

Company number: 3336101
Charity number: 1061568

Action with Communities in Rural England
Directors Report and Financial Statements
31 March 2023

Action with Communities in Rural England

Reference and administrative details

For the year ended 31 March 2023

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	James Blake 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 2023

The directors present their report and the audited financial statements for the year ended 31 March 2023.

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 for 2022-25 in readiness for the start of the 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.

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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
- National Lottery Community Fund
- Norris and Fisher
- Tennyson Insurance (Zurich)
- Utility Aid

Activities

ACRE's day to day activities during the year were focused on seven specific workstreams as further elaborated in the operational plan, namely:-

1. Research and intelligence;
2. Policy, voice and national influencing;
3. Engaging and collaborating with key national partners;
4. National programme development, deliver and service improvement;
5. Developing and strengthening the ACRE network and supporting its members;
6. Governance, and leadership of ACRE and the national network; and
7. Management and corporate services.

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 **2022-23**, 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 support of localism and devolution and other Government policies;
 - 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 and achieved an in-principle three-year funding agreement with Defra for the lifetime of the current spending review period until 2025. This enables ACRE members to plan with greater certainty for the support of end beneficiaries and rural communities for an extended period.
 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. Poverty was included in the Rural Life Opportunities priority, and net zero activity included in

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the Affordable Energy priority. Throughout the year, ACRE members have continued to support rural communities in their post-pandemic recovery and in addressing the challenges resulting from the cost-of-living crisis. 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 2022-23, 31 loans were live during the year, 4 loans were paid out totalling £70,869 and 3 further loans have been agreed totalling £82,357. The total value of the loans outstanding at the end of the year was £299,295.
4. ACRE's **Village Hall Information and Advice Service** provided support for ACRE members during the year via the online platform, website and Zoom meetings. Support has been offered to new advisers and ACRE members have been encouraged to reinstate regional meetings via Zoom. The agreement with Bates Wells Solicitors has provided legal support for halls at reduced cost. A focus for the year was on building relationships with the corporate sponsors for the village hall service, Utility Aid, Zurich & Norris & Fisher. Livestream events, video footage and support for Village Halls Week has been a result of this engagement as well as dedicated work in supporting village hall committees through the energy crisis (see 16 below). Work, over the latter part of the year, revolved around establishing and promoting the Platinum Jubilee Village Halls Fund and the organisation of the face-to-face training event for hall advisers.
5. **The Village Hall Improvement Grant Fund** closed on 30th September 2022. There were 4 village hall projects where the work was incomplete. ACRE continues to monitor those projects, 2 are now complete and 2 are due to complete in the Summer of 2023.
6. **The Platinum Jubilee Village Hall Fund** was announced by Government in June 2022 and, following a competitive process, delivery was awarded to ACRE and the agreement was signed in November 2022. The Fund was launched on 20 December 2022. More than 1,400 halls submitted an online Stage 1 application over a 6-week period. Over 650 halls have been invited to submit a Stage 2 application with the support of ACRE members. The first Award Panel met on 30 and 31 March, considered 107 of those applications and offered 45 grants worth more than £741,000.
7. During the year the legacy of last year's **centenary activities** involved volunteers populating the 100 rural years website with the learning being drawn from records collated from over the past century, 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. The remaining outstanding project **Halls for All**, a publication charting 100 years of professional support for village halls, continues. A publisher has been identified with a publication date anticipated early in 2025.
8. 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.
9. In policy terms, the early part of 2022/23 was dominated by Government's **Levelling Up White Paper**, and then by the domestic implications of the war in Ukraine, the latter leading to major challenges over fuel and energy prices. ACRE's policy activity during the year is organised under nine headings, below, however it is likely that these will

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change during the course of 2023/24 as we initiated a rural policy review to look at our policy priorities in the final months of the year:-

- a) **Civil Society and Village Halls.** We have worked closely with a number of national voluntary organisations, including those from the devolved administrations to analyse the difficulties that small organisations have had with banking since the pandemic, and to find ways of tackling these. We actively encouraged HM Treasury, UK Finance and the Charity Commission to take these problems seriously and thirteen banks collaborated, through UK Finance, to find solutions. At the end of 2022/23, we are reaching the second phase of a project that will make better tools available to support small charities. However, especially in rural areas, the problems are becoming greater due to both loss of branches and the loss of expertise in charity banking within the main 'High Street' banks. Over the year our relationship with NCVO and other national civil society organisations has strengthened, adding value to our own advocacy.

The devolution ambitions contained in the Levelling Up White Paper have been implemented through a continuation of the 'deal based' approach in which the most substantial local benefits have only been available where areas are willing to create Combined Authorities and to accede to having a directly elected Mayor. Although some gains have been made in a small number of areas e.g. North Yorkshire, the concept of onward, or double, devolution to local areas has not been easy to achieve.

- b) **Affordable housing and planning.** The earlier publication of the Planning White Paper in 2020 was largely superseded by the Levelling Up White Paper and then the Levelling Up and Planning Bill. Despite some delays due to political considerations during the year, the major pieces of legislation and regulation that could impact on the supply of affordable housing have made some progress.

We prepared a comprehensive briefing for members on the Levelling Up White Paper in the early part of the year and found many of the concerns we raised being echoed by other rural interest groups. We actively engaged with DEFRA over their preparation of the year's Rural Proofing Report that focussed very largely on this issue.

We prepared our own ACRE response to the National Planning Policy Framework consultation that included several questions about affordable and also community led housing. However, many of the questions contained an implicit assumption that sustainable development and small scale, and small developer, housing would mainly be the preserve of urban areas. We have sought to refute this assumption. After preparing our own response we worked with partners in the Rural Services Network, Rural Coalition, Rural Housing Forum and National Community Led Housing Network to co-ordinate rural responses in order to make the most impact.

- c) **Rural Health and Care.** We convened our first Rural Health and Care Forum in November 2022. This brought together many practitioners from within the ACRE Network and produced a number of recommendations both for the Network and wider delivery of care in rural areas.

As part of the preparation for the Forum we surveyed our members to assess their experience of 'rural proofing' within Integrated Care Systems (ICS). The experience was very mixed, especially since most of our members who had made positive steps with their ICS had done so as lead voluntary sector organisations, not from the perspective of rural communities. However, the information provided has been very useful both to

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inform the piloting of the National Centre for Rural Health and Care's rural proofing toolkit with five ICBs. It has also helped with giving evidence to the House of Lords' Inquiry into ICS.

- d) **Youth and opportunity.** Disappointingly, it has been hard to allocate resources to making progress either with a specialist grouping on rural young people within the Network or in developing strong relationships with other young people's organisations. We regularly liaise with Children England and will now do so over the implications for rural areas of the Government's proposed extension of 'free' childcare down to nine months. Previous experience suggests that childcare operations that use multi-use buildings in rural areas will face very different challenges in 'scaling-up' in order to meet the requirements of the new offer. The same will be true for some of the Village Halls and their Trustees that manage the buildings themselves.
- e) **Economy and social enterprise.** Early in the year we continued to press for a community-led regeneration scheme that could be universal across England as a successor to the LEADER programme. We worked closely with DEFRA on the way in which this might be both allocated and administered, so as to learn the maximum from the operation of LEADER. Government, however, was very keen to ensure that the subsequently announced Rural England Prosperity Fund would integrate closely with the England part of the UK Shared Prosperity Fund. As a result, it is being distributed through the same local authorities – at widely varying geographies – that have been allocated UKSPF funding. The ACRE network has had a mixed experience of working with local government on this. The main reasons given for difficulties have been the exclusively capital nature of the fund, the absence of any resource for its administration and expectations amongst other stakeholders that it would mainly be available as grants to businesses. The objectives include supporting rural community infrastructure, but decisions remain entirely in the hands of local government.
- f) **Net zero and fuel poverty.** Throughout the energy price inflation crisis of 2022, we have taken every opportunity to raise with Government the impact on people living off the gas grid, and especially those heating their houses with electricity. We have engaged with Government departments on highlighting the need for off mains gas households to access cost of living grants. As the winter of 2022/23 came to a close we also called for Government to plan ahead to next winter so that the response for those not on the gas grid is much quicker and more equitable should the country find itself in the same position again.

We have continued to raise important issues about the resilience of the rural electricity distribution network both ourselves and with partners in the Rural Coalition. We prepared a comprehensive response to Government's consultation on the transition to Heat Pumps on an accelerated timetable in areas not on mains gas. We may, alongside others, have been partly responsible for this policy seeming to stall and become open for reconsideration.

We have sought to raise understanding in Government that fragile rural distribution networks will need considerable upgrading if both heat pumps and Electric Vehicle (EV) charging points are to become commonplace. A small win seems to have been achieved in that businesses installing EV charging points (including Village Halls) will from 1st April '23 no longer have to contribute to the upgrading of the distribution network where this is needed.

- g) **Connectivity and transport.** Disappointingly it has been hard to maintain an ongoing and constructive relationship with BDUK/DCMS over the operation of the voucher scheme alongside Project Gigabit. We had hoped to find the right 'windows' in the local procurement process that would make effective use of this scheme for the hardest to reach premises. Unfortunately, the highly market sensitive approach taken BDUK

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has resulted in a great deal of nervousness about communicating directly with communities for fear of appearing to distort market provision of higher-quality broadband.

At the close of the financial year there was no sign of the anticipated Future of Transport – Rural Strategy. If the urban equivalent is a template for this, it will require rural areas to be very well served not only by broadband, but also by 4G and 5G connectivity if innovative forms of transport are also to thrive.

- h) **Diversity and equality.** We had hoped to incorporate the Women’s Health Strategy, and the delivery plan for it that had been anticipated, into our Rural Health and Care Forum. However, liaison over this with the Department of Health and Care has not proven easy.

Rural populations already struggle with access to some services due to their sparsity. Where services are provided for half of the population, the scale of the problem will be doubled. The same may be true for services intended just for other minority groups within the rural population. Addressing access to health services focused on women only would not only have given an opportunity to look at the dynamics of specific service delivery to half the population, but it might also have provided insights into how such services can be better delivered to smaller minority groups.

- i) **Rural and landscape strategy.** The Government has not yet responded to the Glover Review of designated landscapes although there have been attempts to force some amendments that accord with its recommendation into the Levelling Up and Planning Bill.

We have started to make contact with the Labour front bench over their future manifesto policies relating to rural communities and will continue to do so in 2023/24. We will also seek opportunities to have similar conversations with the Liberal Democrats and the Green Party.

We continue to work with other members of the Rural Coalition to influence the approach taken to rural proofing and to the annual Rural Proofing Report. We have been pressing for a more systematic approach that gives less scope for Government Departments to pick a small number of examples of good practice whilst avoiding addressing the general tendency to be ‘rurally blind’ in policy making.

10. 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 and supported the national rural homelessness research project. 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.
11. ACRE endorsed two appointments to the **General Assembly of the European Rural Communities Alliance**.
12. 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. Towards the end of the year and following a review of its financial position ACRE’s member in Kent decided to close and ceased trading. ACRE undertook a needs and options appraisal on how best to ensure that ACRE Network services are available to the rural

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communities of Kent in future. The results of this work indicated that there was both a need and a head of steam locally for the establishment of a new organisation to focus on supporting the rural communities locally with practical services whilst also acting as an advocate on their behalf with the key statutory and other stakeholders operating across the county. At the close of the year the consultant, working locally on behalf of ACRE, was in the process of developing the business plan and seeking resources to support the establishment of a new organisation.

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.

13. Throughout the year ACRE further improved its **online presence**. The ACRE website is serving us well. News stories, blogs and resources are being added to the site as and when they are produced and linked to appropriate pages. Since the website was launched in March 2022, there have been on average 5,000 users of the site, accounting for 8,000 visits each month with the most frequently viewed pages being information for village halls and the ACRE Member directory. In the past year, our mailing list has grown from 220 subscribers to over 1,000. Thirteen press releases, 6 blogs and 2 newsletters have been sent to these subscribers with an impressive average open rate of 50% for press releases and 43% for blogs. The most read circulation was our announcement of Village Halls Week in January. We have seen a growth in the number of followers on social media in the past year and our combined social media following is now almost 7,000 across all platforms with an estimated reach of 28,800.
14. A specific and focused media event was held in January; **the sixth annual Village Halls Week**. Our annual Village Halls Week campaign took place between 23 – 29 January on the theme of ‘warm, welcoming and inclusive spaces’. In response to network feedback, the team adopted a different approach to delivery this year, encouraging village hall groups to run local events in addition to the dissemination of online media. Campaign packs sponsored by Zurich (including guidance on getting involved, posters, badges and bunting) were distributed to halls that registered an interest in the campaign, of which 90 confirmed events using a Google map that we built. We also shared a new case study video featuring a new village hall in Northumberland. Throughout the week we saw much more activity on social media both from village halls and ACRE members compared to 2022, with the hashtag #VillageHallsWeek being used frequently to share stories about responses to the cost-of-living crisis and activities being provided by halls for different groups in the community. Audience engagement statistics suggest good reach. The campaign webpage had nearly 8k views, and our press release announcing the campaign had an open rate of 58% (according to Mailchimp the not-for-profit sector average is 25%) and we reached over 70,000 people with posts shared on social media. There was also some good local TV and radio coverage, notably on ITV Meridian, BBC Radio Solent and in Wiltshire, Northamptonshire, Devon, Lincolnshire, and Yorkshire. We also saw an uptick in our following, gaining over 300 new followers across our social media channels, mostly on Facebook.
15. Several **video case studies** were researched, filmed, edited and published in-house in 2022/23, including:
 - a. [Holy Island Warm Hub](#), Northumberland (750 views)
 - b. [Roxwell Affordable Housing Scheme](#), Essex (913 views)
 - c. [Carrshield Village Hall](#), Northumberland (1,455 views)

These case studies were prioritised as they addressed gaps in our website content for several of our policy priorities for rural communities. They help to demonstrate the solutions that ACRE members provide locally for addressing some of the challenges associated with life in the countryside. Feedback has been overwhelmingly positive, and

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the films are helping ACRE develop its public profile and reputation, as well as being an excellent resource to signpost key stakeholders to.

In pursuit of a more blended approach to funding ACRE continued to prioritize working with a limited number of corporate partners during the year including Norris & Fisher, Ansvar, Utility Aid and Zurich.

16. One such project with a corporate partner during the year involved **research with village halls to understand and respond to the impact of the energy crisis**. At the beginning of 2022, we became increasingly aware that rising energy prices were becoming a serious issue for village halls. In response, we conducted a national survey asking management committees about their use of energy, the impact of rising prices and the support they need to become more energy efficient. Nearly 900 responses were received demonstrating the scale of the challenge. 57% agreed rising energy prices were creating financial difficulties, whilst 1 in 10 claimed to spend over half of their income on heating and electricity. This information was used in a policy briefing that ACRE utilised to highlight the need for financial support and investment in energy efficiency improvements. At the same time our corporate partner, Utility Aid, made contact with groups that said they would welcome support managing their energy usage and switched almost 150 halls to new contracts giving them greater certainty and security over their energy expenditure. ACRE was subsequently shortlisted for a Third Sector Business Charity Award for this work which has continued to provide exposure for this important issue whilst also improving the profile and reach of ACRE.
17. Delivery of the **National Lottery Community Fund resourced New Infrastructure Programme** concluded in July 2022 following a three-month extension. As part of this, we reviewed how digital solutions could be deployed for the improvement of the Village Halls Advice and Information Service offered to voluntary committees that manage rural community buildings across England. This involved extensive engagement with network leaders and village hall advisers capturing their experiences and views of the service during two workshops and a survey of village hall advisers. Feedback was discussed at length with specialist digital change consultants and used to make several recommendations for the future of the service including: developing standardised digital processes for receiving and triaging initial enquiries, implementing a CRM to better record and manage relationships with village halls, and improving the presentation of information and resources for halls by making content more accessible and engaging online.

As this overview highlights, 2022-23 has seen ACRE continue to adapt its delivery to increase remote and online digital working. The relocation of the office base reported last year continues to facilitate a more hybrid way of working whilst providing for onsite working at reduced premises costs. Working with the challenges of limited staff capacity, a growing portfolio of activities and greatly increased demand for ACRE's services continues to test and also confirm 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 tight financial climate coupled with increasing and well-documented inflationary and cost-of-living 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.

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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 £391,686 (31 March 2022 a net reduction of £829,454). The closing fund balances on 31 March 2023 were £454,467.

The statement of financial activities (SOFA) shows that the total incoming resources for the year were £1,988,270 compared with £2,084,193 for the previous year.

During the year ACRE received £1,645,076 restricted income and £343,194 unrestricted income. A list of the restricted funds is included in note 18a. 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.

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 2023, the total reserves were:	£454,467
Restricted funds:	£16,355
Designated funds:	£17,000
General funds:	£421,112

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Principal funding sources

The majority of ACRE's funding for 2022-23 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 2023-24

During the forthcoming year, ACRE will continue to assess the impact that government policy 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 move to the next stage in 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. We will conduct a Networkwide survey to ascertain the challenges and opportunities facing members of the ACRE Network and will also aim to build and enhance the long-established rural housing enabling work undertaken by members and others to increase the supply of affordable homes in communities across rural England. We will undertake a comprehensive ACRE policy review in anticipation of further dialogue with national partners and political parties in advance of the general election, specifically with a view to influencing manifestos to consider and address the needs of rural communities and especially those most disadvantaged by rurality.

The corporate plan will continue to set the strategic framework for the organisation whilst the annually reviewed operational plan will drive forward its delivery.

We anticipate that with a new chair in place, additional personnel changes anticipated during the year, and the policy review completed that a further appraisal of ACRE's long-term strategy will follow during the latter part of the year. That said 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'*. And we anticipate that ACRE's work will continue to concentrate 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 increase the resilience of rural communities.

Internally, ACRE trustees will be conducting a review of governance using the charity governance code in preparation for a refresh of the ACRE board at the AGM in the autumn.

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 ACRE members amounted to £1,633,000 during the year. ACRE, as the national umbrella body of The ACRE 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 2022-23.

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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 1925.

Rural Coalition

ACRE undertakes the secretariat for the Rural Coalition. The funds from the Rural Coalition membership were distributed as agreed by members during 2022-23 and the remnants were carried forward to activity planned for 2023-24.

Village Hall Improvement Grant

ACRE administers the Village Hall Improvement Grant fund on behalf of Defra. This fund was 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 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.

In line with ACRE's governing documents, the board is refreshed on a regular and systematic basis with members serving a maximum of seven years without a break of at least one year. In November ACRE's longstanding Chair, David Emerson CBE, stood down from the board. Prior to his departure, the organisation undertook a comprehensive, open, and externally supported recruitment exercise to find his successor. James Blake, currently CEO of the Youth Hostel Association, emerged as a result of this process and was duly elected by members at the AGM in November.

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 a 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 although there are issues of succession for some roles during the new financial year and in the medium term.

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 the 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

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2023

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 originally occasioned by the 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 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 2022-23 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 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 interest are avoided in the governance of ACRE.

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2023

Fund raising 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.

ACRE members at 31 March 2023

Action with Communities in Cumbria	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)
Connecting Communities in Berkshire	

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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 and statements of recommended practice 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.

Action with Communities in Rural England

Report of the directors

For the year ended 31 March 2023

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

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

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

The Directors

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

		Number of Board meetings attended during the year
Ivan Annibal	Elected November 2017	3/5
Louise Beaton OBE	Elected November 2017	5/5
James Blake	Chair - Elected November 2022	1/1
Charles Coates	Elected November 2017	4/5
Elaine Cook	Elected November 2018	3/5
Nigel Curry	Elected November 2018	3/5
Sue Dovey	Elected November 2018	4/5
Dominic Driver	Vice Chair - Elected November 2016	3/5
David Emerson CBE	Chair – Retired November 2022	4/4
Gavin Parker	Co-opted February 2023	1/1
Doff Pollard	Elected November 2015	4/5
Mark Shucksmith OBE	Retired November 2022	3/4
Janet Thornton MBE	Vice Chair – Elected November 2016	4/5
Jim Webster	Appointed November 2018	5/5

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 2023 was 37 (2022 - 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 2023

Auditors

Following a market testing exercise in 2022 Godfrey Wilson Ltd was re-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 22 June 2023 and signed on their behalf by



James Blake – 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 2023 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 2023 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: 22 June 2023

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 2023

		Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	320	-	320	3,815	-	3,815
Charitable activities							
Chairtable activities	3	341,390	1,645,076	1,986,466	332,119	1,746,915	2,079,034
Services and sales	3	333	-	333	1,284	-	1,284
Investments	4	1,151	-	1,151	60	-	60
Total income		343,194	1,645,076	1,988,270	337,278	1,746,915	2,084,193
Expenditure on:							
Raising funds	5	7,722	-	7,722	3,701	-	3,701
Charitable activities							
Charitable activities	5	372,443	1,998,120	2,370,563	290,138	2,618,161	2,908,299
Services and sales	5	1,671	-	1,671	1,647	-	1,647
Total expenditure		381,836	1,998,120	2,379,956	295,486	2,618,161	2,913,647
Net income / (expenditure) for the year	7	(38,642)	(353,044)	(391,686)	41,792	(871,246)	(829,454)
Transfers between funds		1,304	(1,304)	-	-	-	-
Net income / (expenditure) before other recognised gains and losses		(37,338)	(354,348)	(391,686)	41,792	(871,246)	(829,454)
Net movement in funds		(37,338)	(354,348)	(391,686)	41,792	(871,246)	(829,454)
Reconciliation of funds:							
Total funds brought forward		475,450	370,703	846,153	433,658	1,241,949	1,675,607
Total funds carried forward		438,112	16,355	454,467	475,450	370,703	846,153

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 2023

Company no. 3336101

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	12		1,290		367
Mixed motive investments	13		3,000		3,000
			<u>4,290</u>		<u>3,367</u>
Current assets:					
Debtors	14	302,485		313,431	
Cash at bank and in hand		514,804		515,220	
Account for village hall improvement grant scheme		-		391,193	
Account for rural community buildings loan fund		400,705		396,950	
		<u>1,217,994</u>		<u>1,616,794</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(767,817)		(774,008)	
Net current assets			<u>450,177</u>		<u>842,786</u>
Total net assets	17		<u>454,467</u>		<u>846,153</u>
The funds of the charity:					
Restricted income funds	18		16,355		370,703
Unrestricted income funds:					
Designated funds		17,000		22,000	
General funds		421,112		453,450	
Total unrestricted funds			<u>438,112</u>		<u>475,450</u>
Total charity funds			<u>454,467</u>		<u>846,153</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 22 June 2023 and signed on their behalf by



James Blake
Chair

Action with Communities in Rural England

Statement of cash flows

For the year ended 31 March 2023

	Note	2023	2022
		£	£
Cash flows from operating activities	20		
Net cash provided by / (used in) operating activities		(391,374)	(887,929)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,151	60
Purchase of tangible fixed assets		(1,386)	-
Net cash provided by / (used in) investing activities		(235)	60
Change in cash and cash equivalents in the year		(391,609)	(887,869)
Cash and cash equivalents at the beginning of the year		906,413	1,794,282
Cash and cash equivalents at the end of the year	21	514,804	906,413

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

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 2015) – (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.

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 2023

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

	2023	2022
● Cost of raising funds	2%	1%
● Chairtable activities	83%	96%
● Services and sales	15%	3%

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.

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.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

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 £	2023 Total £	2022 Total £
Gifts	320	–	320	3,815
	<u>320</u>	<u>–</u>	<u>320</u>	<u>3,815</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 2023

3a Income from charitable activities

	Unrestricted	Restricted	2023 Total
	£	£	£
Charitable Activities			
Defra support to rural communities	79,000	1,633,000	1,712,000
Rural communities buildings loan fund	20,000	-	20,000
Big Lottery Digital Infrastructure	-	8,333	8,333
Utility Aid	10,000	-	10,000
Norris & Fisher	5,000	-	5,000
Ansvar	5,000	-	5,000
Conferences	10,771	-	10,771
Tennyson Insurance (Zurich)	7,500	-	7,500
Platinum Jubilee Village Hall Fund (DEFRA)	28,274	-	28,274
Interest from VHIG account	-	43	43
DEFRA Health & Social Care	2,500	-	2,500
Rural Coalition	-	3,700	3,700
Membership	173,345	-	173,345
Sub-total for Charitable Activities	341,390	1,645,076	1,986,466
Sales; publications	284	-	284
Staff fees	49	-	49
Sub-total for other charitable activity	333	-	333
Total income from charitable activities	341,723	1,645,076	1,986,799

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

3b Income from charitable activities (prior year)

	Unrestricted £	Restricted £	2022 Total £
Charitable Activities			
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>

4 Income from investments

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Interest received	1,151	-	1,151	60
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,151</u>	<u>-</u>	<u>1,151</u>	<u>60</u>

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 2023

5 Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities			Support costs £	2023 Total £
		Charitable activities £	Services and sales £	Governance costs £		
Staff costs (Note 8)	3,882	142,668	962	26,410	60,392	234,314
Direct costs	-	95,236	96	18,886	26,144	140,362
DEFRA grant to ACRE network	-	1,632,675	-	-	-	1,632,675
Village hall improvement grants	-	346,741	-	-	-	346,741
Rural coalition expenditure	-	3,686	-	-	-	3,686
Overheads	428	15,971	4	1,232	4,543	22,178
	4,310	2,236,977	1,062	46,528	91,079	2,379,956
Support costs	2,031	74,812	410	13,826	(91,079)	-
Governance costs	1,381	58,774	199	(60,354)	-	-
Total expenditure 2023	7,722	2,370,563	1,671	-	-	2,379,956

Of the total expenditure, £381,836 was unrestricted (2022: £295,486) and £1,998,120 was restricted (2022: £2,618,161).

5 Analysis of expenditure (prior 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

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

6 Grant making to institutions

	Grants to institutions £	2023 £	2022 £
Cost			
Allocation of DEFRA grant	1,632,675	1,632,675	1,633,000
Village hall improvement grants	346,741	346,741	868,357
At the end of the year	<u>1,979,416</u>	<u>1,979,416</u>	<u>2,501,357</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):

	2023 £	2022 £
Depreciation	463	1,031
Operating lease rentals:		
Property	12,262	12,262
Other	1,677	1,677
Auditors' remuneration (excluding VAT):		
Audit	<u>4,950</u>	<u>4,700</u>

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	112,408	107,971
Social security costs	12,360	11,107
Employer's contribution to defined contribution pension schemes	8,318	8,083
Other staff costs	<u>101,228</u>	<u>87,206</u>
	<u>234,314</u>	<u>214,367</u>

No employee earned more than £60,000 during the year (2022: nil).

There were no employee benefits including pension contributions paid to key management and finance personnel during the year as the individuals concerned were self employed. The key management personnel costs totalled £85,251 (2022: £77,756)

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil). Loiuise Beaton, a charity trustee, received £1,140 for consultancy services and related travel costs were reimbursed (2022: £5,570). Ivan Annibal, a charity trustee, is the managing director of Rose Regeneration, the company completing the quarterly surveys of the DEFRA network grant, the company received £14,400

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £5,133 (2022: £729) incurred by 12 (2022: 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:

	2023	2022
	No.	No.
Raising funds	0.1	0.1
Charitable activities	2.8	2.8
Governance	0.1	0.1
	3.0	3.0

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

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:

	2023 £	2022 £
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	37,148	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
Lincolnshire YMCA Ltd (Community Lincs)	49,030	49,030
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
Community Resource (Shropshire)	40,135	40,135
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
Resource for the continuation of support for Kent rural communities	12,057	-
	1,632,675	1,633,000

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

10 Related party transactions (continued)

Big Lottery Safeguarding

	2023	2022
	£	£
Action Hampshire	–	1,000
Action in rural Sussex	–	1,000
Action with Communities in Cumbria	–	1,000
Action with Communities in Rural Kent	–	1,000
Bedfordshire Rural Communities Charity	–	1,000
Cambridgeshire ACRE	–	1,000
Cheshire Community Action	–	1,000
Connecting Communities in Berkshire	–	1,000
Community Action Isle of Wight	–	1,000
Community Action Norfolk	–	1,000
Community Action Northumberland	–	1,000
Community Action Suffolk	–	1,000
Community Council for Somerset	–	1,000
Community Development Action Hertfordshire	–	1,000
Community First in Herefordshire and Worcestershire	–	1,000
Community First Oxfordshire	–	1,000
Community First, Wiltshire	–	1,000
Community First Yorkshire	–	1,000
Community Futures, Lancashire	–	1,000
Community Impact Bucks	–	1,000
Lincolnshire YMCA Ltd (Community Lincs)	–	1,000
Cornwall Rural Community Charity	–	1,000
Devon Communities Together	–	1,000
Dorset Community Action	–	1,000
Durham Community Action	–	1,000
GRCC Community Action in Gloucestershire	–	1,000
Humber & Wolds Rural Action	–	1,000
Northamptonshire ACRE	–	1,000
Rural Action Derbyshire	–	1,000
Rural Community Action Nottinghamshire	–	1,000
Rural Community Council (Leicestershire & Rutland)	–	1,000
Rural Community Council of Essex	–	1,000
Community Resources (Shropshire)	–	1,000
Support Staffordshire	–	1,000
Surrey Community Action	–	1,000
Tees Valley Rural Action	–	1,000
WRCC (Warwickshire Rural Community Council)	–	1,000
West of England Rural Network	–	1,000
	<hr/>	<hr/>
	–	38,000
	<hr/> <hr/>	<hr/> <hr/>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

10 Related party transactions (continued)

Village Hall Improvement grants paid to external organisations	2023 £	2022 £
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 Cements 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
Bradworthy Parish Memorial Hall	10,670	–
Brampton Abbots Village Hall	16,844	–
Fritenden Memorial Hall	31,699	–
Huish Champflower Village Hall	30,440	–
Oxhill Village Hall	36,670	–
South Kilworth Village Hall	19,976	–
Teign Valley Community Centre	40,700	–
Welton Parish Memorial Hall	16,743	–
Refunded to Defra	142,999	–
	346,741	868,357

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

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

11 Taxation

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

12 Tangible fixed assets

	Computer equipment £	Total £
Cost or valuation		
At the start of the year	6,136	6,136
Additions in year	1,386	1,386
Disposals in year	(1,302)	(1,302)
At the end of the year	<u>6,220</u>	<u>6,220</u>
Depreciation		
At the start of the year	5,769	5,769
Charge for the year	463	463
Eliminated on disposal	(1,302)	(1,302)
At the end of the year	<u>4,930</u>	<u>4,930</u>
Net book value		
At the end of the year	<u>1,290</u>	<u>1,290</u>
At the start of the year	<u>367</u>	<u>367</u>

All of the above assets are used for charitable purposes.

13. Mixed motive investments

	2023 £	2022 £
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

	2023 £	2022 £
Loans to rural community buildings under loan scheme (Note 15a)	299,295	303,050
Other debtors	1,430	6,140
Prepayments	1,760	4,241
	<u>302,485</u>	<u>313,431</u>
Amounts due after more than one year included in:		
Loans to rural community buildings under loan scheme	<u>231,638</u>	<u>232,638</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Rural community buildings loan fund (Note 15a)	700,000	700,000
Trade creditors	34,354	7,091
Taxation and social security	5,201	2,568
Other creditors	13,112	18,868
Village Hall Improvement Grant drawdown confirmed	-	42,981
Deferred income (Note 16)	15,150	2,500
	<u>767,817</u>	<u>774,008</u>

15a Rural community buildings loan fund

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

	2023 £	2022 £
Funds advanced by DEFRA at 1 April 2022	<u>700,000</u>	<u>700,000</u>
Loans to rural community buildings:		
Outstanding at 1 April 2022	303,050	233,928
Made during year	70,869	139,920
Repayments during year	<u>(74,624)</u>	<u>(70,798)</u>
Outstanding loans at March 2023 (note 14)	<u>299,295</u>	<u>303,050</u>
Bank deposit on hand at 31 March 2023	<u>400,705</u>	<u>396,950</u>

16 Deferred income

Deferred income comprises:

	2023 £	2022 £
Balance at the beginning of the year	2,500	93,194
Amount released to income in the year	(2,500)	(93,194)
Amount deferred in the year	15,150	2,500
Balance at the end of the year	<u>15,150</u>	<u>2,500</u>
Income deferred to 2023-24		
Village Hall Advisors training event April 23	10,150	-
Corporate Sponsorship to June 2023	<u>5,000</u>	<u>2,500</u>
	<u>15,150</u>	<u>2,500</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	1,290	-	-	1,290
Mixed motive investments	-	3,000	-	3,000
Net current assets	419,822	14,000	16,355	450,177
Net assets at 31 March 2023	421,112	17,000	16,355	454,467

17b Analysis of net assets between funds (prior 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	453,450	22,000	370,703	846,153

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

18a Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
Tudor Trust	5,000	-	(6,000)	-	(1,000)
Big Lottery Safeguarding grant	3,961	-	-	-	3,961
DEFRA rural communities	122	1,633,000	(1,632,675)	-	447
National Parks Residents Association	2,787	-	-	-	2,787
Village Hall Improvement Grants	348,212	43	(346,741)	(1,514)	-
Big Lottery Digital Infrastructure	475	8,333	(9,018)	210	-
National Village Halls transfer	471	-	-	-	471
Rural Coalition	9,675	3,700	(3,686)	-	9,689
Total restricted funds	370,703	1,645,076	(1,998,120)	(1,304)	16,355
Unrestricted funds:					
Designated funds:					
ACRE Network Service Review Delivery	4,000	-	-	-	4,000
Supporting ACRE Network members	15,000	-	(5,000)	-	10,000
LLP Consultancy (Cirican)	3,000	-	-	-	3,000
Total designated funds	22,000	-	(5,000)	-	17,000
General funds	453,450	343,194	(376,836)	1,304	421,112
Total unrestricted funds	475,450	343,194	(381,836)	1,304	438,112
Total funds	846,153	1,988,270	(2,379,956)	-	454,467

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

18b Movements in funds (prior 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	122	1,633,000	(1,633,000)	-	122
DEFRA Village Hall survey post CV-19	8,400	-	(8,400)	-	-
Hallmaster	-	270	(270)	-	-
National Parks Residents Association	2,787	-	-	-	2,787
Village Hall Improvement Grants	1,216,492	77	(868,357)	-	348,212
Big Lottery Digital Infrastructure	-	50,000	(49,525)	-	475
National Village Halls transfer	471	-	-	-	471
Digital Discovery (CAST)	-	5,000	(5,000)	-	-
Rural Coalition	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

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.

DEFRA rural communities

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.

National Parks Residents Association (ANPAC)

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

National Village Halls Forum

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.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

Purposes of restricted funds (continued)

Rural Coalition

ACRE undertakes the secretariat for the Rural Coalition. The funds from the membership were distributed as agreed by members during 2022–23 and the remainder carried forward for activity planned in 2023–24.

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 Network 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.

Village Hall Improvement Grants

The Village Hall Improvement Grant Fund was extended until June 2022 to allow hall build projects time to complete having been delayed due to COVID-19. £2,875,256 has been awarded to 123 village halls. The programme was closed by September 2022.

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.

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 a 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.

19 Government grants

The charitable company received government grants during the year, defined as funding from the Department for Environment, Food & Rural Affairs (DEFRA), 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 £	2023 Total £	2022 Total £
DEFRA support to rural communities	1,633,000	79,000	1,712,000	1,712,000
Village Hall Improvement grant (DEFRA)	–	–	–	36,694
National Lottery Community Fund	–	8,333	8,333	99,968
Total	<u>1,633,000</u>	<u>87,333</u>	<u>1,720,333</u>	<u>1,848,662</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2023

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

	2023 £	2022 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(391,686)	(829,454)
Depreciation charges	463	1,031
Dividends, interest and rent from investments	(1,151)	(60)
(Increase)/decrease in debtors	10,946	(48,728)
(Increase)/decrease in loan fund cash	(3,755)	69,122
Increase/(decrease) in creditors	(6,191)	(79,839)
Net cash provided by / (used in) operating activities	(391,374)	(887,929)

21 Analysis of cash and cash equivalents

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	515,220	(416)	514,804
Account for village hall improvement grant scheme	391,193	(391,193)	-
Total cash and cash equivalents	906,413	(391,609)	514,804

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	
	2023 £	2022 £	2023 £	2022 £
Less than one year	6,245	8,327	1,387	1,505
One to five years	-	4,163	1,271	3,037
	6,245	12,490	2,658	4,542

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.

23 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.