

Company number: 3336101  
Charity number: 1061568

**Action with Communities in Rural England**  
**Report and Financial Statements**  
**31 March 2020**

## Action with Communities in Rural England

### Reference and administrative details

#### For the year ended 31 March 2020

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<b>Status</b>	The organisation is a charitable company limited by guarantee, incorporated on 19 March 1997 and registered as a charity on 26 March 1997.	
<b>Governing document</b>	The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.	
<b>Company number</b>	3336101	
<b>Charity number</b>	1061568	
<b>Registered office and operational address</b>	Corinium Suite, Unit 9 Cirencester Office Park Tetbury Road, Cirencester Gloucestershire GL7 6JJ	
<b>Honorary officers</b>	David Emerson CBE Janet Thornton	Chair Vice Chair
<b>Executive Director</b>	Richard Quallington	
<b>Company Secretary</b>	Richard Quallington	
<b>Bankers</b>	Lloyds plc 14 Castle Street Cirencester Gloucestershire GL 7 1QJ	
<b>Solicitors</b>	Stone King LLP 13 Queen Square Bath BA1 2HJ	
<b>Auditors</b>	Godfrey Wilson Limited Chartered accountants and statutory auditors 5 <sup>th</sup> 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 2020

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The directors present their report and the audited financial statements for the year ended 31 March 2020.

#### 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. This year saw the delivery of the 3<sup>rd</sup> year of the agreed three year business plan which reflects the priorities, outcomes and ambitions for ACRE based upon feedback from stakeholders and an in depth analysis of need and the organisation's wider operating environment. The business plan and the associated annual delivery plans were to be reviewed at the end of the financial year but, in light of the COVID-19 pandemic, trustees decided to roll the business plan forward for a further twelve month period and to postpone the planned evaluation and the member and stakeholder engagement exercise to later in the new financial year.

#### 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 39<sup>th</sup> 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.

## Action with Communities in Rural England

### Report of the directors

#### For the year ended 31 March 2020

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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 rural disadvantage in rural communities throughout England through its activities and achievements a sample of which are set out below.

#### Achievements and performance

During 2019-20, 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 anticipated 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 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.

ACRE provided evidence to Defra on the projects ACRE members deliver to address loneliness; this was referenced in the Government's annual loneliness report in January 2020.

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 2019/2020 45 loans were live during the year, 4 new loans were awarded to a value of £61,940. The total value of the loans outstanding at the end of the year was £291,724.

## Action with Communities in Rural England

### Report of the directors

#### For the year ended 31 March 2020

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4. ACRE's **Village Hall Information and Advice Service** provided support for ACRE members during the year. The support service is predominately delivered through an electronic platform. ACRE's agreement with Bates Wells, Solicitors, continues to provide a competitive service for village hall committees. The annual residential training event for Village Hall Advisors took place in Solihull which attracted 39 delegates from the ACRE Network and was principally supported by Allied Westminster (Insurance Brokers) Limited.
5. ACRE was successful with its submission to HM Treasury to secure a £3m grant fund for village halls to improve facilities for local communities. The launch of the **Village Hall Improvement Grant Fund** was held in Nottinghamshire. During the year 69 grants have been awarded totalling £1,642,776. Two further panel meetings will distribute the balance of the funding during 2020/21.
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. ACRE also signed up to the call for a Rural Strategy and collaborated with the Rural Services Network and the Rural Coalition in putting proposals to the Chief Secretary to the Treasury over rural priorities for a **Comprehensive Spending Review** that was, at the time, anticipated in the Autumn of 2019. During 2020 we worked with the Rural Services Network to promote a national Rural Strategy through a series of regional 'Roadshows'.
7. ACRE has been active in pressing the case for **rural development** to Parliamentary Select Committees. We gave both verbal and written evidence to the Environment, Food and Rural Affairs Committee on digital connectivity and the achievement of the Government's targets for 'net-zero' in rural areas. We submitted written evidence to the Treasury Select Committee on regional and rural devolution, making the case that any devolution to regions must be ambitious over engaging rural areas in both governance and development.
8. One of the highest priority policy areas for the ACRE Network has been local **health and social care**. ACRE has sought to make common cause with the Rural Services Network and the National Centre for Rural Health in this area. Prior to the coronavirus outbreak at the end of the year we gave evidence to the All Party Parliamentary Group inquiry on rural health and care, worked with the Department of Health and Social Care on the delivery of a week-long 'policy school' for officials on rural delivery issues and gave evidence to the Health and Social Care Committee over 'rural-proofing' of the NHS ten year plan. In March 2020 we worked with other rural organisations to ensure that the Government's response to the Coronavirus outbreak was aware of the different opportunities for tackling the crisis in rural communities.
9. During 2019/20 we have been able to develop strong **ACRE Network policies** toward achieving carbon net-zero within rural communities, respond to a major consultation on flooding and coastal erosion by the Environment Agency and work with the Royal Society of the Arts and the Kerlake Commission on substantial policy reviews affecting rural areas. We have also supported bids to the Rural Connected Communities fund and to start the development of our own policies over young people and transport provision in rural areas.
10. In the run up to the **General Election** we worked with rural community networks in Scotland, Wales and Northern Ireland to propose positive rural policies that address the needs of our end beneficiaries, to parties standing in the General Election in all four nations of the UK. Our aim was to raise the rural voice in a consistent way in order to overcome any mismatch between UK-wide and devolved policies affecting rural areas across the whole of the nation.

## Action with Communities in Rural England

### Report of the directors

#### For the year ended 31 March 2020

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11. ACRE continued to provide the secretariat for **the Rural Coalition**, a small group of significant England-wide rural stakeholders, representing private, voluntary and public sector interests. The Coalition's collective aim is to support the delivery of a positive vision for rural communities and consequently influence and bring about action from government departments and parliamentary circles that support rural communities.
12. Over the last year ACRE has continued to improve the delivery of **rural affordable housing** through Jo Lavis, a rural affordable housing specialist, who has provided baseline technical support to ACRE members on rural affordable housing and planning. During the year four briefings for the ACRE Network on new policy developments have been produced and, by drawing on the experience of Rural Housing Enablers and the ACRE team, three responses to government consultations have been submitted. ACRE's higher profile in rural housing led to a further ministerial meeting to explore how Government could respond to the housing recommendations in the House of Lords Select Committee Inquiry into the Rural Economy. Positive relationships with key officials in Defra, MHCLG and Homes England have resulted in further rural proofing of relevant policy. ACRE has been an active member of the Rural Housing Network and has built housing related alliances with other key stakeholders, including the Rural Housing Alliance, CLA and CPRE, Locality and the National Community Land Trust Network. ACRE continued to support the Rural Housing Enabler Network by running two training events, responding to individual enquires, providing a forum for exchange of practice and attending two county rural housing partnership meetings; all of which has informed and contributed to our policy work.
13. ACRE continued to strengthen its links with rural organisations based elsewhere in Europe and led the **European Rural Parliament (ERP) project**. The UK and Ireland Network project, 'Maintaining Links with Europe' was part of ROAD (Rural Opinions Advocacy and Development). The work culminated in a gathering in Asturias, Northern Spain in November 2019. The project reached out to circa 250 rural people and a follow up survey resulted in an additional 170 responses.
14. ACRE continued to be an active participant on the **Arts Council Stakeholder Group** and the **Flood and Coastal Erosion Risk Management Stakeholder Group** as well as being part of the **Plunkett Foundation's** frontline advisory group.
15. ACRE has worked to **raise awareness of the issues faced by rural communities and the positive on-the-ground impacts achieved by ACRE members** via increasing digital platforms and more involvement with the local and national press. During the year ACRE produced blogs and news items and increased content via films, vlogs and photographs. As a result of engaging content, both the ACRE Twitter and Facebook accounts have grown in "followers" during the year. In January 2020, The ACRE Network ran the third **#VillageHallsWeek**, social media campaign which proved extremely successful in achieving its aim of promoting the role of community buildings and village halls in the wellbeing of rural communities. The campaign was heavily supported by ACRE members and included a launch event at the House of Commons hosted by Lord Gardiner of Kimble. It was sponsored by Utility Aid. Attendees included MPs, village hall management committee representatives, ACRE Network members and ACRE's village hall supporter, Allied Westminster.
16. This year's **autumn conference** addressed the theme of Climate Change and in addition to celebrating the work of the ACRE Network in supporting rural communities in relation to this theme also focused on profiling examples of best practice and case studies from across rural England. The event proved to be very successful and provided an excellent opportunity to showcase the impact of ACRE and its members' work on rural communities to a range of national stakeholders and government representatives.

## Action with Communities in Rural England

### Report of the directors

#### For the year ended 31 March 2020

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17. ACRE continued to support its 38 members with **guidance and advice on policy issues** and provided the secretariat for the ACRE Network Development Group, established to oversee collective change and development within the ACRE Network. Following the previous commitment to a new concordat reaffirming the collective purpose and values of the 39 constituent members and the adoption of the ACRE Network Development Plan this year has involved further consolidation and some new developments towards the goal of transformational change to aid Network sustainability.
18. This year ACRE has continued with the additional capacity and focus on **Advocacy and Influencing work** including the greater use of 'Basecamp' digital forums to increase the engagement of members in framing policy and consultation responses. In addition ACRE has supported and underpinned the formation of 'Cirican' the **ACRE Network Consultancy** vehicle, established to capitalise on members' extensive experience and understanding of rural issues, and to earn income in order to advance our charitable aim of supporting rural communities.

As the previous overview sets out, 2019/20 has been a year of both opportunities and some notable successes for ACRE. Working with the challenges of limited staff capacity and a growing portfolio of activities and expectations has tested and also confirmed the resilience, creativity and flexibility of the highly motivated staff team and specialist associates, who have worked hard and, despite these challenges, achieved this extensive range of laudable outcomes. However ACRE has continued to feel the impact of the financial constraints imposed within central Government and which 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 gain in resources of £2,435,275 (31 March 2019 a net gain of £18,428). The closing fund balances at the 31 March 2020 were £2,891,745.

The statement of financial activities (SOFA) shows that the total incoming resources for the year were £4,947,414 compared with £2,368,644 for the previous year. This substantial increase of incoming resources on the previous year is accounted for by the receipt of the Village Hall Improvement Grant during the year; a restricted fund for onward grant payments to village halls during the financial year 2020/21.

## Action with Communities in Rural England

### Report of the directors

#### For the year ended 31 March 2020

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During the year ACRE received £4,491,727 restricted income and £455,687 unrestricted income. A list of the restricted funds is included in note 17a. 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, now an expectation of the Defra funding agreement. 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 2020, the total reserves were:	£2,891,745
Restricted funds:	£2,439,713
Designated funds:	£119,063
General funds:	£332,969

#### Principal funding sources

The majority of ACRE's funding for 2019-20 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 2020-21

During 2020, ACRE will continue to assess the impact that government policy, in the light of coronavirus and following the UK's exit from the European Union, 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 undertake an evaluation and review of its business plan through consultation with members and stakeholders and will bring forward a new plan to take the organisations forward beyond April 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.



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

### **Report of the directors**

#### **For the year ended 31 March 2020**

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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 2019/2020.

##### **Rural Communities Buildings Loan Fund**

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

##### **Rural Coalition**

ACRE undertakes the secretariat for the Rural Coalition. The funds from the Rural Coalition membership were distributed as agreed by members during 2019/20 and the remnants carried forward to activity planned for 2020/21.

##### **Village Hall Improvement Grant**

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

## **Structure, governance and management**

### **Organisational structure**

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

### **Governance**

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

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

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

### **Management**

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

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

### **Report of the directors**

#### **For the year ended 31 March 2020**

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##### **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 was considered carefully by the ACRE board during the year and mitigating actions including; identifying and exploring alternative sources of funding and developing new partnership arrangements with key stakeholders; the establishment of Cirican (the ACRE Network's consultancy arm) have been investigated and 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 during the year.

Towards the end of the financial year the COVID-19 pandemic struck and trustees considered the possible impact that Covid-19 might have on ACRE's financial position whilst also recognising the organisation's need to continue its charitable work which is 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 acknowledged that there is likely to be some negative financial impact in the short to medium term. However the confirmed ongoing grant funding from Defra and other funders, alongside measures underway to source additional funding, combined with the current healthy level of unrestricted reserves provides a reasonable level of confidence and reassurance that the current crisis 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 2019-2020 a total of £1,663,000 was committed to members through the Defra/ACRE Investment Programme.

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

##### **Remuneration Policy**

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

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

## Action with Communities in Rural England

### Report of the directors

#### For the year ended 31 March 2020

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#### 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 2020

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)

#### 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;

## Action with Communities in Rural England

### Report of the directors

#### For the year ended 31 March 2020

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- 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
David Emerson CBE	Chair – Elected November 2014
Doff Pollard	Elected November 2015
Mark Shucksmith OBE	Elected November 2014
Janet Thornton	Vice Chair - Appointed November 2019
Jim Webster	Appointed November 2018

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2020 was 38 (2019 - 38). The Directors have no beneficial interest in the charitable company.

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**Report of the directors**

**For the year ended 31 March 2020**

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**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 14 July 2020 and signed on their behalf by

A handwritten signature in black ink, appearing to be 'D. Emerson', written in a cursive style.

David Emerson – Chair

## Independent auditors' report

To the members of

### Action with Communities in Rural England

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#### Opinion

We have audited the financial statements of Action with Communities in Rural England (the 'charity') for the year ended 31 March 2020 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 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### 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

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#### 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.

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](http://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.



Date: 10 SEPTEMBER 2020

**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 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
<b>Income from:</b>							
Donations and legacies	2	38,840	-	<b>38,840</b>	12,549	-	12,549
Charitable activities							
Charitable activities	3	413,334	4,491,727	<b>4,905,061</b>	318,661	2,035,664	2,354,325
Services and sales	3	2,996	-	<b>2,996</b>	1,301	-	1,301
Investments	4	517	-	<b>517</b>	469	-	469
<b>Total income</b>		<b>455,687</b>	<b>4,491,727</b>	<b>4,947,414</b>	<b>332,980</b>	<b>2,035,664</b>	<b>2,368,644</b>
<b>Expenditure on:</b>							
Raising funds	5	8,836	-	<b>8,836</b>	6,358	-	6,358
Charitable activities							
Charitable activities	5	424,818	2,076,837	<b>2,501,655</b>	324,062	2,019,538	2,343,600
Services and sales	5	1,647	-	<b>1,647</b>	258	-	258
<b>Total expenditure</b>		<b>435,301</b>	<b>2,076,837</b>	<b>2,512,138</b>	<b>330,678</b>	<b>2,019,538</b>	<b>2,350,216</b>
<b>Net income / (expenditure) for the year</b>	7	<b>20,386</b>	<b>2,414,890</b>	<b>2,435,276</b>	<b>2,302</b>	<b>16,126</b>	<b>18,428</b>
Transfers between funds		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>20,386</b>	<b>2,414,890</b>	<b>2,435,276</b>	<b>2,302</b>	<b>16,126</b>	<b>18,428</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		431,646	24,824	<b>456,470</b>	429,344	8,698	438,042
<b>Total funds carried forward</b>		<b>452,032</b>	<b>2,439,714</b>	<b>2,891,746</b>	<b>431,646</b>	<b>24,824</b>	<b>456,470</b>

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 17 to the financial statements.



Action with Communities in Rural England

Balance sheet as at 31 March 2020

Company no. 3336101

	Note	£	2020 £	£	2019 £
<b>Fixed assets:</b>					
Tangible assets	12		<u>1,866</u>		<u>2,932</u>
			<b>1,866</b>		<b>2,932</b>
<b>Current assets:</b>					
Debtors	13	320,453		504,944	
Cash at bank and in hand		578,054		490,685	
Account for village hall improvement grant scheme		2,461,242		-	
Account for rural community buildings loan fund		<u>408,276</u>		<u>222,883</u>	
		<b>3,768,025</b>		<b>1,218,512</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	<u>(878,145)</u>		<u>(764,974)</u>	
<b>Net current assets</b>			<u><b>2,889,880</b></u>		<u><b>453,538</b></u>
<b>Total net assets</b>	16		<u><u><b>2,891,746</b></u></u>		<u><u><b>456,470</b></u></u>
<b>The funds of the charity:</b>					
Restricted income funds	17		<b>2,439,714</b>		<b>24,824</b>
Unrestricted income funds:					
Designated funds		119,063		15,735	
General funds		<u>332,969</u>		<u>415,911</u>	
Total unrestricted funds			<u><b>452,032</b></u>		<u><b>431,646</b></u>
<b>Total charity funds</b>			<u><u><b>2,891,746</b></u></u>		<u><u><b>456,470</b></u></u>

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

Approved by the trustees on 14 July 2020 and signed on their behalf by



David Emerson  
Chair

## Action with Communities in Rural England

### Statement of cash flows

For the year ended 31 March 2020

	Note	2020	2019
		£	£
Cash flows from operating activities	19		
Net cash provided by / (used in) operating activities		2,548,094	(13,162)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		517	469
Purchase of tangible fixed assets		-	(3,199)
Net cash provided by / (used in) investing activities		517	(2,730)
Change in cash and cash equivalents in the year		2,548,611	(15,892)
Cash and cash equivalents at the beginning of the year		490,685	506,577
Cash and cash equivalents at the end of the year	20	3,039,296	490,685

## Action with Communities in Rural England

### Notes to the financial statements

#### For the year ended 31 March 2020

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#### 1 Accounting policies

##### a) Statutory information

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

##### b) Basis of preparation

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

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

##### c) Public benefit entity

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

##### d) Going concern

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Although the COVID-19 pandemic is likely to have a profound impact on the global economy, the trustees have considered the impact of this issue on the charity's current and future financial position, and do not consider that it will cause a material uncertainty related to going concern. The charity has confirmed funding until 31 March 2021 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.

**1 Accounting policies (continued)**

**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.

**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.

## Action with Communities in Rural England

### Notes to the financial statements

For the year ended 31 March 2020

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#### 1 Accounting policies (continued)

##### 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

	2020	2019
● Cost of raising funds	1%	1%
● Charitable activities	98%	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.

##### 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) 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.

##### n) 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.

## Action with Communities in Rural England

### Notes to the financial statements

#### For the year ended 31 March 2020

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#### 1 Accounting policies (continued)

##### o) 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.

##### p) 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.

##### q) 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.

#### 2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Gifts Allied Westminster	12,500	–	12,500	12,500
Gifts The Mrs F B Lawrence Charitable Trust	2,000	–	2,000	–
Gifts less than £1,500	24,340	–	24,340	49
	<u>38,840</u>	<u>–</u>	<u>38,840</u>	<u>12,549</u>

All income received from gifts in prior year was unrestricted.

## Action with Communities in Rural England

### Notes to the financial statements

#### For the year ended 31 March 2020

#### 3a Income from charitable activities

	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	4,159	-	4,159
Membership	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
Sub-total for other charitable activity	2,996	-	2,996
Total income from charitable activities	416,330	4,491,727	4,908,057

## Action with Communities in Rural England

### Notes to the financial statements

#### For the year ended 31 March 2020

#### 3b Income from charitable activities (prior year)

	Unrestricted £	Restricted £	2019 Total £
Charitable Activities			
Defra support to rural communities	86,000	1,776,000	1,862,000
Loneliness forum	4,168	-	4,168
Rural communities buildings loan fund	20,000	-	20,000
Interest from RCAN account	-	29	29
Nationwide Foundation	-	65,625	65,625
Allied Westminster	36,250	-	36,250
Scheme to assist Village Halls with improvement work	9,838	-	9,838
Booking Spaces	250	-	250
Sport England	-	190,000	190,000
Conferences	19,390	-	19,390
Hallmaster	-	100	100
Phone Co-operative	8	-	8
Norris & Fisher Event sponsorship	2,500	-	2,500
Ansvar Insurance	2,500	-	2,500
Plunkett Frontline Advisory Group	417	-	417
Norris & Fisher	-	560	560
Rural Coalition	-	3,350	3,350
European Rural Parliament	4,340	-	4,340
Membership	133,000	-	133,000
Sub-total for charitable activities	318,661	2,035,664	2,354,325
Services and sales	1,301	-	1,301
Total income from charitable activities	319,962	2,035,664	2,355,626

#### 4 Income from investments

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Interest received	517	-	517	469

All income received from interest in prior year was unrestricted.



## Action with Communities in Rural England

### Notes to the financial statements

#### For the year ended 31 March 2020

#### 5 Analysis of expenditure (current 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)	-	-
<b>Total expenditure 2020</b>	<b>8,836</b>	<b>2,501,655</b>	<b>1,647</b>	<b>-</b>	<b>-</b>	<b>2,512,138</b>

Of the total expenditure, £435,300 was unrestricted (2019: £330,678) and £2,076,838 was restricted (2019: £2,019,538).

#### 5b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities			Support costs £	2019 Total £
		Charitable activities £	Services and sales £	Governance costs £		
Staff costs (Note 8)	1,759	134,643	228	21,103	45,023	202,756
Direct costs	151	319,509	3	11,685	5,098	336,446
Defra Grant to ACRE Network	-	1,776,000	-	-	-	1,776,000
Norris & Fisher donations	-	850	-	-	-	850
National Village Halls Forum	-	77	-	-	-	77
Hallmaster	-	100	-	-	-	100
Rural Coalition expenditure	-	2,198	-	-	-	2,198
Overheads	283	27,889	1	964	2,652	31,789
	2,193	2,261,266	232	33,752	52,773	2,350,216
Support costs	607	44,857	26	7,283	(52,773)	-
Governance costs	3,558	37,477	-	(41,035)	-	-
<b>Total expenditure 2019</b>	<b>6,358</b>	<b>2,343,600</b>	<b>258</b>	<b>-</b>	<b>-</b>	<b>2,350,216</b>

## Notes to the financial statements

For the year ended 31 March 2020

**6 Grant making to institutions**

	2020 £	2019 £
<b>Cost</b>		
Allocation of Defra Grant	1,633,000	1,776,000
Sport England	-	170,481
Village Hall Improvement Grants	392,228	-
Power to Change Village Hall Survey	22,800	-
Nationwide Foundation	-	69,657
At the end of the year	<u>2,048,028</u>	<u>2,016,138</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):

	2020 £	2019 £
Depreciation	1,066	267
Operating lease rentals:		
Property	19,600	18,600
Other	1,156	1,156
Auditors' remuneration (excluding VAT):		
Audit	4,400	4,300
	<u>4,400</u>	<u>4,300</u>

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

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	103,000	87,240
Social security costs	10,646	8,935
Employer's contribution to defined contribution pension schemes	7,725	6,543
Other staff costs	87,698	100,038
	<u>209,069</u>	<u>202,756</u>

No employee earned more than £60,000 during the year (2019: 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 £79,738 (2019: £73,220)

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: £nil). Louise Beaton, a charity trustee, received £3,935 for consultancy services and related travel costs were reimbursed (2019 £1,498).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £7,076 (2019: £3,655) incurred by 12 (2019: 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 2020

#### 9 Staff numbers

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

	2020 No.	2019 No.
Raising funds	0.1	0.1
Charitable activities	2.8	2.4
Governance	0.1	0.1
	<b>3.0</b>	<b>2.6</b>

#### 10 Grants payable

During the year, there were related party transactions in the form of DEFRA grants made to members.

Details of these grants are as follows:

	2020 £	2019 £
Action Hampshire	44,675	48,590
Action in rural Sussex	47,395	51,545
Action with Communities in Cumbria	49,265	53,580
Action with Communities in Rural Kent	49,530	53,870
Bedfordshire Rural Communities Charity	35,840	38,980
Cambridgeshire ACRE	44,180	48,050
Cheshire Community Action	39,500	42,960
Connecting Communities in Berkshire	34,840	37,890
Community Action Isle of Wight	33,840	36,805
Community Action Norfolk	50,995	55,465
Community Action Northumberland	42,405	46,115
Community Action Suffolk	45,310	49,275
Community Council for Somerset	44,060	47,920
Community Development Action Hertfordshire	38,065	41,395
Community First in Herefordshire and Worcestershire	43,930	47,780
Community First Oxfordshire	39,640	43,110
Community First, Wiltshire	41,095	44,690
Community First Yorkshire	69,720	75,825
Community Futures, Lancashire	44,240	48,115
Community Impact Bucks	39,000	42,415
Community Lincs part of Lincolnshire YMCA Ltd	49,030	53,325
Cornwall Rural Community Charity	45,670	49,670
Devon Communities Together	53,145	57,800
Dorset Community Action	41,255	44,865
Durham Community Action	42,585	46,315
GRCC Community Action in Gloucestershire	39,220	42,655
Humber & Wolds Rural Action	41,965	45,640
Northamptonshire ACRE	40,280	43,810
Rural Action Derbyshire	44,200	48,070
Rural Community Action Nottinghamshire	40,580	44,130
Rural Community Council (Leicestershire & Rutland)	41,200	44,810
Rural Community Council of Essex	46,875	50,980
Shropshire Rural Community Council	40,135	43,650
Support Staffordshire	42,405	46,115
Surrey Community Action	38,735	42,125
Tees Valley Rural Action	34,235	37,230
WRCC (Warwickshire Rural Community Council)	37,635	40,930
West of England Rural Network	36,325	39,505
	<b>1,633,000</b>	<b>1,776,000</b>

## Action with Communities in Rural England

### Notes to the financial statements

For the year ended 31 March 2020

#### 10 Grants payable (continued)

Nationwide Foundation grants paid out to network members	2020 £	2019 £
Action in rural Sussex	-	8,228
Cheshire Community Action	-	5,952
Community Action Norfolk	-	4,453
Community Action Northumberland	-	4,748
Community First Oxfordshire	-	4,860
Community First Yorkshire	-	7,463
Community Lincs	-	5,199
Devon Communities Together	-	4,752
Shropshire Rural Community Council	-	4,362
Fifteen other members received grants of £150	-	2,250
	-	52,268

National Village Hall Survey grants to network members	2020 £	2019 £
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 2020

#### 10 Grants payable (continued)

Village Hall Improvement grants paid to external organisations	2020	2019
	£	£
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	5,460	-
Kirby-in-Furness Village Hall	25,000	-
Lowsonford & District VH	10,585	-
Marston St Lawrence Village Hall	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	-
	<b>392,228</b>	-

#### Sport England grants to external organisations

	2020	2019
	£	£
Arnside Sailing Club	-	5,000
Donhead St Mary	-	10,000
Eden District Council Fit for All	-	10,000
Getting Active in Village Halls	-	12,019
God Unlimited Outdoor Therapy	-	8,010
Great Bedwyn	-	9,985
Ican Health and Fitness	-	9,856
Inglewood Residents Amenity Fund	-	9,101
Innovate Sportx	-	14,040
Kayaking for All	-	2,540
Kirksanton Village Hall	-	2,611
Leigh Park Community Centre	-	10,907
South Lakeland MIND	-	9,926
South Wraxall Village Hall	-	9,580
Together we CIC	-	10,000
Trowbridge Town Council	-	7,430
WASP	-	9,890
Wheels for All	-	9,105
	-	<b>160,000</b>

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

## Action with Communities in Rural England

### Notes to the financial statements

For the year ended 31 March 2020

#### 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 £
<b>Cost or valuation</b>		
At the start of the year	10,500	10,500
Disposals in year	(5,059)	(5,059)
At the end of the year	<u>5,441</u>	<u>5,441</u>
<b>Depreciation</b>		
At the start of the year	7,568	7,568
Charge for the year	1,066	1,066
Eliminated on disposal	(5,059)	(5,059)
At the end of the year	<u>3,575</u>	<u>3,575</u>
<b>Net book value</b>		
At the end of the year	<u>1,866</u>	<u>1,866</u>
At the start of the year	<u>2,932</u>	<u>2,932</u>

All of the above assets are used for charitable purposes.

#### 13 Debtors

	2020 £	2019 £
Loans to rural community buildings under loan scheme (Note 14a)	291,724	477,117
Other debtors	18,583	18,867
Prepayments	10,146	8,960
	<u>320,453</u>	<u>504,944</u>
Amounts due after more than one year included in:		
Loans to rural community buildings under loan scheme	<u>213,169</u>	<u>292,461</u>

#### 14 Creditors: amounts falling due within one year

	2020 £	2019 £
Rural community buildings loan fund (Note 14a)	700,000	700,000
Trade creditors	13,217	9,416
Taxation and social security	19,408	18,284
Other creditors	24,605	26,436
Village Hall Improvement Grant drawdown confirmed	28,962	-
Deferred income (Note 15)	91,953	10,838
	<u>878,145</u>	<u>764,974</u>

## Action with Communities in Rural England

### Notes to the financial statements

#### For the year ended 31 March 2020

#### 14a Rural community buildings loan fund

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

	2020 £	2019 £
Funds advanced by Defra at 1 April 2019	<u>700,000</u>	<u>700,000</u>
Loans to rural community buildings:		
Outstanding at 1 April 2019	477,117	466,331
Made during year	61,940	178,619
Repayments during year	<u>(247,333)</u>	<u>(167,833)</u>
Outstanding loans at March 2020 (note 13)	<u>291,724</u>	477,117
Bank deposit on hand at 31 March 2020	<u><u>408,276</u></u>	<u><u>222,883</u></u>

#### 15 Deferred income

Deferred income comprises:

	2020 £	2019 £
Balance at the beginning of the year	10,838	14,329
Amount released to income in the year	(10,838)	(14,329)
Amount deferred in the year	91,953	10,838
Balance at the end of the year	<u>91,953</u>	<u>10,838</u>
Income deferred to 2019–20		
Village Hall Advisors training event April 2020	6,000	1,000
Delegate income received for Village Hall Advisors training event April 2020	333	–
Village Hall Improvement grant management year 2	85,620	–
Village Hall Improvement grant delivery design	–	9,838
	<u>91,953</u>	<u>10,838</u>

#### 16a Analysis of net assets between funds (current 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
<b>Net assets at 31 March 2020</b>	<u><u>332,969</u></u>	<u><u>119,063</u></u>	<u><u>2,439,714</u></u>	<u><u>2,891,746</u></u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2020

16b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	2,932	-	-	2,932
Net current assets	412,979	15,735	24,824	453,538
<b>Net assets at 31 March 2020</b>	<b>415,911</b>	<b>15,735</b>	<b>24,824</b>	<b>456,470</b>

17a Movements in funds (current year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
<b>Restricted funds:</b>					
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
<b>Total restricted funds</b>	<b>24,824</b>	<b>4,491,727</b>	<b>(2,076,837)</b>	<b>-</b>	<b>2,439,714</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
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 Services Delivery Review	-	50,000	-	-	50,000
Supporting ACRE Network members	-	20,000	-	-	20,000
LLP Consultancy (Cirican)	-	30,000	(3,000)	-	27,000
<b>Total designated funds</b>	<b>15,735</b>	<b>154,320</b>	<b>(50,992)</b>	<b>-</b>	<b>119,063</b>
<b>General funds</b>	<b>415,911</b>	<b>301,367</b>	<b>(384,309)</b>	<b>-</b>	<b>332,969</b>
<b>Total unrestricted funds</b>	<b>431,646</b>	<b>455,687</b>	<b>(435,301)</b>	<b>-</b>	<b>452,032</b>
<b>Total funds</b>	<b>456,470</b>	<b>4,947,414</b>	<b>(2,512,138)</b>	<b>-</b>	<b>2,891,746</b>



## Action with Communities in Rural England

### Notes to the financial statements

For the year ended 31 March 2020

#### 17b Movements in funds (prior year)

	At 1 April 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2019 £
<b>Restricted funds:</b>					
Nationwide Foundation	9,818	65,625	(69,832)	-	5,611
LACE UP (Sport England)	(9,352)	190,000	(170,481)	-	10,167
Defra rural communities	93	1,776,029	(1,776,000)	-	122
Hallmaster	-	100	(100)	-	-
National Parks Residents Association	2,787	-	-	-	2,787
Norris & Fisher	290	560	(850)	-	-
National Village Halls transfer	548	-	(77)	-	471
Rural Coalition	4,514	3,350	(2,198)	-	5,666
<b>Total restricted funds</b>	<b>8,698</b>	<b>2,035,664</b>	<b>(2,019,538)</b>	<b>-</b>	<b>24,824</b>
<b>Unrestricted funds:</b>					
Designated funds:					
ACRE Network Development Fund	17,687	-	(1,952)	-	15,735
Total designated funds	17,687	-	(1,952)	-	15,735
<b>General funds</b>	<b>411,657</b>	<b>332,980</b>	<b>(328,726)</b>	<b>-</b>	<b>415,911</b>
<b>Total unrestricted funds</b>	<b>429,344</b>	<b>332,980</b>	<b>(330,678)</b>	<b>-</b>	<b>431,646</b>
<b>Total funds</b>	<b>438,042</b>	<b>2,368,644</b>	<b>(2,350,216)</b>	<b>-</b>	<b>456,470</b>

#### 17c Movements in funds (narrative)

##### Purposes of restricted funds

##### LACE UP (Sport England)

A one year, Sport England funded pilot project which is looking to increase participation in Leisure Activities and Community Exercise (LACE) in rural areas. The project is being run by ACRE Network members, Action with Communities in Cumbria and Community First Wiltshire and Swindon, with grants of £7,500 each. Their role was to promote, identify and engage potential groups who were eligible to apply for up to £10k from the pilot project, towards their project costs. The aim being that the projects will engage harder to reach demographics in rural areas, and those who are less likely to participating in physical activity at present. ACRE is the accountable body for this project.

##### Nationwide Foundation

ACRE is the accountable body for the project where nine ACRE members were being funded by the Nationwide Foundation to run training for intermediaries about Community-led Housing. The aim being that the training will increase the knowledge bank of individuals who can advise communities about whether CLH is an option in their local area. This twelve month project commenced February 2018.

##### 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.

##### National Parks Residents Association (ANPAC)

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

##### Norris and Fisher

Norris and Fisher (insurance Brokers) Limited pay £10 to ACRE for every quotation given to a village hall or similar rural community building. This is paid monthly to ACRE and distributed to the relevant Network members annually.

**17c Movements in funds (narrative) (continued)**

**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 Forum**

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

**Rural Coalition**

ACRE undertakes the secretariat for the Rural Coalition. The funds from the membership were distributed as agreed by members during 2019–20 and the remainder carried forward for activity planned in 20–21.

**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 £1,642,776 was offered to 69 Village halls as at 31 March 2020 with most of the offers not yet drawn down. This is a two year project and should be concluded by March 2021.

**Power to Change Village Hall Survey**

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

**Purpose of designated funds**

**ACRE Network Development Fund**

Formerly known as the Network development fund, this fund provides investment in initiatives and activities to improve outcomes for end beneficiaries and is focused on collaboration, the longer term sustainability and business development of the ACRE Network and to support the change management process. The project has been ongoing since 2015–16 and the outstanding amount at the end of 2019–20 will be transferred to the Policy and Advocacy designated fund.

**Policy and Advocacy**

The ACRE Board designated funds to promote the organisations work in the policy and advocacy field with government and other key stakeholders nationally, drawing from the experience of ACRE Members to inform this work on behalf of end beneficiaries.

**ACRE Network Services Delivery Review**

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.

## Action with Communities in Rural England

### Notes to the financial statements

#### For the year ended 31 March 2020

#### 18 Government grants

The charitable company received government grants during the year, defined as funding from the Department for Environment, Food & Rural Affairs (DEFRA), Sport England and European Rural Parliament 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 £	2020 Total £	2019 Total £
Defra village hall improvement grant	90,845	2,823,535	<b>2,914,380</b>	-
Defra support to rural communities	79,000	1,633,000	<b>1,712,000</b>	1,862,000
Sport England	-	-	-	190,000
European Rural Parliament	4,159	-	<b>4,159</b>	4,340
<b>Total</b>	<b>174,004</b>	<b>4,456,535</b>	<b>4,630,539</b>	<b>2,056,340</b>

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

	2020 £	2019 £
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>2,435,276</b>	18,428
Depreciation charges	1,066	267
(Gains)/losses on investments		
Dividends, interest and rent from investments	(517)	(469)
(Increase)/decrease in debtors	184,491	(27,004)
(Increase)/decrease in loan fund cash	(185,393)	10,786
Increase/(decrease) in creditors	113,171	(15,170)
<b>Net cash provided by / (used in) operating activities</b>	<b>2,548,094</b>	(13,162)

#### 20 Analysis of cash and cash equivalents

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	490,685	2,548,611	<b>3,039,296</b>
<b>Total cash and cash equivalents</b>	<b>490,685</b>	<b>2,548,611</b>	<b>3,039,296</b>

#### 21 Operating lease commitments

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

	Property		Equipment	
	2020 £	2019 £	2020 £	2019 £
Less than one year	19,600	18,600	1,156	1,156
One to five years	-	-	1,156	2,312
	<b>19,600</b>	<b>18,600</b>	<b>2,312</b>	<b>3,468</b>

#### 22 Legal status of the charity

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

**23 Related Party Transactions**

Related party transactions made with trustees are detailed in note 8. Related party transactions in the form of grants paid to members are detailed in note 10. Cirican LLP is a commercial research partnership of which ACRE is a member. ACRE paid legal fees of £3,000 (2019: £nil) to help set up the partnership. There were no balances outstanding at year end.