

Company number: 3336101

Charity number: 1061568

# **Action with Communities in Rural England**

## **Report and Financial Statements**

**31 March 2015**

**sayer vincent**

auditors and advisors

## Action with Communities in Rural England

### Reference and administrative details

#### For the year ended 31 March 2015

---

<b>Status</b>	The organisation is a charitable company limited by guarantee, incorporated on 19 March 1997 and registered as a charity on 26 March 1997.	
<b>Governing document</b>	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.	
<b>Company number</b>	3336101	
<b>Charity number</b>	1061568	
<b>Registered office and operational address</b>	1 <sup>st</sup> Floor Northway House West The Forum CIRENCESTER Gloucestershire GL7 2QY	
<b>Honorary officers</b>	David Emerson CBE Janet Thornton	Chairman (elected November 2014) Vice Chair
	Jeremy Leggett John Hazelwood CBE	Vice Chair (appointed November 2014) Treasurer
<b>Principal staff</b>	Janice Banks Richard Quallington Colette Williams	Chief Executive (to May 2015) Interim Chief Executive (from May 2015) Company Secretary (from May 2014)
<b>Bankers</b>	Lloyds plc 14 Castle Street CIRENCESTER Gloucestershire GL 7 1QJ	
<b>Solicitors</b>	Stone King LLP 13 Queen Square BATH BA1 2HJ	
<b>Auditors</b>	Sayer Vincent LLP Chartered accountants and statutory auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL	

## **Action with Communities in Rural England**

### **Report of the Directors**

#### **For the year ended 31 March 2015**

---

The directors present their report and the audited financial statements for the year ended 31 March 2015.

#### **Introduction**

In preparing this report, the directors 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 structure**

Action with Communities in Rural England (ACRE) is a company limited by guarantee (number 3336101) with a Board of Directors elected at general meetings by its members, the Rural Community Councils in the ACRE Network, and in accordance with the Articles of Association adopted on 18 June, 2014.

##### **Governance**

The Board of Directors is responsible for the governance and the management of ACRE. The ACRE Board consists of not less than six but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The chair is elected at the AGM by the members and two vice chairs are appointed annually from amongst the directors by the Board at its first meeting following the AGM. The Board may co-opt additional persons to serve as directors to ensure that appropriate skills and experience are available, but such directors must retire at the next annual general meeting.

All directors have an induction into the organisation and receive a Director Induction Pack. No person may serve as a director for more than seven consecutive years. They may then be re-elected after an interval of at least one year.

The Board continues to recognise that a more formal approach should be taken in respect of director training and additional sessions in the form of director away days were held in July and November 2014 and March 2015. The Board is also continuing a programme of governance development, incorporating work on membership, directors, 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 directors 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 directors are responsible for setting strategies and policies and for ensuring that these are implemented. In January 2014, the Directors approved an updated three year Corporate Plan to guide the strategic activity of the organisation.

## Action with Communities in Rural England

### Report of the Directors

#### For the year ended 31 March 2015

---

#### **Management Team**

The Senior Management Team comprises the Chief Executive, the Head of Corporate Services, the Head of Rural Insight, the Head of Communications and Head of Business Development and Income Generation and is responsible for operational decisions and delivering the organisation's strategic objectives during the financial year.

#### **Network performance and development**

The ACRE Board is committed to working within the ACRE Good Practice Quality Standard for performance improvement (The ACRE Standard). The ACRE Standard was 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. The ACRE Standard was formally endorsed by the Charity Commission in 2010. It was reviewed and revised in line with additional Charity Commission requirements in 2013 and the resulting ACRE Standard (Edition 4) was re-endorsed for a further four years by the Charity Commission in October 2013. All reviews and re-assessments are undertaken against the Charity Commission endorsed version of The ACRE Standard. ACRE is accredited at Level 3 of the ACRE Standard – this highest level of attainment. Within the ACRE Network, 34 members have attained Level 3 of The ACRE Standard. Including ACRE, 37 Network members have achieved accreditation against the Charity Commission (CC) endorsed ACRE Standard. A further two Level 3 Reviews and twelve Level 3 re-assessments are due to take place during 2015/16.

#### **Risk management**

The directors 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 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.

#### **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 2014-15 a total of £2,231,000 was committed to members through the Defra ACRE Investment Programme.

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

## Action with Communities in Rural England

### Report of the Directors

For the year ended 31 March 2015

---

#### Member Community Councils at 31 March 2015

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

#### Associate members

Rev Canon John Brown

#### 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 directors consider how planned activities contribute to the aims and objectives set.

#### Objectives

ACRE's objective, as the national umbrella body of the ACRE Network, 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 be *the* voice of rural communities. Its mission is to provide critical, evidence-based intelligence and solutions to achieve a fair deal for rural communities.

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

## Action with Communities in Rural England

### Report of the Directors

#### For the year ended 31 March 2015

---

#### 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 directors. Arrangements are in place to segregate grant-making decisions, ensuring conflicts of interests are avoided in the governance of ACRE.

#### Activities

ACRE undertook a thorough strategic review in 2013-14 and this resulted in a new three year corporate plan which will inform activity and resource allocation. The plan focusses on three key objectives; Sustain, Support and Speak Up which are underpinned by a strong rural intelligence resource.

In Year 1, ACRE has made good progress in achieving its objectives through:

1. Sustain by identifying, shaping and accessing funding opportunities for ACRE and the ACRE network that support rural communities. ACRE will improve its horizon scanning and responsiveness to opportunities, develop better relationships with key stakeholders and become a valued rural partner.
2. Support by developing the collective strength of the ACRE network and making effective use of its rural intelligence. ACRE will act as a hub for a more integrated network that brings mutual benefit without members losing their local identity.
3. Speak Up for and represent rural communities at national and European level providing a credible and informed commentary on rural community issues.

#### How our activities deliver public benefit

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

#### Achievements and performance

- 1 During 2014-15, ACRE developed its strategy for advocacy in three major directions:
  - Securing long term recognition of the value delivered by the ACRE Investment agreement with the Department for Environment, Food and Rural Affairs (Defra) by ensuring effective delivery and achieving impact;
  - Positioning ACRE Network members as primary agents of change in the implementation of localism and other government policies;
  - Capitalising on the ACRE Network's reach into rural communities and expertise in ensuring rural communities benefit from national policy initiatives.
- 2 2014-15 was the final 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.
- 3 During the year, ACRE negotiated a further year of transition funding (2015-16) from Defra for the Network for £2.3 million.
- 4 ACRE administers the Rural Community Buildings Loan Fund of £700,000, which offers financial support to village hall management committees to improve their facilities for their communities. During 2014-15, nine new loans

## Action with Communities in Rural England

### Report of the Directors

#### For the year ended 31 March 2015

---

were taken out, eight loans were repaid and by March 2015, there were 47 loans outstanding to the value of £463,123. A further four loans have been offered with a total value of £124,992, two applications have been processed valued at £32,000 and another ten applications worth £130,000 are in the initial application stage.

- 5 ACRE launched the Village SOS campaign in July which saw a nationwide partnership, led by ACRE, receive close to £1.4m from the Big Lottery Fund to inspire rural communities across the UK to set up social enterprises. The two-year learning, outreach and engagement campaign is aimed at rural communities who need skills or support to get a great idea or budding project off the ground – whether it's as simple as a car share scheme, or as ambitious as a community café. The focus of the campaign is a 'community to community' learning network, which sees volunteers from social enterprises across the UK become mentors to share the secrets of their success. ACRE's Network of 38 rural community councils provide the grassroots support in England.
- 6 The ACRE Network secured funding in early 2015 from the Centre for Social Action Innovation Fund to create a national Good Neighbours Network in rural areas. The project will scale up the Good Neighbour schemes supported by Rural Community Councils in parts of England to other parts of the ACRE Network. The project is led by ACRE member Bedfordshire Rural Communities Charity, and will see new Good Neighbour schemes being set up in Yorkshire, Cumbria, Sussex, Lincolnshire and Buckinghamshire.
- 7 In November more than 100 delegates attended ACRE's annual conference at Holiday Inn, Regents Park, London. 'Why Rural Matters - The Case for Investment' gave attendees the opportunity to share intelligence, inspiration and insight on rural issues in the run-up to the 2015 election. The focus of the day was the increasing contribution that rural is making to the UK economy - and finding the key to unlocking future investment in our communities. Our speakers were Dawn Austwick OBE, CEO, The Big Lottery Fund; Simon Baxter, Managing Director, Dijon Designs; Jon Boswell, CEO, Bedfordshire Rural Communities Charity; Oli Christie, Managing Director, Neon Play; Ron Crank, CEO, Coast to Capital LEP; Robert Crowder, CEO, Rural Community Action Nottinghamshire; Lord De Mauley TD, Parliamentary Under Secretary of State, Defra; Debra Drew, Managing Director, Fabric Architecture; Julie Girling MEP; Huw Irranca-Davies MP, Shadow Minister for Rural Affairs, Food and Farming; Professor Mark Shucksmith OBE, Director of the Newcastle Institute for Social Renewal. The conference followed a one-day networking event and AGM for ACRE Network members.
- 8 The ACRE Network Performance Improvement Programme completed its tenth year and engaged with all Network members in demonstrating their achievements against The ACRE Standard. As a result of ACRE's promotion, development and implementation of the programme, all members have achieved at least Level 2 of quality standard. One member completed a successful Level 3 Peer Review, and four members successfully completed Level 3 re-assessments. In total, 34 members and ACRE are accredited at Level 3 – the highest level of The ACRE Standard. The Reviews provide an example of how a network can deliver improvements through quality standards through independent external validation.
- 9 ACRE's Village Hall Information and Advice Service provided support for the ACRE Network members during the year. Thanks 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 Network 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.
- 10 To enhance the role of the ACRE 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 provides advice to local groups

## Action with Communities in Rural England

### Report of the Directors

#### For the year ended 31 March 2015

---

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.

- 11 ACRE published its manifesto in January 2015, urging politicians to improve health, wealth and access for the millions of people who live in the countryside. The manifesto set out our 12 key asks in the run-up to the General Election, based on the intelligence gathered from Network members. The manifesto formed the basis for ACRE's campaigning work and focused on the impact on rural communities of the spare room supplement or 'bedroom tax', the minimum practice income guarantee, affordable housing, rural broadband and community transport.
- 12 In pursuance of its role of speaking up for rural communities, ACRE has taken up seats on a wide range of national advisory and steering groups including; The Rural Housing Advisory Group run by DCLG, the Ministerial Roundtable for Heating Oil and LPG and the Government, Industry and Consumer Advisory Group for Oil and LPG run by DECC, the Fuel Poverty Advisory Group – Industry Off-gas Grid Working Group and the European Funding Network hosted by NCVO. ACRE was also invited to be part of the steering group that is reviewing the Indices of Multiple Deprivation, run by DCLG, and provides the secretariat role for the Age Action Alliance Transport Working Group run by DWP.
- 13 ACRE provided evidence and responded to consultations on behalf of the Network to a variety of government departments including:
  - The Environment, Food and Rural Affairs Committee inquiry into broadband in rural areas and the issues faced by rural communities;
  - The Department for Communities and Local Government consultation on making it easier to set up a Parish Council. ACRE highlighted the benefits of 'parished' communities in its response;
  - Cabinet Office consultation on the income thresholds for charities before they have to undertake a full audit;
  - Research by Defra on the role of rural libraries and their importance to communities;
  - Department for Culture, Media and Sport requests for evidence on the use of society lotteries in raising funds for good causes;
  - Defra's proposals for a Rural Tourism and Transport project and the issues that should be the focus of the project;
  - Cabinet Office consultation on a new fund to support the sustainability of voluntary, community and social enterprise sector organisations;
  - DCLG's consultation on planning performance and planning contributions setting out how detrimental to rural communities the changes to S106 thresholds for affordable housing would be;
  - DECC's Feed in Tariff consultation highlighting the need to widen the definition of a 'community organisation';
  - Contributed to the development of the Rural Housing Policy Review chaired by Lord Best.

ACRE also met with Lord Cameron to discuss the approach the government had taken with the rural proofing of policies across departments.

- 14 ACRE gave verbal and written evidence to The House of Commons Energy and Climate Change Select Committee on the Green Deal and the Energy Companies Obligation (ECO) highlighting the issues faced by rural residents. It also gave evidence to the Communities and Local Government Select Committee inquiry into Community Rights – informing the panel on how the 'rights' had been received by rural communities.

## Action with Communities in Rural England

### Report of the Directors

#### For the year ended 31 March 2015

---

- 15 ACRE continued to be a national partner on a number of major campaigns focusing on addressing rural energy issues. These have been funded by central government and include Big Energy Saving Week, Big Energy Saving Network and national buy heating oil and LPG early campaigns working with DECC, Citizens Advice and the Federation of Petroleum Suppliers.
- 16 ACRE's CEO has been proactive in raising the profile of ACRE at a national level including:
  - Attending both the Conservative and Labour party conferences and spoke at a number of fringe events on issues including rural poverty and micro-businesses and employment. She also took part in the Labour party's roundtable event on energy efficiency organised by Calor UK;
  - Took part in the Royal Institute of Chartered Surveyors panel discussion on the rural economy with MPs, civil servants and academics;
  - Was a member of the NAVCA Commission on Local Infrastructure which produced the report Change for Good aimed at local infrastructure bodies to help meet the challenges they face;
  - Joined the Rural England Steering Group, an initiative led by RSN, looking at the full range of rural issues from a wide range of experts;
  - The Head of Rural Insight spoke at the Rural Housing Advisory Group learning event hosted by the Homes and Communities Agency with Lord Matthew Taylor as key note speaker;
- 17 ACRE used social media, press, television and radio to highlight rural issues to a wider audience. In 2014/15, it issued 43 press releases and took part in 44 radio and television interviews. More than 450 stations and publications across England featured ACRE and the Network including the BBC Six O'Clock News, BBC Radio 4's Farming Today and Woman's Hour, BBC Countryfile magazine, Country Life, Country Living, Third Sector and the Independent.
- 18 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 the delivery of a positive vision for rural communities and command significant attention from government departments and parliamentary circles. During 2014 the Rural Coalition updated its 2010 report, Rural Challenge, and launched it at the House of Lords as a rural manifesto in December 2014. ACRE's role as secretariat and founder member ensures a national stage for the work of ACRE members and due recognition for the role of community-led empowerment and regeneration.
- 19 ACRE continued to strengthen its links with rural organisations based in Europe and is the England partner for the European Rural Parliament. ACRE also attended a number of Open Days in Brussels run by the European Parliament to assess the range of projects available and potential partners and to raise the profile of ACRE as the rural network for England. The ACRE CEO joined 400 delegates at the inaugural Scottish Rural Parliament. The next European Rural Parliament meeting will be in October 2015.

As the previous overview sets out, 2014/2015 has been a pioneering year for ACRE. Working with a challenging business plan endorsed by the Board, the staff have worked hard and achieved this extensive range of laudable outcomes. However ACRE has inevitably felt the impact of the financial constraints imposed within central government and which has set a very challenging operating environment for infrastructure charities such as ACRE in England. One consequence is that ACRE has been unable to achieve the income generation targets required by the strategy that it was pursuing.

## Action with Communities in Rural England

### Report of the Directors

#### For the year ended 31 March 2015

---

With new sources of funding not being delivered at the rate required, the Board has moved swiftly to restructure ACRE, and to align it more closely with known income sources for 2015/16. The commitment from reserves during the year and the work plan delivered by the staff have remained effective in supporting communities in rural England but this level of reserve depletion had to be reduced prior to the end of the financial year.

#### Financial review

##### Basis of preparation

- The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities.
- Incoming resources are recognised once the charity has entitlement to the resources, it is certain the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.
- Resources expended – liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.
- Grants payable are payments made to third parties in furtherance of the charitable objectives of the charity.

#### Reserves policy

The directors 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.

The directors can 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 2015, the total reserves were:	£406,138
Restricted funds:	£12,502
Designated funds:	£209,129
Unrestricted funds:	£184,507

At the ACRE Board meeting in July 2014, the Board agreed to set aside £20,000 as a designated reserve as a contingency against unexpected expenditure.

At the end of the financial year the directors also designated the fund of £79,129, formerly known as the Network development fund, which was created to provide investment to produce longer term sustainability and business development for the network. In addition the directors also set aside funds of £110,000 for utilisation in the anticipated reshaping of the organisation in the new financial year.

#### Principal funding sources

The majority of ACRE's funding for 2014-15 came from a strategic grant paid by Defra, Big Lottery Village SOS programme and from membership fees paid by the Rural Community Councils which belong to the ACRE Network. This funding was used to support ACRE's key functions under its Corporate Plan:

## Action with Communities in Rural England

### Report of the Directors

#### For the year ended 31 March 2015

---

- Sustain
- Support
- Speak Up

#### Plans for future periods

#### Key objectives for 2015-16

During 2015, ACRE will assess the impact that a new government might have on rural communities and how its own role in relation to supporting the work of the rural community councils might need to evolve. To assist with this work, ACRE has commissioned the Institute of Voluntary Action Research to help it achieve clarity and consensus about its future role.

#### Funds held as custodians

##### Defra investment in the Rural Community Action Network

A new investment agreement commenced in 2011, which concerned the four themes of Rural Housing, Transport, Facilities and Services, Fuel poverty and energy generation and Broadband, and involved a minimum of £10.8 million over four years.

ACRE, as the national umbrella body of the network, is the accountable body for these funds, which were distributed throughout the membership of the ACRE Network from April 2008.

##### 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 2014-15.

##### 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 were dispersed as agreed by the membership during 2014-15.

#### Statement of Directors' responsibilities

The directors (who are also directors of Action with Communities in Rural England for the purposes of company law) are responsible for preparing the report of the Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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 directors 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;

## Action with Communities in Rural England

### Report of the Directors

#### For the year ended 31 March 2015

---

- 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 directors 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 directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors 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.

The directors 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 Directors

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

David Emerson CBE	Chair – co-opted October 2014, elected November 2014
John Hazelwood CBE	Treasurer - elected to the Board November 2001; 2004, 2007 and 2014
Trevor Bevan	Elected November 2012 – retired July 2014; Chair Norfolk Rural Community Council
Peter Cleasby	Elected November 2011 – retired November 2014; Director Community Council of Devon
Peter Jefferson	Co-opted January 2014, elected November 2014, CEO Cornwall Rural Community Charity
Jeremy Leggett	Vice Chair – co-opted January 2014, elected November 2014, CEO Action in rural Sussex
Richard Priest OBE	Elected November 2009; re-elected November 2012 and November 2014, Chair Community Action Isle of Wight
John Rose	Elected November 2011, re-elected November 2014, Director Community Lincolnshire
Susan Shaw	Co-opted February 2007, appointed Chair from November 2008, retired November 2014

## Action with Communities in Rural England

### Report of the Directors

#### For the year ended 31 March 2015

---

Janet Thornton	Vice Chair - elected November 2009; re-elected November 2012 and November 2014; Director Rural Action Yorkshire
David Voysey	Elected November 2009; re-elected 2012; retired November 2014
Jan Worters	Elected November 2010, re-elected November 2013; retired November 2014, Chair Durham Community Action
Mark Shucksmith OBE	Co-opted April 2014, elected November 2014
Jon Bright	Co-opted October 2014, elected November 2014, CEO Oxfordshire RCC

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 2015 was 38 (2014 - 38). The Directors have no beneficial interest in the charitable company.

#### **Auditors**

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

The report of the Directors has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Directors on 28 July 2015 and signed on their behalf by

David Emerson – 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 2015 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 directors and auditors**

As explained more fully in the Statement of Directors' responsibilities set out in the report of the Directors, the directors (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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the directors 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 March 2015 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 Directors 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 report of the directors and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Catherine Sayer (Senior statutory auditor)

29 July 2015

for and on behalf of Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-114 Golden Lane, LONDON EC1Y 0TL

## Action with Communities in Rural England

### Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 March 2015

	Note	Restricted £	Unrestricted £	2015 Total £	2014 Total £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary income		-	38,121	<b>38,121</b>	40,505
Activities for generating funds	2	-	5,294	<b>5,294</b>	6,704
Investment income		-	200	<b>200</b>	489
<i>Incoming resources from charitable activities:</i>					
Sustain	3	2,231,112	307,128	<b>2,538,240</b>	2,365,120
Support		8,228	68,155	<b>76,383</b>	234,782
Speak Up		2,600	73,438	<b>76,038</b>	54,304
<b>Total incoming resources</b>		<u>2,241,940</u>	<u>492,336</u>	<u><b>2,734,276</b></u>	<u>2,701,904</u>
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	62,049	<b>62,049</b>	74,221
<i>Costs of activities in furtherance of the charity's objects:</i>					
Sustain		2,231,081	223,232	<b>2,454,313</b>	2,410,506
Support		8,228	165,055	<b>173,283</b>	152,368
Speak Up		5,629	191,484	<b>197,113</b>	137,303
Governance costs		-	57,158	<b>57,158</b>	48,110
<b>Total resources expended</b>	4	<u>2,244,938</u>	<u>698,978</u>	<u><b>2,943,916</b></u>	<u>2,822,508</u>
<b>Net outgoing resources for the year before transfers</b>	5	(2,998)	(206,642)	<b>(209,640)</b>	(120,604)
<b>Gross transfers between funds</b>		(79,129)	79,129	-	-
<b>Net movement in funds</b>	13	(82,127)	(127,513)	<b>(209,640)</b>	(120,604)
<b>Funds at 1 April 2014</b>		<u>94,629</u>	<u>521,149</u>	<u><b>615,778</b></u>	<u>736,382</u>
<b>Funds at 31 March 2015</b>		<u><u>12,502</u></u>	<u><u>393,636</u></u>	<u><u><b>406,138</b></u></u>	<u><u>615,778</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**

Company number: 3336101

**As at 31 March 2015**

	Note	£	2015 £	2014 £
<b>Tangible fixed assets</b>	8		<u>2,300</u>	<u>3,242</u>
<b>Current assets</b>				
Debtors	9	491,357		447,359
Cash at bank and in hand		470,211		653,683
Account for the rural community buildings loan fund	11	<u>236,877</u>		<u>284,995</u>
		1,198,445		1,386,037
<b>Creditors: amounts falling due within one year</b>				
Sundry creditors	10	94,607		73,501
Rural community buildings loan fund	11	<u>700,000</u>		<u>700,000</u>
		<u>794,607</u>		<u>773,501</u>
<b>Net current assets</b>			<u>403,838</u>	612,536
<b>Net assets</b>	12		<u><u>406,138</u></u>	<u><u>615,778</u></u>
<b>Funds</b>	13			
Restricted funds			12,502	94,629
Unrestricted funds				
Designated funds			209,129	-
General funds			<u>184,507</u>	<u>521,149</u>
<b>Total funds</b>			<u><u>406,138</u></u>	<u><u>615,778</u></u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 28 July 2015 and signed on their behalf by

David Emerson - Chair

John Hazelwood - Treasurer

## Action with Communities in Rural England

### Notes to the financial statements

#### For the year ended 31 March 2015

---

##### 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.
- 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
--	-----------------------

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.

## Action with Communities in Rural England

### Notes to the financial statements

For the year ended 31 March 2015

---

#### 1. Accounting policies (continued)

- 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 £	2015 Total £	2014 £
Publications sales	-	583	583	1,790
Consultancy	-	4,711	4,711	4,914
	<hr/>	<hr/>	<hr/>	<hr/>
	-	5,294	5,294	6,704
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Action with Communities in Rural England

### Notes to the financial statements

For the year ended 31 March 2015

#### 3. Incoming resources from charitable activities

	Restricted £	Unrestricted £	2015 Total £	2014 £
<i>Sustain</i>				
Defra support to rural communities	2,231,000	81,000	<b>2,312,000</b>	2,250,000
Rural communities buildings loan fund	-	20,984	<b>20,984</b>	25,271
Interest from RCAN account	112	-	<b>112</b>	152
Village SOS (Big Lottery)	-	154,477	<b>154,477</b>	-
DECC	-	-	-	6,530
Locality	-	-	-	2,000
British Gas	-	-	-	30,500
Membership	-	50,667	<b>50,667</b>	50,667
	<u>2,231,112</u>	<u>307,128</u>	<u><b>2,538,240</b></u>	<u>2,365,120</u>
<i>Support</i>				
Aon	8,228	-	<b>8,228</b>	8,000
Calor Gas	-	2,000	<b>2,000</b>	3,000
Conferences	-	13,988	<b>13,988</b>	14,253
Fed of City Farms & Community Gardens	-	-	-	1,000
Ecology Building Society	-	500	<b>500</b>	-
Enzygo	-	500	<b>500</b>	-
Charity Bank	-	500	<b>500</b>	-
Endurance Windpower	-	-	-	2,000
Supporting Impact & Change (Big Lottery)	-	-	-	155,862
Membership	-	50,667	<b>50,667</b>	50,667
	<u>8,228</u>	<u>68,155</u>	<u><b>76,383</b></u>	<u>234,782</u>
<i>Speak Up</i>				
Rural Coalition	2,600	-	<b>2,600</b>	2,800
Returned NDF	-	22,634	<b>22,634</b>	-
Membership	-	50,804	<b>50,804</b>	51,504
	<u>2,600</u>	<u>73,438</u>	<u><b>76,038</b></u>	<u>54,304</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2015

4a. Total resources expended

	Staff £	Other direct costs £	Overheads £	Allocation of support costs £	2015 £	2014 £
Costs of generating income	41,223	4,293	4,345	12,188	<b>62,049</b>	74,221
Charitable expenditure:						
Sustain	87,607	92,705	7,705	35,215	<b>223,232</b>	203,210
Defra RCAN grants	-	2,231,081	-	-	<b>2,231,081</b>	2,187,297
Grants to RCCs	-	-	-	-	-	20,000
Support	75,101	57,105	7,911	33,166	<b>173,283</b>	152,368
Speak Up	114,801	21,243	10,787	44,653	<b>191,484</b>	137,241
Other (Rural Coalition)	-	5,629	-	-	<b>5,629</b>	62
Governance costs	24,156	24,841	1,195	6,966	<b>57,158</b>	48,110
Support costs	105,047	9,713	17,428	(132,188)	-	-
Total	<u>447,935</u>	<u>2,446,610</u>	<u>49,371</u>	<u>-</u>	<u><b>2,943,916</b></u>	<u>2,822,509</u>

4b. Allocation of support costs

	Percentage allocation	Amount
	%	£
Costs of generating income	9.22	12,188
Sustain	26.64	35,215
Support	25.09	33,166
Speak Up	33.78	44,653
Governance costs	5.27	6,966
	<u>100.00</u>	<u>132,188</u>

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 2015

---

#### 5. Net outgoing resources for the year

This is stated after charging / crediting:

	2015	2014
	£	£
Depreciation	2,207	6,159
Trustees' remuneration	-	-
Trustees' expenses	8,340	7,305
Auditors' remuneration:		
▪ audit	7,700	7,500
Operating lease rentals:		
▪ property	19,000	19,000
▪ other	12,346	12,346
	<u>12,346</u>	<u>12,346</u>

Trustees' expenses represents travel and subsistence costs for 14 trustees (2014 : 12 trustees) relating to attendance at trustee meetings.

#### 6. Staff costs and numbers

Staff costs were as follows:

	2015	2014
	£	£
Salaries and wages	272,929	285,942
Social security costs	27,525	30,788
Pension contributions	20,266	21,446
Other staff costs	127,215	75,968
	<u>447,935</u>	<u>414,144</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:

	2015	2014
	No.	No.
Generating voluntary income	0.8	1.3
Activities in furtherance of the charity's objects	7.3	6.8
Governance	0.5	0.7
	<u>8.6</u>	<u>8.8</u>

## Action with Communities in Rural England

### Notes to the financial statements

#### For the year ended 31 March 2015

---

#### 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	Total
	£	£
COST		
At 1 April 2014	38,475	<b>38,475</b>
Additions in year	<u>1,265</u>	<u><b>1,265</b></u>
At 31 March 2015	<u>39,740</u>	<u><b>39,740</b></u>
DEPRECIATION		
At 1 April 2014	35,233	<b>35,233</b>
Charge for the year	<u>2,207</u>	<u><b>2,207</b></u>
At 31 March 2015	<u>37,440</u>	<u><b>37,440</b></u>
NET BOOK VALUE		
<b>At 31 March 2015</b>	<u><b>2,300</b></u>	<u><b>2,300</b></u>
At 31 March 2014	<u>3,242</u>	<u>3,242</u>

All tangible fixed assets are used for direct charitable purposes.

#### 9. Debtors

	2015	2014
	£	£
Loans to rural community buildings under loan scheme	<b>463,123</b>	415,005
Prepayments	<b>14,202</b>	19,564
Accrued Income	<b>7,500</b>	10,000
Other debtors	<u><b>6,532</b></u>	<u>2,790</u>
	<u><b>491,357</b></u>	<u>447,359</u>

## Action with Communities in Rural England

### Notes to the financial statements

#### For the year ended 31 March 2015

---

#### 10. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	48,111	17,114
Taxation and social security	21,444	9,263
Other creditors	23,760	15,226
Deferred income	<u>1,292</u>	<u>31,898</u>
	<u><u>94,607</u></u>	<u><u>73,501</u></u>

#### 11. Rural community buildings loan fund

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

	2015 £	2014 £
Funds advanced by Defra at 1 April 2014	<u>700,000</u>	<u>700,000</u>
Loans to rural community buildings:		
Outstanding at 1 April 2014	415,005	480,201
Made during year	174,803	87,470
Repayments during year	<u>(126,685)</u>	<u>(152,666)</u>
Outstanding loans at March 2015 (note 9)	<u>463,123</u>	<u>415,005</u>
Bank deposit on hand at 31 March 2015	<u><u>236,877</u></u>	<u><u>284,995</u></u>

## Action with Communities in Rural England

### Notes to the financial statements

For the year ended 31 March 2015

#### 12. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	2,300	<b>2,300</b>
Current assets	712,502	209,129	276,813	<b>1,198,444</b>
Current liabilities	(700,000)	-	(94,606)	<b>(794,606)</b>
<b>Net assets at 31 March 2015</b>	<b><u>12,502</u></b>	<b><u>209,129</u></b>	<b><u>184,507</u></b>	<b><u>406,138</u></b>

#### 13. Movements in funds

	At 1 April 2014 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2015 £
<b>Restricted funds:</b>					
Aon	-	8,228	(8,228)	-	-
Rural Infrastructure for England (Big Lottery)	2,431	-	-	-	<b>2,431</b>
Defra rural communities support	79,129	2,231,112	(2,231,081)	(79,129)	<b>31</b>
National Parks Residents Association (ANPAC)	2,787	-	-	-	<b>2,787</b>
Rural Coalition	<u>10,282</u>	<u>2,600</u>	<u>(5,629)</u>	-	<b><u>7,253</u></b>
<b>Total restricted funds</b>	<u>94,629</u>	<u>2,241,940</u>	<u>(2,244,938)</u>	<u>(79,129)</u>	<b><u>12,502</u></b>
<b>Unrestricted funds:</b>					
<i>Designated funds:</i>					
Contingency	-	-	-	20,000	<b>20,000</b>
Rural community network	-	-	-	79,129	<b>79,129</b>
Transitional costs 2015-16	-	-	-	110,000	<b>110,000</b>
<b>General funds</b>	<u>521,149</u>	<u>492,336</u>	<u>(698,978)</u>	<u>(130,000)</u>	<b><u>184,507</u></b>
<b>Total unrestricted funds</b>	<u>521,149</u>	<u>492,336</u>	<u>(698,978)</u>	<u>79,129</u>	<b><u>393,636</u></b>
<b>Total funds</b>	<u><u>615,778</u></u>	<u><u>2,734,276</u></u>	<u><u>(2,943,916)</u></u>	<u><u>-</u></u>	<b><u><u>406,138</u></u></b>

## Action with Communities in Rural England

### Notes to the financial statements

#### For the year ended 31 March 2015

---

#### 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 April 2014.

###### 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.

###### Defra rural communities support

The investment will deliver just over £10.8 million for a period of four years and is intended to support ACRE Network activity in ensuring rural community interests are understood and addressed by statutory bodies, including local government and public service providers. The grant is distributed through ACRE to its 38 members, full details are available on the ACRE website.

###### National Parks Residents

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

###### 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 2014/15.

##### Purpose of designated funds

###### Contingency

At the ACRE Board meeting in July 2014, the Board agreed to set aside £20,000 as a designated reserve as a contingency against unexpected expenditure.

###### Rural community network

Formerly known as the Network development fund, which was created to provide investment to produce longer term sustainability and business development for the ACRE network.

###### Transitional costs 2015-16

The ACRE Board agreed to set aside funds to continue with the restructure of ACRE in the forthcoming 12 months.

## Action with Communities in Rural England

### Notes to the financial statements

For the year ended 31 March 2015

---

#### 14. Operating lease commitments

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

	Property		Equipment	
	2015	2014	2015	2014
	£	£	£	£
1 - 2 years	<b>19,000</b>	-	<b>12,346</b>	-
2 - 5 years		19,000	-	12,346
	<b><u>19,000</u></b>	<u>19,000</u>	<b><u>12,346</u></b>	<u>12,346</u>