

# THE SCHOOL OF ARTISAN FOOD

## **REPORT AND FINANCIAL STATEMENTS**

YEAR ENDED 31 AUGUST 2016



**THE SCHOOL OF ARTISAN FOOD**

Lower Motor Yard  
Welbeck  
Nottinghamshire

**[www.schoolofartisanfood.org](http://www.schoolofartisanfood.org)**

**THE SCHOOL OF ARTISAN FOOD**  
**I N D E X**

**Year ended 31 August 2016**

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**THE SCHOOL OF ARTISAN FOOD**  
GENERAL INFORMATION

**Year ended 31 August 2016**

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<b>Trustees and Directors</b>	Alison Swan Parente (Chair of Trustees) Daniel Jessel Susan Amaku Daisy Parente John Kirk Sarah Rawlinson (Appointed 27 May 2016)
<b>Trustee</b>	Joe Schneider (Appointed 22 February 2017)
<b>Managing Director</b>	Julie Byrne (Appointed 6 June 2016)
<b>Secretary</b>	Sarah Andrew (Appointed 27 May 2016)
<b>Registered office</b>	Lower Motor Yard Welbeck Worksop Nottinghamshire S80 3LR
<b>Company number</b>	06741463
<b>Charitable status</b>	The School of Artisan Food is a company limited by guarantee which was registered as a charity on 31 December 2010. Its charity number is 1139632.
<b>Auditors</b>	Dixon Wilson 22 Chancery Lane London WC2A 1LS
<b>Bankers</b>	Handelsbanken Nottingham Branch Ground Floor 22a The Ropewalk Nottingham NG1 5DT

## **THE SCHOOL OF ARTISAN FOOD TRUSTEES' REPORT**

**Year ended 31 August 2016**

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The Board of Trustees, who, with the exception of Joe Schneider, are also directors for the purposes of company law, present their report for the year.



### **Reference and Administrative Information**

The School of Artisan Food is a company limited by guarantee with charitable status.

Reference and administrative information is set out on the previous page and forms part of this report. The financial statements comply with current statutory requirements and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015).

### **Who we are and what we do**

The School of Artisan Food (SAF) was founded in 2009 as a not for profit company. It became a registered charity on 31 December 2010. SAF is a unique, open-minded organisation, dedicated to teaching skills for artisan food production. Located on the Welbeck Estate in Nottinghamshire, SAF offers the opportunity for people of all skill levels, regardless of their socioeconomic circumstances, to expand their knowledge and improve their employability through a wide range of courses including: Bread making and Patisserie, Business and Entrepreneurship, Butchery and Charcuterie, Cheese making, Chocolate making, Ice Cream making and Preserving.

### **Our aims are to:**

- Provide exceptional quality education and training
- Raise aspirations and improve life chances for all students
- Produce enterprising, entrepreneurial, employable graduates
- Engage in appropriate B2B and commercial activities in line with our values and beliefs
- Be a thought leader in the growing artisan food world

**THE SCHOOL OF ARTISAN FOOD**  
**TRUSTEES' REPORT (continued)**

**Year ended 31 August 2016**

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**Our Business Specific Aims are to:**

- Strengthen the School's financial position and increase profitability to achieve an operating surplus by 2019
- Improve brand awareness and increase student numbers
- Stay ahead of the competition by developing innovative new courses
- Generate new sources of income

**Our Vision for 2020:**

- The School of Artisan Food will lead the renaissance of artisan craft skills
- Our distinctive courses will continue to promote the values of artisan food production, enterprise and employability and will be appreciated by our students and respected by employers and the wider community
- The School will have embraced an ambitious agenda for change and built on its excellent reputation, delivering consistently high standards in a cost effective way

Our students will be inspired to be the best they can be and our staff will be proud to work here, valued for their professionalism, enthusiasm and dedication.

**Our Values**

What we believe in and value highly guides how we work with our students, staff and other stakeholders:

*Artisan food production – to promote and preserve heritage techniques and heirloom recipes*

*Raising the aspirations of our students – have high expectations*

*Transforming life chances – through education and training*

*Integrity and incorruptibility – honesty and transparency*

*Skills – artisan craft, enterprise and employability*

*Appreciate and celebrate diversity – a strong sense of social justice*

*New ways of thinking and doing - entrepreneurial mind set*

At SAF, students are taught by highly skilled practitioners who are able to share their artisan skills, knowledge and expertise; they are passionate about ensuring that the next generation can learn from their experience. In recent years, most skills-based education in the food sector has focussed upon industrial production techniques, standardisation, shelf-life, availability, hygiene rules and price control. It is only recently that government advisors, health professionals and an increasing number of public bodies have begun to realise the cost of this in terms of health, cultural diversity and social cohesion. There is also increasing evidence that an ability to produce in smaller units contributes towards a more varied and resilient food system.

Emphasis on a *farm-to-fork* philosophy and local sourcing of seasonal, raw materials along with natural, slow fermentation processes are central to SAF's vision for the promotion of health and well-being. SAF recognises cultural, economic and psychological barriers to healthy eating and engages in dialogue and debate about these issues.

**THE SCHOOL OF ARTISAN FOOD**  
**TRUSTEES' REPORT (continued)**

**Year ended 31 August 2016**

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**Review of the year**

The core activities of the School continued to be provision of a one year Advanced Diploma Course in Artisan Bakery alongside a wide range of short courses.



**Charitable activities**

Notable activities in the year included:

- Bursaries awarded to the 2015/16 cohort were £49,125 compared to £107,000 in the previous year, however we were still able to support 8 of the Advanced Diploma Students, who would otherwise have been unable to attend. Further bursaries were provided to a number of short course attendees.
- Surplus bread produced on the Advance Diploma course is donated to Hope – Homeless Help and Support Charity, Food Hall Project, The Real Junk Food Project, The Lighthouse Project and Bestwood and Bulwell Food Bank
- Thanks to funding from the Daylesford Foundation, Level 1-3 artisan bakery qualification development is progressing
- The School has worked with Carlton Youth Club to raise awareness of healthy eating.



**THE SCHOOL OF ARTISAN FOOD**  
**TRUSTEES' REPORT (continued)**

**Year ended 31 August 2016**

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**Advanced Diploma in Artisan Bakery**

The full-time Advanced Diploma in Artisan Baking is the School's flagship qualification and is now accredited at level 4 and 5 by the Food and Drink Qualification/Ofqual Agency (FDQ)

11 students enrolled on the full-time Advanced Diploma to study bread baking, patisserie and viennoiserie, whilst also taking lessons in the science of fermentation, hygiene, the contemporary food system and the anthropology of food. In addition students completed a module entitled *Creating an Artisan Food Business* in which they developed business and marketing plans, learning small business finance and food legislation among other topics.

Many Advanced Diploma students come to SAF with the expressed intention of starting up their own artisan food business. Some wish to diversify an existing business, some wish to convert a hobby into a business and others wish to learn skills so that they can change career. Students visit existing SMEs and take seminars with people who have started their own small businesses, many of whom are graduates of the School. High quality work experience enables students to hone their skills in real-life working environments.

SAF has teachers who are well-respected in their fields and who have superb contacts in the artisan food community, in addition students benefit from an impressive range of guest lecturers, artisans and industry professionals.

Of the 11 students who enrolled, 9 completed the course. SAF has a reputation for assisting its graduates into employment and I'm pleased to say that all 9 subsequently found employment.



**THE SCHOOL OF ARTISAN FOOD**  
**TRUSTEES' REPORT (continued)**

**Year ended 31 August 2016**

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**Short Courses**

In excess of 1600 short course student days were hosted in the year. Baking and Patisserie continue to be SAF's most popular short course subject areas.

Throughout the financial year SAF continued to develop new short courses including advanced sessions and classes for food industry professionals wishing to further enhance their artisan food production knowledge. New courses include: Five Day Advanced Artisan Charcuterie, Introduction to Cheesemaking, Introductory Level Patisserie, Rye and Heritage Grains, An Italian Feast, Historic Pies and Historic Ices.

**Bespoke and Tailored Training**

SAF continued to grow its bespoke training activity by developing and delivering a range of bespoke training packages promoting the value of artisan food production for large scale, nationally recognised, food producers and retailers.

**Fundraising**

The School is grateful to individuals and Charitable Trusts including: Barbara Curtis Scholarship Fund, Hugh Matheson, Sakana and Uplands Foundations, Miele and Crispin Odey, who have contributed towards student bursaries and other charitable activities. SAF would particularly like to recognise the ongoing support from The Welbeck Estates Company Limited, and the commitment of a loan facility until 2020.

**Future plans**

The plan for the forthcoming year is to improve the financial position of the school to ensure a platform for growth and long term sustainability. The Advanced Diploma in Baking will continue as SAF's core activity.

SAF is exploring partnership arrangements with UK, US and Canadian universities. Knowledge transfer partnerships and study tours are being discussed as well as providing enrichment and training modules to existing university courses.

The redevelopment of the dairy training room was completed in August 2016 and will allow a greater diversity of short courses to be hosted in this space.

SAF continues to promote the offer of bespoke courses to producers, manufacturers and retailers for CPD. There is an increased focus on ensuring sales targets and business goals are achieved. SAF intends to host some more intensive short courses of longer duration.

**Marketing and Sales**

Marketing and sales is integral to the School achieving both its business and charitable objectives. Since the year end a marketing officer has been employed who works closely with the Director in delivering SAF's marketing and sales strategies.

The re-design of the SAF website, [www.schoolofartisanfood.org](http://www.schoolofartisanfood.org), commenced in January 2016. The development has been problematical with the 'go-live' date postponed from April to August 2016. An active and growing social media presence provides information about the School's activities and allows SAF to engage with existing and new customers. The School continued to receive positive coverage in the local and national media.



**THE SCHOOL OF ARTISAN FOOD**  
**TRUSTEES' REPORT (continued)**

**Year ended 31 August 2016**

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## **Report of the Trustees**

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association and UK Generally Accepted Accounting Practice.

### **Governance and Management**

SAF is governed by its Memorandum and Articles of Association. Its Trustees meet quarterly and more frequently if required. Day to day management is undertaken by a core team which comprised a Director, a Head of Studies and an Operations Manager.

### **Recruitment and Appointment of Trustees**

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association members of the Board are elected to serve for twelve months after which they must be re-elected at the next Annual General Meeting.

### **Trustee Induction and Training**

Potential Trustees meet with the Director and Chair of Trustees for a discussion about SAF's work and the interaction between the staff and Trustees. They are invited to join a full Board meeting and to meet with other Trustees. Once Trustees have been invited to join the Board they are provided with a full information pack and monthly updates from the Director comprising management accounts and details of the activity of the school. Regular meetings are held between the Chair of Trustees and Director, and all Trustees are invited regularly to events and presentations.

### **Risk Management**

The Trustees have examined the major risks to which SAF is exposed and confirm that strategic planning and systems have been established to mitigate against these risks. Procedures are also in place to ensure compliance with health and safety regulations for staff, volunteers, students and visitors to the school.

### **Fundraising Advisory Group**

During the previous financial year a Fundraising Advisory Group was formed to assist in fundraising, particularly for Diploma course bursaries, and identifying new revenue streams. The members of the group all come from the corporate sector.

### **Public Benefit Statement**

The Trustees, having regard to the Public Benefit guidance published by the Charity Commission in accordance with section 17 of the Charities Act 2011, consider that the purpose and activities of the company satisfy the requirements of the public benefit test set out in section 4 of the same Act. In particular the school:

- Educates and inspires attendees at its courses
- Promotes access for all by offering bursaries for Diploma courses and ensuring, where possible, that places on short courses are available at a range of prices
- Seeks improvement in standards of public use of sustainable food products
- Delivers education and outreach to school children and community groups

### **Financial Review**

Incoming resources of £654,121 (2015 - £777,110) were generated during the year and there was expenditure of £967,898 (2015 - £935,352) resulting in a deficit of £313,777 (2015 - £158,242). Details appear in the subsequent financial statements.

**THE SCHOOL OF ARTISAN FOOD**  
**TRUSTEES' REPORT (continued)**

**Year ended 31 August 2016**

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### **Reserves**

Reserves are split between three funds:

- The Bursary fund is a restricted fund as it represents donations reserved strictly for the purposes of subsidising the cost of the diploma course for some students. Where funds are used during the year, there is a reserves transfer to the general fund. Any bursary funds not used in the current year will be carried forward and will be available for allocation in future years.
- The Big Lottery fund (Local Food) is a restricted fund. It represents funds reserved strictly for the use of achieving the aims of the Local Food Project. The direct costs associated with the project are allocated to the fund. Any funds not used in the current year, along with any profits, operating surplus or income generated must be reinvested in the project in future years or returned to the Royal Society of Wildlife Trusts.
- The General fund is used for the continuing charitable activities of the company, including supplementing the cost of bursaries. The company is actively seeking new students to attend future courses. It is also seeking further donations to both the Bursary fund (to date £460k has been provided as bursaries to disadvantaged students) and also to fund the company's general charitable activities. This fund is in deficit and the long-term aim is to eliminate this deficit through ongoing operating surpluses.

### **Responsibilities of the Trustees**

The trustees (who, with the exception of Joe Schneider, are also the directors of the company from a company law perspective) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare the financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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 company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each Trustee is aware, there is no relevant information that has not been disclosed to the Company's auditors and each Trustee believes that all steps necessary have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Company's auditors have been made aware of that information.

**THE SCHOOL OF ARTISAN FOOD**  
**TRUSTEES' REPORT (continued)**

**Year ended 31 August 2016**

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**Auditors**

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware. The trustees are also the directors of the company from a company law perspective.

Dixon Wilson has expressed its willingness to audit these accounts and to continue in office and a resolution to confirm the firm's appointment will be proposed at the next Annual General Meeting.

Approved by the Board of Trustees on 11 May 2017 and signed on its behalf by:

Alison Swan Parente  
**Chair of Trustees**

A handwritten signature in black ink, appearing to read 'Alison Swan Parente', written in a cursive style.

**Year ended 31 August 2016**

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SCHOOL OF ARTISAN FOOD**

We have audited the financial statements of The School of Artisan Food for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Respective responsibilities of trustees and auditor***

As explained more fully in the Trustees' Responsibilities Statement on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### ***Scope of the audit of the financial statements***

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### ***Opinion on financial statements***

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### ***Opinion on other matter prescribed by the Companies Act 2006***

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**THE SCHOOL OF ARTISAN FOOD**

**I N D E P E N D E N T   A U D I T O R ' S   R E P O R T   ( c o n t i n u e d )**

**Year ended 31 August 2016**

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***Matters on which we are required to report by exception***

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Gregory Smye-Rumsby** (Senior statutory auditor)  
For and on behalf of Dixon Wilson, Statutory Auditor  
22 Chancery Lane, London WC2A 1LS

16 May 2017

**THE SCHOOL OF ARTISAN FOOD**  
**INCOME AND EXPENDITURE ACCOUNT**

**Year ended 31 August 2016**

	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Surplus on short courses		71,901	132,093
Surplus/(deficit) on diploma courses		5,440	(15,753)
Deficit on student accommodation		(4,838)	(5,217)
Deficit on catering		(53,187)	(53,394)
<b>Surplus on courses and other charitable activities</b>		<b>19,316</b>	<b>57,729</b>
Miscellaneous income		20,565	16,616
Profit on disposal of fixed assets		5,000	-
Tutorial video income		16,725	-
<b>Regular income</b>		<b>42,290</b>	<b>16,616</b>
General expenditure		(490,238)	(453,988)
<b>Regular income less general expenditure</b>		<b>(447,948)</b>	<b>(437,372)</b>
<b>Deficit on operations</b>		<b>(428,632)</b>	<b>(379,643)</b>
Donations, grants and bursaries	3	114,855	221,401
<b>Net outgoing resource for the year</b>	(page 14)	<b>(313,777)</b>	<b>(158,242)</b>
General fund		(307,576)	(80,391)
Big Lottery fund (Local Food)		(6,201)	(6,201)
Bursary fund		-	(71,650)
<b>Total deficit for the year</b>	(page 14)	<b>(313,777)</b>	<b>(158,242)</b>

**THE SCHOOL OF ARTISAN FOOD**  
STATEMENT OF FINANCIAL ACTIVITIES

At 31 August 2016

	Note	General fund (unrestricted) £	Restricted donations fund £	Bursary funds (restricted) £	Big Lottery fund (Local Food) (restricted) £	Total 2016 £	Total 2015 £
<b>Income:</b>							
<b>Donations and legacies</b>	3						
Donations		30,490	4,500	-	-	34,990	168,889
Bursary income		-	-	34,100	-	34,100	1,000
Grants		45,765	-	-	-	45,765	51,512
		<u>76,255</u>	<u>4,500</u>	<u>34,100</u>	<u>-</u>	<u>114,855</u>	<u>221,401</u>
<b>Income from charitable activities</b>							
Short courses		322,557	-	-	-	322,557	380,365
Diploma courses		138,958	-	-	-	138,958	122,217
Student accommodation		26,387	-	-	-	26,387	29,025
Catering		9,074	-	-	-	9,074	7,486
		<u>496,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>496,976</u>	<u>539,093</u>
<b>Other income</b>							
Miscellaneous income		20,565	-	-	-	20,565	16,616
Profit on disposal of fixed assets		5,000	-	-	-	5,000	-
Tutorial video income		16,725	-	-	-	16,725	-
		<u>42,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,290</u>	<u>16,616</u>
<b>Total income</b>		<u>615,521</u>	<u>4,500</u>	<u>34,100</u>	<u>-</u>	<u>654,121</u>	<u>777,110</u>
<b>Expenditure:</b>							
<b>Expenditure on charitable activities</b>	4	(961,697)	-	-	(6,201)	(967,898)	(935,352)
<b>Total expenditure</b>		<u>(961,697)</u>	<u>-</u>	<u>-</u>	<u>(6,201)</u>	<u>(967,898)</u>	<u>(935,352)</u>
<b>Net income/(expenditure) and net movement in funds for the year</b>		<u>(346,176)</u>	<u>4,500</u>	<u>34,100</u>	<u>(6,201)</u>	<u>(313,777)</u>	<u>(158,242)</u>
<b>Reconciliation of funds:</b>							
Transfer to general fund		38,600	(4,500)	(34,100)	-	-	-
Total funds brought forward at 1 September 2015		<u>(2,503,328)</u>	<u>-</u>	<u>-</u>	<u>23,899</u>	<u>(2,479,429)</u>	<u>(2,321,187)</u>
Total funds carried forward at 31 August 2016		<u>(2,810,904)</u>	<u>-</u>	<u>-</u>	<u>17,698</u>	<u>(2,793,206)</u>	<u>(2,479,429)</u>

**THE SCHOOL OF ARTISAN FOOD**  
BALANCE SHEET

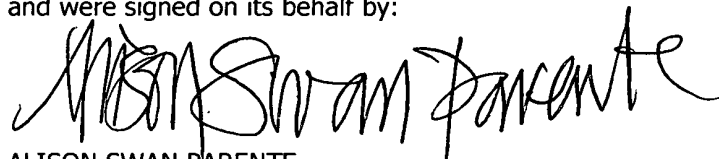
Company number: 06741463

At 31 August 2016

	Note	31 August 2016 £	31 August 2015 £
<b>Fixed assets</b>			
Tangible assets	9	650,991	676,266
<b>Current assets</b>			
Debtors	10	70,990	70,415
Cash at bank and in hand		32,638	5,300
		<u>103,628</u>	<u>75,715</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(777,260)</u>	<u>(2,617,080)</u>
<b>Net current liabilities</b>		(673,632)	(2,541,365)
<b>Creditors: amounts falling due after one year</b>	12	<u>(2,770,565)</u>	<u>(614,330)</u>
<b>Net liabilities</b>		<u>(2,793,206)</u>	<u>(2,479,429)</u>
<b>Accumulated deficit</b>			
<b>Unrestricted funds</b>			
General fund		(2,810,904)	(2,503,328)
<b>Restricted funds</b>			
Big Lottery fund (Local Food)		17,698	23,899
<b>Total</b>	14	<u>(2,793,206)</u>	<u>(2,479,429)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

The accounts on pages 13 to 23 were approved by the board of trustees on 11 May 2017 and were signed on its behalf by:



ALISON SWAN PARENTE  
Chair of Trustees



## THE SCHOOL OF ARTISAN FOOD

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2016

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#### 1. Accounting policies

##### ***Basis of preparation***

The financial statements have been prepared under the historical cost convention and are in accordance with Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Accounting Statement of Recommended Practice (SORP 2015). Important accounting policies are set out below.

##### ***Tangible fixed assets***

Fixed assets are stated at their purchase price, together with any incidental expenses of acquisition, less accumulated depreciation. Provision for depreciation is made so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic life of the assets concerned. The principal annual rates used for this purpose are:

Leasehold property improvements	- over 25 years
Plant and equipment	- over 5 years
Office equipment	- over 3 years
Fixtures and fittings	- over 5 years
Motor vehicles	- over 5 years

##### ***Impairments***

Impairment reviews are carried out on tangible fixed assets where there are indications that the recoverable amount of the asset is below its net book value.

##### ***Government grants***

Where government grants in respect of the purchase of tangible fixed assets have conditions attached outside the control of the charity, the grants have been recognised as deferred income when received. This is amortised at rates calculated to write off the deferred grant income evenly over the expected useful life of the assets purchased.

##### ***Income and expenditure***

Course fees are credited and expenditure is charged to the revenue account on an accruals basis, with the exception of donation and legacy income. Diploma course income is recognised net of bursaries as these are given to diploma students in the form of a reduction in course fees. Donation income is recognised when there is entitlement to the funds and receipt is probable.

##### ***Allocation of expenses***

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.

##### ***Funds***

Unrestricted funds are held to cover the charity against the continued financing of activities.

Restricted funds represent sums given to charity subject to restrictions as to how the funds can be used.

##### ***Going concern***

The accounts are prepared on a going concern basis. The company is reliant on loans from The Welbeck Estates Company Limited. They have confirmed they will continue to support the company and the loans are not due for repayment until 30 September 2020, therefore the trustees expect this facility to provide the charity with sufficient working capital for at least the next 12 months.

##### ***Reconciliation with previous generally accepted accounting practice***

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by the FRSE and the SORP 2015 the restatement of comparative items was required. No such restatements were required.

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**THE SCHOOL OF ARTISAN FOOD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 31 August 2016**

**2. Prior period financial activities by fund**

	<b>General fund (unrestricted) £</b>	<b>Bursary funds (restricted) £</b>	<b>Big Lottery Fund (Local Food - restricted) £</b>	<b>Total 2015 £</b>
<b>Income:</b>				
<i>Donations and legacies</i>				
Donations	168,889	-	-	168,889
Bursary income	-	1,000	-	1,000
Grants	51,512	-	-	51,512
<i>Income from charitable activities</i>				
Short courses	380,365	-	-	380,365
Diploma courses	122,217	-	-	122,217
Student accommodation	29,025	-	-	29,025
Catering	7,486	-	-	7,486
<i>Other income</i>	16,616	-	-	16,616
<b>Total income</b>	<u>776,110</u>	<u>1,000</u>	<u>-</u>	<u>777,110</u>
<b>Expenditure:</b>				
<i>Expenditure on charitable activities</i>	(929,151)	-	(6,201)	(935,352)
<b>Total expenditure</b>	<u>(929,151)</u>	<u>-</u>	<u>(6,201)</u>	<u>(935,352)</u>
<b>Net income/(expenditure) and net movement in funds for the year</b>	(153,041)	1,000	(6,201)	(158,242)
<b>Reconciliation of funds</b>				
Transfer to general fund	72,650	(72,650)	-	-
Total funds brought forward at 1 September 2014	<u>(2,422,937)</u>	<u>71,650</u>	<u>30,100</u>	<u>(2,321,187)</u>
Total funds carried forward at 31 August 2015	<u>(2,503,328)</u>	<u>-</u>	<u>23,899</u>	<u>(2,479,429)</u>

**THE SCHOOL OF ARTISAN FOOD****NOTES TO THE FINANCIAL STATEMENTS (continued)****Year ended 31 August 2016**

<b>3. Donations, grants and bursaries</b>	<b>2016 £</b>	<b>2015 £</b>
<b>General donations</b>		
Over £10,000	20,000	156,866
Under £10,000	10,490	12,023
<b>Total general donations</b>	<b>30,490</b>	<b>168,889</b>
<b>Restricted donations</b>		
Over £10,000	-	-
Under £10,000	4,500	-
<b>Total general donations</b>	<b>4,500</b>	<b>-</b>
<b>Grants</b>		
Under £10,000	4,916	6,873
Release of Fixed Asset grant	40,849	44,639
<b>Total grants</b>	<b>45,765</b>	<b>51,512</b>
<b>Bursaries</b>		
Thoresby	16,500	-
Barbara Curtis Legacy	17,600	-
Other bursaries	-	1,000
<b>Total bursaries</b>	<b>34,100</b>	<b>1,000</b>
<b>Total donations, grants and bursaries</b>	<b>114,855</b>	<b>221,401</b>
<b>Bursaries fund brought forward</b>	<b>-</b>	<b>71,650</b>
Bursaries received in year	34,100	1,000
Bursaries used in current year (transferred to general fund)	(34,100)	(72,650)
<b>Net movement in fund during the year</b>	<b>-</b>	<b>(71,650)</b>
<b>Bursaries fund carried forward</b>	<b>-</b>	<b>-</b>

Bursaries are provided to subsidise the costs of the diploma courses for a select number of students each year. In 2016 the number of students benefitting from a bursary was 8 (2015 - 10). The bursaries provided to students in 2016 totalled £49,125 (2015 - £88,000). Of this, £34,100 can be seen in the accounts as a transfer from the restricted bursary fund to the general fund. The remaining £15,025 is provided by the general fund.

Any bursary funds will be carried forward and available for allocation in the remaining years.

**THE SCHOOL OF ARTISAN FOOD**

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 August 2016

**4. Resources expended**

	Basis of allocation	Charitable activities (general fund)	Big Lottery (Local Food) (restricted)	Governance	2016 Total	2015 Total
		£	£	£	£	£
<b>Costs directly allocated to activities</b>						
Diploma course consumables	Direct	133,518	-	-	133,518	137,970
Short course consumables	Direct	250,656	-	-	250,656	248,272
Accommodation costs	Direct	31,225	-	-	31,225	34,242
Catering costs	Direct	62,261	-	-	62,261	60,880
Library books	Direct	97	-	-	97	26
<b>Support costs allocated to activities</b>						
Accountancy fees	Direct	-	-	4,627	4,627	6,820
Audit fees	Direct	-	-	11,500	11,500	11,845
Staff costs	Staff time	171,830	-	-	171,830	143,734
Staff training	Staff time	1,906	-	-	1,906	338
Recruitment	Staff time	-	-	-	-	6,938
Premises	Floor area	72,193	-	-	72,193	68,614
Marketing	Usage	46,766	-	-	46,766	27,242
Travel and subsistence	Usage	5,377	-	-	5,377	8,113
Legal and professional	Usage	50,136	-	-	50,136	32,016
Depreciation	Usage	60,878	6,201	-	67,079	68,156
Bank charges	Transactions	14,729	-	-	14,729	11,494
Bank interest	Transactions	6,024	-	-	6,024	1,867
Office costs	Staff time	28,228	-	-	28,228	21,897
Bad debt write off	Direct	9,089	-	-	9,089	90
Irrecoverable VAT	Direct	657	-	-	657	44,798
		<u>945,570</u>	<u>6,201</u>	<u>16,127</u>	<u>967,898</u>	<u>935,352</u>

**THE SCHOOL OF ARTISAN FOOD****NOTES TO THE FINANCIAL STATEMENTS (continued)****Year ended 31 August 2016**


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<b>5. Net incoming resources for the year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation	67,079	68,156
Auditors' remuneration	11,500	11,845
	<hr/>	<hr/>

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<b>6. Staff costs</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Salaries and wages	157,118	130,985
Social security costs	14,311	12,749
Total	<hr/> 171,429	<hr/> 143,734

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No employees received emoluments of more than £60,000 (2015 – no employees).

The average number of employees during the year on the basis of full time equivalents was 13 (2015 – 12).

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**7. Trustee remuneration and related party transactions**

During the year the following transactions took place with trustees:-

No trustees received any remuneration during the year (2015 – no trustees).

During the year the following transactions took place with entities related to trustees:-

**The Welbeck Estates Company Limited**

(Trustee Alison Swan Parente is the wife of William Parente who is a director of the company. Trustee Daisy Parente is also a director of the company).

The company leased premises, received funding and acquired goods and services from The Welbeck Estates Company during the year. At the balance sheet date the total amount due to The Welbeck Estates Company Limited was £2,470,277 (2015 - £2,253,237), £100,000 representing a loan that is interest free and repayable on demand. The Welbeck Estates Company Limited had previously advanced a loan of £2,000,000, which is interest free and was initially repayable on 30 September 2015. An extension was agreed this year to defer repayment until 30 September 2020, and a further £200,000 was also advanced and the facility was increased to £2,500,000. The remaining creditor of £170,277 (2015 - £153,237) relates to working capital.

**Bolsover Properties Limited**

(Trustee Alison Swan Parente is the wife of William Parente who is a director of the company. Trustee Daisy Parente is also a director of the company).

Bolsover Properties Limited made a donation of £nil (2015 - £100,000) to The School of Artisan Food during the year. There was no balance outstanding at the year end.

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**THE SCHOOL OF ARTISAN FOOD****NOTES TO THE FINANCIAL STATEMENTS (continued)****Year ended 31 August 2016****8. Taxation**

The School of Artisan Food is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent these are applied to charitable objects. No tax charges have arisen in the charity.

<b>9. Fixed assets</b>	<b>Leasehold property improvements</b>	<b>Plant and equipment</b>	<b>Office equipment</b>	<b>Fixtures and fittings</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>						
Brought forward	1,147,414	278,285	50,386	86,411	30,000	1,592,496
Additions	-	27,630	2,741	11,433	-	41,804
Disposals	-	(6,500)	-	-	-	(6,500)
At 31 August 2016	<u>1,147,414</u>	<u>299,415</u>	<u>53,127</u>	<u>97,844</u>	<u>30,000</u>	<u>1,627,800</u>
<b>Depreciation</b>						
Brought forward	548,465	201,344	50,010	86,411	30,000	916,230
Charge for the year	45,885	19,384	1,066	744	-	67,079
Eliminated on disposal	-	(6,500)	-	-	-	(6,500)
At 31 August 2016	<u>594,350</u>	<u>214,228</u>	<u>51,076</u>	<u>87,155</u>	<u>30,000</u>	<u>976,809</u>
<b>Net book value</b>						
At 31 August 2016	<u>553,064</u>	<u>85,187</u>	<u>2,051</u>	<u>10,689</u>	<u>-</u>	<u>650,991</u>
At 31 August 2015	<u>598,949</u>	<u>76,941</u>	<u>376</u>	<u>-</u>	<u>-</u>	<u>676,266</u>

**10. Debtors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	39,579	42,650
Other debtors	9,049	10,755
Prepayments	22,362	17,010
	<u>70,990</u>	<u>70,415</u>

**THE SCHOOL OF ARTISAN FOOD****NOTES TO THE FINANCIAL STATEMENTS (continued)****Year ended 31 August 2016**

<b>11. Creditors: amounts falling due within one year</b>	<b>2016 £</b>	<b>2015 £</b>
Bank overdraft	224,321	178,186
Trade creditors	58,852	42,883
Accruals	22,095	34,894
Other taxes including Social Security	32,765	26,557
Other creditors	270,277	2,253,237
Deferred income	168,950	81,323
	<u>777,260</u>	<u>2,617,080</u>

The Welbeck Estates Company advanced a loan of £100,000 to The School of Artisan Food during a prior period. The loan is interest free and repayable on demand. The Welbeck Estates Company Limited had also previously advanced a loan of £2,000,000 to The School of Artisan Food. The loan is interest free and was initially repayable on 30 September 2015. An extension was agreed during the year to defer repayment until 30 September 2020. A further £200,000 was advanced during the year and the facility was increased to £2,500,000.

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	<b>2016 £</b>	<b>2015 £</b>
Bank overdraft	<u>224,321</u>	<u>178,186</u>

The bank overdraft is secured over all the assets of the company.

<b>12. Creditors: amounts falling due after one year</b>	<b>2016 £</b>	<b>2015 £</b>
Other creditors	2,200,000	-
Deferred income	570,565	614,330
	<u>2,770,565</u>	<u>614,330</u>

Other creditors includes £2,200,000 owed to The Welbeck Estates Company. The loan is interest free and repayable on 30 September 2020.

<b>13. Analysis of net (liabilities)/assets between funds</b>	<b>General fund £</b>	<b>Restricted funds £</b>	<b>Total £</b>
Tangible fixed assets	650,991	-	650,991
Current assets	85,930	17,698	103,628
Current liabilities	(777,260)	-	(777,260)
Long term liabilities	(2,770,565)	-	(2,770,565)
Net (liabilities)/assets at 31 August 2016	<u>(2,810,904)</u>	<u>17,698</u>	<u>(2,793,206)</u>

**THE SCHOOL OF ARTISAN FOOD****NOTES TO THE FINANCIAL STATEMENTS (continued)****Year ended 31 August 2016****14. Movement of funds**

	<b>At 1 September 2015 £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Transfers £</b>	<b>Total funds £</b>
<b>Restricted funds</b>					
Restricted donations fund	-	4,500	-	(4,500)	-
Bursary fund	-	34,100	-	(34,100)	-
Big Lottery fund (Local Food)	23,899	-	(6,201)	-	17,698
<b>Total restricted</b>	<u>23,899</u>	<u>38,600</u>	<u>(6,201)</u>	<u>(38,600)</u>	<u>17,698</u>
<b>Unrestricted funds</b>					
General fund	(2,503,328)	615,521	(961,697)	38,600	(2,810,904)
Total unrestricted	<u>(2,503,328)</u>	<u>615,521</u>	<u>(961,697)</u>	<u>38,600</u>	<u>(2,810,904)</u>
<b>Total funds</b>	<u>(2,479,429)</u>	<u>654,121</u>	<u>(967,898)</u>	<u>-</u>	<u>(2,793,206)</u>