

Company number: 3336101
Charity number: 1061568

Action with Communities in Rural England
Report and Financial Statements
31 March 2022

Action with Communities in Rural England

Reference and administrative details

For the year ended 31 March 2022

Status	The organisation is a charitable company limited by guarantee, incorporated on 19 March 1997 and registered as a charity on 26 March 1997.	
Governing document	The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.	
Company number	3336101	
Charity number	1061568	
Registered office and operational address	2 The Quadrangle Banbury Road Woodstock Oxfordshire OX20 1LH	
Honorary officers	David Emerson CBE Janet Thornton MBE Dominic Driver	Chair Vice Chair Vice Chair
Executive Director	Richard Quallington	
Company Secretary	Richard Quallington	
Bankers	Lloyds plc 14 Castle Street Cirencester Gloucestershire GL 7 1QJ	
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ	
Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5 th Floor, Mariner House 62 Prince Street Bristol BS1 4QD	

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2022

The directors present their report and the audited financial statements for the year ended 31 March 2022.

Introduction

The reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Mission, objectives and activities

ACRE's objects are *to promote any charitable purpose to improve the conditions of life of people and communities in rural areas in England and Wales. More specifically ACRE's mission is to work with its 38 members and other key stakeholders to evidence and address need, to inform and to influence at a national level, speaking up as the voice of rural communities across England. ACRE's beneficiaries are at the heart of all its work specifically; all people living in rural areas of England, but especially those who are at risk of isolation and disadvantage and for whom rurality brings additional challenge and cost to their daily lives.*

ACRE reviews its strategic priorities, aims and objectives on a regular basis as part of the business planning cycle. Following a roll forward of the business plan during the Covid pandemic, a membership and wider stakeholder engagement exercise and an analysis of the wider operating environment, the board adopted a new three-year corporate plan 2022-25 in readiness for the start of the new financial year.

Vision

ACRE's vision is *'Rural Communities that are thriving, inclusive and sustainable and which have the services needed to ensure equity for all residents'*. And *'rural places that are fully engaged in the UK's future policies and ambitions'*.

This vision is underpinned by behaviours which support the following values:-

- Responsive – responding and listening to the needs of members and beneficiaries;
- Innovative – testing and developing new approaches;
- Collaborative – working with others to achieve results for our members and beneficiaries;
- Empowering – enabling members and rural communities to take action; and
- Solution focused – achieving results that make a difference.

Objectives

ACRE's core objective is to promote a healthy, informed, vibrant and sustainable rural community sector that is well equipped to address local need whilst being able also to influence and benefit from, policies and initiatives at national, sub-national and local level. Specifically as the 39th member of the ACRE Network, ACRE's main purpose is to:-

- Gather evidence and conduct research to improve the outcomes for rural communities;
- Articulate a voice for rural communities at the national level;
- Influence decisions that impact on rural communities; and
- Deliver programmes through our members which directly improve the lives of our end beneficiaries, and which increase the resilience of rural communities.

As the national body of The ACRE Network, ACRE 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 2022

Our funders and sponsors

The greater extent of our work this year was only made possible with the help and support of our funders and sponsors.

We are extremely grateful to the following for their financial support during the year:-

- ACRE members
- Ansvar
- Defra
- Hallmaster
- National Lottery Community Fund
- Norris and Fisher
- Tennyson Insurance (Zurich)
- Tudor Trust
- Utility Aid

Activities

ACRE's day to day activities during the year were focused on eight specific strands of work namely:-

1. Research and intelligence;
2. Voice and influencing;
3. Collaborating with key partners;
4. Programme development and delivery;
5. Supporting the ambitions of ACRE Network members;
6. Developing Digital Solutions;
7. Marketing and Communications; and
8. Governance, leadership and management of ACRE.

How our activities deliver public benefit

ACRE's charitable activities are to alleviate rural disadvantage in rural communities throughout England through its activities and achievements, a sample of which are set out below.

Achievements and performance

During **2021-22**, ACRE continued to develop its strategy for advocacy on behalf of its end beneficiaries in three major directions:

- Securing ongoing 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 by highlighting impact;
 - Positioning ACRE members as primary agents of change in rural communities in the implementation of localism and other Government policies; and
 - Capitalising on the ACRE Network's reach into rural communities and its expertise in ensuring rural communities and particularly those most disadvantaged by rurality benefit from national policy initiatives.
1. In addition to overseeing the delivery of the **ACRE Network Agreement with Defra** which enables ACRE's 38 members to focus practical support on rural communities across rural England, ACRE worked hard to secure a roll-over of the funded arrangement pending the outcome of the comprehensive spending review (CSR) by Government. A continuation at the same level of funding was agreed at the end of the financial year. Additionally, an 'in principle' three-year funded relationship with Defra was also achieved for the lifetime of the spending review up until 2025, thus enabling ACRE members to plan with greater certainty for the support of end beneficiaries and rural communities for an extended period.

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2022

2. ACRE continued to improve the **monitoring and evidence** gathering that supports and underpins the ACRE Network Agreement with Defra. With enhanced reporting, the continuing development of a bank of case studies and examples of best practice to evidence impact, ACRE has been able to demonstrate more clearly to Defra the value of the Agreement. Throughout the year, and especially in light of the impact of the pandemic on rural communities, ACRE has continued to develop closer links with the Defra team to ensure that grassroots intelligence from the ACRE Network is used to inform decision making within Defra and other Government departments.
3. ACRE administers the **Rural Community Buildings Loan Fund** of £700,000 on behalf of Defra, which provides financial support to village hall management committees to improve facilities for their communities. During 2021/22, 27 loans were live during the year, 6 new loans were paid out totalling £139,920 and 5 further loans have been agreed totalling £71,029. The total value of the loans outstanding at the end of the year was £303,050.
4. ACRE's **Village Hall Information and Advice Service** provided support for ACRE members during the year through their online platform, website and Zoom meetings. The focus for ACRE has been on updating and reviewing Information Sheets – over 50% have been updated this year. The face-to-face training event, postponed from 2020, was well attended by Network members. Three Zoom training sessions have been held as well as 3 induction sessions for new advisers and 2 livestream sessions on risk assessment and insurance basics have been held in partnership with Zurich. The agreement with Bates Wells Solicitors has provided legal support for halls at reduced cost. Both ACRE members and countless village hall management committees have been fulsome in their praise for the quality and timeliness of ACRE's briefings both during and emerging from the pandemic.
5. The **Village Hall Improvement Grant Fund** was extended until 30th September 2022 to cater for project setbacks caused by delayed building works and issues with securing match funding allocations due to the pandemic. In total the Fund has awarded 123 grants totalling £2,749,460.
6. 2021 saw a continuation of **the linked centenaries of the ACRE Network**, and of a **100 years of professional support for village halls**, with the latter being a greater focus this year. The highlight of this was a celebration event in November held in South Luffenham village Hall in Rutland, and which was attended both by many of those nationally who currently support such halls, or who have done so in recent decades, together with Defra colleagues and other supporters. Many others joined via a live stream, including the Minister Lord Benyon who introduced the event with a welcoming speech. The hall itself is one of some 10,000 village and community halls across rural England, dating back to the 1920s and was recently renovated with a grant from the Village Hall Improvement Grant Fund managed by ACRE.
7. The attendance at South Luffenham echoes **the involvement of many other former ACRE member employees and trustees** who have been contributing a huge amount of time and expertise to the creation of some longer lasting records of the work of the ACRE Network over the preceding centenary. Such centenaries are significant in themselves for the longevity they demonstrate of commitment to rural communities and insight around the needs of rural dwellers. But of more direct pertinence to ACRE's mission is the learning that is now being drawn from these records being collated from over the past century, and which can inform and give wider context to the current challenges and issues facing rural communities. ACRE is greatly indebted to the many Network alumni and other supporters who have spent much time drawing together historical records, a sample of which is now available at [100ruralyears](#).
8. One special output of note from this work is the [publication](#) of **Reaping a Community Harvest**. This history of support for England's rural communities chronicles the origins, achievements, and current circumstances of ACRE

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2022

members. It is a story of the people, ideas and organisations behind the numerous initiatives and schemes developed in particular by (former) ACRE members over the century to improve the lot of those living and working in the countryside. ACRE records its gratitude to Professor Nigel Curry who researched and wrote the book, for his dedication and commitment in supporting ACRE and the centenary in this way.

9. In pursuance of its role of **speaking up for rural communities**, ACRE continued its engagement in a wide range of national advisory and steering groups including: The Rural Housing Network; Post Office Advisory Group; End Fuel Poverty Coalition; Rural England CIC and DLUHC (Department for Levelling Up, Housing and Communities) Communities Partnership Board.
10. As with almost everything else, **ACRE's advocacy for rural communities**, and work with government and national partners during the year was dominated by the pandemic. By April 2021 the phases and variants of Covid were becoming more familiar and, consequently the work with government and members on the imposition and release of restrictions was more familiar. Whilst the constraints and concerns amongst rural communities persisted, we were able to focus our work more closely on the priorities that we had identified in our Manifesto, the previous year, for both a "post-Covid" and a "post-Brexit" world.
11. In the early part of 2020/21, the **Government's Spending Review and the new programme set out in the Queen's Speech** included announcements about replacements for rural EU funding. This dominated much of ACRE member's thinking. The previously adopted Manifesto was rolled forward to take account of these changes and the following identify ACRE's policy activity during the year under these nine headings:-
 - a) **Civil Society and Village Halls.** Following the announcement of The Community Ownership Fund we sought to ensure that there would be opportunities for communities that already owned assets that may have fallen into disrepair to access the fund. Other key issues over which we sought to increase influence on behalf of rural communities included access to banking – an issue that continues to cause concern following the year-end, small scale procurement and social value following the UK's withdrawal from the EU, and Government relationships with the wider civil society sector. Over the year our relationship with NCVO and other national civil society organisations has strengthened, adding value to our own advocacy.
 - b) **Affordable housing and planning.** Despite the earlier publication of the Planning White Paper in 2020, little had moved forward in this area at a national level until February 2022 when the Levelling Up White Paper was published and subsequently the Levelling Up and Regeneration Bill which contained a substantial section intended to reform the planning system. ACRE prepared an extensive briefing for the Network on the Levelling Up White Paper and especially those parts of it that Government intended to monitor to demonstrate that levelling up had been achieved. Although closely related to planning and housing issues this contained little detail about what might be intended for the planning system. We worked with Defra and other members of the Rural Coalition to seek to achieve much greater 'rural proofing' of the White Paper's measures, including affordable housing in rural areas.
 - c) **Rural health and care.** Our most recent member survey demonstrated that the area of activity carried out most commonly, after support for Village Halls, was projects and services to support rural communities with health and care initiatives. Towards the end of the year, we initiated an internal policy and practice forum for members working in this area and started planning a first 'face to face' event for practitioners for later in 2022. Specific policy issues that we sought to influence during the year included: the NHS's major consultation on the future of the Non-Emergency Patient Transport Service; our members' learning from several years of

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2022

championing social prescribing – especially through village agent programmes; an approach to joint working with NAVCA (National Association for Voluntary and Community Action) and our overlapping members intended to ensure rural voluntary organisations became fully involved in Integrated Care Systems and work with members and with members of the House of Lords to seek to embed rural proofing in the Health and Social Care Act. In order to go ‘upstream’ of policy to find ways of influencing the Department of Health and Social Care we have been working with Defra on a rural ‘cut’ of the Index of Multiple Deprivation and Joint Strategic Needs Assessments to help to target rural areas at a local level of NHS decision making.

- d) **Youth and opportunity.** Most of our members believe that young people are often the most disadvantaged by their rurality, however we have achieved little rural policy ‘traction’ in this area to date. During the CSR we pressed for a specific scheme to replace the Educational Maintenance Allowance to help rural young people with post-16 educational choices, but without success.
- e) **Economy and social enterprise.** After Government had announced several rounds of funding to assist in the regeneration of town centres a follow up scheme – the Community Renewal Fund – was released that appeared to be more targeted on rural areas. ACRE sought to influence the rural targeting of this fund and supported the eighteen members of the ACRE Network that found themselves in priority areas. As this fund was also to be used as a pre-cursor to the UK Shared Prosperity Fund we actively engaged Defra in the projects that were coming forward from our members so that learning could be channelled into the UKSPF (UK Shared Prosperity Fund). We continue to press for a community led regeneration scheme that could be universal across England as a successor to the LEADER programme.
- f) **Net zero and fuel poverty.** With so much attention being focused on COP 26, it was important during the year to be clear on our policy line in relation to net zero. ACRE has aligned very closely with the Rural Coalition and organisations such as the End Poverty Coalition to press for a ‘just transition’ to net zero. By this we, and others, mean that people living in rural England should be supported through a transition to net zero and not become the victims of an approach that seeks solely to ‘price out’ carbon from people’s daily lives. To this end we have actively sought to advocate for policies that will enable rural communities to decarbonise by ensuring electric car charging points reach them; the electricity generation and distribution network in rural areas can deliver what will be needed in future; and those living off the gas grid are not disadvantaged over more urban areas in the timing, practicality, and cost of their transition. We continue to work closely with the Office of Zero Emission Vehicles over the funding of electric vehicle charging points at village halls.
- g) **Connectivity and transport.** Despite a call for evidence in 2020 little progress seems to be being made on a Future of Transport – Rural Strategy. On the other hand, the Government has got fully underway with Project Gigabit and ACRE has worked with other rural organisations to press for the original commitments to 100% coverage to be fulfilled. At a practical level, much of the year has been taken up by the Government’s executive agency, BDUK (Building Digital UK), carrying out market assessment on a County-by-County basis in order to assess what needs to be procured in the most rural areas. We have sought to ensure our members get rapid information about it as each County is assessed. We have developed a good relationship with BDUK in preparation for the point in the procurement process when it becomes clear that specific local initiatives may be the only available way forward.
- h) **Diversity and equality.** Many ACRE members are involved in projects locally that actively seek to engage people living in rural areas from diverse backgrounds to understand their perspectives on rural community life. Although clearly identified as a priority for ACRE it is an area where practical action at a national, rural, level

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2022

can be hard to identify. In previous years we had debated with our Network members whether there should be scope to have 'rurality' treated in the same way as the protected characteristics that are enshrined in Equalities legislation. Our conclusion has been that there are practical reasons not to do so, but rurality clearly add to the challenge for some part of the population and this calls for a carefully nuanced approach.

- i) **Rural and landscape strategy.** For many years we have worked with other members of the Rural Coalition to call for a broadly based Rural Strategy for England. We have not focussed heavily on this during the year as it does not seem to be a key priority for Government currently. We have, however, worked both individually and with other Coalition members to actively prompt the 'rural proofing' of policies and programmes that are important to rural people and now see the Annual Rural Proofing Report, linked to the proposed annual report on levelling up as a means to achieve this. Defra's Rural Impacts Stakeholder Forum, established during the early days of the pandemic, has now developed into a monthly Rural Insights Forum and we take an energetic part in this to encourage active rural proofing. We have also made the case for a national land use strategy in the consultation over Government's response to its review of the Protected Landscapes and have pressed the case for these to put more emphasis on the needs of the communities within them.
12. During the year we highlighted operational concerns in relation to the **delivery of Affordable Rural Housing**, collecting data and evidence and sharing this with stakeholders. ACRE continued to advance the cause of affordable rural housing by providing technical support to members on housing and planning issues. We supported our members and Rural Housing Enablers by providing them with information and training. Areas of activity included:-
- Building the evidence base for rural affordable housing through surveying Rural Affordable Housing delivery;
 - Regular liaison with Defra and Homes England on rural housing issues; and
 - Attendance at Rural Housing Network meetings.
13. ACRE has been strengthening links with the **UK and Ireland Rural Network** which was formed to share information and good practice. Members include Irish Rural Link, Scottish Rural Action, Rural Community Network NI, PLANED as well as several individuals working within a rural context. ACRE endorsed two appointments to the Board of the European Rural Communities Alliance.
14. Throughout the year **ACRE prioritised the needs of its 38 members** by providing, guidance and advice and one to one strategic support for individual members facing specific challenges. With the ending of the Network Development Group, overseeing the collective change and development within the ACRE Network as a whole, ACRE's role in driving this work forward has been roundly endorsed by members and is now featured as a key element in ACRE's new corporate plan. With the continuation of online working during the year we further developed the use of the digital platform Basecamp to support collaboration across the Network and continued with the regular monthly meeting of ACRE Network Chief Executives established at the height of the pandemic to improve communication and to promote mutual support.
15. Towards the end of the year **ACRE improved its online presence** with the launch of a new website sporting a new structure, content, and presentation. The site was designed to better articulate our vision for rural communities, clearly demonstrate how we work with our members, as well as allowing for various media, including news items, blogs, publications, and videos to appear on key pages. The improved accessibility of our online presence has seen a substantial growth in subscribers to our media releases and blogs. Our social media following has also grown with over 200 new Facebook page likes and more than 300 new followers on twitter. We have also started to use

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2022

LinkedIn and Instagram more regularly and our following on these platforms is progressively growing. Our reach across these social media platforms is growing and approaching 6,000 contacts.

16. A specific and focused media event was held in January; **the fifth annual Village Halls Week**. The campaign raised an awareness of the contribution that village halls make to rural communities, and encouraged halls to innovate for the future, profiling the opportunities that halls have to accommodate a greater range of activities and events, contribute to net zero and become more financially resilient. Defra minister, Lord Benyon, launched the week at an event hosted by, ACRE member, Connecting Communities in Berkshire at The Victory Room in Bucklebury, Berkshire which was livestreamed to social media utilising ACRE's in-house facilities and skills. The event was attended by approx. 30 guests, a further 40 joined online and the livestream recording has been watched over 500 times to date. Initial social media analysis shows that there was significant traffic related to the campaign with 223 mentions of #VillageHallsWeek, reaching c.316,000 people and attracting 1,331 reactions.
17. **ACRE continued to raise its voice on key rural issues**. Over the course of the year, we published 16 press releases, 10 blogs and 4 newsletters for network colleagues. Although we received positive reactions to many of these postings on social media, press pick-up remains an area for further development. We have also begun documenting best practice from our members in the form of short case study films featuring innovative ACRE member projects. These videos are helping to make the work and impact of our members more engaging attracting much more interest than standard press releases.
18. In pursuit of a more blended approach to funding the organisation **ACRE has worked with several corporate partners** during the year including Norris & Fisher, Ansvar, Utility Aid and Zurich which has also helped ACRE produce media to interested village halls and to increase our audience. At the close of the year, we hosted a livestream on risk assessment supported by Zurich; the recording has subsequently been watched over 600 times.
19. Delivery of the **National Lottery Community Fund resourced New Infrastructure Programme** has improved the ACRE Network's knowledge of and capability to use digital applications. During the year the programme has established an interactive website for the sharing of members experience on the use of different applications and digital technologies. ACRE also delivered a series of peer led workshops which enabled members to consider and learn about different applications for hosting online events and consultations. The programme also undertook extensive research with village hall advisers on how to utilise digital technology most effectively in delivering and improving the ACRE Network's information and advice service to village hall committees.
20. This year also saw the conclusion of the delivery of the **National Lottery Community Fund Safeguarding Project** aimed at ensuring every village and community hall across rural England has the knowledge and confidence to provide a safe environment for all. Managed by ACRE the project aspired to improve the awareness of safeguarding, extend the reach of resources, provide an insight into impact, and embed good practice. Due to the Covid restrictions activity and advice went online with ACRE members updating information on policies and procedures and delivering advice and training via digital sessions. Over the two-year project period over 4300 village halls were reached with information and our members collectively delivered 71 training events, 144 Online Zoom sessions, 93 Village Hall Networking events and 33 conferences; all focused on helping village and community halls develop and improve their safeguarding practices.

As this overview highlights, 2021-22 has been shaped by the ongoing impacts of the pandemic as ACRE continued to adapt its delivery to increase remote and online digital working, including a relocation of the office base to facilitate a more hybrid way of working and to reduce premises costs. Despite these challenges it has been a year of opportunities

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2022

and some notable successes. Working with the challenges of limited staff capacity, a growing portfolio of activities and greatly increased demand for ACRE's services has tested and also confirmed the resilience, creativity and flexibility of the highly motivated staff team and specialist associates. They have continued to embrace new ways of working and, despite the challenges have achieved an extensive range of laudable outcomes.

In common with other organisations ACRE has continued to feel the impact of a tightening financial climate coupled with increasing inflationary pressures. This continues to set a very challenging and uncertain operating environment in England for infrastructure charities such as ACRE.

Despite this uncertainty, engagement with Government has continued to grow and the future of the Defra agreement longer term is looking positive. Defra's decision to offer the ACRE Network an 'in principle' three-year funded relationship is extremely welcome as it enables both ACRE and its members to continue to plan both for the future of support to rural communities, and the internal transformational change needed to ensure that the services and support available are relevant and more sustainable in the longer term.

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.

The directors report a net reduction in total resources of £829,454 (31 March 2021: a net reduction of £1,216,139). The closing fund balances at 31 March 2022 were £846,153.

The statement of financial activities (SoFA) shows that the total incoming resources for the year were £2,084,193 compared with £2,119,636 for the previous year.

During the year ACRE received £1,746,915 restricted income and £337,278 unrestricted income. A list of the restricted funds is included in note 18. All incoming resources for the year have been secured specifically to advance the charity's strategic objectives.

Reserves policy

The directors consider that the level of unrestricted reserves should be sufficient to invest in essential capacity during short-term funding shortfalls, allow time for reorganisation in the event of a longer-term 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 and an additional element to support ACRE's research and development objectives and transformational change. Directors confirm that ACRE is in compliance with the agreed reserves policy.

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2022

The directors can also designate other unrestricted funds to ensure that ACRE can continue to operate effectively, meeting its anticipated liabilities and the development needs of the wider ACRE Network as it continues to focus on enhancing outcomes for end beneficiaries.

At 31 March 2022, the total reserves were:	£846,153
Restricted funds:	£370,703
Designated funds:	£22,000
General funds:	£453,450

Principal funding sources

The majority of ACRE's funding for 2021-22 came from 'a grant in aid' agreement from Defra; over 95% of which was directly allocated to local organisations to deliver work at a county level. The main other source of income was derived from membership fees paid by the ACRE members. This funding was used to support ACRE's key themes of activity.

Plans for future periods

Key objectives for 2022-23

During the forthcoming year, ACRE will continue to assess the impact that government policy, the reopening of society following the pandemic and the current cost of living crisis, might have on its end beneficiaries in rural communities and how its own role in relation to supporting the work of members might need to evolve and change as a result. ACRE will complete a review of the delivery of its national village and community halls service and will bring forward plans for the future resourcing and development of that service. The newly adopted corporate plan will be utilised to set the strategic framework for the organisation whilst the annually reviewed operational plan will drive forward its delivery. Over the lifetime of the corporate plan ACRE's role will continue to be focused on *'all people living in rural areas of England but especially those who are at risk of isolation and disadvantage and for whom rurality brings an additional challenge and cost to their daily lives'*.

ACRE anticipates that its work will continue to be focused on:-

- Gathering evidence and conducting research to improve outcomes for rural communities;
- Articulating a voice for rural communities at a national level;
- Influencing decisions that impact on rural communities; and
- Delivering programmes through our members which directly improve the lives of our beneficiaries and which increase the resilience of rural communities.

Funds held as custodians

Defra investment in the ACRE Network

A further year of investment to enable the ACRE Network to deliver support to rural communities within the key Defra priority themes was secured. The investment in support of rural communities through the Network amounted to £1,633,000 during the year. ACRE, as the national umbrella body of The Network, was the accountable body for these funds.

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 2021-22.

Rural Communities Buildings Loan Fund

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

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2022

Rural Coalition

ACRE undertakes the secretariat for the Rural Coalition. The funds from the Rural Coalition membership were distributed as agreed by members during 2021-22 and the remnants carried forward to activity planned for 2022-23.

Village Hall Improvement Grant

ACRE administers the Village Hall Improvement Grant fund on behalf of Defra. It is anticipated that this fund will be fully utilized during 2022-23.

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 38 members, and in accordance with the Articles of Association adopted on 18 June 2014 and amended on 29 November 2016 and 27 November 2018.

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.

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

During the year all directors gave of their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity and any instances where directors have received benefit from the charity for specific services, as permitted under clauses 4 (2) and 4 (3), are set out in note 8 to the accounts.

Management

The staffing structure at ACRE has focused on retaining capacity to support the operational and leadership requirements of the organisation; a flatter more empowering management structure remains in place as is appropriate for a small staff team. The Executive Director retains responsibility for operational decisions and for delivering the organisation's strategic objectives. There are currently no plans to expand the team appreciably in the foreseeable future.

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. In particular the risk of government reducing or ceasing its funded relationship with the ACRE Network is considered carefully by the ACRE board on a regular basis during the year and mitigating actions including; identifying and exploring alternative sources of funding and developing new partnership arrangements with key stakeholders; the establishment and development of Cirican (the ACRE Network's consultancy arm) have been investigated and continue to be pursued as part of the organisation's ongoing plans. This and other risks to the fulfilment of ACRE's strategic priorities are kept under constant review by the directors via the risk register which is reviewed periodically.

The financial challenges occasioned by the Covid pandemic have substantially given way to the current cost of living difficulties, inflationary pressures, and a very tight financial climate. Trustees have kept, and continue to keep, these additional pressures under constant review, especially so in relation to managing the risk to ACRE of staff turnover resulting in loss of capacity and skills to support the organisation and its work. However, the current remuneration

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2022

policy and ongoing grant funding from Defra and other funders, combined with the current healthy level of unrestricted reserves provides a reasonable level of confidence and reassurance that any challenges will have a manageable impact on the organisation's performance and longer term financial position.

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 38 members. In addition, ACRE works with members on joint initiatives. During 2021-22 a total of £1,633,000 was committed to members through the Defra/ACRE Investment Programme.

Whilst some of the directors elected are also directors or chief executives of ACRE Network members, within an ACRE context they have no influence over business transactions between members and ACRE.

Remuneration policy

ACRE recognises that the delivery of its mission and strategic priorities is largely dependent upon the skills, knowledge and experience of its staff. It is therefore committed to ensuring that the staff are provided with appropriate remuneration to encourage and enhance performance and, in a fair and responsible manner, are rewarded for their contributions to the success of the charity. The salaries of ACRE staff are reviewed on an annual basis in the light of inflationary pressures. Directors consider this information alongside the affordability for ACRE to inform and adjust salaries and remuneration accordingly.

Where appropriate, ACRE employs freelance contractors to undertake specific activities for the organisation. These include research, marketing, finance, governance support, relationship management and leadership. Directors ensure that whilst the associated remuneration is sufficient to attract individuals with the skills, experience and competencies required, rewards are also benchmarked against sector averages for similar activity and levels of responsibility.

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. Grants are paid on respective merits and follow transparent and rational processes.

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.

Fundraising policy

ACRE does not engage in any direct fundraising from members of the public and does not employ fundraisers. However, the directors are aware of the fundraising requirements and the code of fundraising practice and ensure that the charity is compliant with the code in all its fund-raising activities.

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2022

ACRE members at 31 March 2022

Action with Communities in Cumbria	Connecting Communities in Berkshire
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	GRCC Community Action in Gloucestershire
Cheshire Community Action	Humber & Wolds Rural Action
Community Action Isle of Wight	Northamptonshire ACRE
Community Action Norfolk	Rural Community Action Nottinghamshire
Community Action Northumberland	Rural Action Derbyshire
Community Action Suffolk	Rural Community Council of Essex
Community Council for Somerset	Rural Community Council (Leicestershire & Rutland)
Community Development Action Hertfordshire	Community Resource (Shropshire)
Community First in Herefordshire and Worcestershire	Support Staffordshire
Community First Oxfordshire	Surrey Community Action
Community First, Wiltshire	Tees Valley Rural Action
Community First Yorkshire	Warwickshire Rural Community Council
Community Futures, Lancashire	West of England Rural Network
Community Impact Bucks	YMCA Lincolnshire (incorporating Community Lincs)

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 directors' 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 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;
- 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

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2022

- 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:

Ivan Annibal	Elected November 2017
Louise Beaton OBE	Elected November 2017
Charles Coates	Elected November 2017
Elaine Cook	Elected November 2018
Nigel Curry	Elected November 2018
Sue Dovey	Elected November 2018
Dominic Driver	Vice Chair - Elected November 2016
David Emerson CBE	Chair – Elected November 2014
Doff Pollard	Elected November 2015
Mark Shucksmith OBE	Elected November 2014
Janet Thornton MBE	Vice Chair – Appointed November 2019
Jim Webster	Appointed November 2018

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2022 was 38 (2021 - 38). The directors have no beneficial interest in the charitable company.

Action with Communities in Rural England

Report of the directors

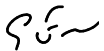
For the year ended 31 March 2022

Auditors

Following a market testing exercise in 2017 Godfrey Wilson Ltd was appointed as the charitable company's auditors.

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 29th June 2022 and signed on their behalf by



David Emerson – Chair

Independent auditor's report

To the members of

Action with Communities in Rural England

Opinion

We have audited the financial statements of Action with Communities in Rural England (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Independent auditor's report

To the members of

Action with Communities in Rural England

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

Independent auditor's report

To the members of

Action with Communities in Rural England

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Independent auditor's report

To the members of

Action with Communities in Rural England

Alison Godfrey

Date: 2 August 2022

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:
GODFREY WILSON LIMITED
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Action with Communities in Rural England

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

For the year ended 31 March 2022

		Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	3,815	-	3,815	2,800	-	2,800
Charitable activities							
Charitable activities	3	332,119	1,746,915	2,079,034	323,926	1,792,182	2,116,108
Services and sales	3	1,284	-	1,284	617	-	617
Investments	4	60	-	60	111	-	111
Total income		337,278	1,746,915	2,084,193	327,454	1,792,182	2,119,636
Expenditure on:							
Raising funds	5	3,701	-	3,701	16,237	-	16,237
Charitable activities							
Charitable activities	5	290,138	2,618,161	2,908,299	299,933	3,017,953	3,317,886
Services and sales	5	1,647	-	1,647	1,652	-	1,652
Total expenditure		295,486	2,618,161	2,913,647	317,822	3,017,953	3,335,775
Net income / (expenditure) for the year	7	41,792	(871,246)	(829,454)	9,632	(1,225,771)	(1,216,139)
Transfers between funds		-	-	-	(28,006)	28,006	-
Net movement in funds		41,792	(871,246)	(829,454)	(18,374)	(1,197,765)	(1,216,139)
Reconciliation of funds:							
Total funds brought forward		433,658	1,241,949	1,675,607	452,032	2,439,714	2,891,746
Total funds carried forward		475,450	370,703	846,153	433,658	1,241,949	1,675,607

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 18 to the financial statements.

Action with Communities in Rural England

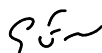
Balance sheet as at 31 March 2022

Company no. 3336101

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	12		367		1,398
Mixed motive investments	13		3,000		3,000
			<u>3,367</u>		<u>4,398</u>
Current assets:					
Debtors	14	313,431		264,703	
Cash at bank and in hand:					
Account for charity funds		515,220		577,790	
Account for village hall improvement grant scheme		391,193		1,216,492	
Account for rural community buildings loan fund		396,950		466,072	
		<u>1,616,794</u>		<u>2,525,057</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(774,008)		(853,848)	
Net current assets			<u>842,786</u>		<u>1,671,209</u>
Total net assets	17		<u>846,153</u>		<u>1,675,607</u>
The funds of the charity:					
Restricted income funds	18		370,703		1,241,949
Unrestricted income funds:					
Designated funds		22,000		57,000	
General funds		453,450		376,658	
Total unrestricted funds			<u>475,450</u>		<u>433,658</u>
Total charity funds			<u>846,153</u>		<u>1,675,607</u>

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

Approved by the trustees on 29 June 2022 and signed on their behalf by



David Emerson
Chair

Action with Communities in Rural England

Statement of cash flows

For the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities	19		
Net cash provided by / (used in) operating activities		(887,929)	(1,241,340)
Cash flows from investing activities:			
Dividends, interest and rents from investments		60	111
Purchase of tangible fixed assets		-	(695)
Purchase of investments		-	(3,000)
Net cash provided by / (used in) investing activities		60	(3,584)
Change in cash and cash equivalents in the year		(887,869)	(1,245,014)
Cash and cash equivalents at the beginning of the year		1,794,282	3,039,296
Cash and cash equivalents at the end of the year	19	906,413	1,794,282

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies

a) Statutory information

Action with Communities in Rural England is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is as stated in the Trustees' Annual Report.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. The charity has confirmed funding until March 2023 and holds sufficient reserves to continue beyond the next 12 months.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

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.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

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 following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

	2022	2021
● Cost of raising funds	1%	3%
● Charitable activities	96%	96%
● Services and sales	3%	1%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1 Accounting policies (continued)

l) Tangible fixed assets

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. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings 3 years straight line basis

m) Mixed motive investments

Mixed motive investments represent the charitable company's partner interest in Cirican LLP, which the trustees consider to have the dual objective of both financial return and furtherance of charitable objects. The investment is carried at fair value through the income and expenditure account. The LLP is an unquoted investment vehicle and a degree of judgement is required in assessing the fair value. At initial recognition the fair value is deemed to be the transaction amount. A review for impairment will be carried out annually.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

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.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies (continued)

s) Grants payable

Grants which have been authorised and paid are included as expenditure in the Statement of Financial Activities. Grants which have been authorised but not yet paid are accrued in the balance sheet and are included within creditors.

t) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1(l) to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Mixed motive investments

As described in note 1(m) to the financial statements, mixed motive investments are carried at their fair value. However, the current investment is an unquoted investment vehicle and a degree of judgement is required in assessing its fair value

2 Income from donations and legacies

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Gifts	3,815	–	3,815	2,800
	<u>3,815</u>	<u>–</u>	<u>3,815</u>	<u>2,800</u>

All income received from gifts in the prior period was unrestricted.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

3a Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £
Defra support to rural communities	79,000	1,633,000	1,712,000
Digital Discovery (CAST)	–	5,000	5,000
Rural communities buildings loan fund	20,000	–	20,000
Tudor Trust	–	5,000	5,000
Big Lottery Digital Infrastructure	–	50,000	50,000
Utility Aid	2,500	–	2,500
Norris & Fisher	6,750	–	6,750
Ansvar	6,750	–	6,750
Conferences	3,425	–	3,425
Hallmaster	–	270	270
Tennyson Insurance (Zurich)	6,000	–	6,000
Big Lottery Safeguarding grant	–	49,968	49,968
Village Hall Improvement Grant (DEFRA)	36,694	–	36,694
Interest from VHIG account	–	77	77
Rural Coalition	–	3,600	3,600
Membership	171,000	–	171,000
	<hr/>	<hr/>	<hr/>
Sub-total for charitable activities	332,119	1,746,915	2,079,034
Sales; publications	1,261	–	1,261
Staff fees	23	–	23
	<hr/>	<hr/>	<hr/>
Sub-total for other charitable activity	1,284	–	1,284
	<hr/>	<hr/>	<hr/>
Total income from charitable activities	<u>333,403</u>	<u>1,746,915</u>	<u>2,080,318</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

3b Income from charitable activities (prior year)

	Unrestricted £	Restricted £	2021 Total £
Defra support to rural communities	79,000	1,633,000	1,712,000
Vonne Safeguarding	-	1,418	1,418
Rural community buildings loan fund	20,000	-	20,000
Defra Village Hall Survey post CV-19	-	15,000	15,000
Big Lottery CV-19	-	69,500	69,500
Utility Aid	2,000	-	2,000
Allied Westminster	2,000	-	2,000
Norris & Fisher	2,000	-	2,000
Centre for Discovery	-	5,000	5,000
Hallmaster	-	310	310
Power 2 Change	-	13,435	13,435
Carnegie	-	10,000	10,000
Big Lottery Safeguarding grant	-	40,498	40,498
Village Hall Improvement Grant (DEFRA)	48,926	-	48,926
Interest from VHIG account	-	421	421
Rural Coalition	-	3,600	3,600
Network Development Group	37,000	-	37,000
Membership	133,000	-	133,000
	<hr/>	<hr/>	<hr/>
Sub-total for charitable activities	323,926	1,792,182	2,116,108
Sales; publications	617	-	617
	<hr/>	<hr/>	<hr/>
Total income from charitable activities	324,543	1,792,182	2,116,725
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4 Income from investments

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Interest received	60	-	60	111
	<hr/>	<hr/>	<hr/>	<hr/>
	60	-	60	111
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All income received from investments in the prior period was unrestricted.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

5 Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities			Support costs £	2022 Total £
		Charitable activities £	Services and sales £	Governance costs £		
Staff costs (Note 8)	1,193	137,957	962	24,200	50,055	214,367
Direct costs	-	129,957	96	24,001	15,054	169,108
Defra Grant to ACRE Network	-	1,633,000	-	-	-	1,633,000
Hallmaster commissions	-	270	-	-	-	270
Village Hall Improvement Grants	-	868,357	-	-	-	868,357
Rural Coalition expenditure	-	50	-	-	-	50
Overheads	213	23,644	4	1,337	3,296	28,494
	1,406	2,793,235	1,062	49,538	68,405	2,913,647
Support costs	746	65,286	308	2,066	(68,405)	-
Governance costs	1,549	49,779	277	(51,605)	-	-
Total expenditure 2022	3,701	2,908,299	1,647	-	-	2,913,647

Of the total expenditure, £295,586 was unrestricted (2021: £317,822) and £2,618,061 was restricted (2021: £3,017,953).

Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities			Support costs £	2021 Total £
		Charitable activities £	Services and sales £	Governance costs £		
Staff costs (Note 8)	6,409	158,166	956	23,807	38,017	227,355
Direct costs	5,807	187,764	256	14,058	10,029	217,914
Defra Grant to ACRE Network	-	1,633,000	-	-	-	1,633,000
Hallmaster commissions	-	310	-	-	-	310
Village Hall Improvement Grants	-	1,216,209	-	-	-	1,216,209
Rural Coalition expenditure	-	5,455	-	-	-	5,455
Overheads	1,201	28,436	-	1,236	4,658	35,531
	13,417	3,229,340	1,212	39,101	52,704	3,335,775
Support costs	1,481	45,484	221	5,518	(52,704)	-
Governance costs	1,339	43,062	219	(44,620)	-	-
Total expenditure 2021	16,237	3,317,886	1,652	-	-	3,335,775

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

6 Grant making to institutions

	2022 £	Restated 2021 £
Cost		
Allocation of Defra Grant	1,633,000	1,633,000
Village Hall Improvement Grants	868,357	1,180,917
At the end of the year	<u>2,501,357</u>	<u>2,813,917</u>

The grant from DEFRA is distributed through ACRE to its 38 members. Please see note 10 for a full breakdown of grants paid.

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	1,031	1,163
Operating lease rentals:		
Property	12,262	23,520
Other	1,677	1,160
Auditors' remuneration (excluding VAT):		
Audit	4,700	4,550
	<u>4,700</u>	<u>4,550</u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	107,971	118,704
Social security costs	11,107	12,122
Employer's contribution to defined contribution pension schemes	8,083	8,903
Other staff costs	87,206	87,627
	<u>214,367</u>	<u>227,355</u>

No employee earned more than £60,000 during the year (2021: nil).

There were no employee benefits including pension contributions paid to key management personnel during the year as the individuals concerned were self employed. The key management and finance personnel costs totalled £77,756 (2021: £86,887).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). Louise Beaton, a charity trustee, received £5,570 for consultancy services and related travel costs were reimbursed. (2021 £22,208).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £729 (2021: £673) incurred by 12 (2021: 12) members relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Raising funds	0.1	0.1
Charitable activities	2.8	3.7
Governance	0.1	0.1
	<u>3.0</u>	<u>3.9</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

10 Related party transactions

During the year, there were related party transactions in the form of DEFRA grants made to members. Details of these grants are as follows:

	2022 £	2021 £
Action Hampshire	44,675	44,675
Action in rural Sussex	47,395	47,395
Action with Communities in Cumbria	49,265	49,265
Action with Communities in Rural Kent	49,530	49,530
Bedfordshire Rural Communities Charity	35,840	35,840
Cambridgeshire ACRE	44,180	44,180
Cheshire Community Action	39,500	39,500
Connecting Communities in Berkshire	34,840	34,840
Community Action Isle of Wight	33,840	33,840
Community Action Norfolk	50,995	50,995
Community Action Northumberland	42,405	42,405
Community Action Suffolk	45,310	45,310
Community Council for Somerset	44,060	44,060
Community Development Action Hertfordshire	38,065	38,065
Community First in Herefordshire and Worcestershire	43,930	43,930
Community First Oxfordshire	39,640	39,640
Community First, Wiltshire	41,095	41,095
Community First Yorkshire	69,720	69,720
Community Futures, Lancashire	44,240	44,240
Community Impact Bucks	39,000	39,000
Community Lincs part of Lincolnshire YMCA Ltd	49,030	49,030
Community Resource (Shropshire)	40,135	40,135
Cornwall Rural Community Charity	45,670	45,670
Devon Communities Together	53,145	53,145
Dorset Community Action	41,255	41,255
Durham Community Action	42,585	42,585
GRCC Community Action in Gloucestershire	39,220	39,220
Humber & Wolds Rural Action	41,965	41,965
Northamptonshire ACRE	40,280	40,280
Rural Action Derbyshire	44,200	44,200
Rural Community Action Nottinghamshire	40,580	40,580
Rural Community Council (Leicestershire & Rutland)	41,200	41,200
Rural Community Council of Essex	46,875	46,875
Support Staffordshire	42,405	42,405
Surrey Community Action	38,735	38,735
Tees Valley Rural Action	34,235	34,235
WRCC (Warwickshire Rural Community Council)	37,635	37,635
West of England Rural Network	36,325	36,325
	<u>1,633,000</u>	<u>1,633,000</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

10 Related party transactions (continued)

Big Lottery Safeguarding	2022 £	2021 £
Action Hampshire	1,000	1,000
Action in rural Sussex	1,000	1,000
Action with Communities in Cumbria	1,000	1,000
Action with Communities in Rural Kent	1,000	1,000
Bedfordshire Rural Communities Charity	1,000	1,000
Cambridgeshire ACRE	1,000	1,000
Cheshire Community Action	1,000	1,000
Connecting Communities in Berkshire	1,000	1,000
Community Action Isle of Wight	1,000	1,000
Community Action Norfolk	1,000	1,000
Community Action Northumberland	1,000	1,000
Community Action Suffolk	1,000	1,500
Community Council for Somerset	1,000	1,000
Community Development Action Hertfordshire	1,000	1,000
Community First in Herefordshire and Worcestershire	1,000	1,000
Community First Oxfordshire	1,000	1,000
Community First, Wiltshire	1,000	1,500
Community First Yorkshire	1,000	1,000
Community Futures, Lancashire	1,000	1,000
Community Impact Bucks	1,000	1,000
Community Lincs part of Lincolnshire YMCA Ltd	1,000	1,000
Community Resources (Shropshire)	1,000	1,000
Cornwall Rural Community Charity	1,000	1,000
Devon Communities Together	1,000	1,000
Dorset Community Action	1,000	1,000
Durham Community Action	1,000	1,000
GRCC Community Action in Gloucestershire	1,000	1,000
Humber & Wolds Rural Action	1,000	1,000
Northamptonshire ACRE	1,000	1,500
Rural Action Derbyshire	1,000	1,000
Rural Community Action Nottinghamshire	1,000	1,500
Rural Community Council (Leicestershire & Rutland)	1,000	1,500
Rural Community Council of Essex	1,000	1,000
Support Staffordshire	1,000	1,500
Surrey Community Action	1,000	1,000
Tees Valley Rural Action	1,000	1,000
WRCC (Warwickshire Rural Community Council)	1,000	1,000
West of England Rural Network	1,000	1,000
	38,000	41,000

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

10 Related party transactions (continued)

Village Hall Improvement grants paid to external organisations	2022 £	2021 £
	–	(969)
Arlingham Victory Hall	–	51,123
Ashwell Village Hall	–	46,000
Barsham & Shipmeadow Village Hall	–	10,275
Barton Bendish Village Hall	–	46,681
Beckbury Village Hall	–	23,222
Bishops Wood Village Hall	–	10,000
Blindcrake Village Hall	–	17,500
Borrowdale Institute	–	50,835
Braishfield Village Hall	–	10,000
Bramhope (Robert Craven Memorial Hall)	–	16,101
Broadwas Village Hall	–	15,000
Brockley Village Hall	–	15,000
Burwash Village Hall	–	10,000
Clara Vale Village Hall Association	–	10,063
Clifford Village Hall	–	32,094
Combe Community Hub	–	20,847
Copsale Village Hall	–	38,189
Crookham Village Hall	–	21,000
Dipton Jubilee Centre	–	27,462
Easterton Village Hall	–	10,769
Eastleach Village Hall	–	11,498
Edstaton Village Hall	–	15,719
Ellerdine Village Hall	–	13,427
Felmington Village Hall	–	12,622
Frosterley Village Hall	–	13,006
Granborough Village Hall	–	12,322
Great Brickhall Village Hall	–	35,000
Grindon Parish Hall	–	24,488
Hanworth Memorial Hall	–	18,582
Henfield Village Hall	–	10,000
Hepple Village Hall	–	13,420
Hewish & Puxton Village Hall Ltd	–	16,300
Huntsworth Village Hall	–	5,450
Hunsonby Community Centre	–	47,745
Keekle Village Hall	–	10,666
Kingsley Community Association	–	15,000
Kirkby-in-Furness Village Hall	–	9,776
Lamorna Village Hall	–	11,176
Linton Village Hall	–	10,000
Marnhull Village Hall	–	21,838
Menheniot Old School Trust	–	10,963
Murcott & Fencott Village Hall	–	10,245
Netherwitton Village Hall	–	13,258
Oakhanger Village Hall	–	27,000
Owermoigne Village Hall	–	10,687
Pannal Memorial Hall	–	75,000
Port Isaac Village Hall	–	13,746
Ridgewell Village Hall	–	75,000
The Erskine Centre	–	12,321
The Hive Community Centre	–	10,356
The Old Chapel	–	20,016
Three Parishes Hall	–	20,000
Thursley Village Hall	–	14,858
Willington Peace Memorial Hall	–	10,000
Wolverley Memorial Hall	–	14,049
Woolacombe Village Hall	–	34,190

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

10 Related party transactions (continued)

Village Hall Improvement grants paid to external organisations

Abbottskerswell Village Hall Trust	20,250	–
Bainton Charity	17,546	–
Blymhill Village Hall	13,195	–
Condover Village Hall	14,373	–
Eardisland Village Hall	21,794	–
East Cottingwith Village Hall	12,423	–
Eyke Village Hall	14,400	–
Glanton War Memorial Hall	13,200	–
Godmanchester Baptist Church	36,000	–
Hampton Lucy Village Hall	14,321	–
Highnam Community Centre	24,069	–
Hinton Martell Village Hall	12,906	–
Holyport Community Trust	10,000	–
Itchenor Memorial Hall	11,000	–
John Clements Sports & Community Trust	48,715	–
Lanivet Parish Sports & Recreational Trust	10,000	–
Lazonby Village Hall	14,098	–
Llanwarne & District Village Hall	13,166	–
Long Ditton Village Hall	13,945	–
Longcot Village Trust	41,298	–
New Hutton Institute	14,352	–
Newbald Village Hall	10,000	–
Ninfield Memorial Hall	48,029	–
Otterhampton Village Hall	40,000	–
Over & Nether Compton Memorial Hall	10,000	–
Preston St Mary Village Hall	28,000	–
Sandleheath Village Hall	15,096	–
Sherfield-on-Loddon Village Hall	37,400	–
Shipton Reading Room	64,922	–
Snitterfield Village Hall	23,520	–
South Luffenham Village Hall	13,328	–
St Wilfrid's Church Hall	18,402	–
Veryan Parish Hall	10,227	–
Victory Room, Bucklebury	35,442	–
Warcop New Village Hall	10,985	–
Westoning Village Hall	23,105	–
Wisborough Green Village Hall	75,000	–
Wivelsfield Village Hall	13,850	–
	<u>868,357</u>	<u>1,180,917</u>

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

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

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

12 Tangible fixed assets	Computer equipment £	Total £
Cost or valuation		
At the start of the year	6,136	6,136
Additions in year	-	-
Disposals in year	-	-
At the end of the year	<u>6,136</u>	<u>6,136</u>
Depreciation		
At the start of the year	4,738	4,738
Charge for the year	1,031	1,031
Eliminated on disposal	-	-
At the end of the year	<u>5,769</u>	<u>5,769</u>
Net book value		
At the end of the year	<u>367</u>	<u>367</u>
At the start of the year	<u>1,398</u>	<u>1,398</u>

All of the above assets are used for charitable purposes.

13. Mixed motive investments	2022 £	2021 £
Investment in Cirican LLP	<u>3,000</u>	<u>3,000</u>

During 2020, ACRE made an investment of £3,000 into Cirican LLP. The objective of Cirican is to enable ACRE and those members who are involved in Cirican to tender for larger national research contracts that play to the members' skills and experience, for both financial return and furtherance of charitable purposes.

14 Debtors	2022 £	2021 £
Loans to rural community buildings under loan scheme (Note 15a)	303,050	233,928
Other debtors	6,140	24,100
Prepayments	4,241	6,675
	<u>313,431</u>	<u>264,703</u>
Amounts due after more than one year included in:		
Loans to rural community buildings under loan scheme	<u>232,638</u>	<u>174,687</u>

15 Creditors: amounts falling due within one year	2022 £	2021 £
Rural community buildings loan fund (Note 15a)	700,000	700,000
Trade creditors	7,091	27,133
Taxation and social security	2,568	21,803
Other creditors	18,868	11,718
Village Hall Improvement Grant drawdown confirmed	42,981	-
Deferred income (note 16)	2,500	93,194
	<u>774,008</u>	<u>853,848</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

15a Rural community buildings loan fund

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

	2022 £	2021 £
Funds advanced by Defra at 1 April 2021	<u>700,000</u>	<u>700,000</u>
Loans to rural community buildings:		
Outstanding at 1 April 2021	233,928	291,724
Made during year	139,920	31,000
Repayments during year	<u>(70,798)</u>	<u>(88,796)</u>
Outstanding loans at March 2022 (note 14)	<u>303,050</u>	<u>233,928</u>
Bank deposit on hand at 31 March 2022	<u>396,950</u>	<u>466,072</u>

16 Deferred income

Deferred income comprises:

	2022 £	2021 £
Balance at the beginning of the year	93,194	91,953
Amount released to income in the year	(93,194)	(48,926)
Amount deferred in the year	2,500	50,167
Balance at the end of the year	<u>2,500</u>	<u>93,194</u>
Income deferred to 2022-23		
Village Hall Advisors training event November 2021	-	6,000
Tradestands income received for Village Hall training event November 2021	-	500
Village Hall Improvement grant management year 2	-	36,694
Big Lottery Digital	-	50,000
Corporate Sponsorship to June 2022	<u>2,500</u>	<u>-</u>
	<u>2,500</u>	<u>93,194</u>

17a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	367	-	-	367
Mixed motive investments	-	3,000	-	3,000
Net current assets	453,083	19,000	370,703	842,786
Net assets at 31 March 2022	<u>453,450</u>	<u>22,000</u>	<u>370,703</u>	<u>846,153</u>

17b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	1,398	-	-	1,398
Mixed motive investments	-	3,000	-	3,000
Net current assets	375,260	54,000	1,241,949	1,671,209
Net assets at 31 March 2021	<u>376,658</u>	<u>57,000</u>	<u>1,241,949</u>	<u>1,675,607</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

18a Movements in funds (current year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Tudor Trust	-	5,000	-	-	5,000
LACE UP (Sport England)	7,586	-	(7,586)	-	-
Big Lottery Safeguarding grant	(34)	49,968	(45,973)	-	3,961
Defra rural communities support	122	1,633,000	(1,633,000)	-	122
Defra Village Hall survey post CV-19 Hallmaster	8,400	-	(8,400)	-	-
National Parks Residents Association	-	270	(270)	-	-
Village Hall Improvement Grants	2,787	-	-	-	2,787
Big Lottery Digital Infrastructure	1,216,492	77	(868,357)	-	348,212
National Village Halls transfer	-	50,000	(49,525)	-	475
Digital Discovery (CAST)	471	-	-	-	471
Rural Coalition	-	5,000	(5,000)	-	-
	6,125	3,600	(50)	-	9,675
Total restricted funds	1,241,949	1,746,915	(2,618,161)	-	370,703
Unrestricted funds:					
Designated funds:					
ACRE Network Service Review Delivery	4,000	-	-	-	4,000
Supporting ACRE Network members	20,000	-	(5,000)	-	15,000
LLP Consultancy (Cirican)	33,000	-	-	(30,000)	3,000
Total designated funds	57,000	-	(5,000)	(30,000)	22,000
General funds	376,658	337,278	(290,486)	30,000	453,450
Total unrestricted funds	433,658	337,278	(295,486)	-	475,450
Total funds	1,675,607	2,084,193	(2,913,647)	-	846,153

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

18b Movements in funds (prior year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds:					
Carnegie	-	10,000	(12,111)	2,111	-
LACE UP (Sport England)	7,586	-	-	-	7,586
Big Lottery CV-19 grant	-	69,500	(73,954)	4,454	-
Big Lottery Safeguarding grant	11,251	41,916	(53,201)	-	(34)
Defra rural communities support	122	1,633,000	(1,633,000)	-	122
Defra Village Hall survey post CV-19	-	15,000	(6,600)	-	8,400
Hallmaster	-	310	(310)	-	-
National Parks Residents Association	2,787	-	-	-	2,787
Village Hall Improvement Grants	2,432,280	421	(1,216,209)	-	1,216,492
Power to Change Village Hall Survey	(22,764)	13,435	(12,112)	21,441	-
National Village Halls transfer	471	-	-	-	471
Centre for Discovery	-	5,000	(5,000)	-	-
Rural Coalition	7,981	3,600	(5,456)	-	6,125
Total restricted funds	2,439,714	1,792,182	(3,017,953)	28,006	1,241,949
Unrestricted funds:					
Designated funds:					
ACRE Network Development Fund	22,063	-	-	(22,063)	-
ACRE Network Service Review Delivery	50,000	-	(2,000)	(44,000)	4,000
Supporting ACRE Network members	20,000	-	-	-	20,000
LLP Consultancy (Cirican)	27,000	6,000	-	-	33,000
Total designated funds	119,063	6,000	(2,000)	(66,063)	57,000
General funds	332,969	321,454	(315,822)	38,057	376,658
Total unrestricted funds	452,032	327,454	(317,822)	(28,006)	433,658
Total funds	2,891,746	2,119,636	(3,335,775)	-	1,675,607

Movements in funds (narrative)

Purposes of restricted funds

Tudor Trust

ACRE received the initial 50% of the year long grant for the purpose of reviewing the purpose of the Village Hall services provided throughout the ACRE Network and identify areas for expansion.

LACE UP (Sport England)

The underspend on the Lace Up project was utilised to support ACRE's information provision to the village halls and community halls during COVID-19. This included working nationally with sport organisations such as Short Mat Bowls Association to ensure uniformity of advice.

Big Lottery Safeguarding grant

The National Lottery Community Fund provided funds for a project that will promote good safeguarding practice to village and community halls throughout England. ACRE used the 38 ACRE members' contacts and reach into rural communities to signpost and share resources. Advice and examples of best practice have been shared helping hall committees to better understand their responsibilities, put in place proportionate policies and procedures, and have confidence to deal with safeguarding issues as they arise.

Defra rural communities support

The investment delivers support to the end beneficiaries of the ACRE Network, ensuring that rural communities have the technical support and advice needed to survive and thrive. The grant is distributed through ACRE to its 38 members, full details are available on the ACRE website.

Purposes of restricted funds (continued)

Defra Village Hall Survey

Defra provided £15,000 for ACRE to commission Sheffield Hallam University to survey the 2,000 village halls that had responded to the 2020 National Village & Community Halls Survey to ascertain their situation a year on from being in lockdown due to COVID-19.

Hallmaster

Hallmaster Limited is a software provider for booking halls. ACRE members receive a small amount of commission for each software package sold in their county. The commissions are distributed through ACRE at the end of each year.

National Parks Residents Association (ANPAC)

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

Village Hall Improvement Grants

The Village Hall Improvement Grant Fund was extended until June 2022 to allow build projects time to complete having been delayed due to COVID-19. £2,750,429.47 has been awarded to 124 village halls. Over 88% of the grants awarded have now been drawn down.

Big Lottery Digital Infrastructure

ACRE received a grant from the National Lottery Fund to support ACRE Network members with digital development. Using feedback from colleagues ACRE has delivered two projects; one looking at applications that can be used to deliver online events, community engagement and consultation, the other has reviewed the village halls advice and information service to identify possible digital solutions.

National Village Halls transfer

The National Village Halls Forum closed and a decision was taken to pay funds remaining in the bank account to ACRE for hosting and support work undertaken by the new Village and Community Halls Network.

Digital Discovery

ACRE received a grant from CAST which was used to develop an interactive website where ACRE Network members can share details of the digital applications they are using.

Rural Coalition

ACRE undertakes the secretariat for the Rural Coalition. The funds from the membership were distributed as agreed by members during 2021-22 and the remainder carried forward for activity planned in 22-23.

Purpose of designated funds

ACRE Network Service Review Delivery

The ACRE Board designated funds to support the research review and modernisation of its services.

Supporting ACRE Network members

The ACRE Board designated funds to support the strategic review of ACRE member services in order to identify the best and most sustainable way of safeguarding such services for end beneficiaries in the future.

LLP Consultancy (Cirican)

The ACRE Board designated funds to underpin 'Cirican', the ACRE Network Consultancy vehicle, established to capitalise on members' extensive experience and understanding of rural issues, and to generate an income stream to advance ACRE's charitable aim of supporting rural communities. These designated funds were released in February 2022 as the board considered that the designation was no longer required, except for the amount held within the mixed motive investment.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2022

19 Government grants

The charitable company received government grants during the year, defined as funding from the Department for Environment, Food & Rural Affairs (DEFRA), and the National Lottery Community Fund to fund charitable activities. The total value of these grants is shown below. There were no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

	Restricted £	Unrestricted £	2022 Total £	Restated 2021 Total £
Defra support to rural communities	1,633,000	79,000	1,712,000	1,712,000
Village Hall improvement grant (DEFRA)	-	36,694	36,694	48,926
National Lottery Community Fund	-	99,968	99,968	109,998
Total	1,633,000	215,662	1,848,662	1,870,924

20 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(829,454)	(1,216,136)
Depreciation charges	1,031	1,163
Dividends, interest and rent from investments	(60)	(111)
(Increase)/decrease in debtors	(48,728)	55,747
(Increase)/decrease in loan fund cash	69,122	(57,796)
Increase/(decrease) in creditors	(79,839)	(24,297)
Net cash provided by / (used in) operating activities	(887,929)	(1,241,430)

21 Analysis of cash and cash equivalents

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	577,790	(62,570)	515,220
Account for village hall improvement grant scheme	1,216,492	(825,299)	391,193
Total cash and cash equivalents	1,794,282	(887,869)	906,413

22 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2022 £	2021 £	2022 £	2021 £
Less than one year	8,327	3,940	1,505	1,156
One to five years	4,163	-	3,037	-
	12,490	3,940	4,542	1,156

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

24 Related party transactions

Related party transactions made with trustees are detailed in note 8. Related party transactions in the form of grants paid to members are detailed in note 10. Cirican LLP is a commercial research partnership of which ACRE is a member. ACRE invested £3,000 in the partnership in 2021. There were no balances outstanding at year end.

25 Contingent liability

The charity has offered a number of grants to village halls at 31 March 2022 which have not yet been drawn down. These grants are considered probable but have not been recognised in the accounts as it has not been possible to accurately measure their value as these are dependent on the level of funds raised by the village halls at draw down. However, the total value of grants offered but not yet drawn down is estimated to be approximately £308,000.