

REGISTERED COMPANY NUMBER: 07801721 (England and Wales)  
REGISTERED CHARITY NUMBER: 1146114

**Report of the Trustees and  
Unaudited Financial Statements for the Year Ended 31st December 2015  
for  
KWES Kent Woodland Employment Scheme**

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COMPANIES HOUSE

Haines Watts Kent LLP  
4 & 5 Kings Row  
Armstrong Road  
Maidstone  
Kent  
ME15 6AQ

## KWES Kent Woodland Employment Scheme

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st December 2015. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

## **OBJECTIVES AND ACTIVITIES**

### **Objectives and aims**

The charity's objects are set out in Article 1.1, but can be briefly stated as being:

- \* Relief of unemployment - aimed particularly at ex-service personnel, ex-offenders and young people, all finding it difficult to make the transition to normal jobs, and
- \* Education - in the form of training, leading to recognised qualification, in all aspects of woodland management, for apprentices to whom employment has been provided.

## **ACHIEVEMENT AND PERFORMANCE**

In their 2014 Report the trustees explained that KWES started operations in autumn 2013 and had, at the start of 2014, 4 apprentices under training by a Project Leader. They also explained that the apprenticeships are for three years, during which KWES concentrates the experience it gives its apprentices in Kent's ancient woodlands; and that the apprentices also have the opportunity for theoretical study, and to gain practical proficiency certificates, these two together enabling them to acquire a Level 2 Forestry qualification in Forestry awarded by the Royal Forestry Society. After that Level 2 Forestry qualification, they can move on to the RFS's Level 3 qualification in Silviculture. When working in the woodlands, apprentices work in teams of 4, and each team has to have a fully qualified supervisor.

At the start of 2015, those employed comprised 14 apprentices, with 4 supervisors training them, and an administrator. By the end of the year, the number of apprentices had increased to 19, training under 6 supervisors.

In their 2014 Report, the trustees explained that the large increase in numbers of apprentices had been made possible by KWES being awarded in September 2014 a Regional Growth Fund grant. The terms agreed were that the Department of Business, Innovation and Skills would provide, over three years £1,001,000 towards the costs of employing and training apprentices, in a ring-fenced expansion project, (KWES-XP), which the charity would establish - alongside its existing, charitably-funded, employment and training of its already-recruited apprentices. KWES-XP undertook to recruit 8 apprentices in autumn 2014, and a further eight in autumn 2015 and 2016, so as to build up to a (circulating) complement of 24 apprentices - with the necessary numbers of supervisors to train them; and it was also a term of the grant's availability that during the three years it was being paid out by government, KWES-XP should not receive any other EC, government or charitable funding.

This arrangement, having within the same charity two divisions one of them wholly government funded and forbidden from raising other funds, and the second depending for its continuation on raising charitable funds, proved to be hugely disadvantageous. The charity's accounts, needing as they did to show income and expenditure for these two divisions, presented a picture which was so different from that of any normal charity seeking funds that most donors could not understand what they were being asked to fund, or why. But of equal significance was the fact the trustees came to recognise, that while KWES-XP in this original formulation, was limited to being an employer and trainer of apprentices, the charity's other division needed to diversify, to develop working relationships with others in the woodland business, (community and volunteer groups for example), and to provide them with training and other services they might need. Those services are expected to include making available, as necessary, KWES's forest machinery and the muscle of its apprentices. The trustees gratefully acknowledge receipt of grants during 2015 totalling £22,500 which made possible the purchase of much of this forest machinery. This enlarging of KWES's objectives, and of the beneficiaries it has in view, is the only way in which it can be enabled to continue raising the charitable funds it needs.

## **ACHIEVEMENT AND PERFORMANCE**

The Department of Business, Innovation and Skills agreed in December 2015 what they saw as only a minor variation of the original grant terms. KWES-XP now employs all the apprentices, both those who were already its employees within its original ring-fence, and those who were in KWES's other division. This means that KWES-XP still meets the same overall target numbers of employees, (now 10 apprentices recruited each year in place of 8 apprentices and 2 supervisors). The grant funds remain available for their employment and training. What is different is that that training is now provided, and charged for, by supervisors who are now employed "outside the ring-fence" - a radical difference which places KWES in position to engage, additionally, in the wider activities outlined in the preceding paragraph.

KWES-XP was described a few lines back as "limited to being an employer and trainer of apprentices". But this itself is also a role in the process of being significantly expanded. After a small test of the market in 2015, the charity is engaged in a major production and sale of "greenwood products" - items which can be straightforwardly produced as a by-product of the apprentices' woodland working. These include fencing materials, garden products such as pea-sticks and bean-poles, faggots for river-bank consolidation, and charcoal. During 2015, and the current year to date, very generous donations totalling £40,000 have made possible the purchase of a vehicle and other equipment needed for the greenwood products.

Apprentices spend the coppicing season (approximately September to March) cutting in the woodlands. This can be on a regeneration contract where the charity has undertaken to restore over a ten year period a wood to a productive and sustainable coppicing cycle. Further such contracts have been signed in 2015 for Holly Hill wood (Tonbridge & Malling Borough Council), and Admiral and Gorham wood (The Cromarty Trust), in addition to the contract mentioned 2014's report for Horish wood. Or apprentices may be cutting materials needed for greenwood products, or on a day-, or area- rate basis for woodland owners.

The summer months, as well as providing time for greenwood product manufacture, and the limited amount of felling, ride-clearance and other woodland work permitted at that time, enable apprentices to devote time their studies.

## **FINANCIAL REVIEW**

When the charity was established, (and this continued to be the position when the original budgets were prepared for the RGF grant application), the trustees' belief was that the charity would in the medium term be self-sustaining from the proceeds of wood cut by apprentices; although it was recognised that in the short term considerable funds would be need to cover the facts that

(a) expenditure always precedes income, and the time-gap can be significant between, for instance, paying coppicing salaries and the time the woodlands are dry enough for the timber to be extracted and sold, (b) amounts of income to be expected in the early years will be low - the proportion of experienced apprentices to novices during KWES's growth period is one reason; another is that income from regeneration contracts is inevitably lower in the early years than later; but thirdly, we are finding ourselves needing, to a large extent, to re-create the markets for the products of Kent's woodlands - markets which have declined in parallel with the woodlands' own decline over the last century.

The result is that KWES will continue to need support for the foreseeable future.

The final payment of RGF grant will be received in February 2017 - and we can confidently expect to extinguish at that point the bank loan that KWES had to draw on to cover the delay in the making of grant refunds. After that, KWES will clearly need alternative funding - a fact the trustees recognise, and have been working on for a considerable time. They are confident that in the future significantly greater amounts can be produced from sales of greenwood products and other sales. And they are confident also that a number of new fund-raising initiatives will enable the charity to continue achieving the aims it has set itself.

One part of the support provided in the past, (noted in the 2014 Report), specifically in recognition of the "delay factors" in (a) and (b) above is a loan of £60,000 from a charitable donor. Repayment is called for in instalments over five years starting in May 2016, but meanwhile the accounts show how valuable this support continues to be.

## **KWES Kent Woodland Employment Scheme**

### **Report of the Trustees for the Year Ended 31st December 2015**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

KWES Woodland Employment Scheme is a company limited by guarantee, incorporated on 7th October 2011 and registered as a charity on 21st February 2012. The company's incorporation was requested under the Memorandum of Association, and is governed under its Articles, as defined by the Companies Act 2006. In the event of the company being wound up in circumstances that its assets are insufficient to meet its obligations, each member of the company is required to contribute an amount not exceeding £1.

##### **Risk management**

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

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

07801721 (England and Wales)

##### **Registered Charity number**

1146114

##### **Registered office**

Placketts Hole  
Bicknor  
Sittingbourne  
Kent  
ME9 8BA

##### **Trustees**

Lady T Bruce-Lockhart

- resigned 3.5.2015

Miss E Feakins

Hon Treasurer

J M Harrison

D N Hutton

G E Jessel

C P E Raine

Mrs A J Wainman

Chairman

The subscribers to the Memorandum were the first trustees, and subsequent trustees have been co-opted by the trustees (although they could in the alternative be elected by the members of the company). One third of the trustees resign, by rotation, at each annual meeting of the company, but are eligible to stand for re-election. The trustees, when complete consist of at least four and not more than twelve individuals over the age of 18, all of whom must support the Objects. They must meet at least six times each year.

##### **Company Secretary**

D P Wainman

##### **Independent examiner**

Anthony Brand  
Chartered Accountant  
Haines Watts Kent LLP  
4 & 5 Kings Row  
Armstrong Road  
Maidstone  
Kent  
ME15 6AQ

## KWES Kent Woodland Employment Scheme

### Report of the Trustees for the Year Ended 31st December 2015

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#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Bankers

HSBC Bank PLC - Sittingbourne

CAF Bank - West Malling

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 31<sup>st</sup> May 2016. and signed on its behalf by:



.....  
D P Wainman - Secretary

## **Independent Examiner's Report to the Trustees of KWES Kent Woodland Employment Scheme**

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I report on the accounts for the year ended 31st December 2015 set out on pages seven to eighteen.

### **Respective responsibilities of trustees and examiner**

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

### **Basis of the independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
  - to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Anthony Brand

Anthony Brand  
Chartered Accountant  
Haines Watts Kent LLP  
4 & 5 Kings Row  
Armstrong Road  
Maidstone  
Kent  
ME15 6AQ

Date: 6th June 2016



# KWES Kent Woodland Employment Scheme

## Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31st December 2015

		Unrestricted fund	Restricted fund	2015 Total funds	2014 Total funds
	Notes	£	£ Note 1(h)	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Memberships and donations		26,624	-	26,624	4,605
Grants		97,476	368,669	466,145	173,072
Sales	2	<u>23,948</u>	<u>18,493</u>	<u>42,441</u>	<u>27,593</u>
<b>Total</b>		<b>148,048</b>	<b>387,162</b>	<b>535,210</b>	<b>205,270</b>
<b>EXPENDITURE ON</b>					
Purchases	1(j) & 3	<u>4,839</u>	<u>2,223</u>	<u>7,062</u>	<u>19,310</u>
		4,839	2,223	7,062	19,310
<b>Charitable activities</b>	4 & 5				
Costs on activities in furtherance of the Charitable Objects		134,027	335,924	469,951	220,093
Fundraising Costs		319	249	568	288
Administration		<u>1,275</u>	<u>31,607</u>	<u>32,882</u>	<u>19,670</u>
<b>Total</b>		<b>140,460</b>	<b>370,003</b>	<b>510,463</b>	<b>259,361</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>7,588</b>	<b>17,159</b>	<b>24,747</b>	<b>(54,091)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>(40,452)</b>	<b>100</b>	<b>(40,352)</b>	<b>13,739</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>(32,864)</u></b>	<b><u>17,259</u></b>	<b><u>(15,605)</u></b>	<b><u>(40,352)</u></b>

The deficit in funds carried forward at the end of the year has been met out of loans as described in note 13.

The notes form part of these financial statements

**KWES Kent Woodland Employment Scheme (Registered number: 07801721)**

**Balance Sheet**  
**At 31st December 2015**

		Unrestricted fund	Restricted fund	Total	2015 funds	Total	2014 funds
	Notes	£	£		£		£
<b>FIXED ASSETS</b>							
Tangible assets	10	26,773	-	26,773		-	
<b>CURRENT ASSETS</b>							
Debtors	11	8,537	181,892	190,429		139,374	
Cash at bank		<u>914</u>	<u>1,355</u>	<u>2,269</u>		<u>18,125</u>	
		9,451	183,247	192,698		157,499	
<b>CREDITORS</b>							
Amounts falling due within one year	12	<u>(15,597)</u>	<u>(165,988)</u>	<u>(181,585)</u>		<u>(137,851)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(6,146)</u>	<u>17,259</u>	<u>11,113</u>		<u>19,648</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		20,627	17,259	37,886		19,648	
<b>CREDITORS</b>							
Amounts falling due after more than one year	13	<u>(53,491)</u>	<u>-</u>	<u>(53,491)</u>		<u>(60,000)</u>	
<b>NET ASSETS/(LIABILITIES)</b>		<u><u>(32,864)</u></u>	<u><u>17,259</u></u>	<u><u>(15,605)</u></u>		<u><u>(40,352)</u></u>	
<b>FUNDS</b>	14						
Unrestricted funds				(32,864)		(40,452)	
Restricted funds				<u>17,259</u>		<u>100</u>	
<b>TOTAL FUNDS</b>				<u><u>(15,605)</u></u>		<u><u>(40,352)</u></u>	

The notes form part of these financial statements

**Balance Sheet - continued**  
**At 31st December 2015**

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The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2015.

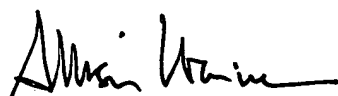
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31st December 2015 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for


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

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 31<sup>st</sup> May 2015, and were signed on its behalf by:



Mrs A J Wainman -Trustee



Miss E Feakins -Trustee

**1. ACCOUNTING POLICIES**

**a) Basis of preparing the financial statements**

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**b) Exemption from preparing a cash flow statement**

Exemption has been taken from preparing a cash flow statement in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

**c) Going concern**

The financial statements have been drawn up on the going concern basis since the trustees believe it reasonable to assume that the support of donors and lenders will continue for the foreseeable future.

**d) Income**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

**e) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

As explained in the notes to each of the 2013 and 2014 accounts, the trustees took the view that at those times, and against the specific background of the charity's then activities, that those accounts would show a truer and fairer view of the charity's state of affairs if all expenditure was written off in the year in which it was incurred. No assets were therefore "capitalised" in those accounts, to be written off over a period of years by means of a depreciation charge.

The trustees have reviewed those decisions in the light of the changes made from 1 October 2015 in the agreement relating to the Restricted Fund, (see note 1 h), page 11). They have determined that it continues to be correct for the charity to write off - and not to capitalise - expenditure in that part of the charity's activities which continue, in essentially unchanged form, those carried in all periods up to 1 October 2015 (referred to fund accounting note as "KWES-XP"). But that a truer and fairer view could be formed of the charity's new activities resulting from the 1 October 2015 changes, (the "supervisory division"), if fixed assets related to those new activities were to be capitalised and depreciated over a short period of years.

**f) Tangible fixed assets**

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

Plant and machinery	- 50% reducing value
Motor vehicles	- 50% reducing value

**g) Taxation**

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

**1. ACCOUNTING POLICIES – continued**

**h) Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can be used only for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The charity's restricted funds arise under an Agreement dated 4th September 2014 between the Secretary of State for Business, Innovation and Skills, and the charity, as amended by a Minor Variation Agreement of 11th December 2015. The agreement in its original form necessitated the charity establishing a separate division (the Expansion Project), which under the agreement was

(a) entitled to receive from the Regional Growth Fund "training aid" up to a ceiling of £1,001,000 during the three years to September 2017

(b) conditional upon its recruiting and employing a target number of apprentices, (with supervisors and an administrator), and maintaining this target payroll through to September 2020,

(c) and conditional also upon its not being entitled to receive funds from any other EC, government or charitable source before September 2017, and (since the RGF refunds are made quarterly in arrear), its establishing bank loan facilities sufficient to cover its day-to-day expenditures.

Since, at the time it entered into this agreement, the charity was already employing apprentices, (whose costs were being met out of charitable donations, grants and loans), and the trustees took the view that it would be a breach of trust were they not continue this ( - non-RGF funded - ) activity, the original agreement resulted in the charity employing two sets of apprentices and supervisors, each set being trained and working in exactly the same way, but necessarily separated into different divisions by their separate financing arrangements and the other undertakings given to BIS under the 4th September 2014 agreement.

The difficulties and disadvantages inherent in this structure have been removed by the minor variation agreement agreed, effective from 1st October 2015. All apprentices, (both those already in the expansion project those in the charitably funded division of the charity), together with the administrator, are from October 2015 employed and trained in a single division - and since their numbers meet the targets mentioned above, RGF funds continue to be available to meet their costs up to the same ceiling of £1,001,000. This division, (in its newly-varied form), is referred to hereafter as KWES-XP, and its activities continue to be reported as a restricted fund.

The supervisors, and the charity's Project Leader, are separately employed, but - to the extent that they are directly engaged in the training of the charity's apprentices - their costs are to be cross-charged, and will be met by the same RGF refunds. This "frees" the supervisors, so that they are now additionally enabled to engage in training for other organisations, and in arranging joint working between the charity and other, community-based and voluntary bodies. These people therefore form the charity's other, unrestricted, division, and are referred to hereafter as the supervisory division.

2015 expenditure in the Statement of Financial Activities, thus includes nine months' operations reported under original "separate but parallel" divisions, one of them as unrestricted and the other as restricted. For the final three months of 2015, the figures are reported on the basis upon which RGF makes its refunds - that is to say, supervisors' salary costs are cross-charged as explained above into the "restricted fund" column.

**i) Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**1. ACCOUNTING POLICIES - continued**

**j) Trading activities**

The charity is a "trading charity", that is to say it is entitled to sell goods and services produced by its beneficiaries in the course of its charitable activities.

Income described in these accounts as "wood sales" is generated in part from sales of wood where the charity takes the wood cut as its reward for the apprentices' work in woodlands, and in part from the hiring out of apprentices (e.g. for contract coppicing), and, thirdly (an activity which will only commence to any significant extent in 2016), from sales of greenwood products, that is to say items which can be simply manufactured from by-products of the coppicing processes. The 2015 accounts include, as "purchases", small amounts of expenditure on acquisition of standing timber, (the rights to cut and take timber needed for these greenwood products). These latter figures have been written off in 2015, since their size does not justify the expense that would be involved in attempting to put a value, (purchase price plus labour to date), on a figure of inventory.

In addition to the above, a contract for the sale of kindling was brought to a conclusion in 2015, the figures included in these accounts being sales of £4,800 against purchases of £4,592.

**2. OTHER TRADING ACTIVITIES**

	Unrestricted funds	Restricted funds	2015 Total funds	2014 Total funds
	£	£	£	£
Timber sales	<u>23,948</u>	<u>18,493</u>	<u>42,441</u>	<u>27,593</u>

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds	Restricted funds	2015 Total funds	2014 Total funds
	£	£	£	£
Purchases	<u>4,839</u>	<u>2,223</u>	<u>7,062</u>	<u>19,310</u>

**4. CHARITABLE ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS**

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Salaries – Supervisors	42,055	80,249	122,304	50,989
Social security	2,592	7,696	10,288	3,011
Apprentices	36,698	130,842	167,540	68,721
Social security	856	6,333	7,189	2,284
Personal protective & other equipment	7,476	13,741	21,217	22,487
External training	3,171	9,198	12,369	18,881
Employers liability insurance	3,986	5,225	9,211	2,656
Running costs (inc utilities & vehicles)	13,421	69,640	83,061	45,464
Machinery charge	(5,000)	5,000	-	-
Rent	2,000	8,000	10,000	5,400
Depreciation	26,772	-	26,772	-
	<u>134,027</u>	<u>335,924</u>	<u>469,951</u>	<u>219,893</u>

**5. ADMINISTRATION COSTS**

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Salaries – Administrator	-	21,000	21,000	5,250
Social security	-	1,382	1,382	349
Loan charges and interest	-	6,774	6,774	4,821
Accountancy	1,200	2,031	3,231	3,500
Other administrative expense	75	420	495	200
Due diligence	-	-	-	5,750
	<u>1,275</u>	<u>31,607</u>	<u>32,882</u>	<u>19,870</u>

**6. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2015 £	2014 £
Depreciation - owned assets	26,772	-
Other operating leases	Note 1(i) <u>10,000</u>	<u>5,400</u>

**7. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st December 2015 nor for the year ended 31st December 2014.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st December 2015 nor for the year ended 31st December 2014.

**8. STAFF COSTS**

	2015 £	2014 £
Wages and salaries	311,899	124,960
Social security costs	<u>17,804</u>	<u>5,644</u>
	<u>329,703</u>	<u>130,604</u>

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

	2015	2014
RGF - expansion scheme	20	11
Other schemes	<u>6</u>	<u>8</u>
	<u>26</u>	<u>19</u>

No employees received emoluments in excess of £60,000.

**9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Memberships and donations	4,605	-	4,605
Grants	59,769	113,303	173,072
Other trading activities	<u>27,593</u>	<u>-</u>	<u>27,593</u>
<b>Total</b>	91,967	113,303	205,270
<b>EXPENDITURE ON</b>			
Raising funds	19,310	-	19,310
<b>Charitable activities</b>			
Charitable Objects	116,499	103,594	220,093
Fundraising Costs	163	125	288
Administration	<u>10,186</u>	<u>9,484</u>	<u>19,670</u>
<b>Total</b>	146,158	113,203	259,361



**9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – continued**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>NET INCOME/(EXPENDITURE)</b>	(54,191)	100	(54,091)
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	13,739	-	13,739
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>(40,452)</u>	<u>100</u>	<u>(40,352)</u>

**10. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>			
Additions	<u>37,705</u>	<u>15,840</u>	<u>53,545</u>
<b>DEPRECIATION</b>			
Charge for year	<u>18,852</u>	<u>7,920</u>	<u>26,772</u>
<b>NET BOOK VALUE</b>			
At 31st December 2015	<u>18,853</u>	<u>7,920</u>	<u>26,773</u>
At 31st December 2014	<u>-</u>	<u>-</u>	<u>-</u>

As explained in Note 1 e), the charity's activities, and structure, up to the date of variation of the arrangements with the Department of Business, Innovation and Skills, made it inappropriate to capitalise any assets - and all expenditure was written off in the period it was incurred.

From 1st October 2015, as explained in note 1 h), although KWES-XP's activities are substantially unchanged from what the charity was doing before that date, the activities of the supervisory division have significantly changed - and it has become appropriate that the forest machinery and vehicles used in those supervisory division activities be treated as fixed assets - albeit assets which will depreciate over a short period of years. (And that short useful life-expectancy means that it is unnecessary to change, retrospectively, the treatment of expenditure which has been written off in earlier years' accounts.)

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Trade debtors	5,418	9,768
Other debtors	<u>185,011</u>	<u>129,606</u>
	<u>190,429</u>	<u>139,374</u>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – continued**

Other debtors - includes an amount of £111,302 due from the Regional Growth Fund grant.

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Bank loans and overdrafts	140,000	130,000
Trade creditors	-	3,010
Taxation and social security	5,812	-
Other creditors	<u>35,773</u>	<u>4,841</u>
	<u>181,585</u>	<u>137,851</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015 £	2014 £
Other creditors	<u>53,491</u>	<u>60,000</u>

As mentioned in the Trustees' Report (within the financial review), the charity has drawn down £60,000 by way of loan from the Kent Community Foundation - a loan which that body provided in recognition of the heavy expenditure which the charity had necessarily to incur in its opening years - but which could be expected to be mitigated in subsequent years by the sales proceeds which the apprentices, once they had achieved a level of skill and experience, would be able to generate. The loan terms provide for its repayment in instalments over five years starting in May 2016. The principal element of the instalments from May 2016 to December 2016 is £6,509, which is shown in Note 11 within Other Creditors, as a creditor balance falling due within one year. The balance is shown above as falling due further ahead than one year from the Balance Sheet date.

If the lender were to call in the loan, the charity would be insolvent, and the trustees would have no option but to wind it up - but they believe that the lender's purpose is the exact opposite, to keep the charity going.

**14. MOVEMENT IN FUNDS**

	At 1/1/15 £	Net movement in funds £	At 31/12/15 £
<b>Unrestricted funds</b>			
General fund	(40,452)	7,588	(32,864)
<b>Restricted funds</b>			
KWES-expansion project	100	17,159	17,259
<b>TOTAL FUNDS</b>	<u>(40,352)</u>	<u>24,747</u>	<u>(15,605)</u>

# KWES Kent Woodland Employment Scheme

## Notes to the Financial Statements - continued for the Year Ended 31st December 2015

### 14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	148,048	(140,460)	7,588
<b>Restricted funds</b>			
KWES-expansion project	387,162	(370,003)	17,159
<b>TOTAL FUNDS</b>	<u>535,210</u>	<u>(510,463)</u>	<u>24,747</u>

### 15. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st December 2015.

### 16. GRANTS RECEIVED

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Hurst Brown Trust	2,872	-	2,872	-
KCC Low Carbon Scheme	13,854	-	13,854	-
Henry Smith Trust	10,000	-	10,000	10,000
Cackett's Fund	1,500	-	1,500	-
Garfield Weston Foundation	29,000	-	29,000	-
Kent Community Foundation	4,250	-	4,250	6,000
Beaverbrook Foundation	1,000	-	1,000	-
John Swire Foundation	10,000	-	10,000	-
Nineveh Trust	10,000	-	10,000	10,000
Finnis Scott trust	5,000	-	5,000	-
Ashden Trust	10,000	-	10,000	-
Others	-	-	-	33,519
Regional Growth Fund	-	368,669	368,669	113,303
	<u>97,476</u>	<u>368,669</u>	<u>466,145</u>	<u>172,822</u>