lyme Regis community
- Twice a year boat building students' launches – these events draw a crowd of several hundred people from the locality as well as a number of key industry representatives
- Three times a year we also put on shows to display work from the 12-week furniture making courses. All are welcome and the events attract local people, friends and families of the students as well as members of the furniture making industry.
- We are currently looking to expand our short course programme and to possibly introduce evening courses as well as courses written specifically to develop specific wood working skills
- An expanded lecture programme including a very successful lecture in August when Tom Cunliffe, writer and broadcaster, gave a very interesting account of his life so far in boats that he has owned as well as where he has sailed, globally.
- A programme of school and college visits where our Principal, Will Reed has presented on the exciting work that the BBA has been involved with over the recent times

The trustees have had due regard to the Charity Commission guidance on public benefit.

The Boat Building Academy Bursary scheme

In order to provide training to all people regardless of their financial position we have a scheme whereby potential students can apply for a bursary. This will usually cover up to 50% of the course fee but a larger bursary will be available if there is greater need. This is applicable to the 40-week long boat building courses and 12-week furniture making courses and is aimed specifically at impoverished people or in the words of the Charity Commission - 'the poor'. In special circumstances we also provide bursaries on our short courses, again up to 50% of the course fee.

The BBA is actively seeking funds to maintain and further the bursary scheme. 8 students were supported in this financial year on the 2 long courses and 3 furniture making courses. 7 more are in place for the upcoming courses in our next financial year FY2023.

Boat Building Academy Limited (Registered number: 04789584)

**Report of the Trustees
for the year ended 31 August 2022**

OBJECTIVES AND ACTIVITIES (Continued)

The Boat Building Academy Bursary scheme (Continued)

The BBA bursary scheme has been developed by trustees specifically with public benefit in mind. The trustees have developed a rigorous approach to selecting deserving students for bursaries. A key player in this process has been Gail McGarva who has significant experience with both sides of bursary programmes including QEST and the Arts Council.

The application process is open to students who have been offered a place at the BBA through the usual application process. Applicants complete a bursary application form before a given deadline. Those who meet the criteria are then interviewed by 2 trustees (one being the Principal) who will decide where best to award bursaries.

Contribution made by volunteers

The BBA has established a Friends group.

It is organised by a 'Friends manager' (who works at the BBA as a volunteer). The role of our 'friends' group is to assist the trustees in anyway fit in order to advance of execution of the charity's objects. During the year our 'friends' have been involved in the following activities:

- assist the BBA in maintaining its service for the public benefit
- help with the activities around fundraising
- assist with the communication to the wider community and industry regarding the Company's activities and future plans
- provide ongoing education to its members including improving the understanding of the Company's activities
- contribute to the BBA's future strategy and direction
- help with day to day activities when required at the charities' events, including school visits
- assist in expanding the support of the BBA from the wider community and industry
- establish relationships with other educational bodies (including local schools and colleges etc) and potential feeder establishments for new students

The organisation comprises people with the following backgrounds:

- Boat building and furniture making graduates of the BBA
- BBA short course students
- BBA staff as well as former staff
- Current and future advisers

Boat Building Academy Limited (Registered number: 04789584)

**Report of the Trustees
for the year ended 31 August 2022**

STRATEGIC REPORT

**Achievement and performance
Charitable activities**

To date, the BBA has trained 595 40-week boat building students and 209 12-week furniture makers. There have also been 1,990 places on short courses (some students doing more than one course).

Financial year 2022 has been a challenging year particularly around the recruitment of students for the long 40 week Boat Building Course and our furniture making 12 week courses. These challenges stem from three key factors:

- The overhang of pandemic issues at the beginning of the financial year which led to continued delayed finishes to our courses and a comparatively weak uptake of students to our main course programme
- The impact of BREXIT issues which prevents the BBA from continuing to recruit foreign students without a very strict new accreditation process
- The start of the economic weaknesses coupled with inflationary pressures in the UK economy which impacted our recruitment of students as well as causing a significant negative impact on our cost base, especially in the area of wood prices and very significant rises in our energy costs.

There is a continuing good enquiry interest in our courses at the BBA albeit in recent times, due to the difficult economic circumstances, uptake of new students continues to be challenging.

Financial performance is dealt with within the next section.

The last course fee increases were in the Autumn of 2022. They stand at:

40-week boat building	<i>£17,350 (February 2023) and £17,950 (August 2023)</i>
12-week Furniture	<i>£6,500 (January 2023) and £6,950 (May and September 2023)</i>
12-week Advanced Furniture Making	<i>This is currently being assessed and will be reported on the website once a final decision has been made</i>
2-day short courses	<i>£295</i>
3-day short courses	<i>£450</i>
5-day short courses	<i>£595 - £975</i>

Due to continuing inflationary pressure on our cost base, our pricing will continue to be regularly under review.

We set out below our new response to the challenges faced by the BBA in these difficult economic times. Our new strategic plan currently being implemented gives the board of trustees a confidence regarding the continuing future success of the BBA.

Financial review

Reserves policy

The BBA has a written reserves policy which sets out detailed processes and procedures when the reserve levels ever reach a critical level of potentially going negative. The reserves policy also identifies an ideal minimum reserves figure which the charity will target to maintain to reflect the cost of running our main course programme - if the academy had to close, adequate funds (variable dependent on student numbers) are held in order to either repay a percentage of the fees for the unused part of the course or to fulfil the commitment to all students - rent, materials, tutor cost etc. The policy specifically directs the trustee decision making around the judgement as to whether or not the BBA is a going concern. No course is started unless an appropriate assessment is made to ensure that the charity has sufficient financial resources to satisfy the contractual terms of the course in question so that all students on the course complete their training.

Boat Building Academy Limited (Registered number: 04789584)

**Report of the Trustees
for the year ended 31 August 2022**

STRATEGIC REPORT (Continued)

Financial review (Continued)

Reserves policy (Continued)

In response to the trustees' review of the charity's reserves policy in 2021 and in response to the Covid pandemic, a £220,000 CBILS loan was taken out with Barclays Bank PLC to act as a buffer if required. As at the balance sheet date of the attached accounts none of this loan has been utilised.

Results

Results for the year ended 31 August 2022 show a net loss of £13,292 (2021 - Loss of £57,882). At the year end, reserves stand at £21,311 (2021: £34,603), of which £25,418 is restricted funds and all kept solely for Bursaries. This leaves a negative figure of £4,107 in general unrestricted funds which, less the NBV of tangible fixed assets at the year end, leaves a total of negative £67,325 in free reserves. The general fund includes a remaining balance of designated funds at 31 August 2022 of £9,196 (2021: £23,860). The balance sheet of the BBA however, still has net current assets at the balance sheet date of £118,452, net cash of £351,786 and net assets overall of £21,311.

Going concern

In recognition of the continuing weakness in the BBA's finances, the Trustees have carried out a full and detailed strategic review of the company's finances and projections for the period through to 31 August 2024. This review process has also included the establishment of a new fundraising strategy as well as looking at alternative funding sources for the charity and a completely new overall strategy for the business (see below). The Trustees are satisfied with the scope and depth of the review which accords with their responsibilities under the Charities SORP and Companies Act 2006.

The results of the review have revealed the following key matters:

- The entity has adequate financial resources to operate as a going concern for the foreseeable future of not less than a year from the approval date of the attached financial statements.
- Given a favourable and stable economic environment, the Trustees plan to achieve adequate free reserves within the entity's defined policy in the next five years.

On the basis of the above, the Trustees are satisfied that it is appropriate to prepare the attached financial statements on a going concern basis.

Financial review of the future and our new strategic plan

As with many businesses and charities, the BBA continues to experience significant challenges as noted above and our results for the year ended 31 August 2022 reflect the continuing lower number of students signing onto courses, a number of courses that we have had to cancel due to low levels of student uptake and after deducting the savings made from not hiring certain specialist tutors and not spending as much as we would normally do on materials and consumables. Our future projections continue to reflect the current trends with lower student numbers on courses (particularly those that occur in the winter months).

In January 2023 the Board of Trustees met for a workshop which involved a full review of the current state of the BBA's activities as well as the development of a completely new strategy. This strategy builds on the significant successes of the BBA over the years and recognises that we are now in a very different economic climate which requires a different response to the market and a different way in which we utilise our resources.

Our new plans recognise three new strands to our strategy going forward:

Boat Building Academy Limited (Registered number: 04789584)

**Report of the Trustees
for the year ended 31 August 2022**

STRATEGIC REPORT (Continued)

Financial review of the future and our new strategic plan (Continued)

1. Reducing our costs and setting up a new approach to how we control costs going forward, through a tighter budgeting process and more detailed reporting on a more regular basis concerning our actual results compared with plan;
2. An improved marketing strategy including the launch of a very exciting new website which recognises that going forward the BBA will now aim to serve a wider client base of professionals (our continued main focus through our two long course programmes for boat builders and furniture makers) as well as amateur woodworkers, complete beginners and people just looking for a new leisure pursuit.
3. A new short course programme which recognises that our future success will come through an appeal to a wider audience as well as a better utilisation of our facilities at Lyme Regis.

Our approach to our course programme going forward will be to apply a more modular approach to its content in order to appeal to people who are looking to learn new skills and make new things but don't have 12 or 40 weeks of time to devote to the task.

Future plans

The trustees are very excited by our new strategic plans and are committed to:

- continue to develop our new strategy still further in order to maintain and improve the status of the BBA as a world-leader in the fields of boat building and furniture making by investing to provide the highest quality training to our students
- continuing fundraising initiatives to provide bursaries to more applicants
- remaining at the current site while maintaining and improving the buildings and facilities for the benefit of the training and student experience
- looking at achieving a new accreditation level in order for the charity to return to hiring new students from overseas on our flagship 12 weeks and 40 weeks courses
- establishing the BBA as an important landmark in the local area as well as the larger business and charity community
- constantly holding public benefit as the main driver in decision making through rigorous discussion and challenging of ideas, policies and processes
- fostering relationships with complimentary organisations both locally and further afield, particularly in the area of sail training

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guarantee incorporated on 6 June 2003 and registered as a charity on 7 January 2020. The company has Companies Act 2006 Articles and therefore does not have a Memorandum of Association. It is governed under its Articles of Association.

Recruitment and appointment of new trustees

The directors/trustees may by board resolution:

1. appoint a person who is willing to act to be a director; and
2. appoint the Principal to be a director, if they consider that it would be in the best interests of the charity for them to do so.

Boat Building Academy Limited (Registered number: 04789584)

**Report of the Trustees
for the year ended 31 August 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Recruitment and appointment of new trustees (Continued)

A director retiring may offer himself or herself for re-election and for a period not exceeding five years. There is no limit on the number of terms of office, however, the board will determine the term of their reappointment (not exceeding 5 years) after consultation with the individual.

Organisational structure

The trustees are responsible for the sub-management and control of the Boat Building Academy and meet formally four times a year with the executive committee of trustees meeting monthly and reporting to the board. Policies are implemented by the Principal who is also a trustee.

The Principal is paid a salary and there is provision in the BBA articles of association to allow this. All other trustees give their time freely. While no remuneration or expenses were paid in the year, reasonable expenses are available to trustees.

The Principal undertakes the key leadership role; overseeing educational, pastoral and administrative functions in consultation with the training manager, tutors and the office manager. The day to day administration of the BBA is undertaken within the policies and procedures approved by the trustees which provide for only significant expenditure decisions and major capital projects to be referred to the Trustees for prior approval. The Principal oversees the recruitment of all staff.

Induction and training of new trustees

New trustees are issued with an induction pack containing:

- Latest annual report and accounts
- The most recent Principal's report
- The most recent board and committee minutes
- Copies of the BBA's key policies and procedures, including the latest internal controls document as well as our free reserves policy and safeguarding regulations
- Copies of the Charity Commission's key pieces of guidance - especially CC3 and the public benefit guidance

Four of the current trustees are graduates of the BBA Boat Building or Furniture Making courses and are therefore well-versed with the approach and ethos. Those trustees who are new to the BBA have a guided tour of the facilities and meet all the staff as part of their induction.

All trustees are invited to BBA events such as boat launches, furniture exhibitions and open days to give them a better understanding of the culture and purpose.

Key management remuneration

The Trustees, including the Principal consider that they are the key management personnel. The Trustees give of their time freely. The pay and remuneration of the Principal and all other staff is set by the Trustees and is kept under annual review.

A number of criteria are used in setting pay:

- Nature of the role and responsibilities
- Assessment of the Academy's results and future budgets together with student numbers compared with plan
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay in recent years

Boat Building Academy Limited (Registered number: 04789584)

**Report of the Trustees
for the year ended 31 August 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04789584 (England and Wales)

Registered Charity number

1187235

Registered office

Lyme Regis Marine Centre
Monmouth Beach
Lyme Regis
Dorset
DT7 3JN

Trustees

R H Aylott
J Lloyd-Davies
W M Reed
Ms B R Bathurst
Ms G H McGarva
R Jennings
G C Pickett (resigned 20/10/2022)

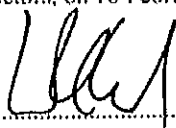
Company Secretary

J Lloyd-Davies

Independent Examiner

Ward Goodman
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 16 February 2023 and signed on the board's behalf by:



W M Reed - Trustee

**Independent Examiner's Report to the Trustees of
Boat Building Academy Limited**

Independent examiner's report to the trustees of Boat Building Academy Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



J Richardson FCA FCCA DChA
ICAEW
Ward Goodman
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 16 February 2023

Boat Building Academy Limited
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations, legacies and grants	3	5,497	54,652	60,149	177,518
Other trading activities	4	739,619	-	739,619	538,585
Investment income	5	29	-	29	396
Total		<u>745,145</u>	<u>54,652</u>	<u>799,797</u>	<u>716,499</u>
EXPENDITURE ON					
Raising funds	6	346,009	712	346,721	436,874
Charitable activities	7				
Charitable activities		437,796	28,572	466,368	337,507
Total		<u>783,805</u>	<u>29,284</u>	<u>813,089</u>	<u>774,381</u>
NET (EXPENDITURE)/ INCOME		<u>(38,660)</u>	<u>25,368</u>	<u>(13,292)</u>	<u>(57,882)</u>
Net movement in funds		<u>(38,660)</u>	<u>25,368</u>	<u>(13,292)</u>	<u>(57,882)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		34,553	50	34,603	92,485
TOTAL FUNDS CARRIED FORWARD		<u>(4,107)</u>	<u>25,418</u>	<u>21,311</u>	<u>34,603</u>

Boat Building Academy Limited (Registered number: 04789584)

**Balance Sheet
31 August 2022**

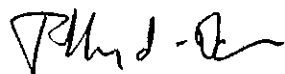
	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	14	63,218	-	63,218	51,508
CURRENT ASSETS					
Stocks	15	42,649	-	42,649	33,477
Debtors	16	38,815	-	38,815	26,057
Cash at bank		506,646	25,418	532,064	412,458
		<u>588,110</u>	<u>25,418</u>	<u>613,528</u>	<u>471,992</u>
CREDITORS					
Amounts falling due within one year	17	(495,076)	-	(495,076)	(281,169)
NET CURRENT ASSETS		<u>93,034</u>	<u>25,418</u>	<u>118,452</u>	<u>190,823</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>156,252</u>	<u>25,418</u>	<u>181,670</u>	<u>242,331</u>
CREDITORS					
Amounts falling due after more than one year	18	(160,359)	-	(160,359)	(207,728)
NET (LIABILITIES) / ASSETS		<u>(4,107)</u>	<u>25,418</u>	<u>21,311</u>	<u>34,603</u>
FUNDS	21				
Unrestricted funds		(4,107)	-	(4,107)	34,553
Restricted funds		-	25,418	25,418	50
TOTAL FUNDS		<u>(4,107)</u>	<u>25,418</u>	<u>21,311</u>	<u>34,603</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2022. The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees and authorised for issue on 16 February 2023 and were signed on its behalf by:



J LLOYD-DAVIES – Trustee

Boat Building Academy Limited
Cash Flow Statement
for the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash generated by/ (used in) operating activities	1	179,055	(27,082)
Cash flows from investing activities			
Purchase of tangible fixed assets		(22,811)	(56,608)
Interest received		29	396
Net cash used in investing activities		(22,782)	(56,212)
Cash flows from financing activities			
New loans in year		-	220,000
Loan repayments in year		(36,667)	(3,055)
Net cash (used in)/ provided by financing activities		(36,667)	216,945
Change in cash and cash equivalents in the reporting period		119,606	133,651
Cash and cash equivalents at the beginning of the reporting period		412,458	278,807
Cash and cash equivalents at the end of the reporting period		532,064	412,458

Boat Building Academy Limited

**Notes to the Cash Flow Statement
for the year ended 31 August 2022**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(13,292)	(57,882)
Adjustments for:		
Depreciation charges	11,101	9,330
Interest received	(29)	(396)
(Increase)/decrease in stocks	(9,172)	3,344
(Increase)/Decrease in debtors	(12,758)	12,328
Increase in creditors	203,205	6,194
Net cash used in operations	<u>179,055</u>	<u>(27,082)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2021 £	Cash flow £	At 31 August 2022 £
Net cash			
Cash at Bank	412,458	119,606	532,064
	<u>412,458</u>	<u>119,606</u>	<u>532,064</u>
Debt			
Debts falling due within 1 year	(36,667)	-	(36,667)
Debts falling due after 1 year	(180,278)	36,667	(143,611)
Total debt	<u>(216,945)</u>	<u>36,667</u>	<u>(180,278)</u>
Total net cash	<u>195,513</u>	<u>156,273</u>	<u>351,786</u>

Boat Building Academy Limited

Notes to the Financial Statements for the year ended 31 August 2022

1. LEGAL FORM

The Charity (registration number 1187235) is a private company, limited by guarantee, incorporated in England and Wales (company number 04789584), and consequently does not have share capital.

The address of its registered office is: Lyme Regis Marine Centre, Monmouth Beach, Lyme Regis, Dorset DT7 3JN

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

On 7th January 2020, Boat Building Academy Limited (company number 04789584) registered as a Charitable company (Charity registration number 1187235). The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

In recognition of the continuing weakness in the BBA's finances, the Trustees have carried out a full and detailed strategic review of the company's finances and projections for the period through to 31 August 2024. This review process has also included the establishment of a new company strategy as well as looking at alternative funding sources for the charity. The Trustees are satisfied with the scope and depth of the review which accords with their responsibilities under the Charities SORP and Companies Act 2006.

The results of the review have revealed the following key matters:

- The entity has adequate financial resources to operate as a going concern for the foreseeable future of not less than a year from the approval date of the attached financial statements.
- Given a favourable and stable economic environment, the Trustees plan to achieve adequate free reserves within the entity's defined policy in the next five years.

On the basis of the above, the Trustees are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Government grants

Government grants include money received as part of the Covid-19 Job Retention Scheme. Income is recognised in the same period in which the related payroll expenditure is recorded.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be

Boat Building Academy Limited

Notes to the Financial Statements - continued for the year ended 31 August 2022

2. ACCOUNTING POLICIES - continued

Expenditure (Continued)

directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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.

Tangible fixed assets

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

Improvements to property	10% on cost
Plant and machinery	Straight line over 3 years
Fixtures and fittings	Straight line over 3 years

Stocks

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

Stock is valued on a "First in, first out" basis.

Taxation

The charity is exempt from corporation tax on its charitable activities.

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.

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.

Debtors

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

Cash at Bank and in hand

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

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Boat Building Academy Limited
Notes to the Financial Statements - continued
for the year ended 31 August 2022

3. DONATIONS, LEGACIES AND GRANTS

	2022	2021
	£	£
Donations	14,027	35,316
Legacies	-	15,000
Grants	46,122	127,202
	<u>60,149</u>	<u>177,518</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Job Retention Scheme	-	87,623
Shipwright - WCS Grant	-	5,000
Garfield Weston Foundation	-	5,000
Dorset Council	40,000	14,143
Dorset Growth Hub	-	5,000
The Foyle Foundation	-	10,000
Government CBILS loan interest grant	5,410	-
Coronavirus HMRC Furlough Grant	712	436
	<u>46,122</u>	<u>127,202</u>

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Course income	495,361	369,787
Materials	36,670	25,511
Woodworking skills	118,108	94,288
Wood	45,770	22,104
Accommodation	37,622	20,533
Washing machine money	943	-
Miscellaneous	5,145	6,362
	<u>739,619</u>	<u>538,585</u>

5. INVESTMENT INCOME

	2022	2021
	£	£
Interest receivable - trading	29	396

Boat Building Academy Limited

**Notes to the Financial Statements - continued
for the year ended 31 August 2022**

6. RAISING FUNDS

Other trading activities

	2022	2021
	£	£
Opening stock	33,477	36,821
Closing stock	(42,649)	(33,477)
Staff costs	343,898	424,123
Bad debts	894	77
Depreciation	11,101	9,330
	<u>346,721</u>	<u>436,874</u>

Staff costs includes £712 funded by the Government Furlough Scheme (2021 - £87,623).

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 8) £	Support Costs (See note 9) £	Total £
Charitable activities	<u>358,484</u>	<u>43,323</u>	<u>64,561</u>	<u>466,368</u>

Charitable activity costs for the year ended 31 August 2021 totalled £337,308.

8. GRANTS PAYABLE

	2022	2021
	£	£
Charitable activities – bursary grants to individuals from restricted funds	28,572	18,000
Charitable activities – bursary grants to individuals from designated funds	<u>14,751</u>	<u>-</u>
	<u>43,323</u>	<u>18,000</u>

9. SUPPORT COSTS

	Management	Finance	Information technology	Human Resources	Totals
	£	£	£	£	£
Charitable activities	<u>53,861</u>	<u>7,939</u>	<u>2,706</u>	<u>55</u>	<u>64,561</u>

Support costs for the year ended 31 August 2021 totalled £38,605.

Boat Building Academy Limited
Notes to the Financial Statements - continued
for the year ended 31 August 2022

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	11,101	9,330
Independent examination	2,280	2,040
Accounts preparation fees	-	540

11. TRUSTEES' REMUNERATION AND BENEFITS

William Reed, Director & Trustee, received remuneration totalling £44,000 (2021: £40,000) in the financial year ended 31 August 2022. Employer pension contributions totalling £1,133 (2021: £1,053) were made over the same period.

Trustees' expenses

There were no trustees' expenses paid during the year ended 31 August 2022 nor for the year ended 31 August 2021.

12. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	310,463	388,648
Social security	26,666	28,457
Other pension costs	6,769	7,018
	343,898	424,123

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

	2022	2021
	No.	No.
Head count	13	13

No employees received emoluments in excess of £60,000 (2021 – Nil).

Boat Building Academy Limited
Notes to the Financial Statements - continued
for the year ended 31 August 2022

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

INCOME AND ENDOWMENTS FROM	Unrestricted funds £	Restricted funds £	Total funds £
Donations and legacies	107,062	70,456	177,518
Other trading activities	538,585	-	538,585
Investment income	396	-	396
Total	646,043	70,456	716,499
EXPENDITURE ON			
Raising funds	436,874	-	436,874
Charitable activities			
Charitable activities	296,138	41,369	337,507
Total	733,012	41,369	774,381
NET INCOME/ (EXPENDITURE)	(86,969)	29,087	(57,882)
Transfers between funds	39,037	(39,037)	-
Net movement in funds	(47,932)	(9,950)	(57,882)
RECONCILIATION OF FUNDS			
Total funds brought forward	82,485	10,000	92,485
TOTAL FUNDS CARRIED FORWARD	34,553	50	34,603

Boat Building Academy Limited

**Notes to the Financial Statements - continued
for the year ended 31 August 2022**

14. TANGIBLE FIXED ASSETS

COST	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
At 1 September 2021	51,928	15,123	408	67,459
Additions	15,208	7,603	-	22,811
At 31 August 2022	<u>67,136</u>	<u>22,726</u>	<u>408</u>	<u>90,270</u>
DEPRECIATION				
At 1 September 2021	5,193	10,486	272	15,951
Charge for year	6,713	4,252	136	11,101
At 31 August 2022	<u>11,906</u>	<u>14,738</u>	<u>408</u>	<u>27,052</u>
NET BOOK VALUE				
At 31 August 2022	<u>55,230</u>	<u>7,988</u>	<u>-</u>	<u>63,218</u>
At 31 August 2021	<u>46,735</u>	<u>4,637</u>	<u>136</u>	<u>51,508</u>

15. STOCKS

	2022 £	2021 £
Stocks	<u>42,649</u>	<u>33,477</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Service charges due	26,080	13,914
Other debtors	-	5,079
Prepayments	12,735	7,064
	<u>38,815</u>	<u>26,057</u>

Boat Building Academy Limited

**Notes to the Financial Statements – continued
for the year ended 31 August 2022**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 19)	36,667	36,667
Trade creditors	21,683	14,680
Social security and other taxes	6,689	8,306
Other creditors	7,722	6,312
Service charges paid in arrears	34,835	63,935
Accruals and deferred income	387,480	151,269
	<u>495,076</u>	<u>281,169</u>

Income is deferred for courses that run over a period of weeks and have not yet been completed. The income is released monthly over the duration of the course.

	£
Deferred income brought forward	137,262
New invoices raised	707,236
Amounts released	(462,721)
Deferred income carried forward	<u>381,777</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 19)	143,611	180,278
Accruals and deferred income	16,748	27,450
	<u>160,359</u>	<u>207,728</u>

Boat Building Academy Limited
Notes to the Financial Statements - continued
for the year ended 31 August 2022

19. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>36,667</u>	<u>36,667</u>
Amounts falling due between two and 5 years:		
Bank loans - 2-5 years	143,611	146,667
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans due in more than 5 years by instalments	-	33,611
	<u>143,611</u>	<u>180,278</u>

The bank loans are secured under a fixed and floating charge against the assets of the company.

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	66,000	66,000
Between one and five years	224,250	230,750
In more than five years	-	59,500
	<u>290,250</u>	<u>356,250</u>

Boat Building Academy Limited
Notes to the Financial Statements - continued
for the year ended 31 August 2022

21. MOVEMENT IN FUNDS

Unrestricted funds

	At 1 September 2021 £	Net movements in funds £	Transfer between funds £	At 31 August 2022 £
General fund	10,693	(23,996)	-	(13,303)
Bursary (Designated)	23,860	(14,664)	-	9,196
	<u>34,553</u>	<u>(38,660)</u>	<u>-</u>	<u>(4,107)</u>

Restricted funds

Bursary	50	25,368	-	25,418
	<u>50</u>	<u>25,368</u>	<u>-</u>	<u>25,418</u>

TOTAL FUNDS	<u>34,603</u>	<u>(13,292)</u>	<u>-</u>	<u>21,311</u>
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Net movement in funds, included in the above are as follows:

Unrestricted funds

	Incoming resources £	Resources expended £	Movement in funds £
General fund	745,058	(769,054)	(23,996)
Bursary (Designated)	87	(14,751)	(14,664)
	<u>745,145</u>	<u>(783,805)</u>	<u>(38,660)</u>

Restricted funds

Bursary	54,652	(29,284)	25,368
	<u>54,652</u>	<u>(29,284)</u>	<u>25,368</u>

TOTAL FUNDS	<u>799,797</u>	<u>(813,089)</u>	<u>(13,292)</u>
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Boat Building Academy Limited

**Notes to the Financial Statements - continued
for the year ended 31 August 2022**

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

Unrestricted funds

	At 1 September 2020	Net movements in funds	Transfers between funds	At 31 August 2021
	£	£	£	£
General fund	62,485	(90,829)	39,037	10,693
Bursary (Designated)	20,000	3,860	-	23,860
	<u>82,485</u>	<u>(86,969)</u>	<u>39,037</u>	<u>34,553</u>
Restricted funds				
Bursary	10,000	(17,950)	8,000	50
Covid – 19 Building Works	-	47,037	(47,037)	-
	<u>10,000</u>	<u>29,087</u>	<u>(39,037)</u>	<u>50</u>
TOTAL FUNDS	<u>92,485</u>	<u>(57,882)</u>	<u>-</u>	<u>34,603</u>

Comparative net movement in funds, included in the above are as follows:

Unrestricted funds

	Incoming resources	Resources expended	Movement in funds
	£	£	£
General fund	642,183	(733,012)	(90,829)
Bursary (Designated)	3,860	-	3,860
	<u>646,043</u>	<u>(733,012)</u>	<u>(86,969)</u>
Restricted funds			
Bursary	50	(18,000)	(17,950)
Covid – Building Works	70,406	(23,369)	47,037
	<u>716,499</u>	<u>(774,381)</u>	<u>(57,882)</u>
TOTAL FUNDS	<u>716,499</u>	<u>(774,381)</u>	<u>(57,882)</u>

Boat Building Academy Limited

**Notes to the Financial Statements - continued
for the year ended 31 August 2022**

21. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1 September 2020 £	Net movement in funds £	Transfers between funds £	At 31 August 2022 £
Unrestricted funds				
General fund	62,485	(114,825)	39,037	(13,303)
Bursary (Designated)	20,000	(10,804)	-	9,196
	<u>82,485</u>	<u>(125,629)</u>	<u>39,037</u>	<u>(4,107)</u>
Restricted funds				
Bursary	10,000	7,418	8,000	25,418
Covid-19 Building Works		47,037	(47,037)	-
	<u>10,000</u>	<u>54,455</u>	<u>(39,037)</u>	<u>25,418</u>
TOTAL FUNDS	<u>92,485</u>	<u>(71,174)</u>	<u>-</u>	<u>21,311</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

Unrestricted funds	Incoming Resources £	Resources expended £	Movement in funds £
General fund	1,387,241	(1,502,066)	(114,825)
Bursary (Designated)	3,947	(14,751)	(10,804)
	<u>1,391,188</u>	<u>(1,516,817)</u>	<u>(125,629)</u>
Restricted funds			
Bursary	52,573	(47,284)	7,418
Covid-19 Building Works	70,406	(23,369)	47,037
	<u>122,979</u>	<u>(70,653)</u>	<u>54,455</u>
TOTAL FUNDS	<u>1,516,296</u>	<u>(1,587,470)</u>	<u>(71,174)</u>

Boat Building Academy Limited

**Notes to the Financial Statements - continued
for the year ended 31 August 2022**

21. MOVEMENT IN FUNDS - continued

Purposes for restricted funds

Bursary fund - Restricted funds to be awarded as student bursaries. The Charity will also consider from time to time, the use of its own general fund for the purposes of providing designated bursaries.

22. RELATED PARTY DISCLOSURES

The following related party transactions occurred in the year.

Donations made by Trustees during the year amounted to £30 (2021 - £980).

Bursaries donated by Trustees during the year amounted to £6,000 (2021 - £15,000).

Mr Robert Jennings, Director and Trustee, received £1,000 (2021 - £1,000) from the entity for tutoring services provided in the year. Ms Gail McGarva, Director and Trustee, received £1,650 (2021 - £nil) from the entity also for tutoring services provided in the year. No amounts were outstanding at the year end (2021 - £nil).

A Trustee has provided a guarantee on behalf of the company for one of the buildings occupied by the charity and rented from a third party. The guarantee amounts to £24,000 (2021 - £24,000).

Employment related payments made to Mr William Reed (Principal, Director and Trustee) are disclosed in note 11. Mrs Isabella Reed, wife of William Reed, Principal received £60 for consultancy services concerning the charity's marketing activities.