

Company number: 3336101
Charity number: 1061568

Action with Communities in Rural England
Report and Financial Statements
31 March 2021

Action with Communities in Rural England

Reference and administrative details

For the year ended 31 March 2021

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	Corinium Suite, Unit 9 Cirencester Office Park Tetbury Road, Cirencester Gloucestershire GL7 6JJ	
Honorary officers	David Emerson CBE Janet Thornton 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 2021

The directors present their report and the audited financial statements for the year ended 31 March 2021.

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. In light of the Covid pandemic the business plan was rolled forward for a further year, reflecting the priorities, outcomes and ambitions for ACRE based upon previous feedback from stakeholders and an in depth analysis of need and the organisation's wider operating environment. The review of the business plan and the member and stakeholder engagement exercise commenced towards the end of the financial year and will shape the organisations future strategy and delivery for the latter part of 2021 and beyond.

Vision

ACRE's vision is *'Rural Communities that are thriving, inclusive, economically active and which have the services needed to ensure equity for all residents'*. 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;
- 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;
- Deliver programmes and engage in activities which directly improve the lives of ACRE's end beneficiaries and which increase the resilience of rural communities.

As the England-wide arm 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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Activities

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

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

How our activities deliver public benefit

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

Achievements and performance

During 2020-21, ACRE continued to develop its strategy for advocacy on behalf of its end beneficiaries in three major directions:

- Securing ongoing recognition of the value delivered by the ACRE Investment agreement with the Department for Environment, Food and Rural Affairs (Defra) by ensuring effective delivery and by highlighting impact;
 - Positioning ACRE members as primary agents of change in rural communities in the implementation of localism and other Government policies;
 - Capitalising on the ACRE Network's reach into rural communities and its expertise in ensuring rural communities and particularly those most disadvantaged by rurality benefit from national policy initiatives.
1. In addition to overseeing the delivery of the **ACRE Network Agreement with Defra** which enables ACRE's 38 members to focus practical support on rural communities across rural England, ACRE worked hard to secure a roll-over of the funded arrangement for a further year pending the outcome of the next comprehensive spending review by Government. A continuation at the same level of funding was agreed at the end of the financial year thus enabling ACRE members to support end beneficiaries and rural communities for a further year.
 2. ACRE continued to improve the **monitoring and evidence** gathering that supports and underpins the ACRE Network Agreement with Defra. With enhanced reporting, the continuing development of a bank of case studies and examples of best practice to evidence impact, ACRE has been able to demonstrate more clearly to Defra the value of the Agreement. Throughout the year, and especially in light of the impact of the pandemic on rural communities, ACRE has continued to develop closer links with the Defra team to ensure that grass roots 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 2020/21, 39 loans were live during the year, 7 new loans were offered totalling £148,185 and 2 paid out to a value of £31,000. The total value of the loans outstanding at the end of the year was £233,928.
 4. ACRE's **Village Hall Information and Advice Service** provided support for ACRE members during the year. The support service was dominated by the demand for advice and information for halls under COVID-19 Regulations.

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For the year ended 31 March 2021

ACRE supported the ACRE Network Advisers through their online platform, website and Zoom meetings. The agreement with Bates Wells Solicitors has provided legal support for halls at reduced cost.

5. The **Village Hall Improvement Grant Fund** was extended until the end of December 2021 to cater for the delays to projects caused by the successive pandemic lock downs. In total the Fund has awarded 123 grants totalling £2,785,502. Over half of the grants awarded have now been drawn down.
6. 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 MHCLG's (Ministry of Housing, Communities and Local Government) Communities Partnership Board.
7. From mid-March 2020, and throughout the year, the outbreak of **coronavirus**, and arrangements put in place by Government to limit its impact, started to dominate our action to advocate for rural communities. There were effectively three phases to this:-
 - a) From March to May 2020 we sought to work with our members and DEFRA to anticipate the impact on rural communities of the pandemic and any nuance needed for rural people in what were, otherwise, national emergency measures.
 - b) From June the focus shifted to advising and supporting rural communities on how to respond to frequent, and often hard to understand, changes to regulations and guidance, especially in relation to Village Halls.
 - c) From October until the end of the year the focus shifted again to ensuring that Government policy towards the pandemic, especially if it were to persist through another winter, was mindful of the impact on rural communities of cycles of lockdown/release over an extended period. Our main actions included:-
 - Daily **monitoring of formal Government Guidance** concerning release from the lockdown that may have an impact on rural communities and especially on our information and advice to Village Halls. At crucial times a weekly update was provided to Network CEOs and a more specific and detailed one to Village Hall advisers. Changes to Village Hall Information sheets frequently had to be made on a weekly basis;
 - Representation of rural community concerns through a weekly **Rural Impact Stakeholder Forum** with DEFRA. We raised issues concerning Village Halls, village play areas, impacts on wider civil society, over-reliance of rural areas on the dual economic pillars of agriculture and tourism and initial lack of connectivity between the Government's 'Test, Trace and Isolate' policy with local, rural intelligence and public health;
 - We wrote to the DHSC in April 2020 over urban / rural differentiation in transmission rates and followed this up with a second letter concerning **differentiation in release of lockdown measures**. Both of these, in hindsight, looked surprisingly prophetic when the regional 'tiers' system was introduced in the Autumn;
 - We submitted written evidence to the Digital, Culture, Media and Sport Select Committee on **Connectivity and 5G** including lessons learned from coronavirus over the future role of connectivity in economic and social regeneration in rural areas;
 - We created a dedicated section on **ACRE website** about Covid, listing policy responses and briefings, information and advice for community groups and inspiring stories where communities have shown resilience to the pandemic.
8. This enhanced support, information and advice for **rural communities** demanded increased capacity which was made possible with six months financial support from the **National Lottery Community Fund**. Demand for ACRE's support services doubled during the pandemic.

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9. The pandemic prompted new collaborative forums between voluntary sector agencies working at a national and local level to provide support to civil society's response. We prepared a policy paper on **rural civil society** for these forums and provided a specific edited version of this to Danny Kruger MP for his report on support for civil society commissioned by the Prime Minister.
10. The pandemic prompted **The ACRE Network** to review its future policy for supporting and regenerating rural communities through lessons learned. In May the annual **ACRE Network Chief Executive** event went online and started with a focus on four areas where the crisis seemed to be making people think anew about rural areas and rural communities:
 - Food security in rural communities, especially in the light of future environmental land management programmes;
 - Digital transformation of working practices and the threats and opportunities these could bring to rural areas;
 - Approaches to restoring local economies that arise from people spending more time at home and re-discovering their local area;
 - Finding the synergies between these to create a new renaissance in rural communities following CV-19.
11. This provided the starting point for an **ACRE 'manifesto'** for rural communities; subsequently endorsed by the whole ACRE Network. This manifesto fed into our contribution to the Rural Coalition's proposals to Government, its submission to the **Comprehensive Spending Review (CSR)** and our discussions with DEFRA about their asks of the Treasury for the CSR.
12. During the year we continued to **highlight rural housing issues**, collecting data and evidence on the delivery of rural affordable housing sharing this with stakeholders. ACRE continued to advance the cause of rural affordable housing by providing technical support to members on rural affordable housing and planning. 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;
 - Responding to government consultations on the changes to the planning system and permitted development rights.
13. In particular we responded in detail to the **Planning White Paper**. The specific issues that we highlighted in our response included:-
 - The three proposed categories or 'zones': Growth, Renewal and Protected. We have deep concerns about how these might become used in rural areas;
 - The democratic loss that could result from front ending all consultation on local plans and moving to a 'digitally heavy' process;
 - The reduced scope for the proposed changes to the Infrastructure Levy to deliver affordable homes in rural areas;
 - Potential downgrading of Neighbourhood Plans to little more than local design statements.
14. At the close of the year the **Annual Rural Proofing Report** was published by Government. We worked with members of the **Rural Coalition** over a critique of the Report designed to pave the way for a more comprehensive 2nd annual report at the end of 2021.
15. ACRE continued to strengthen its links with rural organisations based elsewhere in Europe. The online **UK and Ireland Rural Network** has been formed to continue the relationships between the five Countries. ACRE endorsed two appointments to the Board of the **European Rural Communities Alliance**.

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For the year ended 31 March 2021

16. ACRE was an active participant on the **Arts Council Stakeholder Group** and the **Flood and Coastal Erosion Risk Management Stakeholder Group** as well as having a place on the Plunkett Foundation's **Community Business in Places of Worship Alliance**.
17. Throughout the year ACRE prioritised the needs of its 38 members by providing **support, guidance and advice** and the secretariat for the **ACRE Network Development Group**, established to oversee collective change and development within the ACRE Network. With increased on-line working during the year we further developed the use of the digital platform **Basecamp** to support collaboration across the Network and established a regular fortnightly meeting of **ACRE Network Chief Executives** to improve communication and to promote mutual support.
18. In January 2021, ACRE delivered the fourth national **#VillageHallsWeek** on the theme of **village halls are survivors**; the campaign was delivered online. On twitter and facebook we shared facts and information about village halls, blogs, recorded speeches and a podcast which were seen by an estimated 28k people and gained the organisation a 142 new followers. We also delivered three online events which attracted 507 registrations and generated £6k in sponsorship.
19. During #VillageHalls Week we launched an online **Domesday Book** for hall committees to record the work they are doing, and their hopes for the future, as we celebrated 100 years of rural community action. By the end of March 2021, the website had attracted over 700 entries. As such it is a valuable record of the contribution village halls make to rural community life which can also be used to raise profile and for influencing purposes.
20. In October 2020, ACRE delivered an online event attended by over 50 stakeholders summarising the results of the **2020 Village Halls Survey**. The survey was completed by 2,109 halls and provided an up-to-date view of the health of halls nationally. Publicity celebrated the social and economic contribution halls make to rural communities.
21. In August 2020, we conducted a **comprehensive survey of members** capturing information about the services they provide, their financial challenges, the local outcomes of their work and the impact of Covid. The survey provides insight into the commonalities between ACRE Network members and where there are material differences driven by local circumstances. Our intention is to repeat the survey each year to provide top-level tracking data on the health and the impact our members are having on rural communities.
22. This year members continued to deliver the National Lottery Community Fund **safeguarding project** aimed at ensuring every village and community hall across rural England has the knowledge and confidence to provide a safe environment for all. It aspires to improve the awareness of safeguarding, extend the reach of resources, provide an insight into impact and embed good practice. Due to the Covid restrictions activity and advice had to be provided online with our members updating information on policies and procedures and delivering advice and training via online sessions. We ran a successful **Village Hall safeguarding Week in November**, with our members providing online sessions backed by a social media campaign.
23. During the year we engaged with **Radioactive Waste Management (RWM)** in our role as a key rural stakeholder to discuss their plans for the siting of a geological disposal facility. This led us to partnering with a commercial partner 'Ecorys' and our members to deliver Community Investment Funding. RWM subsequently decided to take a different approach but the exercise proved invaluable in developing an ACRE Network approach to potentially challenging and contentious issues.

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24. During the year, ACRE secured funding and support to consider and develop the **ACRE Network's digital infrastructure**. Resources enabled three months engagement with members which helped to identify shared digital needs and challenges. At the end of the year ACRE was also informed that it had been successful in our application to the **New Infrastructure Fund** provided by the **National Lottery Community Fund** which will enable us to act on this insight and develop **specific digital solutions** with the support of a 'Design Lab' between 2021-2022. The focus of this work is to improve ACRE Network services and support to rural communities.

As the previous overview highlights, 2020-21 has been shaped by the ramifications of Covid pandemic as ACRE has adapted its delivery to remote and on-line digital working. Despite these challenges it has been a year of opportunities and some notable successes. Working with the challenges of limited staff capacity, a growing portfolio of activities and greatly increased demand for ACRE's services has tested and also confirmed the resilience, creativity and flexibility of the highly motivated staff team and specialist associates. They have embraced new ways of working and, despite the challenges have achieved an extensive range of laudable outcomes.

Whilst ACRE benefited from emergency funding support from the National Lottery Community Fund during the year, it continued to feel the impact of central Government financial constraints and a reduction in sponsorship income due to the pandemic. 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, whilst not guaranteed, looks positive. This enables both ACRE and its members to continue to plan both for the future of support to rural communities, and internal transformational change to ensure that the services and support available are more sustainable longer term beyond the current challenges occasioned by the coronavirus pandemic.

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 resources of £1,216,139 (31 March 2020 a net gain of £2,435,275). The closing fund balances at the 31 March 2021 were £1,675,607.

The statement of financial activities (SOFA) shows that the total incoming resources for the year were £2,119,636 compared with £4,947,414 for the previous year. This substantial reduction of incoming resources on the previous year is accounted for by the receipt of the Village Hall Improvement Grant during the year end 31 March 2020; a restricted fund for onward grant payments to village halls during the financial year 2021-22.

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For the year ended 31 March 2021

During the year ACRE received £1,792,182 restricted income and £327,454 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 allow time for reorganisation in the event of a downturn in income, protect ongoing work programmes and allow ACRE to meet its legal requirements. The target level for unrestricted reserves is the equivalent of three months of the charity's general expenditure budget plus an allocation to allow for longer term liabilities and contingencies and an additional element to support ACRE's research and development objectives and the 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 2021, the total reserves were:	£1,675,607
Restricted funds:	£1,241,949
Designated funds:	£57,000
General funds:	£376,658

Principal funding sources

The majority of ACRE's funding for 2020-21 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 2021-22

During 2021, ACRE will continue to assess the impact that government policy, in the light of coronavirus and a reopening of society, 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, in order to maximise the sustainability of services into the longer term. ACRE will complete a review of its business plan through consultation with members and stakeholders and will bring forward a new plan to take the organisations forward beyond 2021. In delivering the business plan objectives ACRE's role will continue to be focused on *'all people living in rural areas of England but especially those who are at risk of isolation and disadvantage and for whom rurality brings an additional challenge and cost to their daily lives'*. ACRE anticipates that, subject to confirmation or amendment through the consultation process, its work will continue to be driven by the following strategic priorities:-

- Improve service delivery and to ensure the sustainability of existing and new products and services;
- Strengthen and broaden key relationships at the national level and diversify income streams;
- Maximise and facilitate the strategic use of the ACRE Network information and intelligence;
- Support and progress ACRE Network ambitions providing transparency in terms of ACRE's contribution.

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Funds held as custodians

Defra investment in the ACRE Network

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

ANPAC

ACRE has held funds on behalf of the National Parks Residents Association (ANPAC) for use only as designated by them. The Association did not draw down from this fund during 2020-21.

Rural Communities Buildings Loan Fund

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

Rural Coalition

ACRE undertakes the secretariat for the Rural Coalition. The funds from the Rural Coalition membership were distributed as agreed by members during 2020-21 and the remnants carried forward to activity planned for 2021-22.

Village Hall Improvement Grant

ACRE administers the Village Hall Improvement Grant fund on behalf of Defra. It is anticipated that this fund will be fully utilized during 2021-22.

Structure, governance and management

Organisational structure

Action with Communities in Rural England (ACRE) is a company limited by guarantee (number 3336101) with a Board of Directors elected at general meetings by its 38 members, and in accordance with the Articles of Association adopted on 18 June 2014 and amended on 29 November 2016 and 27 November 2018.

Governance

The Board of Directors is responsible for the governance and the management of ACRE. The ACRE Board consists of not less than six but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The chair is elected at the AGM by the members.

All directors have an induction into the organisation and receive a Director Induction Pack. No person may normally serve as a director for more than seven consecutive years. They may then be re-elected after an interval of at least one year. Due to the exceptional circumstances occasioned by Covid, all Director terms of office were extended by a year; an extension that was endorsed by all ACRE members.

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

Management

The staffing structure at ACRE has focused on retaining capacity to support the operational and leadership requirements of the organisation; a flatter more empowering management structure remains in place as is appropriate for a small

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staff team. The Executive Director retains responsibility for operational decisions and for delivering the organisation's strategic objectives. There are currently no plans to expand the team appreciably in the foreseeable future.

Risk management

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

The COVID-19 pandemic struck at the close of the previous financial year; the impact of which has been a matter of constant review by trustees throughout the year. In particular trustees considered the possible effect that the pandemic might have on ACRE's financial position whilst also recognising the organisation's need to maintain existing capacity in order to continue its charitable work which was needed more than ever. As a national charity providing support to its 38 county members who, in turn, provide ongoing and intense support to rural communities it has not been possible to furlough staff as demand for support, information and advice has risen exponentially since the start of the pandemic. Trustees recognise that there has been some negative financial impact on the organisation during the year. However the confirmed ongoing grant funding from Defra and other funders, including the National Lottery Community Fund, combined with the current healthy level of unrestricted reserves provides a reasonable level of confidence and reassurance that the current financial challenges will have a limited and manageable impact on the organisation's 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 member Rural Community Councils. In addition, ACRE works with members on joint initiatives. During 2020-21 a total of £1,633,000 was committed to members through the Defra/ACRE Investment Programme.

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

Remuneration Policy

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

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

Grant-making policy

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

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

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 2021

Action with Communities in Cumbria	Connecting Communities in Berkshire
Action with Communities in Rural Kent	Cornwall Rural Community Charity
Action Hampshire	Devon Communities Together
Action in rural Sussex	Dorset Community Action
Bedfordshire Rural Communities Charity	Durham Community Action
Cambridgeshire ACRE	GRCC Community Action in Gloucestershire
Cheshire Community Action	Humber & Wolds Rural Action
Community Action Isle of Wight	Northamptonshire ACRE
Community Action Norfolk	Rural Community Action Nottinghamshire
Community Action Northumberland	Rural Action Derbyshire
Community Action Suffolk	Rural Community Council of Essex
Community Council for Somerset	Rural Community Council (Leicestershire & Rutland)
Community Development Action Hertfordshire	Shropshire Rural Community Council
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)

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Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the directors are aware:

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

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

The Directors

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

Ivan Annibal	Elected November 2017	
Louise Beaton	Elected November 2017	
Charles Coates	Elected November 2017	
Elaine Cook	Elected November 2018	
Nigel Curry	Elected November 2018	
Sue Dovey	Elected November 2018	
Dominic Driver	Elected November 2016	(Vice Chair)
David Emerson CBE	Elected November 2014	(Chair)

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Doff Pollard	Elected November 2015	
Mark Shucksmith OBE	Elected November 2014	
Janet Thornton	Appointed November 2018	(Vice Chair)
Jim Webster	Appointed November 2018	

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2021 was 38 (2020 - 38). The Directors have no beneficial interest in the charitable company.

Auditors

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

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

Approved by the Directors on 8th July 2021 and signed on their behalf by

David Emerson

David Emerson – Chair

Independent auditors' 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 2021 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 2021 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.

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.

Independent auditors' report

To the members of

Action with Communities in Rural England

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:

- (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.

Independent auditors' report

To the members of

Action with Communities in Rural England

(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.

Alison Godfrey

Date: 12 July 2021

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 2021

		Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	2,800	-	2,800	38,840	-	38,840
Charitable activities							
Charitable activities	3	323,926	1,792,182	2,116,108	413,334	4,491,727	4,905,061
Services and sales	3	617	-	617	2,996	-	2,996
Investments	4	111	-	111	517	-	517
Total income		327,454	1,792,182	2,119,636	455,687	4,491,727	4,947,414
Expenditure on:							
Raising funds	5	16,237	-	16,237	8,836	-	8,836
Charitable activities							
Charitable activities	5	299,933	3,017,953	3,317,886	424,818	2,076,837	2,501,655
Services and sales	5	1,652	-	1,652	1,647	-	1,647
Total expenditure		317,822	3,017,953	3,335,775	435,301	2,076,837	2,512,138
Net income / (expenditure) for the year	7	9,632	(1,225,771)	(1,216,139)	20,386	2,414,890	2,435,276
Transfers between funds		(28,006)	28,006	-	-	-	-
Net movement in funds		(18,374)	(1,197,765)	(1,216,139)	20,386	2,414,890	2,435,276
Reconciliation of funds:							
Total funds brought forward		452,032	2,439,714	2,891,746	431,646	24,824	456,470
Total funds carried forward		433,658	1,241,949	1,675,607	452,032	2,439,714	2,891,746

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 2021

Company no. 3336101

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	12		1,398		1,866
Mixed motive investments	13		3,000		-
			<u>4,398</u>		<u>1,866</u>
Current assets:					
Debtors	14	264,703		320,453	
Cash at bank and in hand		577,790		578,054	
Account for village hall improvement grant scheme		1,216,492		2,461,242	
Account for rural community buildings loan fund		466,072		408,276	
		<u>2,525,057</u>		<u>3,768,025</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(853,848)		(878,145)	
Net current assets			1,671,209		2,889,880
Total net assets	17		<u>1,675,607</u>		<u>2,891,746</u>
The funds of the charity:					
Restricted income funds	18		1,241,949		2,439,714
Unrestricted income funds:					
Designated funds		57,000		119,063	
General funds		376,658		332,969	
		<u></u>	433,658	<u></u>	452,032
Total charity funds			<u>1,675,607</u>		<u>2,891,746</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 8 July 2021 and signed on their behalf by

David Emerson

David Emerson
Chair

Action with Communities in Rural England

Statement of cash flows

For the year ended 31 March 2021

	Note	2021	2020
		£	£
Cash flows from operating activities	20		
Net cash provided by / (used in) operating activities		(1,241,430)	2,548,094
Cash flows from investing activities:			
Dividends, interest and rents from investments		111	517
Purchase of fixed assets		(695)	-
Purchase of investments		(3,000)	-
Net cash provided by / (used in) investing activities		(3,584)	517
Change in cash and cash equivalents in the year		(1,245,014)	2,548,611
Cash and cash equivalents at the beginning of the year		3,039,296	490,685
Cash and cash equivalents at the end of the year	21	1,794,282	3,039,296

1 Accounting policies

a) Statutory information

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

b) Basis of preparation

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

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

c) Public benefit entity

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

d) Going concern

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. The trustees have considered the impact of the COVID-19 pandemic and do not consider that it will cause a material uncertainty related to going concern. The charity has confirmed funding until 31 March 2022 and holds sufficient reserves to continue beyond the next 12 months.

e) Income

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

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

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

f) Donations of gifts, services and facilities

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

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

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

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

	2021	2020
● Cost of raising funds	3%	1%
● Charitable activities	96%	98%
● Services and sales	1%	1%

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

k) Operating leases

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

1 Accounting policies (continued)

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

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

- Fixtures and fittings 3 years straight line basis

m) Mixed motive investments

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

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors and provisions

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

q) Financial instruments

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

r) Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies (continued)

s) 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.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Gifts Allied Westminster	-	-	-	12,500
Gifts The Mrs F B Lawrence Charitable Trust	-	-	-	2,000
Gifts less than £1,500	2,800	-	2,800	24,340
	<u>2,800</u>	<u>-</u>	<u>2,800</u>	<u>38,840</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 2021

3a Income from charitable activities

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

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

3b Income from charitable activities (prior year)

	Unrestricted £	Restricted £	2020 Total £
Charitable Activities			
Defra support to rural communities	79,000	1,633,000	1,712,000
NCVO Safeguarding phase one	5,300	-	5,300
Rural communities buildings loan fund	20,000	-	20,000
National Touring Rural Arts	100	-	100
Utility Aid	2,000	-	2,000
Allied Westminster	43,993	-	43,993
Scheme to assist Village Halls with improvement work	9,838	-	9,838
Conferences	24,266	-	24,266
Hallmaster	-	300	300
Power 2 Change	-	13,435	13,435
Plunkett Frontline Advisory Group	833	-	833
Big Lottery Safeguarding grant	-	14,484	14,484
Village Hall Improvement Grant (DEFRA)	90,845	2,823,535	2,914,380
Interest from VHIG account	-	973	973
Rural Coalition	-	6,000	6,000
European Rural Parliament Membership	4,159	-	4,159
	133,000	-	133,000
Sub-total for charitable activities	413,334	4,491,727	4,905,061
Sales; publications	1,020	-	1,020
Staff fees (<i>Yorks media</i>)	1,976	-	1,976
Total income from charitable activities	416,330	4,491,727	4,908,057

4 Income from investments

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Interest received	111	-	111	517
	111	-	111	517

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 2021

5 Analysis of expenditure (current year)

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

Of the total expenditure, £317,822 was unrestricted (2020: £435,301) and £3,017,953 was restricted (2020: £2,076,837).

5 Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities				Support costs £	2020 Total £
		Charitable activities £	Services and sales £	Governance costs £			
Staff costs (Note 8)	5,143	146,434	956	18,623	37,913	209,069	
Direct costs	419	214,655	256	19,530	8,169	243,029	
Defra Grant to ACRE Network	-	1,633,000	-	-	-	1,633,000	
Hallmaster commissions	-	300	-	-	-	300	
Village Hall Improvement Grants	-	392,228	-	-	-	392,228	
Rural Coalition expenditure	-	3,685	-	-	-	3,685	
Overheads	815	27,923	4	469	1,616	30,827	
	6,377	2,418,225	1,216	38,622	47,698	2,512,138	
Support costs	1,173	42,060	215	4,250	(47,698)	-	
Governance costs	1,286	41,369	216	(42,872)	-	-	
Total expenditure 2020	8,836	2,501,655	1,647	-	-	2,512,138	

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

6 Grant making to institutions

	2021 £	2020 £
Cost		
Allocation of Defra Grant	1,633,000	1,633,000
Village Hall Improvement Grants	1,180,917	392,228
Power to Change Village Hall Survey	-	22,800
At the end of the year	<u>2,813,917</u>	<u>2,048,028</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):

	2021 £	2020 £
Depreciation	1,163	1,066
Operating lease rentals:		
Property	23,520	19,600
Other	1,160	1,156
Auditors' remuneration (excluding VAT):		
Audit	4,550	4,400

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	118,704	103,000
Social security costs	12,122	10,646
Employer's contribution to defined contribution pension schemes	8,903	7,725
Other staff costs	87,627	87,698
	<u>227,355</u>	<u>209,069</u>

No employee earned more than £60,000 during the year (2020: 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 and finance personnel costs totalled £86,887 (2020: £79,738)

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). Louise Beaton, a charity trustee, received £22,208 for consultancy services and related travel costs were reimbursed (2020 £3,935).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £673 (2020: £7,076) incurred by 12 (2020: 12) members relating to attendance at meetings of the trustees.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

9 Staff numbers

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

	2021 No.	2020 No.
Raising funds	0.1	0.1
Charitable activities	3.7	2.8
Governance	0.1	0.1
	3.9	3.0

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:

	2021 £	2020 £
Action Hampshire	44,675	44,675
Action in rural Sussex	47,395	47,395
Action with Communities in Cumbria	49,265	49,265
Action with Communities in Rural Kent	49,530	49,530
Bedfordshire Rural Communities Charity	35,840	35,840
Cambridgeshire ACRE	44,180	44,180
Cheshire Community Action	39,500	39,500
Connecting Communities in Berkshire	34,840	34,840
Community Action Isle of Wight	33,840	33,840
Community Action Norfolk	50,995	50,995
Community Action Northumberland	42,405	42,405
Community Action Suffolk	45,310	45,310
Community Council for Somerset	44,060	44,060
Community Development Action Hertfordshire	38,065	38,065
Community First in Herefordshire and Worcestershire	43,930	43,930
Community First Oxfordshire	39,640	39,640
Community First, Wiltshire	41,095	41,095
Community First Yorkshire	69,720	69,720
Community Futures, Lancashire	44,240	44,240
Community Impact Bucks	39,000	39,000
Community Lincs part of Lincolnshire YMCA Ltd	49,030	49,030
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
Shropshire Rural Community Council	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
	1,633,000	1,633,000

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

Big Lottery Safeguarding	2021 £	2020 £
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	1,500	-
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	1,500	-
Community First Yorkshire	1,000	-
Community Futures, Lancashire	1,000	-
Community Impact Bucks	1,000	-
Community Lincs part of Lincolnshire YMCA Ltd	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	1,500	-
Rural Action Derbyshire	1,000	-
Rural Community Action Nottinghamshire	1,500	-
Rural Community Council (Leicestershire & Rutland)	1,500	-
Rural Community Council of Essex	1,000	-
Shropshire Rural Community Council	1,000	-
Support Staffordshire	1,500	-
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	-
	<u>41,000</u>	<u>-</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

National Village Hall Survey grants to network members	2021 £	2020 £
Action Hampshire	-	600
Action in rural Sussex	-	600
Action with Communities in Cumbria	-	600
Action with Communities in Rural Kent	-	600
Bedfordshire Rural Communities Charity	-	600
Cambridgeshire ACRE	-	600
Cheshire Community Action	-	600
Connecting Communities in Berkshire	-	600
Community Action Isle of Wight	-	600
Community Action Norfolk	-	600
Community Action Northumberland	-	600
Community Action Suffolk	-	600
Community Council for Somerset	-	600
Community Development Action Hertfordshire	-	600
Community First in Herefordshire and Worcestershire	-	600
Community First Oxfordshire	-	600
Community First, Wiltshire	-	600
Community First Yorkshire	-	600
Community Futures, Lancashire	-	600
Community Impact Bucks	-	600
Community Lincs part of Lincolnshire YMCA Ltd	-	600
Cornwall Rural Community Charity	-	600
Devon Communities Together	-	600
Dorset Community Action	-	600
Durham Community Action	-	600
GRCC Community Action in Gloucestershire	-	600
Humber & Wolds Rural Action	-	600
Northamptonshire ACRE	-	600
Rural Action Derbyshire	-	600
Rural Community Action Nottinghamshire	-	600
Rural Community Council (Leicestershire & Rutland)	-	600
Rural Community Council of Essex	-	600
Shropshire Rural Community Council	-	600
Support Staffordshire	-	600
Surrey Community Action	-	600
Tees Valley Rural Action	-	600
WRCC (Warwickshire Rural Community Council)	-	600
West of England Rural Network	-	600
	-	22,800

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

Village Hall Improvement grants paid to external organisations	2021 £	2020 £
2nd Brewood Scout Group	–	13,196
Admaston House CC	–	38,354
Aighton Bailey & Chaigley War Memorial Hall	–	14,960
Bollington Community Centre	–	17,189
Brewham Village Hall	–	10,542
Blewbury Hall	–	23,502
Cliviger Village Hall	–	12,489
East Rushton Village Hall	–	13,232
Folksworth Village Hall	–	33,177
Holton-Le-Clay Mlt-Prps	–	12,872
Huntsworth Village Hall	5,450	5,460
Kirby-in-Furness Village Hall	–	25,000
Lowsonford & District VH	–	10,585
Marston St Lawrence Village Hall	(969)	20,837
Middleton & Todrige Village Hall	–	14,050
Taynton & Tibberton Village Hall	–	11,238
Trent Memorial Hall	–	20,546
Westleton Village Hall	–	75,000
Wren Village Hall	–	20,000
Arlingham Victory Hall	51,123	–
Ashwell Village Hall	46,000	–
Barsham & Shipmeadow Village Hall	10,275	–
Barton Bendish Village Hall	46,681	–
Beckbury Village Hall	23,222	–
Bishops Wood Village Hall	10,000	–
Blindcrake Village Hall	17,500	–
Borrowdale Institute	50,835	–
Braishfield Village Hall	10,000	–
Bramhope (Robert Craven Memorial Hall)	16,101	–
Broadwas Village Hall	15,000	–
Brockley Village Hall	15,000	–
Burwash Village Hall	10,000	–
Clara Vale Village Hall Association	10,063	–
Clifford Village Hall	32,094	–
Combe Community Hub	20,847	–
Copsale Village Hall	38,189	–
Crookham Village Hall	21,000	–
Dipton Jubilee Centre	27,462	–
Easterton Village Hall	10,769	–
Eastleach Village Hall	11,498	–
Edstaton Village Hall	15,719	–
Ellerdine Village Hall	13,427	–
Felmington Village Hall	12,622	–
Frosterley Village Hall	13,006	–
Granborough Village Hall	12,322	–
Great Brickhall Village Hall	35,000	–
Grindon Parish Hall	24,488	–
Hanworth Memorial Hall	18,582	–
Henfield Village Hall	10,000	–
Hepple Village Hall	13,420	–
Hewish & Puxton Village Hall Ltd	16,300	–
Hunsonby Community Centre	47,745	–
Keekle Village Hall	10,666	–
Kingsley Community Association	15,000	–
Kirkby-in-Furness Village Hall	9,776	–
Lamorna Village Hall	11,176	–
Linton Village Hall	10,000	–
Marnhull Village Hall	21,838	–
Menheniot Old School Trust	10,963	–
Murcott & Fencott Village Hall	10,245	–
Netherwitton Village Hall	13,258	–

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

Village Hall Improvement grants paid to external organisations (continued)

Oakhanger Village Hall	27,000	–
Owermoigne Village Hall	10,687	–
Pannal Memorial Hall	75,000	–
Port Isaac Village Hall	13,746	–
Ridgewell Village Hall	75,000	–
The Erskine Centre	12,321	–
The Hive Community Centre	10,356	–
The Old Chapel	20,016	–
Three Parishes Hall	20,000	–
Thursley Village Hall	14,858	–
Willington Peace Memorial Hall	10,000	–
Wolverley Memorial Hall	14,049	–
Woolacombe Village Hall	34,190	–
	1,180,917	392,228

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

11 Taxation

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

12 Tangible fixed assets

	Computer equipment £	Total £
Cost or valuation		
At the start of the year	5,441	5,441
Additions in year	695	695
At the end of the year	6,136	6,136
Depreciation		
At the start of the year	3,575	3,575
Charge for the year	1,163	1,163
At the end of the year	4,738	4,738
Net book value		
At the end of the year	1,398	1,398
At the start of the year	1,866	1,866

All of the above assets are used for charitable purposes.

13 Mixed motive investments

	2021 £	2020 £
Investment in Cirican LLP	3,000	–

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.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

14 Debtors	2021 £	2020 £
Loans to rural community buildings under loan scheme (Note 14a)	233,928	291,724
Other debtors	24,100	18,584
Prepayments	6,675	10,146
	<u>264,703</u>	<u>320,454</u>
Amounts due after more than one year included in:		
Loans to rural community buildings under loan scheme	<u>174,687</u>	<u>213,169</u>
15 Creditors: amounts falling due within one year	2021 £	2020 £
Rural community buildings loan fund (Note 15a)	700,000	700,000
Trade creditors	27,133	13,217
Taxation and social security	21,803	19,408
Other creditors	11,718	24,605
Village Hall Improvement Grant drawdown confirmed	-	28,962
Deferred income (note 16)	93,194	91,953
	<u>853,848</u>	<u>878,145</u>
15a Rural community buildings loan fund		
Rural community building loan fund administered by ACRE on behalf of Defra:	2021 £	2020 £
Funds advanced by Defra at 1 April 2020	<u>700,000</u>	<u>700,000</u>
Loans to rural community buildings:		
Outstanding at 1 April 2020	291,724	477,117
Made during year	31,000	61,940
Repayments during year	<u>(88,796)</u>	<u>(247,333)</u>
Outstanding loans at March 2021 (note 14)	<u>233,928</u>	<u>291,724</u>
Bank deposit on hand at 31 March 2021	<u>466,072</u>	<u>408,276</u>
16 Deferred income		
Deferred income comprises:	2021 £	2020 £
Balance at the beginning of the year	91,953	10,838
Amount released to income in the year	(48,926)	(10,838)
Amount deferred in the year	<u>50,167</u>	<u>91,953</u>
Balance at the end of the year	<u>93,194</u>	<u>91,953</u>
Income deferred to 2021-22		
Village Hall Advisors training event November 2021	6,000	6,000
Tradestands income received for Village Hall Advisors training event November 2021	500	333
Village Hall Improvement grant management to Dec 2021	36,694	85,620
Big Lottery Digital	50,000	-
	<u>93,194</u>	<u>91,953</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	1,398	-	-	1,398
Mixed motive investments	3,000	-	-	3,000
Net current assets	372,260	57,000	1,241,949	1,671,209
Net assets at 31 March 2021	376,658	57,000	1,241,949	1,675,607

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	1,866	-	-	1,866
Net current assets	331,103	119,063	2,439,714	2,889,880
Net assets at 31 March 2020	332,969	119,063	2,439,714	2,891,746

18a Movements in funds (current year)

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

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

18b Movements in funds (prior year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
Nationwide Foundation	5,611	-	(5,611)	-	-
LACE UP (Sport England)	10,167	-	(2,581)	-	7,586
Big Lottery Safeguarding grant	-	14,484	(3,233)	-	11,251
Defra rural communities	122	1,633,000	(1,633,000)	-	122
Hallmaster	-	300	(300)	-	-
National Parks Residents Association	2,787	-	-	-	2,787
Village Hall Improvement Grants	-	2,824,508	(392,228)	-	2,432,280
Power to Change Village Hall Survey	-	13,435	(36,199)	-	(22,764)
National Village Halls transfer	471	-	-	-	471
Rural Coalition	5,666	6,000	(3,685)	-	7,981
Total restricted funds	24,824	4,491,727	(2,076,837)	-	2,439,714
Unrestricted funds:					
Designated funds:					
ACRE Network Development Fund	15,735	24,320	(2,387)	(15,605)	22,063
Policy and Advocacy	-	30,000	(45,605)	15,605	-
ACRE Network Service Review Delivery	-	50,000	-	-	50,000
Supporting ACRE Network members	-	20,000	-	-	20,000
LLP Consultancy (Cirican)	-	30,000	(3,000)	-	27,000
Total designated funds	15,735	154,320	(50,992)	-	119,063
General funds	415,911	301,367	(384,309)	-	332,969
Total unrestricted funds	431,646	455,687	(435,301)	-	452,032
Total funds	456,470	4,947,414	(2,512,138)	-	2,891,746

Movements in funds (narrative)

Purposes of restricted funds

Carnegie

This grant has been provided to support the Centenary of the Rural Community Council Movement via events and two publications. The funding will be fully utilised during 2021–22.

LACE UP (Sport England)

This project has been completed and it is intended that the remnants of the management fee will be utilised in providing ongoing support and promotion of physical activity in village halls as the sector reopens post covid.

Defra rural communities support

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

Defra Village Hall survey

This time limited project involves surveying village and community halls to ascertain the impact of Covid on their sustainability and their future support needs.

National Parks Residents Association (ANPAC)

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

Hallmaster

Hallmaster Limited (software provider for booking halls) pay £10 to ACRE for every sale given to a village hall or similar rural community building as recommended by the Network member. This is paid annually to ACRE and distributed to the relevant Network members annually.

National Village Halls Transfer

The National Village Halls Forum closed and a decision was taken to pay funds remaining in the bank account to ACRE for hosting and support work undertaken by the new Village and Community Halls Network. It is intended that this resource will be utilised during 2021–22.

Rural Coalition

ACRE undertakes the secretariat for the Rural Coalition. The funds from the membership were distributed as agreed by members during 2020–21 and the remainder carried forward for activity planned in 21–22.

Big Lottery Safeguarding grant

The National Lottery Community Fund is providing funds for a project that will improve awareness of safeguarding. ACRE will use the 38 ACRE members' contacts and reach into rural communities to signpost and share resources.

Village Hall Improvement Grants

The Village Hall Improvement Grant Fund provides grants of between £10,000 and £75,000 for refurbishment, renovation and extension of village halls and similar rural community buildings. A total of £2,785,502 has been offered to 123 Village halls as at 31 March 2021, with approximately £926,000 of the offers not yet drawn down. This year project has been extended, due to COVID–19, and should be concluded during 2021–22.

Power to Change Village Hall Survey

Power to Change funded 50% of the costs of carrying out the 2020 National Survey of Village & Community Halls.

Big Lottery COVID–19

ACRE received Emergency Covid–19 funding to underpin and safeguard its work for a six month period to support rural communities and the ACRE Network during the pandemic. The grant enabled ACRE to respond to the increase demand for its services in respect of Government liaison over COVID–19; provide additional advice and support to ACRE members; ramp up the direct information and advice to rural communities, especially in relation to the closure and re–opening of community owned buildings and the attendant frequent regulatory changes; input into national guidance in respect of community owned and managed assets and engage in joint working with other national partners.

Purpose of designated funds

ACRE Network Development Fund

The ACRE Network Development Fund was established by the Board to support the delivery of ACRE Network Development Plan. This fund was fully utilised during 2020–21.

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. These designated funds were released in February 2021 as the board concluded that the designation was no longer required.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2021

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.

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Defra village hall improvement grant	-	-	-	2,914,380
Defra support to rural communities	79,000	1,633,000	1,712,000	1,712,000
European Rural Parliament	-	-	-	4,159
Total	79,000	1,633,000	1,712,000	4,630,539

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

	2021 £	2020 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(1,216,136)	2,435,276
Depreciation charges	1,163	1,066
Dividends, interest and rent from investments	(111)	(517)
(Increase)/decrease in debtors	55,747	184,491
(Increase)/decrease in loan fund cash	(57,796)	(185,393)
Increase/(decrease) in creditors	(24,297)	113,171
Net cash provided by / (used in) operating activities	(1,241,430)	2,548,094

21 Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	578,054	(264)	577,790
Account for village hall improvement grant scheme	2,461,242	(1,244,750)	1,216,492
Total	3,039,296	(1,245,014)	1,794,282

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 2021 £	2020 £	Equipment 2021 £	2020 £
Less than one year	3,940	19,600	1,156	1,156
One to five years	-	-	-	1,156
	3,940	19,600	1,156	2,312

23 Legal status of the charity

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

24 Related Party Transactions

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

25 Contingent liability

The charity has offered a number of grants to village halls at 31 March 2021 which have not yet been drawn down. These grants are considered probable but have not been recognised in the accounts as it has not been possible to accurately measure their value as these are dependant on the level of funds raised by the village halls at draw down. However, the total value of grants offered but not yet drawn down is estimated be approximately £926,000.