

**Building Crafts
College**

**Annual Report and
Accounts**

30 June 2018

Charity Registration Number
312856

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Legal and administrative information

Trustee	The Worshipful Company of Carpenters
Members of the Court	
The Master	His Honour P W Birts QC
Senior Warden	The Lord Flight, of Worcester
Middle Warden	Mr M Morrison
Junior Warden	Brigadier M J Meardon (appointed 1 August 2018)
	Mr V G Morton-Smith
	Mr W S Haynes
	Mr P A Luton
	Mr J A C Wheeler
	Mr M O P May
	Mr M R Mathews
	Mr J D Sennitt (emeritus 1 August 2018)
	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
	Mr M H W Neal
	Mr A M Gregory-Smith
Deputy Master	Mrs R Bower
	Mr J R E Hutchons
The Clerk	Brigadier T J Gregson
The College Principal	Mr L R Conway
College address	Kennard Road Stratford London E15 1AH
Registered address	Carpenters' Hall Throgmorton Avenue London EC2N 2JJ
Charity registration number	312856

Legal and administrative information

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Investment advisors	The Investments Committee of The Worshipful Company of Carpenters
Solicitors	Wedlake Bell LLP 71 Queen Victoria Street London EC4V 4AY
Surveyors	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 2018.

The accounts have been prepared in accordance with the accounting policies set out on pages 13 to 16 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).

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 with effect from the following 1 January.

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 Worshipful Company of Carpenters 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.

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 three 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

The College is an institution well known for the teaching of high level skills across a range of construction disciplines. The College is responsive to Government policy initiatives and has sought in recent years to increase the number of 16-18 year old students and apprentices. Over the last year the number of 16-18 year olds has increased and the number of apprentices has, for the first time, exceeded 200. Retention and progression for the former group and qualification achievements of apprentices are both good. A pleasing development has been the number of young people attending the College on our schools programme, who have progressed onto mainstream courses at the age of 16.

A successful area of College provision is furniture making where student numbers have increased in recent years from 15 to 40 at present and achievement rates on these courses is very high.

Over the last year the College has increased the range of courses related to building heritage and in addition to our historic building degree programme the College won the contract to train apprentices employed by the Canals and River Trust nationally.

Additional student achievements consist of success in the National Wood Awards, City & Guilds Medals of Excellence, Carpenters Craft Competition, Joiners and Ceilers Wood Carving Competition, National Stone Competition and acceptance of four students onto the Prince's Foundation six month craft apprenticeship.

Financial review

A summary of the results of the charity for the year can be found on page 10. Total income of the charity for the year amounted to £2,993,688 (2017 – £2,948,043) of which £868,604 (2017 - £771,846) comprised a grant from Carpenters' Company Charitable Trust. Total expenditure of the charity during the year increased from £2,886,300 to £2,994,271. This includes rental costs for the College of £403,960 (2017 – £394,034).

Reserves policy

The balance sheet shows total funds of, £131,128 (2017 - £128,882) which comprise permanent endowment funds of £53,454 (2017 - £50,625) and restricted funds of £777,674 (2017 - £78,257).

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 2018 of £53,454 (2017 - £50,625).

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 College's plans for the forthcoming year include the following:

- ◆ Improvement and development of the College IT system.
- ◆ Increase numbers of apprentices and the successful implementation of new apprentice standards.
- ◆ Development of programmes related to building heritage.
- ◆ Appointment of a new College Bursar to manage finances and property.

Statement of Trustee's responsibilities

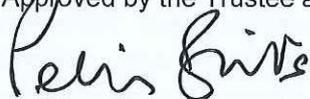
The Trustee is responsible for preparing the Trustee's annual report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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:



Master

The Worshipful Company of Carpenters (Trustee)

Approved on: 7 November 2018

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

Opinion

We have audited the accounts of Building Crafts College (the 'charity') for the year ended 30 June 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 30 June 2018 and of its income and expenditure 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the Trustee's use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- ◆ the Trustee has not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the annual report and accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- ◆ the information given in the Trustee's annual 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.

Responsibilities of Trustee

As explained more fully in the statement of Trustee's responsibilities, the Trustee is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's 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 charity's 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 charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

7th November, 2018

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 2018

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
Income from:						
Donations and legacies	1	962,304	85,166	—	1,047,470	895,218
Investment income	2	1,796	—	—	1,796	1,731
Charitable activities	3	1,927,185	17,237	—	1,944,422	2,051,094
Total income		2,891,285	102,403		2,993,688	2,948,043
Expenditure on:						
Charitable activities	4	2,952,385	41,886	—	2,994,271	2,886,300
Total expenditure		2,952,385	41,886		2,994,271	2,886,300
Net (expenditure) income before gains on investments	5	(61,100)	60,517	—	(583)	61,743
Net gains on investments		—	—	2,829	2,829	5,490
Net (expenditure) income and net movement in funds		(61,100)	60,517	2,829	2,246	67,233
Transfers between funds	14	61,100	(61,100)	—	—	—
Reconciliation of funds:		—	(583)	2,829	2,246	67,233
Fund balances brought forward at 1 July 2017		—	78,257	50,625	128,882	61,649
Fund balances carried forward at 30 June 2018		—	77,674	53,454	131,128	128,882

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

Balance sheet 30 June 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible fixed assets	9	81,687	53,776
Investments	10	53,454	50,625
		<u>135,141</u>	<u>104,401</u>
Current assets			
Stock		97,374	91,493
Debtors	11	374,097	487,862
Cash at bank and in hand		127,049	127,334
		<u>598,520</u>	<u>706,689</u>
Creditors: amounts falling due within one year	12	<u>602,534</u>	<u>682,208</u>
Net current (liabilities) assets		(4,013)	24,481
Total net assets		<u>131,128</u>	<u>128,882</u>
The funds of the charity:			
Funds and reserves			
Capital funds:			
Endowment funds	13	53,454	50,625
Income funds:			
Restricted funds	14	77,674	78,257
Unrestricted funds		—	—
		<u>131,128</u>	<u>128,882</u>

Approved by the Trustee
and signed on its behalf by:



Master
The Worshipful Company of Carpenters (Trustee)

Approved on: 7 November 2018

Statement of cash flows 30 June 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	<u>64,261</u>	<u>84,468</u>
Cash flows from investing activities:			
Investment income		1,796	1,731
Purchase of tangible fixed assets		<u>(66,342)</u>	<u>(34,802)</u>
Net cash used in investing activities		<u>(64,546)</u>	<u>(33,071)</u>
Change in cash and cash equivalents in the year		(285)	51,397
Cash and cash equivalents at 1 July 2017	B	127,334	75,937
Cash and cash equivalents at 30 June 2018	B	<u>127,049</u>	<u>127,334</u>

Notes to the statement of cash flows for the year to 30 June 2018.

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

	2018 £	2017 £
Net movement in funds (as per the statement of financial activities)	2,246	67,233
Adjustments for:		
Depreciation charge	38,431	27,536
Gains on investments	(2,829)	(5,490)
Investment income	(1,796)	(1,731)
Increase in stocks	(5,881)	(987)
Decrease (increase) in debtors	113,765	(164,630)
(Decrease) increase in creditors	(79,674)	162,537
Net cash provided by operating activities	<u>64,261</u>	<u>84,468</u>

B Analysis of cash and cash equivalents

	2018 £	2017 £
Total cash and cash equivalents: cash at bank and in hand	<u>127,049</u>	<u>127,334</u>

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 2018 with comparative information presented for the year to 30 June 2017.

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), 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.

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.

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.

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.

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.

Fund structure

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.

Contributions to defined contribution schemes, including under auto-enrolment, have been charged in the statement of financial activities when payable.

1 Donations and legacies

	Unrestricted funds	Restricted funds	2018 £	2017 £
Grant from Carpenters' Company Charitable Trust	868,604	—	868,604	771,846
Donation from The Worshipful Company of Carpenters	74,073	—	74,073	65,301
Other donations	19,627	85,166	104,793	58,071
2018 Total funds	962,304	85,166	1,047,470	895,218
2017 Total funds	851,615	43,603	895,218	

2 Investments

	Unrestricted funds	
	2018 £	2017 £
Income from listed investments - Common investment funds	1,796	1,731
2018 Total funds	1,796	1,731

3 Income from charitable activities

	Unrestricted funds	Restricted funds	2018 £	2017 £
Course fees	716,403	—	716,403	919,412
Government agencies	1,147,642	17,237	1,164,879	1,073,358
Other income	63,140	—	63,140	58,324
2018 Total funds	1,927,185	17,237	1,944,422	2,051,094
2017 Total funds	1,994,070	57,024	2,051,094	

4 Charitable activities

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
College operating costs				
Staff costs (note 6)	1,922,396	36,381	1,958,777	1,907,141
Rent	403,960	—	403,960	394,034
Tools	28,953	—	28,953	26,866
Materials	61,411	—	61,411	57,824
Light and power	47,207	—	47,207	41,498
Rates	17,552	—	17,552	15,416
Insurance	31,815	—	31,815	29,478
Equipment repairs and maintenance	39,020	—	39,020	44,635
Telephone and IT	35,510	—	35,510	37,961
Exhibitions and advertising	34,001	—	34,001	28,825
Cleaning	25,085	—	25,085	26,414
Books, printing and stationery	33,686	—	33,686	25,650
Depreciation	32,926	5,505	38,431	27,536
Building Crafts College prize giving	6,434	—	6,434	8,286
Training and seminars	8,080	—	8,080	6,029
Exam fees	46,834	—	46,834	44,117
Provision for doubtful debts	10,000	—	10,000	—
Bad debt expense	36,606	—	36,606	10,084
Student welfare	41,076	—	41,076	40,331
Management charge	30,000	—	30,000	30,000
Governance costs	16,440	—	16,440	16,960
Miscellaneous	43,393	—	43,393	67,215
2018 Total funds	2,952,385	41,886	2,994,271	2,886,300
2017 Total funds	2,847,416	38,884	2,886,300	

5 Net income before gains and losses on investments

This is stated after charging:

Charity	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Staff costs (note 6)	1,922,396	36,381	1,958,777	1,907,141
Auditor's remuneration	16,440	—	16,440	16,960
Depreciation	32,926	5,505	38,431	27,536
Operating lease rentals	403,960	—	403,960	394,034

6 Employees and staff costs

	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Wages and salaries	1,480,598	36,381	1,516,979	1,509,447
Social security costs	149,943	—	149,943	140,737
Other pension costs	105,239	—	105,239	121,055
Other staff costs	186,616	—	186,616	135,902
	1,925,880	36,381	1,958,777	1,907,141

6 Employees and staff costs (continued)

The average number of employees during the year was 54 (2017 – 47).

In the year to 30 June 2018 £46,614 in total was paid in redundancy costs (2017 - £47,649). These are included within wages and salaries and other staff costs. £29,940 (2017 - £23,805) of this related to non-statutory/non-contractual severance payments.

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

	2018 Number	2017 Number
£60,000 - £69,999	—	1
£80,000 - £89,999	2	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, employer's pension contributions and employer's national insurance contributions) of the key management personnel for the year was £169,985 (2017: £168,133).

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 (2017: £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 £
Cost			
At 1 July 2017	419,183	214,449	633,632
Additions	44,562	21,780	66,342
At 30 June 2018	463,745	236,229	699,974
Depreciation			
At 1 July 2017	403,107	176,749	579,856
Charge in year	19,746	18,685	38,431
At 30 June 2018	422,853	195,434	618,287
Net book values			
At 30 June 2018	40,892	40,795	81,687
At 30 June 2017	16,076	37,700	53,776

10 Fixed asset investments

	2018 £	2017 £
Listed investments		
Market value at 1 July 2017	50,625	45,135
Unrealised gains on investments	2,829	5,490
Market value at 30 June 2018	53,454	50,625
Cost of listed investments at 30 June 2018	6,558	6,558

Listed investments comprise COIF Charities Investment Fund Income units.

11 Debtors

	2018 £	2017 £
Course fees and support including accrued income	113,707	189,903
Government agencies	124,947	158,214
Other debtors	8,351	7,744
Prepayments	127,092	132,001
	374,097	487,862

12 Creditors: amounts falling due within one year

	2018 £	2017 £
Due to Carpenters' Company Charitable Trust	359,588	307,232
Due to The Worshipful Company of Carpenters	30,000	30,000
Other creditors and accruals	212,946	344,976
	602,534	682,208

13 Endowment funds

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

	At 1 July 2017 £	Investment gains £	At 30 June 2018 £
John Willson Trust	6,596	369	6,965
Technical Education (general)	1,109	62	1,171
Sir Henry Harben's Gift	13,307	744	14,051
Alfred Preston's Prize Fund	6,128	342	6,470
Barnes' Gift	1,450	81	1,531
Sir Banister Fletcher Trust	8,943	500	9,443
Major C A A Robertson's Prize Fund 1996	9,812	548	10,360
C K Austin Fund	3,280	183	3,463
	50,625	2,829	53,454

The funds were established to provide income for prizes.

14 Restricted funds

	At 1 July 2017 £	Income £	Expenditure £	Transfers £	At 30 June 2018 £
City & Guilds funds	7,515	38,785	—	(46,300)	—
EFA Bursary funds	38,232	14,297	—	(7,625)	44,904
SFA Bursary funds	14,824	2,940	—	(2,393)	15,371
R Jones Apprenticeship fund	6,677	10,000	—	(4,782)	11,895
Sir John Cass PDBW fund	—	36,381	(36,381)	—	—
Carpenters' Company Stone Saw fund	4,000	—	(2,000)	—	2,000
LSC capital grants	7,009	—	(3,505)	—	3,504
	78,257	102,403	(41,886)	(61,100)	77,674

The income funds of the charity include the following restricted funds. The transfers to unrestricted funds represents the utilisation of the funds to meet College fees in line with the terms of the funds.

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

- ◆ The City & Guilds funds are to be used for students on specific courses.
- ◆ The EFA and SFA Bursary funds are for students on EFA and SFA funded courses.
- ◆ The R Jones Apprenticeship fund represents monies donated towards the training of apprenticeships.
- ◆ The Sir John Cass PDBW fund represents monies donated to pay the salary of a personal development, behaviour and welfare co-ordinator.
- ◆ 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 2018 £
Fund balances at 30 June 2018				
are represented by:				
Fixed assets	76,182	5,505	53,454	135,141
Current assets	526,352	72,169	—	598,521
Creditors: amounts falling due within one year	(602,534)	—	—	(602,534)
Total net assets	—	77,674	53,454	131,128

16 Commitments

Operating leases

At 30 June 2018 the total future lease payments under non-cancellable operating leases were as follows:

	Land and buildings	
	2018 £	2017 £
Payable within		
One year	408,524	408,524
Two to five years	860,551	1,267,934
	1,269,075	1,676,458

17 Pension commitments

Certain current and former 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 £7,103 (2017 - £16,963).

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.

17 Pension commitments (continued)

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 Aegon.

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. As at 30 June 2018 there were two active members in the scheme, none of whom 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 2018 by a qualified independent actuary using FRS 102 guidelines.

	2018 £	2017 £
Market value of assets	5,083,000	4,955,000
Present value of scheme liabilities	(4,483,000)	(4,488,000)
Surplus in the scheme – net pension asset	600,000	467,000

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

	2018 £	2017 £
Deposit administration contract (insurance policy)	5,083,000	4,955,000
Total market value of assets	5,083,000	4,955,000

The major assumptions used by the actuary were:

	2018	2017
Inflation	3.1%	3.2%
Rate of increase in salaries	3.1%	3.2%
Rate of increase for pensions		
. earned before 1 August 1998	5.0%	5.0%
. earned after 31 July 1998	3.1%	3.2%
Discount rate for liabilities	2.6%	3.2%

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 Commission:

- ◆ Carpenters' Company Charitable Trust: No 276996
- ◆ Norton Folgate Trust: No 230990
- ◆ Rustington Convalescent Home: No 216865

18 Related party transactions (continued)

During the year the charity received grants from Carpenters' Company Charitable Trust of £868,604 (2017 - £771,846), paid rent to Carpenters' Company Charitable Trust of £370,960 (2017 - £361,034) and paid rent to The Worshipful Company of Carpenters of £33,000 (2017 - £33,000). The charity also incurred a management charge from The Worshipful Company of Carpenters of £30,000 (2017 - £30,000) and received payments under Gift Aid from The Worshipful Company of Carpenters of £79,893 (2017 - £65,301).

There were no other related party transactions.

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