

**Charity registration number 1081874**

**Company registration number 03918849 (England and Wales)**

**SMALL WOODS ASSOCIATION**

**UNAUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

# **SMALL WOODS ASSOCIATION**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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**Trustees**

John Blessington  
Phil Burton  
Christopher Duncan  
Alyson May  
Beverly Tyley  
Mr Alastair Squire  
Philip Tidey  
Peter Watson  
Gary Battell

**Secretary**

Christopher Duncan

**Charity number**

1081874

**Company number**

03919849

**Registered office**

Smallwoods Association  
Coalbrookdale  
Telford  
Shropshire  
TF8 7DR

**Auditor**

James Holyoak & Parker Limited  
1 Knights Court  
Archers Way  
Battlefield Enterprise Park  
Shrewsbury  
SY1 3GA

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# **SMALL WOODS ASSOCIATION**

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# **SMALL WOODS ASSOCIATION**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2023***

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The Trustees, who are also the directors of Small Woods Association for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

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

# **SMALL WOODS ASSOCIATION**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE TRUSTEES OF SMALL WOODS ASSOCIATION**

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#### **Opinion**

We have audited the financial statements of Small Woods Association (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant 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 financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, 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 Companies Act 2006.

#### **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 financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements 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 financial statements are authorised for issue.

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

#### **Other Information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# **SMALL WOODS ASSOCIATION**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF SMALL WOODS ASSOCIATION**

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

#### **Responsibilities of Trustees**

As explained more fully in the statement of trustees responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS102 and the Companies Act 2006), the relevant tax compliance regulations, employment law, Health and Safety Regulations and the EU General Data Protection Regulation (GDPR).

We understood how the company is complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with key management to understand where they considered there was a susceptibility to fraud. Based on our understanding, our procedures involved enquiries of management and those charged with governance, manual journal entry testing, cashbook reviews for large and unusual items and the challenge of significant accounting estimates used in preparing the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

# **SMALL WOODS ASSOCIATION**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF SMALL WOODS ASSOCIATION**

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**James Holyoak & Parker Limited**

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**Chartered Accountants**

**Statutory Auditor**

1 Knights Court  
Archers Way  
Battlefield Enterprise Park  
Shrewsbury  
SY1 3GA

James Holyoak & Parker Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# **SMALL WOODS ASSOCIATION**

## **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

The charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association. The charity's object is to advance the conservation of small woodlands. The principal activities are raising awareness about the needs and implications of small woodland management; undertaking projects that promote their sustainability and use; using woodlands for the promotion of human health and wellbeing and the promotion of traditional woodland crafts. This is done through a number of channels: practical projects (often grant funded); training and educational courses; apprenticeships; seminars; events; an annual conference; information, advice and guidance.

#### **Achievements and performance**

The charity has continued to undertake a wide range of activities and done so with the support of a committed membership, trustees and staff. The charity was delivering 39 projects across the UK during the year, supported by the £1.67m turnover, which was a 52% increase on the previous year. The charity was able to support more people during the year with, for example, over 2,800 people supported through health and wellbeing activities, a near doubling of support to individuals, all of whom are dealing with some sort of challenge or crisis, who received help that enabled them to progress in their lives.

The area of woodland represented through our members is now over 30,000 hectares. All of our members have access to advice and information on sustainable woodland management provided by the charity, and 2,700 members had access to information, advice and guidance through our increasingly well-regarded magazine and newsletter. The charity continues to deliver webinars and meetings online, with 299 members attending 18 events.

One of the largest projects Small Woods has ever undertaken, the ENRAW Outdoor Health and Green Infrastructure Project, continued delivery in 2022/23 (delivery commenced in 21/22). Through this we received over £1.5m from Welsh Government, via their European Programme. This project enabled Small Woods to expand its health and wellbeing and its woodland management work in Wales significantly and led to a significant increase in the people we were able to support; this programme accounting for the majority of the increase in people supported by the charity.

Small Woods benefited from the efforts of a range of volunteers, both those involved in practical woodland work, such as our coppice volunteers at the Green Wood Centre and Edge Wood, and those able to provide professional input to the charity, such as the volunteers from Cap Gemini who are supporting the charity in the development of its IT. Altogether we are now supported by over 50 regular volunteers.

#### **Financial review**



# **SMALL WOODS ASSOCIATION**

## **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year. In addition a wind up fund is maintained to cover costs such as redundancy should the charity ever be dissolved.

A deficit of £6,345 was incurred during the year. Losses made over the previous 2-3 years due to the pandemic continue to weigh on the charity. Consequently, the charity has made a business interruption insurance claim and are hopeful of positive settlement in 2023/24. This claim is still ongoing and we are increasingly hopeful that it will be settled in the charity's favour, there is no guarantee, nor is there any guarantee about timescale. Pay policy is set by an externally conducted benchmarking exercise, which compares salaries to other similar bodies and roles.

The previous year was the first in which the charity breached the £1m threshold, which brought with it additional levels of scrutiny through audit. The charity management and finance teams have devoted resources through the year to addressing its findings, which have been very helpful. A number of system improvements have been implemented, along with a Financial Management Systems review, which continued into the following year.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Plans for future periods**

The year's activities represents a continued period of stability for the charity and one on which it can build for the future. Notification was awaited at the end of the reporting period of funding for a number of new projects, which will help the charity to grow its reputation for addressing our charitable objects through creative and innovative developments. The charity's financial stability and growing reputation both contribute to its ability to take on such challenging new projects.

The charity has active working relationships with a wide range of charities and other bodies in the forestry and health sectors. Many of its future activities will deepen these relationships.

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

Small Woods Association is a registered charity and private company with no issued share capital/company limited by guarantee, incorporated in England and Wales. The registered office is Station Road, Coalbrookdale, Telford, Shropshire, TF8 7DR. The registered company number is 03919849 (England and Wales), and the registered charity number is 1081874.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

John Blessington  
Phil Burton  
Christopher Duncan  
Alyson May  
Beverly Tyley  
Mr Alastair Squire  
Philip Tidey  
Peter Watson  
Gary Battell

# **SMALL WOODS ASSOCIATION**

## **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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Potential new trustees are identified by the board and approached as and when required. New trustees are briefed on the operational of the organisation at trustees' meetings. An open invitation to the membership of Small Woods has been issued to recruit new members from the membership.

Day to day running of the charity is undertaken by Ian Baker CEO, who is supported directly by a Senior Management Team of 4.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

### **Auditor**

In accordance with the company's articles, a resolution proposing that James Holyoak & Parker Limited be reappointed as auditor of the company will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.



John Blessington  
Trustee

Date: 22.9.23

# SMALL WOODS ASSOCIATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2023**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<b>Income from:</b>							
Donations and legacies	3	135,515	200	135,715	124,905	-	124,905
Charitable activities	5	138,074	1,394,098	1,530,172	129,855	838,591	968,446
Investments	4	1,352	-	1,352	1,281	-	1,281
<b>Total income</b>		<b>272,941</b>	<b>1,394,298</b>	<b>1,667,239</b>	<b>256,041</b>	<b>838,591</b>	<b>1,094,632</b>
<b>Expenditure on:</b>							
Charitable activities	6	331,904	1,341,680	1,673,584	307,821	830,845	1,138,666
Profit on sale of fixed assets	10	-	-	-	(34,383)	-	(34,383)
<b>Total expenditure</b>		<b>331,904</b>	<b>1,341,680</b>	<b>1,673,584</b>	<b>273,438</b>	<b>830,845</b>	<b>1,104,283</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(58,963)</b>	<b>52,618</b>	<b>(6,345)</b>	<b>(17,397)</b>	<b>7,746</b>	<b>(9,651)</b>
Gross transfers between funds		56,678	(56,678)	-	10,298	(10,298)	-
<b>Net expenditure for the year/</b>							
<b>Net movement in funds</b>		<b>(2,285)</b>	<b>(4,060)</b>	<b>(6,345)</b>	<b>(7,099)</b>	<b>(2,552)</b>	<b>(9,651)</b>
Fund balances at 1 April 2022		633,996	98,355	732,351	641,095	100,907	742,002
<b>Fund balances at 31 March 2023</b>		<b>631,711</b>	<b>94,295</b>	<b>726,006</b>	<b>633,996</b>	<b>98,355</b>	<b>732,351</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# SMALL WOODS ASSOCIATION

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	12		388,712		374,969
Investments	11		100		100
			<u>388,812</u>		<u>375,069</u>
<b>Current assets</b>					
Debtors	13	744,670		352,576	
Cash at bank and in hand		101,250		380,468	
		<u>845,920</u>		<u>733,044</u>	
<b>Creditors: amounts falling due within one year</b>	14	(508,726)		(375,762)	
Net current assets			337,194		357,282
<b>Total assets less current liabilities</b>			<u>726,006</u>		<u>732,351</u>
<b>Income funds</b>					
Restricted funds	16		94,295		98,355
<u>Unrestricted funds</u>					
Designated funds	17	365,591		359,172	
General unrestricted funds		<u>266,120</u>		<u>274,824</u>	
			631,711		633,996
			<u>726,006</u>		<u>732,351</u>

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 9.9.23

John Blessington  
Trustee

Company registration number 03919849

# SMALL WOODS ASSOCIATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	21		(250,071)		144,473
<b>Investing activities</b>					
Purchase of tangible fixed assets		(30,499)		(80,000)	
Proceeds on disposal of tangible fixed assets		-		54,800	
Investment income received		1,352		1,281	
<b>Net cash used in investing activities</b>			(29,147)		(23,919)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(279,218)		120,554
Cash and cash equivalents at beginning of year			380,468		235,456
<b>Cash and cash equivalents at end of year</b>			101,250		380,468

# **SMALL WOODS ASSOCIATION**

## **STATEMENT OF CASH FLOWS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **1 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### **2 Accounting policies**

#### **Charity Information**

Small Woods Association is a private company limited by guarantee incorporated in England and Wales. The registered office is Smallwoods Association, Coalbrookdale, Telford, Shropshire, TF8 7DR.

#### **2.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing documents, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

#### **2.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **2.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **2.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# SMALL WOODS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

### 2 Accounting policies

(Continued)

#### 2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	2% on a straight line basis
Plant and equipment	10% on a reducing balance basis
Motor vehicles	20% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 2.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 2.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# **SMALL WOODS ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **2 Accounting policies**

**(Continued)**

#### **2.10 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **2.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **2.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



# SMALL WOODS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total Unrestricted funds	
	2023 £	2023 £	2023 £	2022 £
Donations and gifts	43,795	200	43,995	32,167
Legacies receivable	10,125	-	10,125	10,305
Membership fees	81,595	-	81,595	82,433
	<u>135,515</u>	<u>200</u>	<u>135,715</u>	<u>124,905</u>

### 4 Investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Interest receivable	<u>1,352</u>	<u>1,281</u>

### 5 Charitable activities

	Unrestricted Income 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted Income 2022 £	Restricted funds 2022 £	Total 2022 £
Grants from funders	70,241	1,263,016	1,333,257	837,897	32,631	870,528
Training courses	15,035	1,874	16,909	21,329	-	21,329
Other income	50,798	129,208	180,006	65,665	10,924	76,589
	<u>136,074</u>	<u>1,394,098</u>	<u>1,530,172</u>	<u>924,891</u>	<u>43,555</u>	<u>968,446</u>

# SMALL WOODS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 6 Charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Staff costs	273,690	794,811	1,068,501	201,341	699,474
Depreciation and impairment	16,756	-	16,756	14,005	14,005
Project costs and associated training expenses	33,256	262,565	295,821	11,953	183,223
Magazine production costs	17,032	-	17,032	15,548	15,548
Staff, volunteer and apprentice costs	10,827	43,274	54,101	15,168	38,778
Sundries	19,068	12,421	31,489	17,237	28,192
Advertising	8,959	12,310	21,269	13,201	15,885
Irrecoverable VAT	8,638	22,716	31,354	8,339	14,472
Bank Charges	799	-	799	851	851
Printing, stationery and postage	5,133	2,595	7,728	4,504	5,697
Legal, professional and accountancy	20,613	23,788	44,401	18,740	21,395
Telephone	788	6,430	7,218	1,458	1,814
Rent, power and insurance	28,349	5,571	33,920	27,360	31,268
Repairs, maintenance and computer supplies	18,143	25,052	43,195	33,173	58,064
Management charges across funds	(130,147)	130,147	-	(73,705)	-
	<u>331,904</u>	<u>1,341,680</u>	<u>1,673,584</u>	<u>309,173</u>	<u>1,138,666</u>

#### 7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

#### 8 Employees

The average monthly number of full time equivalents during the year was:

	2023 Number	2022 Number
Charitable activities	36	24
Governance	1	1
Total	<u>37</u>	<u>25</u>

# SMALL WOODS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Employees		(Continued)	
Employment costs	2023	2022	
	£	£	
Wages and salaries	986,366	655,065	
Social security costs	63,775	33,860	
Other pension costs	18,360	10,549	
	<u>1,068,501</u>	<u>699,474</u>	

There were no employees whose annual remuneration was more than £60,000.

## 9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## 10 Profit on sale of fixed assets

	Total	Unrestricted funds
	£	
	2023	2022
Net loss on disposal of tangible fixed assets	-	(34,383)
	<u>-</u>	<u>(34,383)</u>

## 11 Fixed asset investments

		Other investments
Cost or valuation		
At 1 April 2022 & 31 March 2023		100
Carrying amount		
At 31 March 2023		100
At 31 March 2022		100
Other investments comprise:	Notes	
Investments in subsidiaries	20	100

# SMALL WOODS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 12 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2022	470,451	158,606	7,950	637,007
Additions	-	30,499	-	30,499
At 31 March 2023	470,451	189,105	7,950	667,506
<b>Depreciation and Impairment</b>				
At 1 April 2022	128,880	131,568	1,590	262,038
Depreciation charged in the year	9,410	5,756	1,590	16,756
At 31 March 2023	138,290	137,324	3,180	278,794
<b>Carrying amount</b>				
At 31 March 2023	332,161	51,781	4,770	388,712
At 31 March 2022	341,571	27,038	6,360	374,969

Leasehold land and buildings were valued on an open market basis by Wiggins Lockett Thompson Limited Chartered Surveyors (regulated by RICS) at a value of £290,000 as at 17 August 2017. The trustees consider that this is materially in line with the reported net book value on a historic cost basis.

	2023 £	2022 £
Long leasehold	290,000	290,000

### 13 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	614,162	54,779
Other debtors	128,590	295,879
Prepayments and accrued income	1,918	1,918
	744,670	352,576

# SMALL WOODS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		24,284	17,211
Government grants	15	440,987	323,500
Trade creditors		28,507	26,103
Amounts owed to subsidiary undertakings		1,758	1,758
Other creditors		6,000	-
Accruals and deferred income		7,190	7,190
		<u>508,726</u>	<u>375,762</u>

### 15 Government grants

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	<u>440,987</u>	<u>323,500</u>
Deferred income at 1 April 2022	323,500	64,100
Released from previous periods	(16,500)	(64,100)
Resources deferred in the year	<u>133,987</u>	<u>323,500</u>
Deferred income at 31 March 2023	<u>440,987</u>	<u>323,500</u>

Deferred income relates to grants received in advance.

# SMALL WOODS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021 £	Movement in funds			Balance at 1 April 2022 £	Movement in funds			Transfers £	Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
AONB	37,256	648,809	(624,205)	-	-	12,623	(10,617)	(2,006)	-	-
BBO	(819)	36,645	(34,248)	-	1,578	53,284	(56,542)	-	-	(1,700)
Biochar	-	7,690	(4,551)	(3,139)	-	(190)	(2,317)	2,507	-	-
Blomass	-	2,250	(3,191)	941	-	-	(634)	634	-	-
Coed Lloel	(9,849)	36,187	(39,851)	13,513	61,860	976,147	(987,065)	-	-	50,942
CWM TAF Nature Network	-	4,250	(3,560)	(690)	-	4,760	(2,603)	(2,157)	-	-
FSC	16,336	-	(19,595)	3,259	-	-	(317)	-	-	(317)
Landau Community Grants	-	8,000	(6,634)	-	1,366	12,000	(16,937)	-	-	(3,571)
Mercian Biodiversity	16,727	45,038	(47,711)	-	14,054	126,508	(65,401)	(50,000)	-	25,161
NEIRF	-	-	-	-	-	18,529	(21,889)	-	-	(3,360)
NHS Shropshire Young Children	-	16,100	(1,530)	-	-	7,000	(3,943)	-	-	3,057
NRW	-	-	(5,817)	5,817	-	84,521	(74,554)	-	-	9,967
Social Enterprise	41,256	33,622	(39,952)	(29,999)	4,927	19,261	(18,532)	(5,656)	-	-
Social Forestry Contracts	-	-	-	-	-	1,874	(514)	-	-	1,360
Safer, Stronger Community	-	-	-	-	-	1,236	(1,236)	-	-	-
T&W Holiday Fund	-	-	-	-	-	11,030	(11,343)	-	-	(313)
West Glamorgan RIF	-	-	-	-	-	32,232	(32,403)	-	-	(171)
WIMFIF Blochar	-	-	-	-	-	14,496	(11,963)	-	-	2,533
WIMFIF Resilient Networks	-	-	-	-	-	19,007	(15,546)	-	-	3,461
Willlys Estate (Shropshire)	-	-	-	-	14,570	-	(7,324)	-	-	7,246
	100,907	838,591	(830,845)	(10,298)	98,355	1,394,298	(1,341,680)	(56,678)	-	94,295

# SMALL WOODS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 16 Restricted funds

(Continued)

#### Core:

Dulverton - Organisational Development  
Garfield **Weston** - Organisational Development

#### Woodland Management:

**Mercian** - Woodland biodiversity development  
**Lost Woods** - Community engagement and woodland management promotion and training  
**Willley Estate** - Draft proposal to establish a tree nursery  
**Blochar (22/24)** - Research into making and using biochar  
**NEIRF** - Research into potential financial benefits from woodland management  
**Resilient Networks** - Research into establishing better links between owners of woodlands and users of wood through networks

#### Social Forestry:

**Reaching communities** - Social Forestry project focused on mental health improvement through green wood craft  
**Veterans Foundation** - Project supporting veterans engagement in social forestry  
**ENRAW OH** - Social Forestry project across Wales, supporting health and wellbeing programs, promotion of woodland management and the establishment of woodland hubs.  
**NRW** - Social Forestry development programme, including infrastructure to support its wider adoption.  
**West Glamorgan RIF** - Social Forestry in Swansea and Neath  
**Anglesey** - Social Forestry in Anglesey  
**Cwm Taf Nature network** - Social Forestry in Rhondda Cynon Taf  
**Breaking Barriers** - Social Forestry in South Wales  
**Lost Peatlands** - Social Forestry associated with peatland restoration project in South Wales

#### Transfers

The largest transfer is in relation to the Mercian project, it has seen a growing project surplus over its life and it is now at a level that it is clear that the project surplus is significantly above that required for the project as it is currently foreseen. Therefore a sum has been moved to reserves. The sum moved will be tagged to the project and should this be needed to complete delivery of project outputs, then this will continue to be available to the project for its life.

# SMALL WOODS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021 £	Movement in funds			Balance at 1 April 2022 £	Movement in funds			Transfers £	Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Capital fund	378,172	-	(34,422)	-	343,750	-	(16,756)	-	-	326,994
Other designated funds	(53,749)	99,405	(74,129)	43,895	15,422	99,068	(65,845)	(10,048)	(10,048)	38,597
	<u>324,423</u>	<u>99,405</u>	<u>(108,551)</u>	<u>43,895</u>	<u>359,172</u>	<u>99,068</u>	<u>(82,601)</u>	<u>(10,048)</u>		<u>385,591</u>

**Capital Fund** - Comprised assets represented by land and buildings and other physical assets  
**Apprenticeships** - Grant received from different sources

### 18 Analysis of net assets between funds

	Unrestricted funds			Restricted Capital fund			Designated funds			Capital fund			Total
	2023	£	2023	2023	£	2023	2023	£	2023	2022	£	2022	2022
Fund balances at 31 March 2023 are represented by:													
Tangible assets	88,910	-	-	299,802	388,712	58,410	-	-	-	374,969	433,379		
Investments	100	-	-	-	100	100	-	-	-	-	100		
Current assets/(liabilities)	177,112	38,597	94,294	27,191	337,194	216,314	15,422	15,422	98,355	27,191	357,282		
	<u>266,122</u>	<u>38,597</u>	<u>94,294</u>	<u>326,993</u>	<u>726,006</u>	<u>274,824</u>	<u>15,422</u>	<u>15,422</u>	<u>98,355</u>	<u>402,160</u>	<u>790,761</u>		



# SMALL WOODS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 19 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

### 20 Subsidiaries

These financial statements are separate charity financial statements for Small Woods Association.

Details of the charity's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Heartwoods Limited	England and Wales		Ordinary		100.00

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Heartwoods Limited	358	100

21 Cash generated from operations	2023	2022
	£	£
Deficit for the year	(6,345)	(9,651)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,352)	(1,281)
Gain on disposal of tangible fixed assets	-	(34,383)
Depreciation and impairment of tangible fixed assets	16,756	14,005
Movements in working capital:		
(Increase) in debtors	(392,094)	(191,525)
Increase/(decrease) in creditors	15,477	(6,188)
Increase in deferred income	117,487	259,400
<b>Cash (absorbed by)/generated from operations</b>	<b>(250,071)</b>	<b>30,377</b>

### 22 Analysis of changes in net funds

The charity had no debt during the year.