

# **Woodcraft Folk**

## **Annual Report and Financial Statements**

31 December 2016

Company Registration Number  
8133727 (England and Wales)

Charity Registration Number  
1148195

Scottish Charity Number  
SC039791

# Contents

## Reports

Trustees' report	1
Reference and administrative details	16
Independent auditor's report	18

## Financial statements

Statement of financial activities	20
Balance sheet	21
Statement of cash flows	22
Principal accounting policies	23
Notes to the financial statements	26

# Woodcraft Folk

## Report of the General Council for the year ended 31 December 2016

### Objectives

Woodcraft Folk is the co-operative children and young people's movement. We run hundreds of grassroots education groups in towns and cities across the UK where young people of all ages meet to play games, make friends and learn about big ideas from climate change to social justice through co-operative activities.

The objects of the organisation, as set out in the Articles of Association, are the advancement of education and the empowerment of children and young people for the public benefit by:

- encouraging children and young people to participate in society, improving their lives and others through active citizenship; and
- promoting the interests and welfare of children and young people.

In pursuit of these objects Woodcraft Folk works to a set of educational aims and principles. These are codified at the head of a secondary governing document, our "Aims, Principles & Programme" which can be viewed on our website:

<http://woodcraft.org.uk/aims-and-principles>

### Our objectives and how they deliver public benefit

We have considered the Charity Commission guidance and believe that our activities are wholly undertaken to further our charitable purposes for the public benefit. The broad objectives of Woodcraft Folk are covered in the Aims, Principles & Programme document, and elaborated on in the strategic plan. In the widest sense our objectives are:

- **Growth** Woodcraft Folk aims to make its opportunities available to every child and young person in Britain who wishes to take part;
- **Diversity** Woodcraft Folk aims to have every group reflect its local community and to have groups in as wide a range of communities as possible;
- **Partnerships** Woodcraft Folk aims to work with and alongside like-minded organisations;
- **Finance** Woodcraft Folk aims for all its branches to be self-financing and for the national organisation to have the money it needs to support branches;
- **Training** Woodcraft Folk aims to provide adequate training for all its volunteer leaders ensuring they have the skills to deliver activities for children and young people;
- **Quality** Woodcraft Folk is committed to ensuring the highest quality experience for all its members of all ages.

# Activities

Woodcraft Folk undertakes a wide range of activities to achieve our charitable objects.

## **Regular activities for groups of children and young people**

Woodcraft Folk's volunteer-run local groups are the primary means of engaging with our beneficiaries and delivering our charitable objects. Groups usually meet weekly during term-time and are organised by age group:

- (i) Woodchips: under 6 years old
- (ii) Elfins: 6 to 9 years old
- (iii) Pioneers: 10 to 12 years old
- (iv) Venturers: 13 to 15 years old
- (v) District fellows (DFs): 16 to 20 years old

A collection of groups in a local area forms a District and some activities, such as camps, training, and fundraising are carried out across age groups at the District level. District Fellows have greater autonomy and often take on leadership roles within the District.

Our groups offer a wide-ranging educational programme based on our aims and principles. Children and young people gain in self-confidence through their engagement in choosing and delivering programmes at all levels within their group and district.

## **Camping and Outdoor Events**

In addition to local activities, groups formed on the basis of interest or age, take part in camps and outdoor events ranging from activity days, to weekend hostelling trips, summer camps, national camps and, approximately every five years, international camps involving thousands of children and young people from sister organisations around the world.

Woodcraft Folk camps take place in accordance with our principles of equality and co-operation. Participants of all ages develop and grow by putting these principles into practice, taking a share in the responsibility for contributing to the programme of activities, cooking, cleaning, and all the other aspects of camp life.

## **International Activities**

As well as our flagship international camps, groups and districts offer children and young people the opportunity to meet peers from other countries and experience different cultures through exchange visits and hosting delegations.

We work through our umbrella body the International Falcon Movement – Socialist Education International (IFM-SEI) to partner with organisations which share our aims and values. Through the IFM-SEI our members have the opportunity to attend seminars, networking events and training courses where they can learn from their peers in other countries.

Woodcraft Folk also participates in the EU's European Voluntary Service programme to offer placements for young people to work in youth organisations in other countries and to host international volunteers to support our projects and activities.

## **Campsites and Centres**

Woodcraft Folk owns and runs a small network of campsites and outdoor activity centres, both for our own groups and for use by schools, community groups and other youth organisations. These centres and campsites provide opportunities for children and young people to develop and learn by taking part in adventurous activities and engaging with the natural world.

## **Folk Supply**

We run a primary-purpose trading department, Folk Supply, to provide Woodcraft Folk costume and educational resources to our members. As a uniformed group, Woodcraft Folk costume and badge-work are part of supporting children and young people to develop a sense of shared identity and values.

## **Central Support**

Woodcraft Folk employs a small staff team to support the volunteers who run our groups, camps and other activities. This team supports membership, group registration, insurance, safeguarding, training, communications, finance, governance and regulatory compliance – all of which enable our volunteers to deliver high quality co-operative activities to children and young people to common standards across the country.

## **Projects**

Depending on funding, we are able to supplement this central support with developmental projects to advance our aims. Projects running in 2016 include the celebration of our 90<sup>th</sup> Anniversary and our New Groups Project which aims to provide new places for over 800 children and young people. More detail about these projects can be found in the Achievements section of this report.

## **Use of volunteers**

We benefit from the time, skills and energy of over 3,000 volunteers, most of whom are members and regularly active in the organisation. They contribute work valued at hundreds of thousands of pounds per annum and enable us to do what we do. This work ranges from the delivery of week-to-week activities for children and young people; to the management of large scale projects and staff and involvement in the running of the organisation through General Council (our Trustee board). Staff members contribute to debates and discussions at all levels but the ultimate decision-making power rests, democratically, in the hands of volunteer members.

## **Grant making policy**

At present Woodcraft Folk does not usually make grants. Insofar as it acts as a channel for disbursing grants from sponsors such as the co-operative movement, it does so in an equitable manner based on the number of registered groups in a district, area or region. Through improvements in monitoring it provides an added safeguard that those funds are used as directed by the donor.

# **Our five-year strategic plan**

Building on the success of the Big Plan (2008-13), the Bigger & Better plan (Woodcraft Folk's strategic plan 2013-18) focuses on organisational growth. The Bigger & Better plan seeks to support growth in members, in groups and in income, focusing development support on:

- sustaining existing groups;
- supporting new groups; and
- reaching out to new communities.

These overarching goals are designed to enable us to provide more opportunities for more children and young people in more areas of the UK.

## Goals for 2016

In addition to the ongoing pursuit of Woodcraft Folk's charitable objects through the activities outlined above, the Trustees set the following specific targets for 2016:

### **Growth & Diversity**

Woodcraft Folk sought in 2016 to maximise the value of funding secured for our New Groups Project to support existing districts to expand their reach and to establish new districts in communities we do not currently serve. Specifically, the New Groups Project aimed to recruit 250 new leaders and create 843 new places for children at our groups by the end of the project in March 2016.

### **Finance & Partnerships**

Mindful of the trend towards shorter-term grants for projects and the increasing competition for grant funding and contracts, we continued the strict budgetary controls and other activities set out in the financial strategy agreed in 2014 to further diversify our income streams. This focused on increasing individual donations from non-members; encouraging direct debit payment of membership; increasing the contribution from local groups for the support they receive from the central organisation and seeking new sources of grant and contract income.

Having achieved the target of a small surplus on the unrestricted core budget in 2015 and in line with the reserves policy, General Council agreed an unrestricted core budget for 2016 with a small deficit to support continued progress in diversifying income.

General Council sought to continue the development of Woodcraft Folk's close relationship with the co-operative movement, both in terms of member engagement and financial support.

### **Training & Quality**

We aimed to deliver at least one residential new leader training event per term.

When seeking new funding General Council set the goal of securing new grants or contracts that would enable the organisation to continue to deliver high quality training and support to our volunteers as a priority.

## Achievements and Performance

### **Groups & Districts**

We ended 2016 with 316 paying groups and 2,558 over-16 members. Average numbers of children attending each group remained steady at 13, with over 4,100 children benefitting from regular attendance at a Woodcraft Folk group night.

The Sustainability Scorecard developed as part of the New Groups Project in 2015 was used again enabling us to celebrate good practice across the organisation in financial management and staying safe and to recognise areas for development, such as publicity and outreach. Although only the second year, it is clear that making this an annual process will provide useful information for monitoring and evaluating the impact of our activities.

"Hands In", an annual activity run concurrently in our groups up and down the country throughout March, is designed to help young people reflect on their own activity and on their role as a part of a nation-wide movement. This year's theme was about exploring our history and looking to the future, using resources created during the organisation's 90<sup>th</sup> Anniversary.

Groups worked towards the new Woodcraft Folk heritage badge, collected oral histories, made a heritage trail using our online archive. They used their reflections and learning from these activities to think about their ideas for developing the organisation as we head towards our centenary.

Many DFs (16-20 year olds) are active locally, running groups or taking other key roles in their Districts. Nationally, the DF movement remains strong with a regular programme of events and a growing regional structure.

### **Campsites and Outdoor Centres**

**Cudham Environmental Activities Centre** serves the movement by providing a Woodcraft Folk experience for all its users. Each weekend it hosts Woodcraft Folk groups, delivers forest school sessions and provides programme support where needed. In 2016 planning permission was granted for improved bathroom facilities, with construction taking place in early 2017.

**Height Gate** continues to develop as a flagship centre for sustainable energy use, with its solar panels, biomass stove, composting toilets and coppice woodland.

**Lockerbrook Outdoor Activities Centre** is our Peak District centre. In 2016, we continued the partnership with Lindley Educational Trust who we contracted to deliver outdoor education bookings. The Trustees are grateful to the volunteers and Management Committee and new staff team who have overseen this transition in operational model and laid the foundations for long-term sustainability, enabling young people to access, enjoy and learn in the outdoors.

**Woodcraft Park Farm** at Lurgashall is managed by a sub-committee of our London region and continues to offer back to basics camping and bushcraft activities for groups of up to 100 for 60 nights per year.

### **Camps**

Districts continued to hold an exciting and diverse range of local camps and outdoor activities. In addition, major camps in 2016 included:

- Venturer Camp, our triennial event for 13-15 year olds.
- A 200-strong delegation to the IFM camp hosted by our German sister organisation.
- Northern Camp, including training and support for new leaders and groups from the New Groups Project.
- The annual DF Camp, self-organised by the 16-20 year old District Fellows.

Initial planning began for an international camp to be hosted by Woodcraft Folk in 2020.

### **International Activities**

We continue to work with IFM-SEI (the International Falcon Movement - Socialist Education International) a global network of children's and youth organisations which share our values. Many districts take part in international exchanges as part of ongoing relationships with local groups in other countries.

Woodcraft Folk member and former Trustee Carly Walker-Dawson, was elected to serve for three years as the Secretary General of IFM-SEI at the 2016 Congress.

### **90<sup>th</sup> Anniversary**

Our Heritage Lottery funded 90<sup>th</sup> Anniversary project concluded in 2016, with exhibitions at the Rochdale Pioneers Museum and the People's History Museum, and the launch of new

resources, including our new heritage website and online archive, a short film narrated by Michelle Collins, and the book *A People's History of Woodcraft Folk*.

There is a small project funds balance carried forward which is shown in note 14. This relates to activities that were agreed as part of the project but where expenditure was incurred after the year end.

### **New Groups Project**

We continued to deliver our New Groups Project in West Yorkshire, Merseyside, North Wales and Central Scotland, with funding from the Cabinet Office Youth Social Action Fund delivered in partnership with Youth United.

This project is based on our tried and tested PlayOut model to support existing districts to expand their reach and to establish new districts in communities where we are not currently able to offer the benefits of a Woodcraft Folk experience to children and young people.

We ran outreach activities in 23 schools and held 102 PlayOut sessions in public spaces and parks, engaging 10,997 children and young people. 2,561 potential volunteers were engaged in outreach and training activity – 289 of these became volunteer leaders after completing screening and membership checks.

The project created 897 places for new children and young people to join Woodcraft Folk groups, registering 42 new groups and increasing capacity in 17 existing groups during the life of the project.

There is a small project funds balance carried forward which is shown in note 14. This relates to activities that were agreed as part of the project but where expenditure was incurred after the year end.

### **Outreach and media**

Young members gained in confidence and skills by taking Woodcraft Folk ideas and values to a number of festivals during the summer, running information stalls and providing children's areas at Glastonbury, Latitude and Tolpiddle Martyrs festivals among others.

Our groups make good use of local media to promote their activities and we are seeing an increasing number using social media tools such as Twitter and Facebook.

### **Training & Quality**

The New Groups Project delivered seven New Leader trainings. In addition to supporting those recruited via the project, these trainings led to the launch of new Districts in Farnham, County Durham and Walsall and supported sustainability and growth in existing Districts.

Our annual Folk Assembly is a practical example of innovative participation and educational techniques, including the use of Open Space methodology and is often combined with the delivery of training to reduce administrative costs and provide opportunities for cross-fertilization of ideas.

MEST UP (Mediation Education Support Team Umbrella Project) is a peer education project run by members of the District Fellows Movement to provide support and advice at Woodcraft Folk events on topics including sex, drugs, identity, bullying, abuse and peer pressure.

Our continuous development programme 'Follow the Trail' is designed to allow young members to evaluate their experience and help their leaders to work to deliver a better Woodcraft experience.



Our growing suite of online training modules and webinars, in addition to traditional training events, enable our volunteers to continue to offer high quality co-operative activities to children and young people across the UK in a safe and supportive environment.

## **Partnerships**

Woodcraft Folk continued to receive generous financial and organisational support from regional co-operative retail societies and, nationally, from the Co-operative Group. In line with the co-operative values set down in our aims and principles, we continue to choose to use co-operatives for a variety of services; from food for camps and large events, to trainers for groups, districts and national events. Nationally the Woodcraft Folk maintains strong links to Co-operatives UK (the UK Co-operative federation).

We worked in partnership with the Co-operative College on the New Groups Project.

During 2016 we continued our work with Trades Unions and are pleased to report that six national unions and 12 trade union branches have affiliated to Woodcraft Folk.

We continued to work with partners, including MRANG (Merseyside Refugee & Asylum Seekers Pre & Post Natal Support Group), National Autistic Society, Scope, Scottish Refugee Council, Sense and Young Minds to increase diversity within our organisation and to include as many children and young people as possible in Woodcraft Folk activity.

## **Nations**

Our groups in Scotland and Wales operate with their own devolved governance bodies; both of which appoint representatives to the board of Trustees.

### **Woodcraft Folk Scotland**

Woodcraft Folk in Scotland secured continuing funding from the Scottish Government and the National Voluntary Organisations Support Fund for group support and development and new funding from BBC Children in Need for work with families newly arrived in Scotland or with English as a second language. Our partnership with Sense enabled the participation of children with high support needs.

The New Groups Project (Scotland) ended in March, having reached over 1,700 people through 28 outreach events and partnership work, opened 4 new groups, and recruited 35 new volunteers and 53 new children to new and existing groups.

### **Gwerin y Coed (the Woodcraft Folk in Wales)**

The New Groups Project (Wales) also ended in March having recruited 52 new volunteers and created 186 new places by starting seven new groups and increasing capacity in 6 existing groups.

Gwerin y Coed delivered the second year of the Heritage Lottery Fund and Environment Wales funded project "Inspiring Young People to work with Wild Nature." This project is focused on creating community engagement and employment opportunities for young people on a former industrial site which is being transformed into a nature reserve.

# Financial Review

The financial statements bring together and report on all the activities of the core and branches of Woodcraft Folk. Overall they show income of £1,180,487. This was a significant decrease on that of 2015 due to three grant-funded projects – two New Groups Projects and the 90<sup>th</sup> Anniversary Project – coming to an end in the course of the year and an end to our involvement in the delivery of National Citizen Service.

The financial statements show a deficit of £118,110 of which £116,214 arises from net drawings out of restricted funds brought forward from prior years.

Fig. 1 provides a breakdown of Woodcraft Folk’s figures into areas of activity prior to their consolidation for the Statement of Financial Activity.

**Figure 1**

	Office Core		Central Projects		Outdoor Activity Centres		Regions, DFs and Nations		Groups and Districts		Other Projects		Total
	unres.	restricted	unres.	Restricted	unres.	restricted	unres.	restricted	unres.	Res.			
Total income	345,800	114,962	176,905	256	45,258	56,866	621,245	77,655	-	-		1,438,947	
Total expenditure	343,320	217,801	159,290	15,477	51,450	67,560	636,794	65,115	250	-		1,557,057	
Surplus/(deficit) for year	2,480	(102,839)	17,615	(15,221)	(6,192)	(10,694)	(15,549)	12,540	(250)	-		(118,110)	
Funds at 31/12/2015	716,062	133,081	269,897	367,798	99,240	27,637	508,356	32,894	568	-		2,155,533	
Funds at 31/12/2016	718,542	30,242	287,512	352,577	93,048	16,943	492,807	45,434	318	-		2,037,423	

The project figures in fig. 1 break down further as follows: Central Projects mainly covers the New Groups, 90<sup>th</sup> Anniversary projects; Other Projects covers Payout in South London.

The total deficit for the year in fig. 1 is the same as that in the Statement of Financial Activities on page 20. The total income and total expenditure figures are, however, different from those on the Statement – total gross income in fig. 1 is around £1.44m instead of £1.18m in the Statement; total gross expenditure is around £1.56m instead of £1.29m. This is because receipts and payments between different parts of Woodcraft Folk, equivalent to over £270,000, do not appear in the consolidated accounts in order to avoid the inflation of income and expenditure through double counting.

Restricted funds decreased during 2016 as they were spent on the purposes for which they were granted. The year-end balance on restricted funds for Central Projects represents funds carried forward to be spent in future years.

Unrestricted income exceeded expenditure in the core office area and in Outdoor Activity Centres. Unrestricted funds in Regions, DFs and Nations, in Districts and Groups and in Other Projects decreased due to some spending down of funds accumulated in prior years.

Strict controls continued to be applied during 2016 to expenditure on running the core office function and the total costs for the year were contained at the level set by the budget for the year, with the result that a small surplus was realised.

In line with Woodcraft Folk’s financial strategy, work to increase income from group registrations, members’ subscriptions, donations and Gift Aid continued in 2016. This helped reduce Woodcraft Folk’s reliance on grants and contracts to fund core support to volunteer-run groups and continued a trend towards more diversified sources of income, which was established in 2014.

The full impact of this work to diversify income will be seen in future years but the Trustees are confident that their strategy will continue to promote Woodcraft Folk’s financial strength and security.

In furtherance of the diversification strategy, at the Annual General Meeting in 2015 members voted to significantly increase the contribution that Districts make to the central organisation and the beneficial effects of this on Core income was felt for the first time in 2016.

Work has continued to improve the levels of both unrestricted and restricted income available to all areas of Woodcraft Folk activity but particularly to Groups and Districts. It is central to Woodcraft Folk's strategy that the charity ensures that Groups and Districts have the ability to apply for grants and develop Gift Aided fundraising. Woodcraft Folk's members, Groups and Districts are the fundamental element of the charity; Regions, Nations, Centres and projects are resources for them. The central office and Trustees underlie all of this, providing a more extensive layer of resources as well as strategic leadership.

The 2016 outturn, income trends and continued strong controls on costs have given the Trustees the confidence to budget in 2017 for a reduction in reserves of around £25,000. Setting a deficit budget reflects the Trustees' view that they should nurture financial developments which, in line with Woodcraft Folk's financial strategy, put the charity on a course to be financially self-sufficient rather than reliant on grant or contract funding to fund core support to volunteer-run groups. The Trustees felt that making short-term cuts to ensure a balanced budget risked jeopardising the progress made and having a long-term negative impact.

### **Principal funding sources**

There are five key strands to the revenue received by Woodcraft Folk. A significant proportion of income derives from the membership in the form of annual subscriptions, group fees, payments for camps and other events and purchases from the Folk Supply department. Where appropriate, members are asked to register donations for Gift Aid to enhance the value of these receipts.

A second key funding stream comprises money from grant-making bodies such as Lottery Funds, charitable trusts, foundations and government agencies. Some project work and, where allowable, an element of core funding, is supported by grants from these funders and Awards for All provides a number of small grants to groups for their equipment and local activities which support our volunteers to deliver our key activities for children and young people.

The third major source of revenue derives from the co-operative movement. Woodcraft Folk has, since its foundation, been supported by different co-operative societies because of its adherence to co-operative principles and practice and its role in introducing children and young people to these principles through the educational work undertaken. Funding from the co-operative movement includes national, regional and local grants, some of which are linked to the delivery of co-operative education work in partnership with co-operative societies. The Woodcraft Folk acknowledges with thanks the continued financial support received from the Co-operative Group plc and other co-operative societies.

Fourthly, there is income from funding sources available in Wales and Scotland. In 2016 Gwerin y Coed (Woodcraft Folk in Wales) received funding from Environment Wales and the Heritage Lottery Fund and in Scotland, financial support has been provided from the Scottish Government's National Voluntary Organisation Support Fund, Strategic Partnership Fund and Early Intervention Fund.

Finally, we have focused on growing contributions from a wider donor base with our "Friends of the Folk" scheme. This is a developing area of funding which raised over £3,000 in 2016, and it is hoped this will provide a growing income in the years to come.

## **Fundraising**

Woodcraft Folk's fundraising strategy outlines our approach to diversifying our income streams. As set out above, the majority of funds are raised from members, supporters and grant-making bodies. Woodcraft Folk does not normally fundraise from members of the general public who have no pre-existing relationship with the organisation.

The General Council has a fundraising sub-committee, including the Treasurer, volunteer representatives and senior staff, which oversees the fundraising carried out by the organisation.

Woodcraft Folk did not make use of a professional fundraiser or commercial participator to raise funds during 2016.

## **Reserves policy**

Unspent restricted funds are not counted towards reserves as they can only be spent for the purposes for which they were donated – the Trustees cannot change the purpose of restricted funds without the permission of the donor.

Woodcraft Folk's unrestricted funds fall into two categories:

1. Designated Funds: Funds which the Trustees have decided must be spent on a specific purpose within a specific timeframe. Details of the various designated funds are set out at the end of this policy.
2. General Reserves: Funds which are neither restricted nor designated. The Trustees have agreed the following reserves policy to establish target ranges for the working capital reserve and the contingency reserve and to set out guidance for what to do when the levels of reserves fall outside these ranges.

The charity holds the following general reserves, which relate to the core support operations of the charity and those parts of the organisation to which the Trustees delegate authority for managing staff and/or significant assets. Currently this includes the national branches in Scotland and Wales, along with the four campsites and outdoor centres.

### **Working Capital Reserve**

Since it is the policy of the charity not to borrow money for working capital and for bank accounts not to go overdrawn, a working capital reserve is held to ensure that liabilities can be met when they fall due. The level of the working capital reserve considered necessary is computed taking account of the expected timing of receipts and expenditure and a prudent estimate is that it should be in the range £60,000 to £100,000. This range is based on the assumption that where the charity secures restricted grants they will usually be paid in advance and would not require Woodcraft Folk to provide working capital for the project.

### **Contingency Reserve**

Even when activities are well planned, there is a degree of uncertainty about future cash flows. Income may fall or expenditure may increase in ways that are not anticipated. The reserves policy includes a target to meet unanticipated financial liabilities, taking account of the financial risks faced by the charity. A prudent estimate of what this should be lies in the range £100,000 to £250,000.

### **Policy when reserves are underfunded**

If unrestricted reserves fall below the lower threshold for the Working Capital Reserve and the Contingency Reserve (currently £160,000), the Trustees will agree a plan to rebuild

reserves to a prudent level within the next two to three years. The Trustees take the view that it might sometimes be prudent to set a deficit budget to enable investment that will support rebuilding reserves, but that the charity should not borrow money to invest in income generation.

### **Policy when reserves are above threshold: Free reserves**

If unrestricted reserves are above the upper threshold for the Working Capital Reserve and the Contingency Reserve (currently, £350,000), the Trustees will agree a plan to invest these Free Reserves in development activity which supports the charitable objects. The Trustees take the view that Free Reserves should not be used to subsidise routine activity.

### **Performance in 2016 against Reserves Policy**

Unrestricted reserves at 31 December 2016 (excluding funds which have been designated for specific purposes) amounted to £230,000, towards the lower end of the £160,000 to £350,000 range for combined Working Capital and Contingency Reserves, but comfortably above the lower threshold.

### **Designated funds**

Designated funds (including Tangible Fixed Assets) are as follows:

#### **Districts and Groups funds**

Funds collected by individual Districts and Groups to fund their activities (net of money spent) are designated for the purpose of the District or Group concerned. The funds held at 31 December 2016 represent local working capital and/or funds raised for specific local projects or capital expenditure. Funds for local projects or capital expenditure are likely to be spent over the next one-two years. Local working capital requirements vary from District to District and from time to time.

#### **Regional funds**

Funds collected by individual Regions to fund their activities (net of money spent) are designated for the purpose of the Region concerned. The funds held at 31 December 2016 represent working capital and/or funds raised for specific project or capital expenditure. Funds for projects or capital expenditure are likely to be spent over the next one-two years.

#### **District Fellows**

Funds collected by the District Fellows to fund their activities (net of money spent) are designated for the purpose of the District Fellows. The funds held at 31 December 2016 represent working capital and/or funds raised for specific project or capital expenditure. Funds for projects or capital expenditure are likely to be spent over the next one-two years.

#### **Buildings Fund**

A fund is designated equal to the net book value of the charity's building assets. This is drawn on annually to fund the depreciation on the charity's building assets charged to expenditure over the useful economic lives of the assets. The funds held at 31 December 2016 will be spent over the next 50 years.

## **CoCamp Legacy**

A designated fund was created from part of the surplus generated by the CoCamp International Camp in 2011. Its purpose is to fund expenditure on projects with a theme of co-operation and to assist the next international camp - now planned for 2020. It is expected that the fund will be spent between now and 2020.

## **Stock**

A fund is designated equal to the value of stock held by Folk Supply. The current stock is likely to be liquidated over the next 18 months but is regularly replenished, so the overall value is unlikely to vary greatly from year to year.

## **Staffing liabilities**

A fund will be designated to meet the cost of any staff liabilities which may arise in the future given the nature of projects linked to funding cycles. There are no such designated funds at present.

## **Accumulated funds**

When a significant expenditure project is planned, funds are accumulated as a designated reserve until sufficient money is available to enter into the planned commitment. The level of such a reserve at any point in time depends on the scale of the planned expenditure and the progress which has been made in collecting the necessary funds. There are no such designated funds at present.

## **Going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. They have made this assessment in respect of one year from the date of approval of these financial statements.

Woodcraft Folk is a charity with a strong supporter base. It has well-established sources of stable and secure income with which to finance its planned activities at the expected level of expenditure. This situation is expected to continue for the foreseeable future.

Woodcraft Folk also makes use of project funding to finance short-term activities in support of its charitable objectives. The charity scales up and scales down its activities and expenditure in accordance with the project funding which it obtains.

The Trustees have concluded that there are no material uncertainties about Woodcraft Folk's ability to continue as a going concern.

## **Plans for future periods**

In line with the Strategic Plan agreed in 2013, Woodcraft Folk will continue to focus on supporting existing and developing new groups and districts to ensure the best possible experience for children and young people in communities across the country.

This development will be supported by a continuing focus at Trustee level on policies, systems and procedures to support and encourage effective financial management at all levels of the organisation and on the updating of the wider risk management systems to support volunteers to ensure the effective management of financial, safeguarding and other key risks.

Work began in 2016 and will continue in 2017 to develop, in consultation with the membership, a new strategic plan to be adopted at the Annual General Meeting in 2018 and run from 2019 until the organisation's centenary in 2025.

## Structure, Governance and Management

### **Governing document**

Woodcraft Folk is a registered charity and a registered company established in July 2012 and governed by a Memorandum and Articles of Association. The activities, assets and liabilities of the unincorporated organisation Woodcraft Folk, which was founded in 1925 and was a registered charity, were transferred to the charitable company on 1 January 2013.

### **Company status**

Woodcraft Folk is a company limited by guarantee and all company members have agreed to contribute a sum not exceeding £1 in the event of a winding-up.

### **Recruitment and appointment of trustees**

The board of Trustees, who are also the directors of the company, is known as the General Council and comprises 20 elected members each serving a 2 year term, plus a treasurer selected by open recruitment and interview and appointed to serve for 5 years.

The elected members comprise:

- 10 members, 5 elected each year by conference ballot;
- 1 member, elected in Scotland from the membership there;
- 1 member, elected in Wales from the membership there;
- 4 Members aged 16 to 24 inclusive, 2 elected each year by conference ballot;
- 2 District Fellows Movement (DF) members elected at DF Althing (their own conference); and
- 2 members appointed by the DF Committee (DF members are aged 16 to 20 inclusive).

The Aims, Principles & Programme require a standing invitation for an observer representing the educational activity of the co-operative movement. This seat is vacant at the time of writing. A recruitment process is being undertaken in conjunction with Co-operatives UK, the umbrella body for the co-operative movement.

### **Induction and training of trustees**

New trustees attend an induction session and are paired up with an experienced Council member for ongoing support. A session is run during the first Council meeting following the Annual Gathering to provide information for all General Council members on trustees' governance and oversight duties. General Council members sign up to a code of conduct as part of the induction process.

### **Remuneration policy for key management personnel**

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the General Secretary, the Director of Development and the Finance Manager.

Trustees of Woodcraft Folk receive no remuneration for the role, but are paid out of pocket expenses arising in the pursuance of their duties.

Senior staff are paid on a salary scale which is reviewed annually by the Trustees as part of the budget-setting process. The position of each role on the scale is decided by the staffing sub-committee when the role is created and reviewed periodically. Each role has an upper and lower bar on the scale. Staff appointed below the upper bar receive an annual increment until they reach the upper bar.

### **Organisational structure**

Woodcraft Folk is a democratically structured membership organisation which operates as part of the voluntary and community sector. Local groups, comprising a pool of volunteers, meet regularly to provide a range of activities for children and young people. Where two or more groups exist in a locality they constitute a district association. Each group and district is entitled to send a delegate to the Annual General Meeting of the company. It is this body of delegates who elect the General Council.

There are also conferences held and committees operating in Scotland, Wales and the English regions with varying functions and status. The two nations relate directly with their own governments and send a representative each to General Council. The regions in England have no direct representation on General Council.

The young adult section of the Woodcraft Folk, called DFs (District Fellows), include 16 to 20 year olds organising their own affairs through district, regional and UK-wide bodies including a DF Committee and their own annual conference, Althing. They elect four delegates to General Council.

The four residential centres and campsites (and any current projects) are the responsibility of management committees typically drawn from local districts or the nations/regions in which they are based, together with General Council representation. These local committees are ultimately responsible to General Council who have the final responsibility for the oversight and good management of those projects.

### **Connected Parties & Partnerships**

We have a partnership with the Lindley Educational Trust who deliver outdoor education activities at our Lockerbrook Outdoor Activity Centre.

Woodcraft Folk is a member organisation of the International Falcon Movement – Socialist Education International (IFM-SEI). We co-operate with IFM-SEI and its member organisations on a number of joint projects, funded by the European Union and the Council of Europe. These projects include running and participating in seminars and camps throughout the year.

Woodcraft Folk provides services, including payroll and insurance management, to the Trustees of Darsham Country Centre, an independent charity which operates as part of Woodcraft Folk's network of campsites and outdoor activity centres.

### **Risk management**

General Council is actively involved in reviewing threats to the organisation. It does so at Council meetings with the support of the senior staff and maintains a collegiate approach to managing risks. A Risk Register and business continuity plan relating to specific risks is prepared by senior staff working closely with Trustees and reviewed at least annually.

The Risk Register includes a summary of significant and urgent risks along with priorities for action. Currently the three areas covered in this summary are:



1. **Governance** – Woodcraft Folk comprises over 300 local groups run by over 3,000 volunteers, supported by a small staff team and an elected Board of Trustees (General Council). Given the distributed nature of the organisation, the Trustees face an ongoing challenge to ensure that the entire movement is engaged in the shaping of the vision and strategy of the charity and that activities are delivered consistent with this strategy across all parts of the organisation. These risks are mitigated by the organisation's embedded democratic structures and ongoing development of internal communication systems.
2. **Finance** – Although the organisation holds significant assets and has what appears to be a relatively high cash balance, the majority of liquid assets are designated for use by local branches of the organisation. The unrestricted funds available to underpin the core operations of the charity, which provide vital support to the volunteer-led groups, are at the lower end of the range set out in the reserves policy (see page 10). The reduction in unrestricted grants for core activity and increasing competition for project grants and contracts have been addressed by the adoption of the financial strategy which focuses on diversification of income (see page 8).

All financial actions within Woodcraft Folk are subject to its comprehensive financial procedures, which were reviewed in 2015. Operational management of agreed budgets is delegated to staff members but General Council retains control over any variances to budgets throughout the year via its Finance & General Purposes Committee.

3. **Safeguarding** – As an organisation working with children and young people there is always a risk of a major safeguarding incident which would have direct impacts on beneficiaries and indirect, reputational, impacts on the organisation as a whole.

Safeguarding of children and young people underpins all Woodcraft Folk activity. All relevant staff and volunteer members regularly working unsupervised with children complete enhanced Disclosure & Barring Service disclosures through the Woodcraft Folk (or join the Protection of Vulnerable Groups scheme if active in Scotland) in addition to providing two references. These disclosures are renewed every three years. Members are also trained in good practice relating to safeguarding at local level, as well as having access to guidance on health & safety and drug, alcohol & tobacco education.

The organisation's safeguarding policy and procedures are reviewed annually by the Trustees in conjunction with the lead and deputy safeguarding officers (both senior members of staff), are promoted throughout the organisation and are supported by training at grassroots level and online resources. Full details are on our website: <https://woodcraft.org.uk/safeguarding>.

## Reference and Administrative Details

Charity Name: Woodcraft Folk  
Charity Registration Numbers: 1148195 (England & Wales) and SC039791 (Scotland)  
Company Registration Number: 8133727 (limited by guarantee)  
Registered Office: Units 9/10, 83 Crampton Street, London SE17 3BQ

### General Council (Trustees and Directors) for the period

Brynn Alred	<i>until 24/9/16</i>
Millie Mae Burgh	Tom Gaffikin
Holly Carter-Rich	Melissa March
Tom Gower	
Laura Hallsworth	<i>from 24/9/16</i>
Josh Hope-Collins	James Bowring
Pat Hunter - <b>Chair</b> (until 5/11/16)	Sonia Kelly
Philip Sayers	Sax Rendell
Ralph Sleigh	Jack Walker
Claire Slocombe	<i>until 5/11/16</i>
Roland Susman ( <b>Treasurer</b> )	Emmeline Aves
Stuart Walker - <b>Chair</b> (from 5/11/16)	
Naomi Wilkins	<i>from 5/11/16</i>
<i>from 27/2/16</i>	Nick Hallsworth
Tom Brooks	<i>until 26/11/16</i>
	Ann MacGarry
	<i>from 26/11/16</i>
	Lucy Faircloth

### Individuals who serve(d) as a trustee for the charity in holding the title to property belonging to the charity

Andrew Bibby	Trevor Linger	John Slater
Jess Cawley	Ian Millward	Julie Thorpe
Marc Espinet	Alan Searle	
John Keyworth	Thomas Searle	

### General Secretary (Chief Executive & Company Secretary)

Jon Nott

### Auditor

Buzzacott LLP, 130 Wood Street, London, EC2V 6DL

### Bankers

The Co-operative Bank plc, 60/62 Pinstone Street, Sheffield, S1 2HP

### Solicitors

Lester Morrill inc. Davies Gore Lomax, 26 Park Square West, Leeds LS1 2PL

## Statement of General Council responsibilities

The trustees (who are also directors of Woodcraft Folk for the purposes of company law) are responsible for preparing the trustees' report and 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any 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 charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Approved by the General Council and signed on its behalf by:

Stuart Walker (Chair)

# Independent auditor's report to the members of Woodcraft Folk

We have audited the financial statements of Woodcraft Folk for the year ended 31 December 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of trustees and auditor**

As explained more fully in the statement of General Council responsibilities set out in the trustees' report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the trustees' report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Catherine Biscoe, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL