

KWES Kent Woodland Employment Scheme
Report of the Trustees for the year ended 31st December 2020

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 2020.

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

J M Harrison

M Pritchard

Mrs A J Wainman OBE

Chairman

D P Wainman

Treasurer (also Company Secretary)

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 meet at least six times each year.

Bankers HSBC Bank Plc – Sittingbourne

Structure, Governance and Management

Governing document

KWES Kent 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 a Memorandum of Association, and it is governed by 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 that appropriate controls are in place to provide reasonable assurance against fraud and error.

Objects 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, by providing paid apprenticeships and
- * Education – in the form of training, leading to recognised qualifications, in all aspects of woodland management, for the apprentices employed.

KWES Trustees Report 2020 - continued

Achievement and Performance

As previously reported, KWES was forced by the ending of government support to make its twenty apprentices and their supervisors redundant in early summer 2017. Apprentice numbers had been built up to that number from four when the charity began in 2013, the significant factor in this being a Regional Growth Fund grant at a level which recognised that in the forestry industry apprentice training was necessarily a “five-days-a-week” undertaking for the apprentices and their supervisors. A letter from a government minister led the trustees to believe that the government’s “Trailblazer apprenticeship scheme” would, when introduced in 2017, continue a level of financial support which recognised the unique nature of forestry training and experience.

In the event, not only did the Department for Education set its standard offer of financial support at a “one-day-a-week” level, but denied even that to “employer-providers” (the status KWES had been encouraged to qualify for). KWES has reluctantly concluded that forestry apprenticeships for anyone employed by it, or by other employers and landowners, is neither possible nor practical, and has requested that it be removed from the Register of Approved Training Providers.

The Future

KWES remains fully committed to assisting those wanting to work in Kent’s hardwood forestry industry – as part of our vision to reverse its century-long decline, and our determination that it must have an increased, and trained, workforce.

The trustees see the charity’s future as including:

- o KWES has been actively promoting one year training-and-experience courses outside the Trailblazer apprenticeship framework. KWES provided the necessary subsidy to enable one trainee in 2019 to commence a forestry career which he would otherwise have been prevented from obtaining by lack of skills and experience, but Covid restrictions have severely restricted the charity’s ability to continue this work in 2020.
- o KWES can also provide short-course training for NPTC “tickets”, for instance for chainsaw or brush-cutter use – and first aid, now a legal requirement for all forestry workers.
- o KWES will continue to raise funds allowing it to help many rural local communities that have lost jobs in forestry, and/or lost opportunities they once had to enjoy their local woods. Forestry in the southeast is based on a system called coppicing that originated in the broadleaf ancient woodlands that existed before 1600. These woods were never planted, they evolved naturally, were grown as a crop and cut down at regular intervals to re-grow. If broadleaf woods, both ancient and modern are not coppiced, the canopy closes shutting out light and air from the forest floor and the woodland decays and dies. In ancient woods, (where because of the huge variety of practical experience on offer KWES mainly trained its past apprentices and would train any apprentices in the future), slow death of the woodland in this way results in the loss, forever, of the bio-diversity in soils that have never been cultivated, fertilised or treated with pesticides. An ancient wood cannot be replaced.

Trustees responsibility statement

The trustees (who are also directors of KWES Kent Woodland Employment Scheme for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK 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 charitable company and of the incoming resources and

KWES Trustees Report 2020 - continued

application of resources, including income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

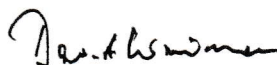
- * select suitable accounting policies and apply them consistently
- * observe the methods and principles in the Charity SORP
- * make judgments and estimates that are reasonable and prudent
- * prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities..

Small company rules. The accounts which follow have been prepared in accordance with the special provisions of the Companies Acts relating to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities.

Governance of the charity and Statement of Recommended Practice 2005. The foregoing headings set out the trustees obligations under law. The trustees have a further duty to ensure that the governance of the charity is conducted to the highest standards and that the charity's reporting and accounting each show that these high standards are being met.

Approved by order of the board of trustees on 24.09.2021 and signed on its behalf by



D P Wainman - Secretary

Company no: 07801721

Charity no: 1146114

**KWES Kent Woodland Employment Scheme
Balance Sheet at 31 December 2020**

		2020	2019
	Notes		
Fixed assets - tangible		0	0
- investment in subsidiary		100	100
Current assets			
Debtors	4	11,500	11,797
Cash at bank		<u>3,567</u>	<u>85</u>
		15,067	11,882
Creditors			
Amounts due within 1 year	5	<u>10,100</u>	<u>12,340</u>
Net current assets		<u>4,967</u>	<u>-458</u>
Total assets less current liabilities		5,067	-358
Creditors due after 1 year	1(c) & 6	<u>0</u>	<u>-46,884</u>
		<u>5,067</u>	<u>-47,242</u>
Total funds / -deficit		<u>5,067</u>	<u>-47,242</u>

The charitable company is entitled to exemption from audit under s.477 Companies Act 2006 for the year ended 31 December 2020 and the members have not required the company to obtain an audit of its financial statements for the year under s.476 of the Act.

The Trustees acknowledge their responsibilities for (a) ensuring that the company keeps accounting records that comply with ss. 386 and 387 of the Act, and (b) preparing financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year and of its surplus or deficit for that year in accordance with ss. 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 company.

These financial statements have been prepared in accordance with the special provisions in part 15 of the Companies Act 2006 relating to small companies, and in accordance with the Charity SORP 2015 (FRS 102)

The financial statements were approved by the Board of Trustees on **24-09-2021** and were signed on its behalf by



Mrs A J Wainman - Trustee

KWES Kent Woodland Employment Scheme **Company no: 07801721**
Statement of Financial Affairs incorporating an income and
expenditure account for the year ended 31 December 2020

		2020	2019
	Notes		
Incomings -charitable			
Memberships & donations		16,152	6,128
Creditor's waiver	1(c)	36,885	
Charitable grants	9	3,150	1,000
		<u>56,187</u>	<u>7,128</u>
Expenditure			
Activities in furtherance of objectives	2	800	7,240
Fundraising costs		0	0
Administrative costs	3	<u>3,078</u>	<u>3,123</u>
		<u>3,878</u>	<u>10,363</u>
Net income / -deficit		52,309	-3,235
Reconciliation of funds			
Funds brought forward		-47,242	-44,007
Funds / -deficit carried forward		<u><u>5,067</u></u>	<u><u>-47,242</u></u>

Cash flow statement
for the year ended 31 December 2020

	2020	2019
Operating activities		
Net cash generated / (deficit from) operating activities	3,482	-16,148
Investing activities	<u>0</u>	<u>0</u>
Change in cash in the reporting period	<u>3,482</u>	<u>-16,148</u>
Cash at beginning of period	<u>85</u>	<u>16,322</u>
Cash at end of period	<u><u>3,567</u></u>	<u><u>85</u></u>

Reconciliation

Net income / (deficit) per Statement of Financial Affairs	52,309	-3,235
Depreciation		0
Decrease in debtors	297	-1,253
Decrease in creditors	-49,124	-11,660
Net cash generated	<u><u>3,482</u></u>	<u><u>-16,148</u></u>

Notes to the Accounts - KWES Kent Woodland Employment Scheme - company no 7801721

1. Accounting

(a) The company's accounts are presented on a "solus" basis - not consolidating the figures of its subsidiary, KWES Trading Ltd, company number 11034610, That subsidiary made neither profit nor loss in 2020. Its £215 profits for 2019 were donated to this company in 2020 (included in memberships and donations).

(b) Basis of preparing the financial statements: The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015); and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

(c) The balance sheet at 31 December 2019 showed a deficit, financed by two loans. The first was made on the basis that reayment would only be called for if this would not jeopardise the charity's position; during 2020 the lender agreed to waive this loan - accordingly the amount concerned is shown in the 2020 Income Statement. The second loan is being repaid at the rate of £1,000 per month, plus interest. Funds to meet the 2020 instalments were received by the charity by way of donations. The balance sheet shows that the charity has sufficient funds to meet the ten instalments outstanding at 31 Decembe 2020.

(d) Income is brought into the Statement of Financial Activities when the charity is legally entitled and the amount can be quantified wth reasonable accuracy.

(e) Expenditure is accounted for an an accruals basis.

(f) Taxation: The charity is exempt from corporation tax on its charitable activities. The subsidiary has no such exemption, but made no profit in 2020 (its profit for the previous year were reduced to zero by a "profit shedding" donation durin 2020)

	2020	2019
2 Expenditure on charitable activities in furtherance of the charity's objects		
Personal protective & other equipment	0	1,068
External training	800	1,080
Running costs	0	5,092
	<u>800</u>	<u>7,240</u>

The expenditure on personal protective equipment and external training costs in each of 2018 and 2019 were incurred for individuals starting out on a forestry career

3. Administration costs

Interest paid	3,000	3,000
Other administrative expense	78	123
	<u>3,078</u>	<u>3,123</u>

Notes to the accounts - KWES Kent Woodland Employment Scheme - company no 7801721
continued

	2,020	2,019
4. Debtors		
KWES Trading Ltd		1,080
VAT recoverable	297	464
Rent reclaimable	<u>11,500</u>	<u>9,000</u>
	<u>11,797</u>	<u>10,544</u>

Before the cessation of employment and training of apprentices in 2017, the charity carried on those activities from a compound at Mereworth. It has been agreed by the landlord that the lease be cancelled from May 2019 when a forestry enterprise set up by three former KWES supervisors was granted a new lease. This enterprise has been in occupation of the compound since July 2017, and has agreed to refund to the charity the rent for which the charity has been legally liable through the intervening period - rent which the landlord had been unable for legal reasons to receive from its prospective new lessee.

5. Creditors due within 1 year

KWES Trading Ltd	100	340
Loans due within 1 year	1(c) <u>10,000</u>	<u>12,000</u>
	<u>10,100</u>	<u>12,340</u>

6. Creditors due after more than 1 year

Loan only repayable when financial position of

charity would not be jeopardised	1(c) 0	36,884
Kent Community Foundation	1(c) <u>0</u>	<u>10,000</u>
	<u>0</u>	<u>46,884</u>

7. Trustees remuneration, benefits and expenses: The trustees received no remuneration, no benefits, nor refund of expenses during 2020 or 2019.

8. Staff: Since the redundancy in May 2017 of all staff, KWES has had no employees.

9. Grants received

Chapman Trust		1,000
Minerva Trust	<u>3,150</u>	
	<u>3,150</u>	<u>1,000</u>

Company no: 07801721

Charity no: 1146114

**KWES Kent Woodland Employment Scheme
Balance Sheet at 31 December 2020**

		2020	2019
	Notes		
Fixed assets - tangible		0	0
- investment in subsidiary		100	100
Current assets			
Debtors	4	11,500	11,797
Cash at bank		<u>3,567</u>	<u>85</u>
		15,067	11,882
Creditors			
Amounts due within 1 year	5	<u>10,100</u>	<u>12,340</u>
Net current assets		<u>4,967</u>	<u>-458</u>
Total assets less current liabilities		5,067	-358
Creditors due after 1 year	1(c) & 6	<u>0</u>	<u>-46,884</u>
		<u>5,067</u>	<u>-47,242</u>
Total funds / -deficit		<u>5,067</u>	<u>-47,242</u>

The charitable company is entitled to exemption from audit under s.477 Companies Act 2006 for the year ended 31 December 2020 and the members have not required the company to obtain an audit of its financial statements for the year under s.476 of the Act.

The Trustees acknowledge their responsibilities for (a) ensuring that the company keeps accounting records that comply with ss. 386 and 387 of the Act, and (b) preparing financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year and of its surplus or deficit for that year in accordance with ss. 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 company.

These financial statements have been prepared in accordance with the special provisions in part 15 of the Companies Act 2006 relating to small companies, and in accordance with the Charity SORP 2015 (FRS 102)

The financial statements were approved by the Board of Trustees on **24-09-2021** and were signed on its behalf by



Mrs A J Wainman - Trustee

KWES Kent Woodland Employment Scheme **Company no: 07801721**
Statement of Financial Affairs incorporating an income and
expenditure account for the year ended 31 December 2020

		2020	2019
	Notes		
Incomings -charitable			
Memberships & donations		16,152	6,128
Creditor's waiver	1(c)	36,885	
Charitable grants	9	3,150	1,000
		<u>56,187</u>	<u>7,128</u>
Expenditure			
Activities in furtherance of objectives	2	800	7,240
Fundraising costs		0	0
Administrative costs	3	<u>3,078</u>	<u>3,123</u>
		<u>3,878</u>	<u>10,363</u>
Net income / -deficit		52,309	-3,235
Reconciliation of funds			
Funds brought forward		-47,242	-44,007
Funds / -deficit carried forward		<u><u>5,067</u></u>	<u><u>-47,242</u></u>

Cash flow statement
for the year ended 31 December 2020

	2020	2019
Operating activities		
Net cash generated / (deficit from) operating activities	3,482	-16,148
Investing activities	<u>0</u>	<u>0</u>
Change in cash in the reporting period	<u>3,482</u>	<u>-16,148</u>
Cash at beginning of period	<u>85</u>	<u>16,322</u>
Cash at end of period	<u><u>3,567</u></u>	<u><u>85</u></u>

Reconciliation

Net income / (deficit) per Statement of Financial Affairs	52,309	-3,235
Depreciation		0
Decrease in debtors	297	-1,253
Decrease in creditors	-49,124	-11,660
Net cash generated	<u><u>3,482</u></u>	<u><u>-16,148</u></u>

1. Accounting

(a) The company's accounts are presented on a "solus" basis - not consolidating the figures of its subsidiary, KWES Trading Ltd, company number 11034610, That subsidiary made neither profit nor loss in 2020. Its £215 profits for 2019 were donated to this company in 2020 (included in memberships and donations).

(b) Basis of preparing the financial statements: The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015); and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

(c) The balance sheet at 31 December 2019 showed a deficit, financed by two loans. The first was made on the basis that reayment would only be called for if this would not jeopardise the charity's position; during 2020 the lender agreed to waive this loan - accordingly the amount concerned is shown in the 2020 Income Statement. The second loan is being repaid at the rate of £1,000 per month, plus interest. Funds to meet the 2020 instalments were received by the charity by way of donations. The balance sheet shows that the charity has sufficient funds to meet the ten instalments outstanding at 31 Decembe 2020.

(d) Income is brought into the Statement of Financial Activities when the charity is legally entitled and the amount can be quantified wth reasonable accuracy.

(e) Expenditure is accounted for an an accruals basis.

(f) Taxation: The charity is exempt from corporation tax on its charitable activities. The subsidiary has no such exemption, but made no profit in 2020 (its profit for the previous year were reduced to zero by a "profit shedding" donation durin 2020)

	2020	2019
2 Expenditure on charitable activities in furtherance of the charity's objects		
Personal protective & other equipment	0	1,068
External training	800	1,080
Running costs	0	5,092
	<u>800</u>	<u>7,240</u>

The expenditure on personal protective equipment and external training costs in each of 2018 and 2019 were incurred for individuals starting out on a forestry career

3. Administration costs

Interest paid	3,000	3,000
Other administrative expense	78	123
	<u>3,078</u>	<u>3,123</u>

Notes to the accounts - KWES Kent Woodland Employment Scheme - company no 7801721
continued

	2,020	2,019
4. Debtors		
KWES Trading Ltd		1,080
VAT recoverable	297	464
Rent reclaimable	<u>11,500</u>	<u>9,000</u>
	<u>11,797</u>	<u>10,544</u>

Before the cessation of employment and training of apprentices in 2017, the charity carried on those activities from a compound at Mereworth. It has been agreed by the landlord that the lease be cancelled from May 2019 when a forestry enterprise set up by three former KWES supervisors was granted a new lease. This enterprise has been in occupation of the compound since July 2017, and has agreed to refund to the charity the rent for which the charity has been legally liable through the intervening period - rent which the landlord had been unable for legal reasons to receive from its prospective new lessee.

5. Creditors due within 1 year

KWES Trading Ltd	100	340
Loans due within 1 year	1(c) <u>10,000</u>	<u>12,000</u>
	<u>10,100</u>	<u>12,340</u>

6. Creditors due after more than 1 year

Loan only repayable when financial position of

charity would not be jeopardised	1(c) 0	36,884
Kent Community Foundation	1(c) <u>0</u>	<u>10,000</u>
	<u>0</u>	<u>46,884</u>

7. Trustees remuneration, benefits and expenses: The trustees received no remuneration, no benefits, nor refund of expenses during 2020 or 2019.

8. Staff: Since the redundancy in May 2017 of all staff, KWES has had no employees.

9. Grants received

Chapman Trust		1,000
Minerva Trust	<u>3,150</u>	<u>1,000</u>
	<u>3,150</u>	<u>1,000</u>