

**Building Crafts  
College**

**Annual Report and  
Accounts**

30 June 2016

Charity Registration Number  
312856

## Contents

### Reports

Legal and administrative information	1
Trustee's report	3
Independent auditor's report	7

### Accounts

Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Principal accounting policies	12
Notes to the accounts	16

## Legal and administrative information

<b>Trustee</b>	The Worshipful Company of Carpenters
<b>Members of the Court</b>	
The Master	Mr A M Gregory-Smith
Senior Warden	Mrs R Bower
Middle Warden	His Honour P W Birts QC
Junior Warden	The Lord Flight, of Worcester (appointed 2 August 2016)
	Mr H M F Barnes – Yallowley
	Mr F D Hornsby (emeritus 1 July 2015)
	Mr H M Neal (emeritus 2 August 2016)
	Mr V G Morton-Smith
	Mr N B C Eveleigh (emeritus 6 October 2015)
	Mr W S Haynes
	Mr M I Montague-Smith (emeritus 28 July 2015)
	Mr P A Luton
	Mr J A C Wheeler
	Mr M O P May
	Mr D F Newman (emeritus 5 April 2016)
	Mr M R Mathews
	Mr J D Sennitt
	Revd Dr W P Povey
	Mr G P S Downes
	Mr H M Lancaster
	Mr M J Samuel
	Mr M R Mosley
	Mr M W F Felton
Deputy Master	Mr M H W Neal
	Mr J R E Hutchons
<b>The Clerk</b>	Brigadier T J Gregson
<b>The College Principal</b>	Mr L R Conway
<b>College address</b>	Kennard Road Stratford London E15 1AH
<b>Registered address</b>	Carpenters' Hall Throgmorton Avenue London EC2N 2JJ

## Legal and administrative information

<b>Charity registration number</b>	312856
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP
<b>Investment advisors</b>	The Investments Committee of The Worshipful Company of Carpenters
<b>Solicitors</b>	Wedlake Bell LLP 71 Queen Victoria Street London EC4V 4AY
<b>Surveyors</b>	Daniel Watney LLP 165 Fleet Street London EC4A 2DW

The Trustee presents its statutory report together with the accounts of the Building Crafts College (the "charity") for the year ended 30 June 2016.

The accounts have been prepared in accordance with the accounting policies set out on pages 12 to 15 of the attached accounts and comply with the charity's constitution, the Charities Act 2011 and 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 for accounting periods commencing on or after 1 January 2015.

### **Structure, governance and management**

The charity is governed by a constitution last revised on 7 March 2006.

#### ***Key management personnel***

The overall responsibility for the charity lies with the Trustee, The Worshipful Company of Carpenters as represented by the Master, Wardens and Court of Assistants, the members of which are listed on page 1. Under the charity's constitution certain responsibilities are delegated to the Governors who are members of the Building Crafts College Committee of The Worshipful Company of Carpenters. Responsibility for the day to day management of the College is delegated to the College Principal who reports to the Court of The Worshipful Company of Carpenters on a monthly basis.

The Trustee, The Worshipful Company of Carpenters, which performs its function as Trustee through its Court of Assistants, appoints its Assistants from within its members, of which normally one is inducted each year.

The Trustee has considerable experience of the charity through the Court of Assistants. This experience has been gathered over many years and the Court's knowledge of the workings of the charity is extensive. Further training has been given to members of the Court during the year and is made available where appropriate. Professional advice is always sought where required.

The remuneration of all staff, including the Senior Management Team, is reviewed each November, with changes implemented on 1 January following.

#### ***Risk management***

The Trustee has assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances and has reviewed them on an annual basis. The Trustee believes that by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, it has established effective systems to mitigate those risks.

The key risks facing the College are as follows:

- ◆ Significant reputational damage, such as a poor Ofsted grading or Safeguarding failure, might lead to the withdrawal of contracts and poor recruiting and retention. A failure to recruit to course targets at the start of the year is the greatest risk faced by the College. The only realistic remedial action is to launch fresh courses in January each year.

## **Structure, governance and management (continued)**

### ***Risk management (continued)***

- ◆ Withdrawal of funding, either from the Carpenters' Company or from government and other sources. The College guards against long term trends, such as the recent reduction in government funding for adults, by re-focussing course provision to match potential government income streams (hence the current emphasis on 16-18 year old learners) and apprenticeships.
- ◆ Physical risk, such as fire or mechanical injury (Health & Safety). The Company has an insurance policy with the Livery Companies Mutual to protect the College against this risk.
- ◆ Loss of key staff. The Principal holds a three-year succession plan for Senior Management Team members and key tutors.

These risks are reviewed constantly by the Governors and Senior Management Team at the College.

### ***Connected charities and related parties***

The Worshipful Company of Carpenters is responsible for the management and administration of four other registered charities, details of which are given in note 18 to the accounts.

The College operates from premises leased from the Worshipful Company of Carpenters and from a connected charity, Carpenters' Company Charitable Trust. The charity is dependent on the financial support of Carpenters' Company Charitable Trust and receives a grant from Carpenters' Company Charitable Trust each year to ensure that its unrestricted income equals its unrestricted expenditure.

### **Objectives and activities**

The aims of the charity are the promotion of education and training in the building and allied crafts and trades.

The charity fulfils its principal aims through the operation of a college known as the Building Crafts College (the 'College') which is based in Stratford, London E15.

In addition, grants, scholarships and awards are made annually.

The main objectives for the year were to develop and expand construction based training courses.

### **Public benefit statement**

The Trustee confirms that it has complied with its duty under section 17 of the Charities Act 2011. It has considered the public benefit guidance published by the Charity Commission and believes that it has followed its guidance in this area. The Trustee's report gives a description of the activities undertaken by the charity during the year in furtherance of its charitable purposes, and the Trustee is satisfied that all such activities provide a public benefit.

### **Achievements during the year**

This year saw the largest ever number of learners (33) on the flagship Fine Woodwork Diploma furniture-making course, whilst adult Bench Joinery courses were also strongly subscribed. Provision in carpentry, stonemasonry and construction skills for 16-18 year-old entrants was close to capacity.

Numbers of apprentices continued to grow, as demand in the sector for Construction Skills, Site Carpentry and Formwork increases.

The Stonemasonry and Fine Woodwork departments maintained their 100% record of progression into employment. Working with the London Borough of Newham, the College successfully piloted a number of short Preparation for Employment courses, achieving a 67% transition into interviews and jobs for a 20 learner cohort.

### **Financial review**

A summary of the results of the charity for the year can be found on page 9. Total income of the charity for the year amounted to £2,696,432 (2015 – £2,794,494) of which £764,038 (2015 - £831,255) comprised a grant from Carpenters' Company Charitable Trust. Total expenditure of the charity during the year decreased from £2,799,999 to £2,621,485. This includes rental costs for the College of £364,254 (2015 – £358,254).

### **Reserves policy**

The balance sheet shows total funds of £61,649 which comprise permanent endowment funds of £45,135, and restricted funds of £16,514.

As explained above, the charity is dependent on the financial support of Carpenters' Company Charitable Trust and it has no 'free' reserves.

### **Investment policy**

The charity has investments comprising COIF Charities Investment Fund units with a market value as at 30 June 2016 of £45,135.

There are no restrictions on the charity's power to invest. The investment strategy is set by the Trustee and takes into account income requirements, risk profile and its view of the market prospects in the medium term. The overall investment policy is to provide a stable level of income.

The Trustee is satisfied that its investment policy is being achieved.

### **Future plans**

The Governors carried out a review of the future strategy for the College during the year, which has since been endorsed by the Court of the Worshipful Company of Carpenters. This envisages a limited expansion of the College over time (from 700 to 1,000 enrolments each year), which is predicated on the College remaining highly adaptable in its provision of skills training, reacting to the needs of employers and the pursuit of funding streams.

**Statement of Trustee's responsibilities**

The Trustee is responsible for preparing the Trustee's annual report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales requires the Trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing accounts giving a true and fair view, the Trustee is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Charity's governing document. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustee and signed on its behalf by:



Mr A M Gregory-Smith  
Master

Approved on: 1 November 2016



**Independent auditor's report to the Trustee of Building Crafts College**

We have audited the accounts of Building Crafts College for the year ended 30 June 2016, which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Trustee, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the Trustee 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 Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Trustee and auditor**

As explained more fully in the Statement of Trustee's Responsibilities set out in the Trustee's Report, the Trustee is responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts 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 (APB's) Ethical Standards for Auditors.

**Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustee's Report to identify material inconsistencies with the audited accounts 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 the accounts**

In our opinion the accounts:

- ◆ give a true and fair view of the state of the affairs of the charity as at 30 June 2016 and of the income and expenditure of the charity for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the Trustee's Report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.



Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

1 November 2016

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 30 June 2016

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2016 Total funds £	As restated 2015 Total funds £
<b>Income from:</b>						
Donations and legacies	1	796,987	—	—	796,987	850,396
Investment income	2	1,644	—	—	1,644	1,692
Charitable activities	3	1,897,801	—	—	1,897,801	1,942,406
<b>Total income</b>		<b>2,696,432</b>	<b>—</b>	<b>—</b>	<b>2,696,432</b>	<b>2,794,494</b>
<b>Expenditure on:</b>						
Charitable activities	4	2,615,980	5,505	—	2,621,485	2,799,999
<b>Total expenditure</b>		<b>2,615,980</b>	<b>5,505</b>	<b>—</b>	<b>2,621,485</b>	<b>2,799,999</b>
<b>Net income (expenditure) before gains and losses on investments</b>	5	<b>80,452</b>	<b>(5,505)</b>	<b>—</b>	<b>74,947</b>	<b>(5,505)</b>
<b>Net gains on Investments</b>		<b>—</b>	<b>—</b>	<b>1,033</b>	<b>1,033</b>	<b>2,744</b>
<b>Net income (expenditure) and net movement in funds</b>		<b>80,452</b>	<b>(5,505)</b>	<b>1,033</b>	<b>75,980</b>	<b>(2,761)</b>
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 1 July 2015		(80,452)	22,019	44,102	(14,331)	(11,570)
Fund balances carried forward at 30 June 2016		—	16,514	45,135	61,649	(14,331)

All of the charity's activities derived from continuing operations during the above two financial periods.

**Balance sheet** 30 June 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Tangible fixed assets	9	46,510	66,928
Investments	10	45,135	44,102
		<u>91,645</u>	<u>111,030</u>
<b>Current assets</b>			
Stock		90,506	98,919
Debtors	11	323,232	350,073
Cash at bank and in hand		75,937	62,220
		<u>489,675</u>	<u>511,212</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>519,671</u>	<u>636,574</u>
<b>Net current liabilities</b>		(29,996)	(125,362)
<b>Total net assets</b>		<u>61,649</u>	<u>(14,332)</u>
<b>The funds of the charity:</b>			
<b>Funds and reserves</b>			
<i>Capital funds:</i>			
Endowment funds	13	45,135	44,102
<i>Income funds:</i>			
Restricted funds	14	16,514	22,019
Unrestricted funds		—	(80,452)
		<u>61,649</u>	<u>(14,331)</u>

Approved by the Trustee  
and signed on its behalf by:



Mr A M Gregory-Smith  
Master

Approved on: 1 November 2016

Statement of cash flows 30 June 2016

	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	20,253	27,832
<b>Cash flows from investing activities:</b>			
Investment income		1,644	1,692
Purchase of tangible fixed assets		(8,180)	(21,614)
<b>Net cash used in Investing activities</b>		<b>(6,536)</b>	<b>(19,922)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>13,717</b>	<b>7,910</b>
<b>Cash and cash equivalents at 1 July 2015</b>	B	<b>62,220</b>	<b>54,310</b>
<b>Cash and cash equivalents at 30 June 2016</b>	B	<b>75,937</b>	<b>62,220</b>

Notes to the statement of cash flows for the year to 30 June 2016.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2016 £	2015 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>75,980</b>	<b>(2,761)</b>
<b>Adjustments for:</b>		
Depreciation charge	28,598	38,830
Gains on investments	(1,033)	(2,744)
Investment income	(1,644)	(1,692)
Decrease (increase) in stocks	8,414	(19,196)
Decrease in debtors	26,841	45,107
Decrease in creditors	(116,903)	(29,712)
<b>Net cash provided by operating activities</b>	<b>20,253</b>	<b>27,832</b>

B Analysis of cash and cash equivalents

	2016 £	2015 £
<b>Total cash and cash equivalents: cash at bank and in hand</b>	<b>75,937</b>	<b>62,220</b>

## Principal accounting policies 30 June 2016

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

### Basis of preparation

These accounts have been prepared for the year to 30 June 2016.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with 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) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

### Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustee has considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed.

In accordance with the requirements of FRS 102 a reconciliation of the opening balances and net expenditure for the year is provided with the net expenditure under previous GAAP adjusted for the presentation of investment gains as a component of reported income:

		2015
		£
Reconciliation of net expenditure:		
Net expenditure as previously stated		(5,505)
Adjustment for gains on investments now treated as a component of net income		2,744
2015 net expenditure as restated		(2,761)
	1 July	1 July
	2015	2014
	£	£
Reconciliation of opening balances:		
Opening balances prior to restatement	66,121	68,882
Adjustment for holiday pay accrual	(80,452)	(80,452)
Opening balances after restatement	(14,331)	(11,570)

### **Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the Trustee and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the level of income to be recognised from government agencies and the CITB contract;
- ◆ the current valuation of stock;
- ◆ the useful economic life of tangible fixed assets; and
- ◆ the appropriate level of bad debt provision.

### **Assessment of going concern**

The Trustee has assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustee has made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustee of the charity has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The charity is dependent on the financial support of Carpenters' Company Charitable Trust and receives a grant from Carpenters' Company Charitable Trust each year to ensure that its unrestricted income equals its unrestricted expenditure. Therefore, the Trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received.

Income comprises donations, investment income and income from course fees and Government agencies.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

**Income recognition** (continued)

Grants from government and other agencies have been included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as donations where the money is given with greater freedom of use, for example monies for core funding.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT.

Expenditure on charitable activities comprises the costs of operating a college including support costs and governance costs.

**Tangible fixed assets**

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised, and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- ◆ Furniture and general office equipment      10 - 50% per annum based on cost
- ◆ Plant and machinery                              10 - 25% per annum based on cost

**Fixed asset investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

**Stocks**

Stocks have been valued at the lower of cost and net realisable value.



**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

**Fund accounting**

Endowment funds comprise monies which must be held indefinitely as capital. Income therefrom is credited to general funds and applied for general purposes.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

**Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

**Pension costs**

Under the definitions set out in FRS 102, the Carpenters' Company Pension and Assurance Scheme is a multi-employer pension scheme. The charity is unable to identify its share of the underlying assets and liabilities of the scheme on a reasonable and consistent basis. Accordingly, the charity has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Pension scheme contributions have been charged in the statement of financial activities when payable.

**1 Donations and legacies**

	Unrestricted funds	
	2016 £	2015 £
Grant from Carpenters' Company Charitable Trust	764,038	831,255
Donation from The Worshipful Company of Carpenters	8,615	19,141
Other donations	24,334	—
<b>2016 Total funds</b>	<b>796,987</b>	<b>850,396</b>

**2 Investments**

	Unrestricted funds	
	2016 £	2015 £
Income from listed investments		
Common investment funds	1,644	1,692
<b>2016 Total funds</b>	<b>1,644</b>	<b>1,692</b>

**3 Income from charitable activities**

	Unrestricted funds	
	2016 £	2015 £
Course fees	1,050,895	1,126,062
Government Agencies	781,571	744,169
Other income	65,335	72,175
<b>2016 Total funds</b>	<b>1,897,801</b>	<b>1,942,406</b>

**4 Charitable activities**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
College operating costs				
Staff costs (note 6)	1,730,276	—	1,730,276	1,853,303
Rent	364,254	—	364,254	358,254
Tools	16,532	—	16,532	11,903
Materials	68,009	—	68,009	61,021
Light and power	41,538	—	41,538	34,000
Rates	13,272	—	13,272	13,896
Insurance	28,576	—	28,576	25,844
Equipment repairs and maintenance	42,837	—	42,837	64,714
Telephone and IT	20,941	—	20,941	52,054
Exhibitions and advertising	7,928	—	7,928	7,079
Cleaning	22,906	—	22,906	39,265
Books, printing and stationery	28,499	—	28,499	30,467
Depreciation	23,093	5,505	28,598	38,830
Building Crafts College prize giving	5,474	—	5,474	5,092
Training and seminars	1,679	—	1,679	1,216
Exam fees	35,587	—	35,587	34,702
Provision for doubtful debts	8,071	—	8,071	24,532
Student welfare	52,594	—	52,594	54,137
Governance costs	46,600	—	46,600	44,180
Miscellaneous	57,314	—	57,314	45,510
<b>2016 Total funds</b>	<b>2,615,980</b>	<b>5,505</b>	<b>2,621,485</b>	<b>2,799,999</b>
<b>2015 Total funds</b>	<b>2,794,494</b>	<b>5,505</b>	<b>2,799,999</b>	

**5 Net income (expenditure) before gains and losses on investments**

This is stated after charging:

Charity	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Staff costs (note 6)	1,730,276	—	1,730,276	1,853,303
Auditor's remuneration	16,600	—	16,600	14,180
Depreciation	23,093	5,505	28,598	38,830
Operating lease rentals	364,254	—	364,254	358,254

**6 Employees and staff costs**

	Unrestricted funds £	Restricted funds £	2016 £	2015 £
Wages and salaries	1,420,153	—	1,420,153	1,456,170
Redundancy costs	—	—	—	85,396
Social security costs	126,169	—	126,169	127,748
Other pension costs	102,955	—	102,955	123,571
Other staff costs	80,999	—	80,999	60,418
	<b>1,730,276</b>	<b>—</b>	<b>1,730,276</b>	<b>1,853,303</b>

**6 Employees and staff costs** (continued)

The average number of employees during the year was 44 (2015 – 44).

No redundancy costs were incurred during the year. In the year to 30 June 2015 £85,396 in total was paid in redundancy costs for five people.

The number of employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2016 Number	2015 Number
£60,000 - £69,999	1	1
£80,000 - £89,999	1	1

One of these employees was a member of the defined benefit pension scheme of which the charity is a participating employer.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the members of the Court of Assistants, the Principal and the Bursar.

The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £158,013 (2015 – £159,792).

**7 Trustees' remuneration**

None of the members of the Court of Assistants received any remuneration in respect of their services as Trustee during the year nor any reimbursement of expenses from the charity (2015 - £nil).

**8 Taxation**

Building Crafts College is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**9 Tangible fixed assets**

	Furniture and office equipment £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 July 2015	401,736	188,914	590,650
Additions	7,671	509	8,180
At 30 June 2016	409,407	189,423	598,830
<b>Depreciation</b>			
At 1 July 2015	369,706	154,016	523,722
Charge in year	12,153	16,445	28,598
At 30 June 2016	381,859	170,461	552,320
<b>Net book values</b>			
At 30 June 2016	27,548	18,962	46,510
At 30 June 2015	32,030	34,898	66,928

**10 Fixed asset investments**

	2016 £	2015 £
<b>Listed investments</b>		
Market value at 1 July 2015	44,102	41,358
Unrealised gains on investments	1,033	2,744
Market value at 30 June 2016	<u>45,135</u>	<u>44,102</u>
 Cost of listed investments at 30 June 2016	 <u>6,558</u>	 <u>6,558</u>

Listed investments comprise COIF Charities Investment Fund Income units.

**11 Debtors**

	2016 £	2015 £
Course fees and support	68,774	159,948
Government Agencies	133,001	72,909
Other debtors	5,826	10,139
Prepayments	115,631	107,077
	<u>323,232</u>	<u>350,073</u>

**12 Creditors: amounts falling due within one year**

	2016 £	2015 £
Due to Carpenters' Company Charitable Trust	248,119	180,903
Due to The Worshipful Company of Carpenters	38,250	28,682
Government Agencies	29,235	129,192
Other creditors and accruals	204,067	297,797
	<u>519,671</u>	<u>636,574</u>

**13 Endowment funds**

The capital funds of the charity include endowed monies which must be retained indefinitely.

	At 1 July 2015 £	Investment gains £	At 30 June 2016 £
John Willson Trust	5,747	134	5,881
Technical Education (general)	966	23	989
Sir Henry Harben's Gift	11,593	271	11,864
Alfred Preston's Prize Fund	5,338	125	5,463
Barnes' Gift	1,263	30	1,293
Sir Banister Fletcher Trust	7,790	183	7,973
Major C A A Robertson's Prize Fund 1996	8,548	200	8,748
C K Austin Fund	2,857	67	2,924
	<u>44,102</u>	<u>1,033</u>	<u>45,135</u>

The funds were established to provide income for prizes.

**14 Restricted funds**

	At 1 July 2015 £	Expenditure £	At 30 June 2016 £
Carpenters' Company Stone Saw fund	8,000	2,000	6,000
LSC capital grant	14,019	3,505	10,514
	<u>22,019</u>	<u>5,505</u>	<u>16,514</u>

The income funds of the charity include the following restricted funds:

The specific purposes for which the funds are to be applied are as follows:

- ◆ The Carpenters' Company Stone Saw Fund represents monies donated toward the replacement of the Stone Saw.
- ◆ LSC capital grants were received towards the installation of a kitchen, installation of a stone saw and towards an IT upgrade.

**15 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2016 £
<b>Fund balances at 30 June 2016 are represented by:</b>				
Fixed assets	29,996	16,514	45,135	91,645
Current assets	489,675	—	—	489,675
Creditors: amounts falling due within one year	(519,671)	—	—	(519,671)
<b>Total net assets</b>	<u>—</u>	<u>16,514</u>	<u>45,135</u>	<u>61,649</u>

The total unrealised gains as at 30 June 2016 constitutes a revaluation reserve and movements in the year are as follows:

	2016 £	2015 £
<b>Unrealised gains Included above:</b>		
On investments	38,577	37,544
<b>Total unrealised gains at 30 June 2016</b>	<u>38,577</u>	<u>37,544</u>
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 July 2015	37,544	34,800
Add: net gains arising on revaluation arising in the year	1,033	2,744
<b>Total unrealised gains at 30 June 2016</b>	<u>38,577</u>	<u>37,544</u>

**16 Commitments**

**Operating leases**

At 30 June 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	Land and buildings	
	2016 £	Restated 2015 £
Operating leases which expire:		
Within two to five years	138,583	176,147
After five years	1,739,084	2,070,338

**17 Pension commitments**

Certain employees of the charity are members of the "Carpenters' Company Pension and Assurance Scheme" which provides benefits based on final pensionable salary. The assets of the scheme are held separately from those of the sponsoring employer, The Worshipful Company of Carpenters, being invested with Legal and General Assurance in an Insurance Contract.

The contributions are determined on the basis of triennial valuations by a qualified actuary using the attained age method. The employers' contribution rate is 28.3% of pensionable pay and the employees' contribution rate is 6% of pensionable pay. The total charge for the year in these accounts is £16,963 (2015 - £16,795).

The most recent valuation was as at 1 July 2015 and showed that the market value of the scheme's assets was £4,307,000 and that the ongoing funding level was 110%. The assumptions which have the most significant effect on the results of the valuation are as follows:

- ◆ RPI 3.10% p.a.
- ◆ Earnings increases 3.10% p.a.
- ◆ Discount rate 3.80% p.a.

The investment return on new contributions and existing assets will equal the funding discount rate used to calculate the liabilities.

The scheme has been closed to new members. New employees are able to join a group personal pension scheme administered by Standard Life.

This scheme is a multi-employer scheme and it is not possible to identify the charity's share of the scheme assets and liabilities on a reasonable and consistent basis. Therefore, the pension costs have been accounted for as if it was a defined contribution scheme. Of the five active members in the scheme, two are employees of the charity.

Some details concerning the scheme as a whole are set out below. The information is based upon a full actuarial valuation of the scheme at 1 July 2015 updated to 30 June 2016 by a qualified independent actuary using FRS 102 guidelines.

**17 Pension commitments (continued)**

	2016 £	2015 £
Market value of assets	4,492,000	4,307,000
Present value of scheme liabilities	(4,194,000)	(3,713,000)
Surplus in the scheme – net pension asset	298,000	594,000

The assets in the scheme and the expected rate of return were:

	2016 £	2015 £
Deposit administration contract (insurance policy)	4,492,000	4,307,000
Total market value of assets	4,492,000	4,307,000

The major assumptions used by the actuary were:

	2016	2015
Inflation	2.7%	3.1%
Rate of increase in salaries	2.7%	3.1%
Rate of increase for pensions		
earned before 1 August 1998	5.0%	5.0%
earned after 31 July 1998	2.7%	3.1%
Discount rate for liabilities	2.7%	3.7%

**18 Related party transactions**

The Worshipful Company of Carpenters is responsible for the appointment of the Trustees of, or acts as Trustee of, the following charities which are registered with the Charity Commissioners:

- ◆ Carpenters' Company Charitable Trust: No 276996
- ◆ Richard Wyatt's Almshouses: No 200292
- ◆ Norton Folgate Trust: No 230990
- ◆ Rustington Convalescent Home: No 216865

During the year the charity received grants from Carpenters' Company Charitable Trust of £764,038 (2015 - £831,255), paid rent to Carpenters' Company Charitable Trust of £331,254 (2015 - £331,254) and paid rent to The Worshipful Company of Carpenters of £33,000 (2015 - £31,000). The charity also incurred a management charge from The Worshipful Company of Carpenters of £30,000 (2015 - £30,000) and received payments under Gift Aid from The Worshipful Company of Carpenters of £8,615 (2015 - £19,141).

There were no other related party transactions.

Amounts due to related parties are disclosed in note 12 to the accounts.