

**Building Crafts
College**

**Annual Report and
Accounts**

30 June 2021

Charity Registration Number
312856

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Legal and administrative information

Trustee	The Worshipful Company of Carpenters
Members of the Court	
The Master	Mr M Morrison
Senior Warden	Brigadier M J Meardon
Middle Warden	Dr A Zimbler
Junior Warden	Dr L D G Grossman
	Mr V G Morton-Smith
	Mr W S Haynes
	Mr P A Luton (emeritus 4 August 2021)
	Mr J A C Wheeler
	Mr M O P May
	Mr M R Mathews
	Revd Dr W P Povey
	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
	Mrs R F Bower
	His Honour P W Birts QC
Deputy Master	The Lord Flight, of Worcester
The Clerk	Brigadier T J Gregson
Financial Controller	Ms J L Brundell
The College Principal	Mr D Dowdles
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 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 17 to 20 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.

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 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 Governors, the Principal and the Business Manager (and former Bursar).

The remuneration of all staff, including the key management personnel, 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.

Structure, governance and management (continued)

Risk management (continued)

The key risks facing the College, in addition to the impact of Covid-19 referred to later in this report, 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.
- ◆ 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 the 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 The Worshipful Company of Carpenters 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 4 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.

Fundraising statement

The charity does not actively solicit donations and therefore is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. When donations from individuals are received, the charity aims to protect personal data and never sells data or swaps data with other organisations. During the current and prior year, the charity received no complaints about fundraising activities.

Achievements and activities during the year

This last year has presented many significant challenges for the Building Crafts College, not least of which was the difficulty of trying to remain open for as long as possible and to sustain delivery to the maximum during the pandemic, a period when many other institutions elected or were forced to close. The overriding priority was to afford those groups where the completion of a course, and hence possibly also the award of a qualification, were concerned every possible chance of securing a successful outcome in their respective programmes of study.

To achieve this the full College staff team committed to the organisation and delivery of additional shift patterns across longer working days, the temporary introduction of weekend and evening working and the addition of a fourth term during the Summer 2021 for the purposes of catch-up. The thinking here, whilst radical, allowed the College to deliver to the greatest number of a students with as little disruption to 'normal' teaching and learning as possible. Now tried and tested, this new pattern is likely to become the norm going forward.

Fortunately, the efforts and determination of all staff and students were met with considerable success, particularly in terms of apprenticeship End Point Assessments, where results this year have been higher than at many points in the history of the College. Indeed, the highest ever apprenticeship assessment theory result - 94% - was achieved this year. Moreover, in Stonemasonry a Diploma student was awarded first place in a friendly World Skills Competition in May.

Sustaining high achievement rates throughout the pandemic was reflected in the finding of Ofsted which visited on no less than three occasions and reported that the College had been making 'Reasonable Progress'. Ofsted's judgement took account of the introduction of a significant number of key initiatives by the Senior Management Team. These included the implementation of a comprehensive programme of staff development and student tracking across all disciplines as well as a greater emphasis on employer engagement, achieved with the creation of a dedicated Senior Manager role to oversee this critical area of activity.

Achievements and activities during the year (continued)

At governance level the College also focussed on a comprehensive revision of Governors' individual roles and responsibilities including the introduction of a number of new sub-committees with oversight of key areas of College operations. These include a new Curriculum, Quality and Performance Committee, a Finance and General Purposes Committee and an Admissions and Marketing Committee.

The latter Committee works closely with a recently-established in-house team with responsibility for the promotion and rebranding of the College. This new team has not only significantly extended the range of courses on offer, including the addition of an extensive programme of short courses, but has also reorganized existing courses to afford greater flexibility in terms of delivery and hence opportunities for students to study part-time whilst continuing to work. This flexibility, which in some cases involves delivering courses at weekends and evenings throughout the full calendar year as opposed to the standard 'three-term' year, has impacted positively on recruitment, particularly in wood related disciplines where growing demand has necessitated the appointment of additional highly qualified and industry-experienced staff and the acquisition of new teaching resources.

In the course of what has inevitably been an unprecedented academic year the College has had to rise to many challenges, whether as a result of the pandemic or the natural process of evolution and adaptation. In an increasingly dynamic and competitive market place, and against the backdrop of a difficult financial landscape, the Building Crafts College is starting, once again, to come in to its own. This is inevitably the moment to capitalise on this renewed interest and to strengthen both the College's and the Carpenters' Company's position with respect to their educational and philanthropic activities. We commend all those who have been, and continue to be, instrumental in contributing to this process.

Financial review

A summary of the results of the charity for the year can be found on page 13. Total income of the charity for the year amounted to £2,687,896 (2020 – £2,905,907) of which £1,139,381 (2020 - £1,026,868) comprised a grant from Carpenters' Company Charitable Trust. Total expenditure of the charity during the year decreased from £2,892,612 to £2,683,287. This includes rental costs for the College of £413,960 (2020 – £403,960).

Reserves policy

The balance sheet shows total funds of £135,233 (2020 - £121,848) which comprise permanent endowment funds of £68,525 (2020 - £59,749) and restricted funds of £66,708 (2020 - £62,099).

As explained above, the charity is dependent on the financial support of The Worshipful Company of Carpenters 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 2021 of £68,525 (2020 - £59,749).

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.

Financial review (continued)

Post balance sheet events and future plans

Whilst the number of apprentices in 2020-21 has decreased as a result of employers closing or cutting costs due to the Coronavirus pandemic, numbers are expected to grow steadily over the coming years as the reputation of the College continues to grow. Work in this area is supported by the new Senior Manager (Employer Engagement) and the new Head of Admissions and Marketing who manages a team with responsibility for the promotion and rebranding of the College. Already that team has significantly extended the range of courses offered including the addition of an extensive programme of short courses and has worked on the reorganisation of some existing courses to afford greater flexibility in terms of delivery and hence opportunities for students to study part-time whilst continuing to work. This flexibility, including plans to run courses at weekends and evenings, is starting to impact positively on recruitment, particularly in wood related disciplines.

However, the impact of Covid on the year 2021-22 is still uncertain and the potential pressure on the use of classroom space may increase due to any on-going requirement for social distancing. To date, there have been several cases of Covid within the College staff and student body which has led to short temporary closures mainly in specific departments/class groups. To mitigate lost teaching time catch-up sessions have been organised throughout the Summer vacation period. The potential for further short-term closures relating to future Government guidance on Covid-19 or responding to local infection, continues to pose a risk to the business by shortening the time in which students can attain their qualifications and potentially reducing income. At present, the Government has not reduced educational funding for 16-19s or apprentices but this is not a certainty for the future.

Taking account of the above, income projections (2021/22) for budgeting purposes have been based on an expected reduction by 30% from 2020-21. The impact of staff restructuring and the introduction of more stringent budgetary/financial modelling whereby the respective departmental areas must now, in terms of student numbers, resources and staffing, demonstrate accountability will have a positive impact on our financial control measures.

In terms of staffing, a comprehensive programme of staff development has been put in place with a primary focus on Teaching and Learning. Similarly, a new system of student tracking has been implemented and will be supported by way of a new Student Information Management System (SIMS) that has been acquired and has been operational from September.

One of the greatest challenges going forward is inevitably that of improving upon current capital resources and the College's premises. Both the Gibbins Road and the Kennard Road sites are not ideal, particularly in a competitive market place. The key appointment of a new Business Manager with oversight of the physical campus will be invaluable in helping address concerns in this regard.

Post balance sheet events and future plans (continued)

Against this backdrop of academic reorganisation and an enhanced curricular offering, the injection of new staff blood, financial restructuring, greater employer and audience engagement as well as some outstanding results that sit comfortably against national averages, the College is now setting itself on a new course. As a consequence – and notwithstanding the pandemic and the need for a significant rebranding as well as new facilities - the trend going forward in terms of applications looks to be generally positive.

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:



M Morrison
Master
The Worshipful Company of Carpenters (Trustee)

Approved on: 3 November 2021

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

Opinion

We have audited the accounts of The Building Crafts College (the 'charity') for the year ended 30 June 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the accounts which include the principal accounting policies. 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 2021 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

In auditing the accounts, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

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.

Other information (continued)

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 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.

Auditor's responsibilities for the audit of the accounts (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charity through discussions with those charged with governance and other management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Charities Act 2011, the financial reporting framework referred to above and safeguarding regulations; and
- ◆ we understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management (and those responsible for legal and compliance procedures). We corroborated our enquiries through our review of the minutes of meetings of those charged with governance.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected financial relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ performed substantive testing of expenditure including testing the authorisation thereof; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

Auditor's responsibilities for the audit of the accounts (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

3 November 2021

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 2021

	Notes	Un-restricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Income from:						
Donations and legacies	1	1,142,162	60,811	—	1,202,973	1,293,737
Investment income	2	1,865	—	—	1,865	1,769
Charitable activities	3	1,469,622	13,436	—	1,483,058	1,610,401
Total income		2,613,649	74,247	—	2,687,896	2,905,907
Expenditure on:						
Charitable activities	4	2,646,476	36,811	—	2,683,287	2,892,612
Total expenditure		2,646,676	36,811	—	2,683,287	2,892,612
Net (expenditure) income before gains on investments	5	(32,827)	37,436	—	4,609	13,295
Net gains on investments		—	—	8,776	8,776	1,665
Net (expenditure) income for the year		(32,827)	37,436	8,776	13,385	14,960
Transfers between funds	14	32,827	(32,827)	—	—	—
Net movement in funds		—	4,609	8,776	13,385	14,960
Reconciliation of funds:						
Fund balances brought forward at 1 July 2020		—	62,099	59,749	121,848	106,888
Fund balances carried forward at 30 June 2021		—	66,708	68,525	135,233	121,848

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

Statement of financial activities Year to 30 June 2020

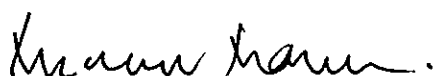
	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total funds £
<i>Income from:</i>					
<i>Donations and legacies</i>	1	1,046,270	247,467	—	1,293,737
<i>Investment income</i>	2	1,769	—	—	1,769
<i>Charitable activities</i>	3	1,610,401	—	—	1,610,401
<i>Total income</i>		<u>2,658,440</u>	<u>247,467</u>	<u>—</u>	<u>2,905,907</u>
<i>Expenditure on:</i>					
<i>Charitable activities</i>	4	2,752,145	140,467	—	2,892,612
<i>Total expenditure</i>		<u>2,752,145</u>	<u>140,467</u>	<u>—</u>	<u>2,892,612</u>
<i>Net (expenditure) income before gains on investments</i>	5	(93,705)	107,000	—	13,295
<i>Net gains on investments</i>		—	—	1,665	1,665
<i>Net (expenditure) income for the year</i>		(93,705)	107,000	1,665	14,960
<i>Transfers between funds</i>	14	93,705	(93,705)	—	—
<i>Net movement in funds</i>		—	13,295	1,665	14,960
<i>Reconciliation of funds:</i>					
<i>Fund balances brought forward at 1 July 2019</i>		—	48,804	58,084	106,888
<i>Fund balances carried forward at 30 June 2020</i>		—	62,099	59,749	121,848

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

Balance Sheet 30 June 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible fixed assets	9	114,485	156,915
Investments	10	68,525	59,749
		<u>183,010</u>	<u>216,664</u>
Current assets			
Stock		42,662	52,125
Debtors	11	234,538	272,502
Cash at bank and in hand		182,897	358,663
		<u>460,097</u>	<u>683,290</u>
Creditors: amounts falling due within one year	12	<u>(507,874)</u>	<u>(778,106)</u>
Net current liabilities		(47,777)	(94,816)
Total net assets		<u>135,233</u>	<u>121,848</u>
The funds of the charity:			
Funds and reserves			
<i>Capital funds:</i>			
Endowment funds	13	68,525	59,749
<i>Income funds:</i>			
Restricted funds	14	66,708	62,099
		<u>135,233</u>	<u>121,848</u>

Approved by the Trustee
and signed on its behalf by:



M Morrison
Master
The Worshipful Company of Carpenters (Trustee)

Approved on: 3 November 2021

Statement of cash flows 30 June 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(155,716)	352,187
Cash flows from investing activities:			
Investment income		1,865	1,769
Purchase of tangible fixed assets		(21,915)	(119,320)
Net cash used in Investing activities		(20,050)	(117,551)
Change in cash and cash equivalents In the year		(175,766)	234,636
Cash and cash equivalents at 1 July 2020	B	358,663	124,027
Cash and cash equivalents at 30 June 2021	B	182,897	358,663

Notes to the statement of cash flows for the year to 30 June 2021.

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

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	13,385	14,960
Adjustments for:		
Depreciation charge	64,345	28,135
Gains on investments	(8,776)	(1,665)
Investment income	(1,865)	(1,769)
Decrease in stocks	9,463	37,807
Decrease in debtors	37,964	104,557
(Decrease) increase in creditors	(270,232)	170,162
Net cash (used in) provided by operating activities	(155,716)	352,187

B Analysis of cash and cash equivalents

	2021 £	2020 £
Total cash and cash equivalents: cash at bank and in hand	182,897	358,663

Principal accounting policies 30 June 2021

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 2021 with comparative information presented for the year to 30 June 2020.

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), 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 book value 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, including considering the impact of Covid-19 on the charity's income, expenditure and reserves and the charity's employees and beneficiaries. The Trustee has made this assessment in respect of a period of at least one year from the date of approval of these accounts.

Assessment of going concern (continued)

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 The Worshipful Company of Carpenters 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

Expenditure is recognised 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.

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.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at fair value (see above), basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand and debtors. Financial liabilities held at amortised cost comprise creditors.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Grant from Carpenters' Company Charitable Trust	1,139,381	—	1,139,381	1,026,868	—	1,026,868
Donation from The Worshipful Company of Carpenters	—	36,811	36,811	—	183,718	183,718
Other donations	2,781	24,000	26,781	19,402	63,749	83,151
2021 Total funds	1,142,162	60,811	1,202,973	1,046,270	247,467	1,293,737

2 Investments

	Unrestricted funds	
	2021 £	2020 £
Income from listed investments	1,865	1,769
2021 Total funds	1,865	1,769

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Course fees	393,484	—	393,484	385,109	—	385,109
Government agencies	1,071,297	13,436	1,084,733	1,196,398	—	1,196,398
Other income	4,841	—	4,841	28,894	—	28,894
2021 Total funds	1,469,622	13,436	1,483,058	1,610,401	—	1,610,401

4 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
College operating costs						
Staff costs (note 6)	1,603,749	36,811	1,640,560	1,733,546	80,878	1,814,424
Rent	413,960	—	413,960	403,960	—	403,960
Tools	33,990	—	33,990	23,892	—	23,892
Materials	45,631	—	45,631	65,556	—	65,556
Light and power	49,724	—	49,724	47,340	—	47,340
Rates	24,316	—	24,316	11,365	—	11,365
Insurance	31,176	—	31,176	32,706	—	32,706
Equipment repairs and maintenance	51,157	—	51,157	73,411	59,589	133,000
Telephone and IT	62,472	—	62,472	56,108	—	56,108
Exhibitions and advertising	438	—	438	15,697	—	15,697
Cleaning	14,538	—	14,538	28,560	—	28,560
Books, printing and stationery	24,823	—	24,823	29,298	—	29,298
Depreciation	64,345	—	64,345	28,135	—	28,135
Building Crafts College prize giving	9,550	—	9,550	6,272	—	6,272
Training and seminars	—	—	—	3,350	—	3,350
Exam fees	98,830	—	98,830	35,390	—	35,390
Provision for doubtful debts	8,000	—	8,000	12,604	—	12,604
Student welfare	23,839	—	23,839	38,428	—	38,428
Management charge	—	—	—	30,000	—	30,000
Governance costs	17,308	—	17,308	21,072	—	21,072
Miscellaneous	68,630	—	68,630	55,455	—	55,455
2021 Total funds	2,646,476	36,811	2,683,287	2,752,145	140,467	2,892,612

5 Net (expenditure) Income before gains on Investments

This is stated after charging:

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Charlty						
Staff costs (note 6)	1,603,749	36,811	1,640,560	1,733,546	80,878	1,814,424
Auditor's remuneration	17,308	—	17,308	21,072	—	21,072
Depreciation	64,345	—	64,345	28,135	—	28,135
Operating lease rentals	413,960	—	413,960	403,960	—	403,960

6 Employees and staff costs

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Wages and salaries	1,234,063	36,811	1,270,874	1,358,587	80,878	1,439,465
Social security costs	118,665	—	118,665	141,805	—	141,805
Other pension costs	101,668	—	101,668	129,079	—	129,079
Other staff costs	149,353	—	149,353	104,075	—	104,075
	1,603,749	36,811	1,640,560	1,733,546	80,878	1,814,424

Staff costs include redundancy costs of £26,915 (2020 - nil).

The average number of employees during the year was 43 (2020 – 54).

6 Employees and staff costs (continued)

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:

	2021 Number	2020 Number
£60,000 - £69,999	—	1
£80,000 - £89,999	1	1

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 Governors, the Principal and the Business Manager (and former 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 £120,580 (2020 - £184,239).

7 Trustee's remuneration

None of the members of the Court of Assistants or the Governors received any remuneration in respect of their services as trustees during the year nor any reimbursement of expenses from the charity (2020 - 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 2020	496,808	345,612	842,420
Additions	18,123	3,792	21,915
At 30 June 2021	<u>514,931</u>	<u>349,404</u>	<u>864,335</u>
Depreciation			
At 1 July 2020	454,609	230,896	685,505
Charge in year	28,204	36,141	64,345
At 30 June 2021	<u>482,813</u>	<u>267,037</u>	<u>749,850</u>
Net book values			
At 30 June 2021	<u>32,118</u>	<u>82,367</u>	<u>114,485</u>
At 30 June 2020	<u>42,199</u>	<u>114,716</u>	<u>156,915</u>

10 Fixed asset investments

	2021 £	2020 £
Listed investments		
Market value at 1 July 2020	59,749	58,084
Unrealised gains on investments	8,776	1,665
Market value at 30 June 2021	<u>68,525</u>	<u>59,749</u>
Cost of listed investments at 30 June 2021	<u>6,558</u>	<u>6,558</u>

Listed investments comprise COIF Charities Investment Fund Income units.

11 Debtors

	2021 £	2020 £
Course fees and support including accrued income	35,249	10,148
Government agencies	66,793	120,684
Other debtors	1,643	13,800
Prepayments	130,853	127,870
	<u>234,538</u>	<u>272,502</u>

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Due to Carpenters' Company Charitable Trust	345,537	463,957
Due to The Worshipful Company of Carpenters	—	30,000
Due to Norton Folgate Trust	—	50,800
Other creditors and accruals	162,337	233,349
	<u>507,874</u>	<u>778,106</u>

13 Endowment funds

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

	At 1 July 2019 £	Investment gains £	At 30 June 2020 £	Investment gains £	At 30 June 2021 £
John Willson Trust	7,568	217	7,785	1,144	8,929
Technical Education (general)	1,272	36	1,308	193	1,501
Sir Henry Harben's Gift	15,268	437	15,705	2,307	18,012
Alfred Preston's Prize Fund	7,030	202	7,232	1,062	8,294
Barnes' Gift	1,664	48	1,712	251	1,963
Sir Banister Fletcher Trust	10,261	294	10,555	1,550	12,105
Major C A A Robertson's Prize Fund 1996	11,258	323	11,581	1,701	13,282
C K Austin Fund	3,763	108	3,871	568	4,439
	<u>58,084</u>	<u>1,665</u>	<u>59,749</u>	<u>8,776</u>	<u>68,525</u>

The funds were established to provide income for prizes.

14 Restricted funds

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

	At 1 July 2020 £	Income £	Expenditure £	Transfers £	At 30 June 2021 £
Carpenters' Company funds	—	36,811	(36,811)	—	—
City & Guilds funds	26,000	24,000	—	(10,000)	40,000
16-18 Bursary funds	23,103	13,436	—	(22,827)	13,712
Adult Bursary funds	12,996	—	—	—	12,996
	<u>62,099</u>	<u>74,247</u>	<u>(36,811)</u>	<u>(32,827)</u>	<u>66,708</u>

	At 1 July 2019 £	Income £	Expenditure £	Transfers £	At 30 June 2020 £
Carpenters' Company funds	—	183,718	(100,718)	(83,000)	—
City & Guilds funds	2,000	24,000	—	—	26,000
16-18 Bursary funds	33,808	—	—	(10,705)	23,103
Adult Bursary funds	12,996	—	—	—	12,996
The Portal Trust fund	—	39,749	(39,749)	—	—
	<u>48,804</u>	<u>247,467</u>	<u>(140,467)</u>	<u>(93,705)</u>	<u>62,099</u>

The transfers to unrestricted funds represents the utilisation of the funds to meet College fees in line with the terms of the funds or amounts used for capital expenditure where the terms of the donation have been met.

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

- ◆ The Carpenters' Company funds were donations for specific purposes including repairs and capital expenditure.
- ◆ The City & Guilds funds are to be used for students on specific courses.
- ◆ The 16-18 and Adult Bursary funds are for students on ESFA funded courses.
- ◆ The Portal Trust fund (formerly Sir John Cass PDBW fund) represented monies donated to pay the salary of a personal development, behaviour and welfare co-ordinator.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Fund balances at 30 June 2021				
are represented by:				
Fixed assets	114,485	—	68,525	183,010
Current assets	393,389	66,708	—	460,097
Creditors: amounts falling due within one year	(507,874)	—	—	(507,874)
Total net assets	—	66,708	68,525	135,233
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Fund balances at 30 June 2020				
are represented by:				
Fixed assets	156,915	—	59,749	216,664
Current assets	621,191	62,099	—	683,290
Creditors: amounts falling due within one year	(778,106)	—	—	(778,106)
Total net assets	—	62,099	59,749	121,848

16 Commitments**Operating leases**

At 30 June 2021 the total future lease payments under non-cancellable operating leases were as follows:

	Land and buildings	
	2021 £	2020 £
Payable within		
One year	133,000	413,101
Two to five years	153,750	246,490
	286,750	659,591

Since the year end, the College has committed to additional annual rent of £485,000 per annum for five years from September 2021.

17 Pension commitments

Certain 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 £nil (2020 - £3,385). The last active employee in the pension scheme took his pension from 5 October 2019.

17 Pension commitments (continued)

The most recent valuation was as at 1 July 2019 and showed that the market value of the scheme's assets was £5,006,000 and that the ongoing funding level was 124%. The assumptions which have the most significant effect on the results of the valuation are as follows:

◆ RPI	3.1% p.a.
◆ Earnings increases	3.1% p.a.
◆ Discount rate	2.6% 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 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 2021 there were no active members in the scheme.

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 2019 updated to 30 June 2021 by a qualified independent actuary using FRS 102 guidelines.

	2021 £	2020 £
Market value of assets	4,707,000	4,467,000
Present value of scheme liabilities	(4,417,000)	(4,747,000)
Surplus (deficit) in the scheme – net pension asset (liability)	290,000	(280,000)

The assets in the scheme were:

	2021 £	2020 £
Deposit administration contract (insurance policy)	4,707,000	4,467,000

The major assumptions used by the actuary were:

	2021	2020
Inflation	3.3%	3.2%
Rate of increase for pensions		
· earned before 1 August 1998	5.0%	5.0%
· earned after 31 July 1998	3.3%	3.2%
Discount rate for liabilities	1.8%	1.4%

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

During the year the charity received grants from Carpenters' Company Charitable Trust of £1,139,381 (2020 - £1,026,868), paid rent to Carpenters' Company Charitable Trust of £370,960 (2020 - £370,960) and paid rent to The Worshipful Company of Carpenters of £43,000 (2020 - £33,000). The charity did not incur a management charge from The Worshipful Company of Carpenters for this year (2020 - £30,000) and received donations from The Worshipful Company of Carpenters of £36,811 (2020 - £183,718).

There were no other related party transactions.

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