

Company No. 3336101
Charity No. 1061568

**Action with Communities in Rural
England**
Report & Financial Statements
31 March 2013

sayer vincent

auditors and advisors

Action with Communities in Rural England

Legal & administrative details

For the year ended 31 March 2013

Status	The organisation is a charitable company limited by guarantee, incorporated on 19 March 1997 and registered as a charity on 26 March 1997.	
Governing document	The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.	
Company number	3336101	
Charity number	1061568	
Registered office and Operational address	Somersford Court Somersford Road Cirencester Gloucestershire GL7 1TW	
Honorary officers	Susan Shaw Richard Quallington Janet Thornton Richard Priest John Hazelwood	Chairman Vice Chair (retired May 2012) Vice Chair (retired as vice chair December 2012) Vice Chair (December 2012) Treasurer
Principal staff	Sylvia Brown John Buckley Sue Kirkman	Chief Executive (retired 31 March 2013) Company Secretary (resigned July 2012) Company Secretary (from September 2013)
Bankers	Lloyds TSB plc 14 Castle Street Cirencester Gloucestershire GL 7 1QJ	Caf Bank Ltd P O Box 289 West Malling Kent ME19 4TA
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ	
Auditors	Sayer Vincent Chartered accountants and statutory auditors 8 Angel Gate City Road LONDON EC1V 2SJ	

Action with Communities in Rural England

Report of the Trustees

For the year ended 31 March 2013

The trustees present their report and the audited financial statements for the year ended 31 March 2013.

Introduction

In preparing this report, the Trustees complied with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

Structure, governance and management

Organisational

Action with Communities in Rural England (ACRE) is a company limited by guarantee (number 3336101) with a Board of Trustees elected at general meetings by its members, the Rural Community Action Network (RCAN), and in accordance with the Memorandum and Articles of Association adopted on 5 March 1997.

Governance

The Board of Trustees is responsible for the governance and the management of ACRE. The ACRE Board consists of not less than five but no more than eight regional Trustees, a Chair and a Treasurer. Regional Trustees are elected by the membership in accordance with the Memorandum and Articles of Association. The Chair and Treasurer are appointed by the Board from amongst the Trustees, with two Vice Chairs appointed annually from amongst the Trustees by the Board at its first meeting following the AGM. The Board may co-opt up to six additional persons to serve as Trustees to ensure that appropriate skills and experience are available.

At the end of this financial year, there are three co-opted Trustees on the Board who were selected in order to strengthen the structure of the Board and to further enhance its skills complement. All Trustees have an induction into the organisation and receive a Trustee Induction Pack. No person may serve as a Trustee for more than six consecutive years apart from the Treasurer, who can serve for no more than eight consecutive years.

The Board continues to recognise that a more formal approach should be taken in respect of Trustee training and additional sessions in the form of Trustee Awaydays were held in July 2012, October 2012 and March 2013. The Board is also continuing a programme of governance development, incorporating work on membership, Trustees, elections, Board performance and proceedings.

At its meeting in October 2012, the Board agreed to invite external bodies to be associate members of ACRE. This permits the external bodies to participate in membership, including the ACRE Quality Standards Scheme, with the exception of the right to vote at a general meeting.

All Trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Management

The Trustees are responsible for setting strategies and policies and for ensuring that these are implemented. In March 2012, the Trustees approved an updated three year Corporate Plan to guide the strategic activity of the organisation.

Action with Communities in Rural England

Report of the Trustees

For the year ended 31 March 2013

Finance and Resources Committee

The Finance and Resources Committee met four times during the year. Its responsibility is to advise Trustees on their duty to safeguard, manage and use all ACRE's assets properly and responsibly and to ensure that all funds are spent effectively and efficiently in the course of its activities. The Committee advises Trustees on the financial strategy of ACRE and the performance against this strategy. The Committee also advises the Trustees on human resources issues affecting the organisation and oversees the implementation of good practice. In addition, the Committee is responsible for ensuring that the working conditions and environment of staff are monitored and that the organisational Health & Safety Policy is implemented effectively.

Management Team

The Senior Management Team comprises the Chief Executive, the Director of Network Standards & Support and Director of Policy & Research, and is responsible for operational decisions and delivering the organisation's strategic objectives during the financial year. Together with the above, an additional six staff form the wider Management Team which tackles detailed day to day implementation. With the retirement of the Chief Executive in March 2013, the Trustees planned a major restructure of the organisation. For the interim, an Executive Trustee, Richard Priest, has been charged with the task to take the new structure forward, leaving three senior managers to deal with the daily operational needs.

Network performance and development

The ACRE Board is committed to working within the ACRE Good Practice Quality Standards for performance improvement (The ACRE Standards). The ACRE Standards were originally developed in 2001, and revised and rewritten in August 2004, with two implementation levels and a 'review, reflect and improve' requirement at Level 3. In August 2013 ACRE will undergo a continual re-assessment of its Level 3 status. Within the RCAN, 33 members have attained Level 3 of The ACRE Standards. Including ACRE, 35 RCAN members have achieved accreditation against the Charity Commission (CC) endorsed ACRE Standards. All reviews and re-assessments are now against the Charity Commission endorsed version of The ACRE standards. A further two Level 3 Reviews and 11 Level 3 re-assessments are due to take place during 2013/14.

Risk management

The Trustees are committed to a regular review of the major strategic, business and operational risks which ACRE faces, with a view to ensuring that appropriate systems and procedures are in place to minimise these risks. Risks are identified in the Board's annual review of the Corporate Plan and potential new risks and the appropriate management of them are identified and at each Board meeting.

Register of interests

All Board members complete an annual declaration of interests in compliance with the Conflict of Interest Policy. This is updated as required during the year. Board members are required to declare any related interest in decisions at the start of all Board meetings, or thereafter if relevant topics arise.

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For the year ended 31 March 2013

Related parties and connected organisations

ACRE receives membership subscriptions from its member Rural Community Councils. In addition, members buy products from ACRE and work with each other on joint initiatives. During 2012/13 a total of £2,578,270 was committed to members through the Defra Rural Community Action Network (RCAN) programme and Big Lottery's Village SOS programme to deliver local support and benefit to rural communities.

Although Trustees elected by the regions are also Trustees of RCAN members, within an ACRE context they have no influence over business transactions between Rural Community Councils and ACRE. The same applies to co-opted Trustees.

Member Community Councils at 31 March 2013

Action with Communities in Cumbria	Cornwall Rural Community Council
Action with Communities in Rural Kent	Dorset Community Action
Action in rural Sussex	Durham Rural Community Council
Bedfordshire Rural Communities Charity	Gloucestershire Rural Community Council
Cambridgeshire ACRE	Humber and Wolds Rural Community Council
Cheshire Community Action	Isle of Wight Rural Community Council
Community Action Hampshire	Norfolk Rural Community Council
Community Action Northumberland	Northamptonshire ACRE
Community Council for Berkshire	Oxfordshire Rural Community Council
Community Council of Devon	Rural Community Action Nottinghamshire
Community Council for Somerset	Rural Action Derbyshire
Community Council of Staffordshire	Rural Action Yorkshire
Community Development Agency for Hertfordshire	Rural Community Council of Essex
Community First, Herefordshire and Worcestershire	Rural Community Council (Leicestershire & Rutland)
Community First, Wiltshire	Shropshire Rural Community Council
Community Futures, Lancashire	Suffolk ACRE
Community Impact Bucks	Surrey Community Action
Community Lincs	Tees Valley Rural Community Council
	Warwickshire Rural Community Council
	West of England Rural Network

Associate members

Rev Canon John Brown
Care Farming West Midlands
Hastoe Housing Association
Monmouthshire Housing Association
One East Midlands

Action with Communities in Rural England

Report of the Trustees

For the year ended 31 March 2013

Objectives and activities

The objectives, aims and activities of ACRE are reviewed annually as part of the Corporate Planning cycle. The review considers what has been achieved and the outcomes from the previous 12 months' work. It looks at the success of each key activity and the benefits they have brought to those groups ACRE aims to help. The review also helps to ensure the organisational aims and activities remain focussed on the stated purposes.

Reference has been made to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and planning future activities. In particular, the Trustees consider how planned activities contribute to the aims and objectives set.

Objectives

ACRE's objective, as the national umbrella body of the Rural Community Action Network (RCAN), is to promote a healthy, informed, vibrant and sustainable rural community sector that is well connected to policies and initiatives at national, regional, sub-regional and local levels.

ACRE's vision is to provide, through the activities of its network, a rural community development centre of expertise that is used by policy-makers and practitioners.

ACRE's charitable purpose is to support sustainable rural community development. It provides a national platform for its founder members, RCAN, other bodies and individuals who work at local, county and regional level to alleviate rural disadvantage in England. As the national arm of RCAN, it also provides support for its member organisations to build their capacity in serving and responding to the needs of rural communities.

Grant-making policy

ACRE administers grants on behalf of other charitable trusts and government organisations that further the charity's objectives. The grant-making processes are agreed with the funders from the outset and transparency by the recruitment of independent assessors. Grants are paid on respective merits.

ACRE's unrestricted funds are not used for grant-making purposes, unless by resolution by the Trustees. Arrangements are in place to segregate grant-making decisions, ensuring conflicts of interests are avoided in the governance of ACRE.

Activities

During 2012/13 key areas assisting in the delivery of ACRE's charitable objectives were:

- 1 National advocacy
- 2 Research and evidence
- 3 Rural infrastructure
- 4 Network standards and training
- 5 Programme delivery
- 6 Business development
- 7 Corporate affairs and governance
- 8 Human resources
- 9 Finance

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Report of the Trustees

For the year ended 31 March 2013

How our activities deliver public benefit

ACRE's charitable activities are to alleviate rural disadvantage to the 11,000 rural communities throughout England by way of the activities set out below.

Achievements and performance

- 1 During 2012/13, ACRE developed its strategy for advocacy in three major directions:
 - Securing long term recognition of the value delivered by the RCAN agreement with the Department for Environment, Food and Rural Affairs (Defra) by ensuring effective delivery and achieving impact
 - Positioning RCAN members as primary agents of change in implementation of localism and other government policies
 - Capitalising on RCAN's reach into rural communities and expertise in ensuring rural communities benefit from national policy initiatives
- 2 In October 2012, ACRE mounted a national conference for its members to engage with the Defra Minister, senior Defra team and senior staff in other government departments. The aim was to demonstrate the value and outcomes of the programme and build the potential for complementary partnership work with other government departments. There were 94 delegates at the London venue. The event celebrated 25 Years of ACRE activities ranging from its days as the secretariat for Rural Voice through to the current Defra RCAN agreement.
- 3 Throughout 2012/13, ACRE has worked with the Rural Coalition, a small group of significant national stakeholders representing private, voluntary and public sector interests. Their collective aim is to support delivery of a positive vision for rural communities based on their 2010 report, Rural Challenge, and they command significant attention from government departments and in parliamentary circles. ACRE's role as secretariat and founder member ensures a national stage for the work of our members and ensures due recognition of the role of community led empowerment and regeneration.
- 4 ACRE has continued to invest in the Rural Evidence resource to underpin national and local RCAN advocacy and business development. Following consultation about the needs of members in using the reports produced by the Rural Evidence project, Oxford Consultants for Social Inclusion (OCSI) were commissioned to undertake further development producing new community profiles and health reports. RCAN members are using the community profiles as part of the 'offer' to communities and the health reports have supported the national RCAN involvement in the Defra-initiated Rural Health Toolkit. Fuel poverty reports will support RCAN capacity to deliver energy initiatives and help ACRE to open new markets for RCAN capability in this field. Funding has already been committed towards the update of the reports to reflect the 2011 census, and this will be completed when the data is available. ACRE will consult extensively with RCAN members to assess what further investment and development of the resource may be required.

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- 5 As part of the legacy approach of the Big Lottery's BASIS programme, ACRE received additional funding for the Rural Infrastructure for England (RIE) project, which allowed ACRE to undertake three specific areas of research. ACRE commissioned an assessment of the nature and range of activity undertaken on the main Defra themes by RCAN members at local level. The detailed information secured will feed a range of revised Policy Position Papers and other promotional activity during the coming year. A communications review was also commissioned covering relationships within the network as well as external stakeholders. As a result, the ACRE Board designated reserves towards funding a communications function on a short term contract to November 2013. Finally, an evaluation project was commissioned with the aim of showing how the six year RIE project has added value to the network's collective skills, activity and positioning.
- 6 ACRE's practitioner networks, set up under the Big Lottery funded Rural Infrastructure for England, ensured that RCAN expertise and practice was shared amongst grass roots practitioners and their work better promoted in external arenas. The electronic practitioner networks have also been fundamental to creating the structures for RCAN reference groups, through which grass roots intelligence is collated and analysed for discussions with Defra policy staff. ACRE's success in securing additional funding for RIE ensured a year-long extension of the programme to September 2013.

Through the RIE networks, ACRE was able to access RCAN member involvement in support for neighbourhood planning, enabling information of impressive scale and detail to be offered as evidence to government to inform future localism policy. ACRE has considerably strengthened its role with the Department for Communities and Local Government (DCLG) neighbourhood planning agenda, being included now on monthly meetings between officials and the organisations funded to support neighbourhood planning and the steering group overseeing policy issues raised by implementation. ACRE is also involved in an initiative by the Royal Institute of Chartered Surveyors which is assessing and training neighbourhood planning examiners.

A further area of development in strengthening national and local advocacy has been achieved through working with Defra and the Department of Health, together with other partners, on the publication of a national Rural Health Toolkit which includes case studies from our members. Together with the new health reports from the Rural Evidence project, this will provide a strong platform for influencing the new Health Commissioning Groups.

ACRE's Village Hall Information and Advice Service has provided support for RCAN members during the year. Due to support received from Aon Limited there are now 42 Village Hall Information Sheets which have been reviewed, rewritten and rebranded. The Hallmark quality standard scheme has allowed c.400 village halls to maintain, receive or renew an award. A range of briefing papers on topical issues from music copyright licensing to energy issues provide guidance for RCAN members to use in their work advising hall committees. ACRE headed a national campaign to highlight the roles that volunteers play in managing their community assets and the support they require from ACRE's members.

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For the year ended 31 March 2013

- 7 To enhance the role of our network in supporting community led initiatives, ACRE has worked with an extensive range of partners to produce a wide range of Topic Sheets. Designed to be used in conjunction with the Community Led Planning or the Neighbourhood Planning process, each topic sheet gives advice to local groups on the theme and signposts to sources of further advice. The approach also enables ACRE to build relationships with other partners at national level to ensure it can access best practice.
- 8 The Nationwide Foundation has financed the "Over The Hill?" project, a three year awareness raising media campaign about the practical challenges of growing older in rurally isolated areas, with particular reference to housing and financial exclusion. ACRE was in partnership with The Rural Media Company, the lead agency, and Age UK, in promoting this programme through to December 2012.
- 9 As part of the move towards collective development of RCAN and the need to build new markets for RCAN locally and nationally, an RCAN CEO Reference Group was recruited and met for the first time in December and again in March. New reference groups, designed to enhance and widen the scope for national representation have been set up in respect of a number of policy themes.
- 10 The ACRE Network Performance Improvement Programme completed its eighth year and engaged with all RCAN members in demonstrating their achievements against The ACRE Standards. As a result of ACRE's promotion, development and implementation of the programme, one member completed a successful Peer Review at Level 2, resulting in all members achieving at least this level of quality standards. Two members completed a successful Level 3 Peer Review, and five members successfully completed Level 3 re-assessments. In total, 33 members, one regional group and ACRE have achieved accreditation at Level 3 – the highest level of The ACRE Standards. The Reviews provide an example of how a network can deliver improvements through quality standards through independent external validation.
- 11 2012/13 was the second year of the four year Agreement with Defra, and ACRE successfully managed the revision of allocations to members reflecting the tapered funding and the transition to new relationships and structures within Defra Rural Communities Policy Unit (RCPU) that underpin the programme. Changes to the reporting system changed the volume and content of the information secured from members in accordance with the programme.

During the year, a major retrospective exercise was performed on the value and outcomes of the Year 1 investment was produced. Published in a summary report 'Making a Difference', the results demonstrated the traction achieved across the country and demonstrated the financial leverage gained to support work on the four Key Themes: Housing & Planning, Transport & Services, Fuel Poverty & Energy Generation and Broadband.

- 12 The Governance Group set up by Defra to oversee the Grant Agreement comprises senior staff from Defra Rural Communities Policy Unit and ACRE, as well as external members from the National Association of Local Councils (NALC), Office for Civil Society and Department for Communities and Local Government and meets twice a year.
- 13 The 2012/13 Defra investment included an RCAN Reserve Fund of £98,000, to be allocated by the RCAN CEO Reference Group to support RCAN development and sustainability.

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Report of the Trustees

For the year ended 31 March 2013

- 14 In June 2011, ACRE entered into an Agreement worth £201,960 with Plunkett Foundation to act as sub-contractor for the provision of services within the Big Lottery Fund's Village SOS programme. ACRE has undertaken research and participated in the project Steering Group. ACRE has also contracted with RCAN Members to support the Village SOS Telephone Advice Line and a number of Village SOS Roadshow Events to a total in excess of £142,000. Activity under this Agreement continued until end-July 2012.
- 15 ACRE also administers the Rural Communities Building Loan Fund which offers financial support to village hall management committees to improve their facilities for their communities. During 2012/13, 14 new loans were taken out, 9 loans were repaid and by March 2013, there were 43 loans outstanding to the value of £480,201. A further four loans have been offered with a total value of £57,992.
- 16 ACRE has provided direct support on business development to its members throughout 2012/13 through 1:1 advice. ACRE has also distributed grant funding via the Defra RCAN agreement's RCAN Reserve Fund, with the aim of supporting the sustainability and integrity of the Rural Community Action Network across England.
- 17 Constraints on public expenditure are expected to have significant impact on local authority funding and RCAN members will need to develop their access to funding through other means. Retention of staff, investment in training and recruitment and development of new initiatives are difficult to deliver against such a background.

Financial review

Reserves policy

The Finance and Resources Committee, on behalf of the Board of Trustees, reviews the use of reserves on an annual basis to ensure that the charity can continue to meet its strategic objectives.

The Trustees consider that the level of unrestricted reserves should be sufficient to allow time for reorganisation in the event of a downturn in income, protect ongoing work programmes and allow ACRE to meet its legal requirements. The target level for unrestricted reserves is the equivalent of three months of the charity's general expenditure budget plus an allocation to allow for longer term liabilities and contingencies.

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Report of the Trustees

For the year ended 31 March 2013

The Trustees also designate other unrestricted funds to ensure that ACRE can continue to operate effectively, meet anticipated liabilities and meet the needs of its members.

At 31 March 2013, the total reserves were:	£736,381
Restricted funds:	£127,720
Unrestricted funds:	£608,661

The Trustees have agreed to designate the following unrestricted funds to meet shortfalls in income in 2013-14, liabilities in connection with premises and develop new areas of work to meet its strategic objectives:

General operating contingency	£481,590
Buildings contingency	£54,036
European Development contingency	£4,430
Communications development	£45,034
Product development	£12,500
Network business support fund	£0
ACRE Network Development fund	£11,071
Total unrestricted funds	£608,661

Principal funding sources

The majority of ACRE's funding for 2012/13 came from a strategic grant paid by Defra and from membership fees paid by the Rural Community Councils which belong to the Rural Community Action Network. This funding was used to support ACRE's key functions under its Corporate Plan:

- 1 National advocacy
- 2 Research and evidence
- 3 Rural infrastructure
- 4 Network standards and training
- 5 Programme delivery
- 6 Business development
- 7 Corporate affairs and finance
- 8 Human resources
- 9 Finance

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Report of the Trustees

For the year ended 31 March 2013

Plans for future periods

Key objectives for 2013/14

ACRE's key objectives for 2013/14 will continue to be based on the Corporate Plan established in 2012/13. However, detailed policies will be reviewed to ensure that they continue to be appropriate in the light of any relevant changes in policy, including government strategy.

- 1 National influence
- 2 Setting the standard
- 3 Sustainability
- 4 Valuing and developing staff
- 5 Effective and efficient business processes

These will be delivered in 2013/14 by service centres focussing on the following:

- 1 Advance RCAN's policy agenda through influencing government, statutory, voluntary and other bodies.
- 2 Provide an evidence base to support the Rural Community Action Network policy and practice.
- 3 Strengthen RCAN's role in promoting and supporting the development of Community Led Planning, governance, community-owned assets and services.
- 4 Provide and develop recognised quality standards for the Rural Community Action Network.
- 5 Lead development and delivery on national programmes to benefit Rural Community Action Network members and rural communities.
- 6 Work with RCAN members and others to achieve sustainable business development.
- 7 Deliver organisational excellence in the way we do things.
- 8 Improve the way we recruit, value, support and develop our staff.
- 9 Improve our financial health and management processes to ensure financial sustainability.

Funds held as custodians

Defra investment in the Rural Community Action Network

A new investment agreement commenced in 2011, which concerns the four themes of Rural Housing, Transport, Facilities and Services, Fuel poverty and energy generation and Broadband, and will involve a minimum of £8.5 million over three years.

ACRE, as the national umbrella body of the network, is the accountable body for these funds, which were distributed throughout the Rural Community Action Network (RCAN) from April 2008.

Action with Communities in Rural England

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For the year ended 31 March 2013

ANPAC

ACRE has held funds on behalf of the National Parks Residents Association (ANPAC) for use only as designated by them. The Association did not draw down from this fund during 2012/13.

Rural Communities Buildings Loan Fund

ACRE administers the Rural Communities Buildings Loan Fund, previously known as the Village Hall Loan Fund, which has been in existence since the 1930s, on behalf of Defra.

Rural Coalition

ACRE has undertaken the secretariat for the Rural Coalition. The funds from the membership are to be dispersed as agreed by the membership during 2013.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Action with Communities in Rural England for the purposes 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 charitable company and of the incoming resources and application of resources, including 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 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 charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Action with Communities in Rural England

Report of the Trustees

For the year ended 31 March 2013

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 Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

As ACRE is an umbrella body, the majority of its Trustees are drawn from the membership.

Trevor Bevan	Eastern regional trustee – appointed November 2012
Peter Cleasby	South West regional trustee - elected November 2011
Keith Harrison	Co-opted trustee - February 2007, re co-opted December 2011; CE Action with Communities in Rural Kent - retired February 2013
John Hazelwood	Treasurer - elected to the Board November 2001; appointed Treasurer November 2007; re appointed Treasurer November 2012
Patricia Holtom	Co-opted trustee - February 2007, re co-opted December 2011; former Eastern region trustee elected November 2005 - retired February 2013
Richard Priest	South East regional trustee - elected November 2009; re-elected November 2012; Chair Isle of Wight RCC
Richard Quallington	Vice-chair from December 2012; co-opted trustee May 2006 - re co-opted December 2011; CE Community First (Herefordshire and Worcestershire) - retired May 2012
John Rose	East Midlands regional trustee - elected November 2011
Susan Shaw	Chair from November 2008 - co-opted trustee - February 2007, re co-opted November 2012
Ian Soane	North West regional trustee - elected November 2010
David Spreadbury	Eastern regional trustee - elected November 2006, re-elected November 2009 - retired November 2012
Janet Thornton	Vice Chair to December 2012 - Yorkshire and Humber regional trustee - elected November 2009; re-elected November 2012

Action with Communities in Rural England

Report of the Trustees

For the year ended 31 March 2013

David Voysey	West Midland regional trustee - elected November 2009; re-elected 2012
Jan Worters	North East regional trustee - elected November 2010

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2013 was 38 (2012 - 38). The trustees have no beneficial interest in the charitable company.

Auditors

Sayer Vincent were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 11 July 2013 and signed on their behalf by

Sue Shaw - Chair

John Hazelwood - Treasurer

Independent auditor's report

To the members of

Action with Communities in Rural England

We have audited the financial statements of Action with Communities in Rural England for the year ended 31 March 2013 which comprise the statement of financial activities, balance sheet 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).

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. 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 auditors' 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities set out in the report of the Trustees, 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.

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 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 report of the Trustees to identify material inconsistencies with the audited financial statements. 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 March 2013 and of its incoming resources and application of resources, including 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report

To the members of

Action with Communities in Rural England

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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.

Catherine L Sayer (Senior statutory auditor)

12 August 2013

for and on behalf of Sayer Vincent, Statutory Auditors

Sayer Vincent, 8 Angel Gate, City Road, LONDON EC1V 2SJ

Action with Communities in Rural England

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2013

	Note	Restricted £	Unrestricted £	2013 Total £	2012 Total £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income		-	40,232	40,232	40,335
Activities for generating funds	2	-	11,514	11,514	16,931
Investment income		-	545	545	542
<i>Incoming resources from charitable activities:</i>					
National advocacy	3	2,600	138,167	140,767	153,567
Network and community support		321,508	261,838	583,346	682,524
Standards and business development		2,535,162	140,716	2,675,878	3,051,351
Other incoming resources		-	-	-	5,440
Total incoming resources		<u>2,859,270</u>	<u>593,013</u>	<u>3,452,282</u>	<u>3,950,690</u>
Resources expended					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	11,301	11,301	22,296
<i>Costs of activities in furtherance of the charity's objects:</i>					
National advocacy		105	97,674	97,779	106,685
Network and community support		363,609	213,682	577,291	676,178
Standards and business development		2,437,000	267,012	2,704,012	3,066,745
Governance costs		-	69,063	69,063	50,955
Total resources expended	4	<u>2,800,714</u>	<u>658,731</u>	<u>3,459,445</u>	<u>3,922,859</u>
Net incoming / (outgoing) resources for the year	5	58,556	(65,718)	(7,163)	27,831
Transfer between funds		-	-	-	-
Net movement in funds	13	58,556	(65,718)	(7,163)	27,831
Funds at 1 April 2012		<u>69,164</u>	<u>674,380</u>	<u>743,544</u>	<u>715,713</u>
Funds at 31 March 2013		<u><u>127,720</u></u>	<u><u>608,662</u></u>	<u><u>736,381</u></u>	<u><u>743,544</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

Action with Communities in Rural England (limited by guarantee)

Balance sheet

As at 31 March 2013

	Note	£	2013 £	2012 £
Tangible fixed assets	8		<u>6,545</u>	<u>12,925</u>
Current assets				
Debtors	9	505,331		542,268
Cash at bank and in hand		823,164		805,850
Account for the rural community buildings loan fund	11	<u>219,799</u>		<u>255,793</u>
		1,548,294		1,603,911
Creditors: amounts falling due within one year				
Sundry creditors	10	118,458		173,292
Village hall loan fund	11	<u>700,000</u>		<u>700,000</u>
		818,458		<u>873,292</u>
Net current assets			<u>729,836</u>	730,619
Net assets	12		<u><u>736,381</u></u>	<u><u>743,544</u></u>
Funds	13			
Restricted funds			127,720	69,164
Unrestricted funds				
Designated funds			127,071	251,785
General funds			<u>481,590</u>	<u>422,595</u>
Total funds			<u><u>736,381</u></u>	<u><u>743,544</u></u>

Approved by the trustees on 11 July 2013 and signed on their behalf by

Mrs Sue Shaw - Chair

John Hazelwood - Treasurer

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2013

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2011. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).
- b) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Intangible income and gifts in kind are not included unless they represent goods or services which would have otherwise been purchased, in which case they are valued and brought in as income and the appropriate expenditure. Volunteer time is not included in the financial statements.
- c) Revenue grants are credited to the Statement of Financial Activities when received or receivable which ever is earlier, unless they relate to a specific future period, in which case they are deferred.
- d) Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund.
- e) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- f) Unrestricted funds are donations and other incoming resources receivable or generated for the charitable purposes.
- g) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- h) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of staff time.

- i) Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities.
- j) Costs of generating voluntary income relate to the costs incurred by the charitable company in inducing others to make voluntary contributions to it.
- k) Governance costs include the management of the charitable company's assets, organisational management and compliance with constitutional and statutory requirements.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2013

1. Accounting policies (continued)

- l) Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Fixtures, fittings and office equipment:	3 years straight line
Leasehold property expenditure:	2 years straight line

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

- m) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the lease duration.
- n) The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.
- o) Loans made on behalf of the Defra rural community buildings loan fund are made on the basis of applications received and according to the criteria set down by Defra.

2. Activities for generating funds

	Restricted £	Unrestricted £	2013 Total £	2012 £
Publications sales	-	1,974	1,974	4,308
Consultancy	-	9,540	9,540	12,623
	-	-	-	-
	-	11,514	11,514	16,931

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2013

3. Incoming resources from charitable activities

	Restricted £	Unrestricted £	2013 Total £	2012 £
<i>National advocacy:</i>				
Rural Coalition membership	2,600	-	2,600	2,900
Defra support to rural communities	-	87,500	87,500	100,000
Office for Civil Society	-	-	-	-
Membership	-	50,667	50,667	50,667
	<u>2,600</u>	<u>138,167</u>	<u>140,767</u>	<u>153,567</u>
<i>Network and community support:</i>				
Aon	8,000	-	8,000	11,950
Rural communities buildings loan fund	-	25,271	25,271	25,271
Defra support to rural communities	-	87,500	87,500	100,000
Rural Infrastructure for England (Big Lottery)	156,371	-	156,371	307,334
Supporting Change & Impact (Big Lottery)	155,862	-	155,862	10,000
Plunkett Foundation (Village SOS)	-	63,177	63,177	138,751
Action for Market Towns	-	-	-	4,443
Locality	-	4,600	4,600	-
Nationwide "Over the Hill?"	-	10,538	10,538	14,050
Norris & Fisher	1,275	-	1,275	-
Navca	-	500	500	-
Calor Gas	-	1,400	1,400	-
Conferences	-	18,185	18,185	20,058
Membership	-	50,667	50,667	50,667
	<u>321,508</u>	<u>261,838</u>	<u>583,346</u>	<u>682,524</u>
<i>Standards and business development</i>				
Defra support to rural communities	2,535,000	90,000	2,625,000	3,000,000
Defra support to rural communities	-	-	-	350
Interest from RCAN account	162	-	162	335
Membership	-	50,716	50,716	50,666
	<u>2,535,162</u>	<u>140,716</u>	<u>2,675,878</u>	<u>3,051,351</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2013

4a. Total resources expended

	Staff £	Other direct costs £	Overheads £	Allocation of support costs £	2013 Total £	2012 £
Costs of generating income	6,053	321	632	4,295	11,301	22,296
Charitable expenditure:						
National advocacy	34,558	9,968	3,586	49,562	97,674	106,634
Network support	241,061	126,897	26,165	149,468	543,591	580,738
Grants to RCCs	-	33,700	-	-	33,700	95,440
Setting the Standard	136,430	24,354	14,221	92,007	267,012	161,245
Defra RCAN grants	-	2,437,000	-	-	2,437,000	2,905,500
Other (Rural Coalition)	-	105	-	-	105	51
Governance costs	26,059	22,141	2,712	18,151	69,063	50,955
Support costs	259,348	27,132	27,002	(313,482)	-	-
Total	703,509	2,681,618	74,318	-	3,459,445	3,922,859

4b. Allocation of support costs

	Percentage allocation	Amount
	%	£
Costs of generating income	1.37	4,295
National arena	15.81	49,562
Network and community support	47.68	149,468
Setting the standard	29.35	92,007
Governance costs	5.79	18,151
	100.00	313,482

Percentages based on staff time spent on each activity area

Action with Communities in Rural England

Notes to the financial statements

For the Year Ended 31 March 2013

5. Net (outgoing) / incoming resources for the year

This is stated after charging / crediting:

	2013	2012
	£	£
Depreciation	6,380	5,714
Trustees' remuneration	-	-
Trustees' expenses	14,427	8,961
Auditors' remuneration:		
▪ audit	7,300	6,950
Operating lease rentals:		
▪ property	34,563	34,563
▪ other	4,617	4,617
	<u>6,380</u>	<u>5,714</u>

Trustees' expenses represents travel and subsistence costs for 13 trustees (2012 : 15 trustees) relating to attendance at trustee meetings.

6. Staff costs and numbers

Staff costs were as follows:

	2013	2012
	£	£
Salaries and wages	494,485	537,876
Social security costs	52,745	57,725
Pension contributions	35,529	38,015
Other staff costs	120,750	-
	<u>703,509</u>	<u>633,616</u>

No employee earned more than £60,000 during the year.

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2013	2012
	No.	No.
Generating voluntary income	0.2	0.5
Activities in furtherance of the charity's objects	13.8	15.1
Governance	0.9	0.7
	<u>14.9</u>	<u>16.3</u>

Action with Communities in Rural England

Notes to the financial statements

For the Year Ended 31 March 2013

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8. Tangible fixed assets

	Fixtures, fittings & office equipment £	Leasehold property £	Total £
COST			
At 1 April 2012	62,223	20,297	82,520
Additions in year	-	-	-
Disposals in the year	<u>(1,211)</u>	<u>-</u>	<u>(1,211)</u>
At 31 March 2013	<u>61,012</u>	<u>20,297</u>	<u>81,309</u>
DEPRECIATION			
At 1 April 2012	49,298	20,297	69,595
Charge for the year	6,380	-	6,380
Disposals in the year	<u>(1,211)</u>	<u>-</u>	<u>(1,211)</u>
At 31 March 2013	<u>54,467</u>	<u>20,297</u>	<u>74,764</u>
NET BOOK VALUE			
At 31 March 2013	<u>6,545</u>	<u>-</u>	<u>6,545</u>
At 31 March 2012	<u>12,925</u>	<u>-</u>	<u>12,925</u>

All tangible fixed assets are used for direct charitable purposes.

9. Debtors

	2013 £	2012 £
Loans to rural community buildings under loan scheme	480,201	444,207
Prepayments	19,929	21,148
Accrued Income	-	-
Other debtors	<u>5,201</u>	<u>76,913</u>
	<u>505,331</u>	<u>542,268</u>

Action with Communities in Rural England

Notes to the financial statements

For the Year Ended 31 March 2013

10. Creditors: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	3,880	19,685
Taxation and social security	24,740	30,632
Other creditors	48,795	46,642
Deferred income	41,043	76,333
	<u>118,458</u>	<u>173,292</u>

11. Rural community buildings loan fund

Rural community building loan fund administered by ACRE on behalf of Defra:

	2013	2012
	£	£
Funds advanced by Defra at 1 April 2012	<u>700,000</u>	<u>700,000</u>
Loans to rural community buildings:		
Outstanding at 1 April 2012	444,207	502,238
Made during year	199,390	139,224
Repayments during year	<u>(163,396)</u>	<u>(197,255)</u>
Outstanding loans at March 2013 (note 9)	<u>480,201</u>	<u>444,207</u>
Bank deposit on hand at 31 March 2013	<u>219,799</u>	<u>255,793</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2013

12. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	6,545	6,545
Current assets	827,720	127,071	593,503	1,548,294
Current liabilities	(700,000)	-	(118,458)	(818,458)
Net assets at 31 March 2013	<u>127,720</u>	<u>127,071</u>	<u>481,590</u>	<u>736,381</u>

13. Movements in funds

	At 1 April 2012 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2013 £
Restricted funds:					
Aon	-	8,000	(8,000)	-	-
Rural Infrastructure for England (Big Lottery)	43,216	156,371	(197,156)	-	2,431
Supporting Change & Impact (Big Lottery)	10,000	155,862	(157,178)	-	8,684
Defra rural communities support	8,112	2,535,162	(2,437,000)	-	106,274
National Parks Residents Association (ANPAC)	2,787	-	-	-	2,787
Norris & Fisher	-	1,275	(1,275)	-	-
Rural Coalition	5,049	2,600	(105)	-	7,544
Total restricted funds	<u>69,164</u>	<u>2,859,270</u>	<u>(2,800,714)</u>	<u>-</u>	<u>127,720</u>
Unrestricted funds:					
<i>Designated funds:</i>					
Building Contingency	30,000	-	(5,964)	30,000	54,036
European Development Contingency	60,000	-	(570)	(55,000)	4,430
Communications Development	60,000	-	(14,966)	-	45,034
Product Development	60,000	-	(2,500)	(45,000)	12,500
Network Business Support Fund	30,000	-	(10,000)	(20,000)	-
ACRE Network Development Fund	11,785	-	(714)	-	11,071
General funds	<u>422,595</u>	<u>593,012</u>	<u>(624,017)</u>	<u>90,000</u>	<u>481,590</u>
Total unrestricted funds	<u>674,380</u>	<u>593,012</u>	<u>(658,731)</u>	<u>-</u>	<u>608,661</u>
Total funds	<u>743,544</u>	<u>3,452,282</u>	<u>(3,459,445)</u>	<u>-</u>	<u>736,381</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2013

13. Movements in funds (continued)

Purpose of restricted funds

Aon

This is a contribution to the training of RCAN Village Hall Advisors, which took place in the Spring of 2012.

Rural Coalition membership

ACRE has undertaken the secretariat for the Rural Coalition. The funds from the membership are to be dispersed as agreed by the membership during 2013.

ANPAC

ACRE holds funds on behalf of the National Parks Residents Association for use only as designated by the Association.

Rural Infrastructure for England (Big Lottery)

This five year programme aims to achieve sustainable, effective and relevant infrastructure for the 11,000 rural communities across England. Through cohesive networking and sharing of information and good practice, ACRE will ensure that the rural communities have access to higher quality support and achieve greater influence over decision-making. The programme commenced in October 2007 and was completed in September 2012.

Supporting Change and Impact (Big Lottery)

Supporting Change and Supporting Impact Funding is additional funding to help existing eligible grant holders sustain the benefits of their projects to support people and communities most in need. Supporting Change funding is a £10,000 revenue grant and Supporting Impact funding is for up to an additional year's funding for the project. ACRE was successful with both of the bids which gave a total of £321k which has extended the end of the BASIS project to September 2013.

Defra rural communities support

The investment will deliver just over £8.45 million for a period of three years and is intended to support RCAN activity in ensuring rural community interests are understood and addressed by statutory bodies, including local government and public service providers. The RCAN grant is distributed through ACRE to the 38 members of the RCAN. The RCAN CEO Reference Group had been allocated £98k to distribute within the network upon suitable requests. As at March 2013, no distributions by the RCAN CEO Reference Group had been issued.

Purpose of designated funds

ACRE Network Development Fund

ACRE successfully commissioned a project which looks at the Rural Share of Deprivation across England. The project was developed from the RCAN conference run in November 2009 and was started in January 2010. It provides a number of resources for members of RCAN via a website which are report based and cover profile reports, rural share of deprivation, daytime population reports and the most deprived areas. Phase one of the project was completed by March 2010 with phase two completed by March 2011 and phase three by March 12 and further dissemination events at regional level are planned for the summer 2013.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2013

13. Movements in funds (continued)

Purpose of designated funds (continued)

Buildings Contingency

ACRE's Somerford Court lease was due to run to June 2016. In the autumn of 2012, the landlord approached ACRE to come to an agreement regarding an early termination of the lease. The Trustees agreed as it presented the opportunity to restructure the organisation. The proposed new lease being a three year term with a one year break clause. To cover the expense of the move and the potential for a further move in twelve months, the Board agreed to raise the designated funds to £60,000. The move to new premises is due in the Spring of 2013.

European Development Contingency

In 2012, the Board has designated £60,000 to acquire expertise and capacity to support ACRE's exploration of potential European funding opportunities during the coming years. Following the restructure, at the March 2013 meeting, the Trustees agreed to reduce the amount of designated reserves to just under £5,000.

Communications Development

During 2012, following a stakeholder review, ACRE appointed a Communications Manager to raise the profile of ACRE and the Network. The designated reserves set aside for this purpose have been allocated accordingly with the remainder to aid the Communication Strategy investment.

Product Development fund

A key element of ACRE's forward strategy is to develop tools and resources for use by our members in their work with communities, particularly concerning the planning and localism agendas. The past investment in the Rural Evidence website is an ongoing project which will require further investment to maximise its potential. ACRE intends to work with a variety of external consultants and draw on our members' expertise to develop products that will be of lasting benefit to RCAN and the communities they serve. To assist in this, £60,000 has been designated by the Board with the intention of enhancing this amount, where possible, with individual funding bids for various project plans aimed at product development.

Network Business support fund

The Board agreed to reduce the designated reserves set aside for business development throughout the network, to assist the new ACRE going forward. However, £10,000 was forwarded to the group of RCAN members needing to buy in expertise to assist with Pension Trust liabilities.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2013

14. Operating lease commitments

The charitable company had annual commitments under operating leases expiring as follows:

	Property		Equipment	
	2013	2012	2013	2012
	£	£	£	£
Less than 1 year	-	-	-	-
1 - 2 years	-	-	-	-
2 - 5 years	34,563	34,563	4,617	4,617
Over 5 years	-	-	-	-
	<u>34,563</u>	<u>34,563</u>	<u>4,617</u>	<u>4,617</u>

15. Related Party Transactions

During 2012/13 commission grants were available to all 38 RCCs involved in the Village SOS Programme with 5 more arranging Learning Events. The activity involving Peer Reviews was also part funded by ACRE. In 2012/13, grants to the network from Defra, were delivered through ACRE.

	£
Village SOS Learning Events	
Community Council of Devon (Spring 2012)	6,740
Community Council of Shropshire (Spring 2012)	6,740
Community Lincs (Spring 2012)	6,740
Norfolk Rural Community Council (Spring 2012)	6,740
Rural Action Yorkshire (Spring 2012)	6,740
	<u>33,700</u>