

Company number: 3336101

Charity number: 1061568

# **Action with Communities in Rural England**

## **Report and Financial Statements**

**31 March 2014**

**sayer vincent**

auditors and advisors

## Action with Communities in Rural England

### Reference and administrative details

For the year ended 31 March 2014

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|  |   |   |
|--|---|---|
| <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<br>The Forum<br>Cirencester<br>Gloucestershire<br>GL7 2QY   |   |
| <b>Honorary officers</b>                         | Susan Shaw<br>Richard Priest<br>Janet Thornton<br>John Hazelwood  | Chairman<br>Vice Chair (December 2012)<br>Vice Chair (December 2013)<br>Treasurer |
| <b>Principal staff</b>                           | Janice Banks<br><br>Sue Kirkman   | Chief Executive (July 2013)<br><br>Company Secretary (from September 2013)        |
| <b>Bankers</b>                                   | Lloyds plc<br>14 Castle Street<br>Cirencester<br>Gloucestershire<br>GL 7 1QJ  | Caf Bank Ltd<br>P O Box 289<br>West Malling<br>Kent<br>ME19 4TA                   |
| <b>Solicitors</b>                                | Stone King LLP<br>13 Queen Square<br>Bath<br>BA1 2HJ  |   |
| <b>Auditors</b>                                  | Sayer Vincent LLP<br>Chartered accountants and statutory auditors<br>8 Angel Gate<br>City Road<br>LONDON<br>EC1V 2SJ  |   |

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

### **Report of the trustees**

#### **For the year ended 31 March 2014**

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The trustees present their report and the audited financial statements for the year ended 31 March 2014.

#### **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 structure**

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 Councils in the ACRE Network, 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 two 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 a trustee awayday was held in September 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 January 2014, 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 2014**

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#### **Finance and Resources Committee**

With the decision to restructure the organisation from April 2013, the ACRE Board agreed to take over the responsibilities formerly delegated to the Finance and Resources Committee. This decision was taken in line with the reduction of staffing levels and need for prudent expenditure.

#### **Management Team**

The Senior Management Team comprises the Chief Executive, the Director of Network Standards & Support, the Director of Policy & Research and the Director of Communications and Marketing and is responsible for operational decisions and delivering the organisation's strategic objectives during the financial year. With the retirement of the Chief Executive in March 2013, the trustees planned a major restructure of the organisation which included a move to more suitable premises. The Board appointed a new chief executive in July 2013 to raise the profile and effectiveness of the organisation.

#### **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) were 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, 33 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 four Level 3 re-assessments are due to take place during 2014/15.

#### **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 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 2013/14 a total of £2,180,000 was committed to members through the Defra ACRE Investment Programme and British Gas Pilot schemes.

Although trustees elected by the regions are also trustees 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 trustees.

## Action with Communities in Rural England

### Report of the trustees

For the year ended 31 March 2014

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#### Member Community Councils at 31 March 2014

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

#### Associate members

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

## Action with Communities in Rural England

### Report of the trustees

For the year ended 31 March 2014

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#### 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 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.

#### 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 2013/14 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

## Action with Communities in Rural England

### Report of the trustees

For the year ended 31 March 2014

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#### 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 2013/14, 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 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 Throughout 2013/14, 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.
- 3 ACRE has continued to invest in the Rural Evidence resource to underpin national and local 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. Members are using the community profiles as part of the 'offer' to communities and the health reports have supported the national involvement in the Defra-initiated Rural Health Toolkit. Fuel poverty reports will support ACRE Network capacity to deliver energy initiatives and help ACRE to open new markets for its member's capability in this field. These reports have been undertaken due to donations and sponsorships from Avalon, Endurance Windpower and Calor for which ACRE extends its gratitude.
- 4 During 2013/14, delegations from China, Poland and Denmark met up with ACRE to share information surrounding rural issues and best practice ideas to progress with in resolving these issues. ACRE also attended the European Rural Parliament.
- 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 Network 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 previously commissioned, covering relationships within the Network, as well as external stakeholders, resulted in the ACRE Board designating reserves towards continued funding for a communications and marketing function. Finally, an evaluation project was commissioned with the aim of showing how the six year RIE project had added value to the network's collective skills, activity and positioning.

## Action with Communities in Rural England

### Report of the trustees

#### For the year ended 31 March 2014

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- 6 ACRE's practitioner networks, set up under the Big Lottery funded Rural Infrastructure for England, ensured that Network 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 Network 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.

A further area of development in strengthening national and local advocacy has been achieved through working with Defra and the Department of Energy and Climate Change, on the Big Energy Network which involved data analysis to identify where champions and volunteers should be recruited regionally.

ACRE's Village Hall Information and Advice Service has 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.

- 7 ACRE has initiated the need for an All Party Parliamentary Group (APPG) for Village Halls
- 8 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.
- 9 As part of the move towards collective development of the Network and the need to build new markets locally and nationally, an ACRE CEO Reference Group was recruited in December 2012 and met regularly during 2013/14. Other reference groups have been formed and are designed to enhance and widen the scope for national representation in respect of a number of policy themes.
- 10 The ACRE Network Performance Improvement Programme completed its ninth 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, one member completed a successful Peer Review at Level 2, resulting in all members achieving at least this level of quality standard. Two members completed a successful Level 3 Peer Review, and four members successfully completed Level 3 re-assessments. In total, 33 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.

2013/14 was the third 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 2 investment was produced. Published in a summary report 'Making a Difference', the results demonstrated the traction



## Action with Communities in Rural England

### Report of the trustees

#### For the year ended 31 March 2014

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achieved across the country and demonstrated the financial leverage gained to support work on the six key themes: Housing, Neighbourhood and Community Led planning, Transport, Services, Fuel Poverty and Energy Generation and Broadband.

ACRE also 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 2013/14, six new loans were taken out, five loans were repaid and by March 2014, there were 41 loans outstanding to the value of £415,005. A further four loans have been offered with a total value of £128,992, two applications have been processed valued at £32,000 and another ten applications worth £130,000 are in the initial application stage.

#### 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 aggregates 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 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.

The trustees 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 2014, the total reserves were: | £615,778 |
| Restricted funds:                          | £94,629  |
| Unrestricted funds:                        | £521,149 |

The trustees agreed to reassign unused designated reserves at the end of the financial year, to the general unrestricted reserves to enable the organisation to maximise future opportunities.

## Action with Communities in Rural England

### Report of the trustees

#### For the year ended 31 March 2014

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#### Principal funding sources

The majority of ACRE's funding for 2013/14 came from a strategic grant paid by Defra, Big Lottery Rural Infrastructure for England grant 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:

- 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

#### Plans for future periods

#### Key objectives for 2014/15

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:

- 1 Sustain
- 2 Support
- 3 Speak up

which are underpinned by a strong rural intelligence resource.

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.

4 Under these three objectives ACRE will continue to:

Provide and develop recognised quality standards for the ACRE Network.

5 Lead development and delivery on national programmes to benefit ACRE Network members and rural communities.

6 Work with 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.

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

### **Report of the trustees**

**For the year ended 31 March 2014**

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#### **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 £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 2013/14.

##### **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 2013/14.

#### **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

## Action with Communities in Rural England

### Report of the trustees

#### For the year ended 31 March 2014

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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.

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 - elected November 2012; chair Norfolk Rural Community Council  |
| Peter Cleasby   | South West regional trustee - elected November 2011; trustee Community Council of Devon  |
| John Hazelwood  | Treasurer - elected to the Board November 2001; appointed treasurer November 2007; re appointed treasurer December 2013  |
| Peter Jefferson | Co-opted trustee - appointed January 2014, CEO Cornwall Rural Community Council  |
| Jeremy Leggett  | Co-opted trustee - appointed January 2014, CEO Action in rural Sussex  |
| Richard Priest  | Vice-chair - South East regional trustee - elected November 2009; re-elected November 2012; chair Community Action Isle of Wight; elected vice-chair December 2013     |
| John Rose       | East Midlands regional trustee - elected November 2011 -trustee Community Lincs  |
| Susan Shaw      | Chair - co-opted trustee - February 2007, appointed chair from November 2008, re appointed December 2013   |
| Ian Soane       | North West regional trustee - elected November 2010, retired November 2013   |
| Janet Thornton  | Vice chair - Yorkshire and Humber regional trustee - elected November 2009; re-elected November 2012; trustee Rural Action Yorkshire; elected vice-chair December 2013 |
| David Voysey    | West Midland regional trustee - elected November 2009; re-elected 2012; trustee Shropshire Rural Community Council   |
| Jan Worters     | North East regional trustee – re-elected November 2013; chair Durham Community Action  |

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

### **Report of the trustees**

#### **For the year ended 31 March 2014**

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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 2014 was 38 (2013 - 38). The trustees 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 trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 30 July 2014 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**

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We have audited the financial statements of Action with Communities in Rural England for the year ended 31 March 2014 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 2014 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**

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

We have nothing to report in respect of the following matters 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the report of the trustees' and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Catherine Sayer (Senior statutory auditor)

27 August 2014

for and on behalf of Sayer Vincent LLP, Statutory Auditors

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 2014

|   | Note | Restricted<br>£      | Unrestricted<br>£     | 2014<br>Total<br>£           | 2013<br>Total<br>£    |
|---|------|----------------------|-----------------------|------------------------------|-----------------------|
| <b>Incoming resources</b>   |      |                      |                       |                              |                       |
| <i>Incoming resources from generated funds:</i>                     |      |                      |                       |                              |                       |
| Voluntary income  |      | -                    | 40,505                | <b>40,505</b>                | 40,232                |
| Activities for generating funds                                     | 2    | -                    | 6,704                 | <b>6,704</b>                 | 11,514                |
| Investment income   |      | -                    | 489                   | <b>489</b>                   | 545                   |
| <i>Incoming resources from charitable activities:</i>               |      |                      |                       |                              |                       |
| National advocacy   | 3    | 2,800                | 50,667                | <b>53,467</b>                | 140,767               |
| Network and community support                                       |      | 163,862              | 135,221               | <b>299,083</b>               | 583,346               |
| Standards and business development                                  |      | <u>2,160,152</u>     | <u>141,504</u>        | <b><u>2,301,656</u></b>      | <u>2,675,878</u>      |
| <b>Total incoming resources</b>                                     |      | <u>2,326,814</u>     | <u>375,090</u>        | <b><u>2,701,904</u></b>      | <u>3,452,282</u>      |
| <b>Resources expended</b>   |      |                      |                       |                              |                       |
| <i>Costs of generating funds:</i>                                   |      |                      |                       |                              |                       |
| Costs of generating voluntary income                                |      | -                    | 74,221                | <b>74,221</b>                | 11,301                |
| <i>Costs of activities in furtherance of the charity's objects:</i> |      |                      |                       |                              |                       |
| National advocacy   |      | 62                   | 61,284                | <b>61,346</b>                | 97,779                |
| Network and community support                                       |      | 172,546              | 182,813               | <b>355,359</b>               | 577,291               |
| Standards and business development                                  |      | 2,187,297            | 84,651                | <b>2,271,948</b>             | 2,704,012             |
| Governance costs  |      | -                    | 59,634                | <b>59,634</b>                | 69,063                |
| <b>Total resources expended</b>                                     | 4    | <u>2,359,905</u>     | <u>462,603</u>        | <b><u>2,822,508</u></b>      | <u>3,459,445</u>      |
| <b>Net incoming / (outgoing) resources for the year</b>             | 5    | (33,091)             | (87,513)              | <b>(120,604)</b>             | (7,163)               |
| <b>Net movement in funds</b>  | 13   | (33,091)             | (87,513)              | <b>(120,604)</b>             | (7,163)               |
| <b>Funds at 1 April 2013</b>  |      | <u>127,720</u>       | <u>608,662</u>        | <b><u>736,382</u></b>        | <u>743,544</u>        |
| <b>Funds at 31 March 2014</b>                                       |      | <u><u>94,629</u></u> | <u><u>521,149</u></u> | <b><u><u>615,778</u></u></b> | <u><u>736,381</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 2014

|   | Note | £              | 2014<br>£             | 2013<br>£             |
|---|------|----------------|-----------------------|-----------------------|
| <b>Tangible fixed assets</b>                          | 8    |                | <u>3,242</u>          | <u>6,545</u>          |
| <b>Current assets</b>                                 |      |                |                       |                       |
| Debtors   | 9    | 447,359        |                       | 505,331               |
| Cash at bank and in hand                              |      | 653,683        |                       | 823,164               |
| Account for the rural community buildings loan fund   | 11   | <u>284,995</u> |                       | <u>219,799</u>        |
|   |      | 1,386,037      |                       | 1,548,294             |
| <b>Creditors: amounts falling due within one year</b> |      |                |                       |                       |
| Sundry creditors                                      | 10   | 73,501         |                       | 118,458               |
| Rural community buildings loan fund                   | 11   | <u>700,000</u> |                       | <u>700,000</u>        |
|   |      | 773,501        |                       | 818,458               |
| <b>Net current assets</b>                             |      |                | <u>612,536</u>        | <u>729,836</u>        |
| <b>Net assets</b>                                     | 12   |                | <u><u>615,778</u></u> | <u><u>736,381</u></u> |
| <b>Funds</b>  | 13   |                |                       |                       |
| Restricted funds                                      |      |                | 94,629                | 127,720               |
| Unrestricted funds                                    |      |                |                       |                       |
| Designated funds                                      |      |                | -                     | 127,071               |
| General funds   |      |                | <u>521,149</u>        | <u>481,590</u>        |
| <b>Total funds</b>                                    |      |                | <u><u>615,778</u></u> | <u><u>736,381</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 30 July 2014 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 2014

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##### 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 whichever 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 2014

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#### 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<br>£ | Unrestricted<br>£ | 2014<br>Total<br>£ | 2013<br>£   |
|--------------------|-----------------|-------------------|--------------------|-------------|
| Publications sales | -               | 1,790             | 1,790              | 1,974       |
| Consultancy        | -               | 4,914             | 4,914              | 9,540       |
|                    | <hr/>           | <hr/>             | <hr/>              | <hr/>       |
|                    | -               | 6,704             | 6,704              | 11,514      |
|                    | <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 2014

#### 3. Incoming resources from charitable activities

|   | Restricted<br>£  | Unrestricted<br>£ | 2014<br>Total<br>£      | 2013<br>£        |
|---|------------------|-------------------|-------------------------|------------------|
| <i>National advocacy:</i>                         |                  |                   |                         |                  |
| Rural Coalition membership                        | 2,800            | -                 | <b>2,800</b>            | 2,600            |
| Defra support to rural communities                | -                | -                 | -                       | 87,500           |
| Membership  | -                | 50,667            | <b>50,667</b>           | 50,667           |
|   | <u>2,800</u>     | <u>50,667</u>     | <u><b>53,467</b></u>    | <u>140,767</u>   |
| <i>Network and community support:</i>             |                  |                   |                         |                  |
| Aon   | 8,000            | -                 | <b>8,000</b>            | 8,000            |
| Rural communities buildings loan fund             | -                | 25,271            | <b>25,271</b>           | 25,271           |
| Defra support to rural communities                | -                | -                 | -                       | 87,500           |
| Rural Infrastructure for England<br>(Big Lottery) | -                | -                 | -                       | 156,371          |
| Supporting Change & Impact<br>(Big Lottery)       | 155,862          | -                 | <b>155,862</b>          | 155,862          |
| Plunkett Foundation (Village SOS)                 | -                | -                 | -                       | 63,177           |
| DECC  | -                | 6,530             | <b>6,530</b>            | -                |
| Locality  | -                | 2,000             | <b>2,000</b>            | 4,600            |
| Nationwide "Over the Hill?"                       | -                | -                 | -                       | 10,538           |
| Norris & Fisher                                   | -                | -                 | -                       | 1,275            |
| Endurance Windpower                               | -                | 2,000             | <b>2,000</b>            | -                |
| Fed of City Farms & Community Gardens             | -                | 1,000             | <b>1,000</b>            | -                |
| British Gas                                       | -                | 30,500            | <b>30,500</b>           | -                |
| Navca   | -                | -                 | -                       | 500              |
| Calor Gas   | -                | 3,000             | <b>3,000</b>            | 1,400            |
| Conferences                                       | -                | 14,253            | <b>14,253</b>           | 18,185           |
| Membership  | -                | 50,667            | <b>50,667</b>           | 50,667           |
|   | <u>163,862</u>   | <u>135,221</u>    | <u><b>299,083</b></u>   | <u>583,346</u>   |
| <i>Standards and business development</i>         |                  |                   |                         |                  |
| Defra support to rural communities                | 2,160,000        | 90,000            | <b>2,250,000</b>        | 2,625,000        |
| Interest from RCAN account                        | 152              | -                 | <b>152</b>              | 162              |
| Membership  | -                | 51,504            | <b>51,504</b>           | 50,716           |
|   | <u>2,160,152</u> | <u>141,504</u>    | <u><b>2,301,656</b></u> | <u>2,675,878</u> |

## Action with Communities in Rural England

### Notes to the financial statements

For the year ended 31 March 2014

#### 4a. Total resources expended

|                               | Staff<br>£     | Other direct costs<br>£ | Overheads<br>£ | Allocation of<br>support costs<br>£ | 2014<br>£        | 2013<br>£        |
|-------------------------------|----------------|-------------------------|----------------|-------------------------------------|------------------|------------------|
| Costs of generating income    | 50,581         | 1,801                   | 5,845          | 15,994                              | <b>74,221</b>    | 11,301           |
| Charitable expenditure:       |                |                         |                |                                     |                  |                  |
| National advocacy             | 38,358         | 9,360                   | 3,567          | 9,999                               | <b>61,284</b>    | 97,674           |
| Network and community support | 188,013        | 68,314                  | 19,696         | 59,336                              | <b>335,359</b>   | 543,591          |
| Grants to RCCs                | -              | 20,000                  | -              | -                                   | <b>20,000</b>    | 33,700           |
| Setting the Standard          | 50,772         | 8,756                   | 9,118          | 16,005                              | <b>84,651</b>    | 267,012          |
| Defra RCAN grants             | -              | 2,187,297               | -              | -                                   | <b>2,187,297</b> | 2,437,000        |
| Other (Rural Coalition)       | -              | 62                      | -              | -                                   | <b>62</b>        | 105              |
| Governance costs              | 29,256         | 19,344                  | 2,366          | 8,668                               | <b>59,634</b>    | 69,063           |
| Support costs                 | 57,164         | 26,281                  | 26,558         | (110,002)                           | <b>1</b>         | -                |
| <b>Total</b>                  | <b>414,144</b> | <b>2,341,215</b>        | <b>67,150</b>  | <b>-</b>                            | <b>2,822,509</b> | <b>3,459,445</b> |

#### 4b. Allocation of support costs

|                               | Percentage<br>allocation | Amount         |
|-------------------------------|--------------------------|----------------|
|                               | %                        | £              |
| Costs of generating income    | 14.54                    | 15,994         |
| National arena                | 9.09                     | 9,999          |
| Network and community support | 53.94                    | 59,336         |
| Setting the standard          | 14.55                    | 16,005         |
| Governance costs              | 7.88                     | 8,668          |
|                               | <b>100.00</b>            | <b>110,002</b> |

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 2014

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

This is stated after charging / crediting:

|                          | 2014          | 2013         |
|--------------------------|---------------|--------------|
|                          | £             | £            |
| Depreciation             | 6,159         | 6,380        |
| Trustees' remuneration   | -             | -            |
| Trustees' expenses       | 7,305         | 14,427       |
| Auditors' remuneration:  |               |              |
| ▪ audit                  | 7,500         | 7,300        |
| Operating lease rentals: |               |              |
| ▪ property               | 19,000        | 34,563       |
| ▪ other                  | 12,346        | 4,617        |
|                          | <u>12,346</u> | <u>4,617</u> |

Trustees' expenses represents travel and subsistence costs for 12 trustees (2013 : 13 trustees) relating to attendance at trustee meetings.

#### 6. Staff costs and numbers

Staff costs were as follows:

|                       | 2014           | 2013           |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Salaries and wages    | 285,942        | 494,485        |
| Social security costs | 30,788         | 52,745         |
| Pension contributions | 21,446         | 35,529         |
| Other staff costs     | 75,968         | 120,750        |
|                       | <u>414,144</u> | <u>703,509</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:

|  | 2014       | 2013        |
|--|------------|-------------|
|  | No.        | No.         |
| Generating voluntary income                        | 1.3        | 0.2         |
| Activities in furtherance of the charity's objects | 6.8        | 13.8        |
| Governance   | 0.7        | 0.9         |
|  | <u>8.8</u> | <u>14.9</u> |

## Action with Communities in Rural England

### Notes to the financial statements

#### For the Year Ended 31 March 2014

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#### 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,<br>fittings & office<br>equipment | Total                  |
|-------------------------|---|------------------------|
|                         | £   | £                      |
| <b>COST</b>             |   |                        |
| At 1 April 2013         | 61,012                                      | <b>61,012</b>          |
| Additions in year       | 2,856                                       | <b>2,856</b>           |
| Disposals in the year   | <u>(25,393)</u>                             | <b><u>(25,393)</u></b> |
| At 31 March 2014        | <u>38,475</u>                               | <b><u>38,475</u></b>   |
| <b>DEPRECIATION</b>     |   |                        |
| At 1 April 2013         | 54,467                                      | <b>54,467</b>          |
| Charge for the year     | 6,159                                       | <b>6,159</b>           |
| Disposals in the year   | <u>(25,393)</u>                             | <b><u>(25,393)</u></b> |
| At 31 March 2014        | <u>35,233</u>                               | <b><u>35,233</u></b>   |
| <b>NET BOOK VALUE</b>   |   |                        |
| <b>At 31 March 2014</b> | <u><b>3,242</b></u>                         | <b><u>3,242</u></b>    |
| At 31 March 2013        | <u>6,545</u>                                | <u>6,545</u>           |

All tangible fixed assets are used for direct charitable purposes.

#### 9. Debtors

|  | 2014                  | 2013           |
|--|-----------------------|----------------|
|  | £                     | £              |
| Loans to rural community buildings under loan scheme | <b>415,005</b>        | 480,201        |
| Prepayments  | <b>19,564</b>         | 19,929         |
| Accrued Income                                       | <b>10,000</b>         | -              |
| Other debtors  | <u><b>2,790</b></u>   | <u>5,201</u>   |
|  | <u><b>447,359</b></u> | <u>505,331</u> |

## Action with Communities in Rural England

### Notes to the financial statements

#### For the Year Ended 31 March 2014

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

|                              | 2014                 | 2013                  |
|------------------------------|----------------------|-----------------------|
|                              | £                    | £                     |
| Trade creditors              | 17,114               | 3,880                 |
| Taxation and social security | 9,263                | 24,740                |
| Other creditors              | 15,226               | 48,795                |
| Deferred income              | <u>31,898</u>        | <u>41,043</u>         |
|                              | <u><u>73,501</u></u> | <u><u>118,458</u></u> |

#### 11. Rural community buildings loan fund

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

|  | 2014                  | 2013                  |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| Funds advanced by Defra at 1 April 2013  | <u>700,000</u>        | <u>700,000</u>        |
| Loans to rural community buildings:      |                       |                       |
| Outstanding at 1 April 2013              | 480,201               | 444,207               |
| Made during year                         | 87,470                | 199,390               |
| Repayments during year                   | <u>(152,666)</u>      | <u>(163,396)</u>      |
| Outstanding loans at March 2014 (note 9) | <u>415,005</u>        | <u>480,201</u>        |
| Bank deposit on hand at 31 March 2014    | <u><u>284,995</u></u> | <u><u>219,799</u></u> |



## Action with Communities in Rural England

### Notes to the financial statements

For the year ended 31 March 2014

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

|                                    | Restricted funds<br>£ | Designated funds<br>£ | General funds<br>£ | Total funds<br>£ |
|------------------------------------|-----------------------|-----------------------|--------------------|------------------|
| Tangible fixed assets              | -                     | -                     | 3,242              | <b>3,242</b>     |
| Current assets                     | 794,629               | -                     | 591,408            | <b>1,386,037</b> |
| Current liabilities                | (700,000)             | -                     | (73,501)           | <b>(773,501)</b> |
| <b>Net assets at 31 March 2014</b> | <b>94,629</b>         | <b>-</b>              | <b>521,149</b>     | <b>615,778</b>   |

#### 13. Movements in funds

|  | At 1 April<br>2013<br>£ | Incoming<br>resources<br>£ | Outgoing<br>resources<br>£ | Transfers<br>£ | At 31 March<br>2014<br>£ |
|--|-------------------------|----------------------------|----------------------------|----------------|--------------------------|
| <b>Restricted funds:</b>   |                         |                            |                            |                |                          |
| Aon  | -                       | 8,000                      | (8,000)                    | -              | -                        |
| Rural Infrastructure for England<br>(Big Lottery)                                  | 2,431                   | -                          | -                          | -              | <b>2,431</b>             |
| Supporting Change & Impact (Big<br>Lottery)  | 8,684                   | 155,862                    | (164,546)                  | -              | -                        |
| Defra rural communities support<br>National Parks Residents<br>Association (ANPAC) | 106,274                 | 2,160,152                  | (2,187,297)                | -              | <b>79,129</b>            |
| Rural Coalition  | 2,787                   | -                          | -                          | -              | <b>2,787</b>             |
|  | 7,544                   | 2,800                      | (62)                       | -              | <b>10,282</b>            |
| <b>Total restricted funds</b>  | <b>127,720</b>          | <b>2,326,814</b>           | <b>(2,359,905)</b>         | <b>-</b>       | <b>94,629</b>            |
| <b>Unrestricted funds:</b>   |                         |                            |                            |                |                          |
| <i>Designated funds:</i>   |                         |                            |                            |                |                          |
| Building Contingency   | 54,036                  | -                          | (9,555)                    | (44,481)       | -                        |
| European Development<br>Contingency  | 4,431                   | -                          | (419)                      | (4,012)        | -                        |
| Communications Development   | 45,034                  | -                          | (41,717)                   | (3,317)        | -                        |
| Product Development  | 12,500                  | -                          | -                          | (12,500)       | -                        |
| ACRE Network Development Fund  | 11,071                  | -                          | -                          | (11,071)       | -                        |
| <b>General funds</b>   | <b>481,590</b>          | <b>375,090</b>             | <b>(410,912)</b>           | <b>75,381</b>  | <b>521,149</b>           |
| <b>Total unrestricted funds</b>  | <b>608,662</b>          | <b>375,090</b>             | <b>(462,603)</b>           | <b>-</b>       | <b>521,149</b>           |
| <b>Total funds</b>   | <b>736,382</b>          | <b>2,701,904</b>           | <b>(2,822,508)</b>         | <b>-</b>       | <b>615,778</b>           |

## Action with Communities in Rural England

### Notes to the financial statements

#### For the year ended 31 March 2014

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#### 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 2013.

###### 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 £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 2013/14.

##### Purpose of designated funds

###### 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 move to new premises at Northway House was completed by July 2013. The Board took the opportunity to re-assess the scope of the designated reserve.

**13. Movements in funds (continued)**

**Purpose of designated funds (continued)**

**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. Following the success of the Communications development, further reserves were set aside for the continuation of the work.

**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 the members and the communities they serve. With a reduction in available funds, the Board re-assessed the scope of the designated fund at the July 2013 Board meeting.

**ACRE Network Development Fund**

ACRE successfully commissioned a project which looks at the Rural Share of Deprivation across England. It provides a number of resources for the members 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 December 2013 and further dissemination events at regional level are planned for the summer 2014.

## Action with Communities in Rural England

### Notes to the financial statements

For the year ended 31 March 2014

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#### 14. Operating lease commitments

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

|                  | Property      |               | Equipment     |              |
|------------------|---------------|---------------|---------------|--------------|
|                  | 2014          | 2013          | 2014          | 2013         |
|                  | £             | £             | £             | £            |
| Less than 1 year | -             | -             | -             | -            |
| 1 - 2 years      | -             | -             | -             | -            |
| 2 - 5 years      | 19,000        | 34,563        | 12,346        | 4,617        |
| Over 5 years     | -             | -             | -             | -            |
|                  | <u>19,000</u> | <u>34,563</u> | <u>12,346</u> | <u>4,617</u> |

#### 15. Related Party Transactions

During 2013/14, British Gas invested in a pilot scheme with a view to future investment, and two RCCs were involved. The activity involving Peer Reviews was also part funded by ACRE. Grants to the network from the ACRE Investment Programme were delivered through ACRE.

|                                       | £             |
|---------------------------------------|---------------|
| <b>British Gas Pilot schemes</b>      |               |
| Action with Communities in Rural Kent | 10,000        |
| Community Council of Staffordshire    | 10,000        |
|                                       | <u>20,000</u> |