

Company number: 3336101
Charity number: 1061568

Action with Communities in Rural England

Report and Financial Statements

31 March 2016

Action with Communities in Rural England

Reference and administrative details

For the year ended 31 March 2015

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	Suite 109, Unit 9 Cirencester Office Park Tetbury Road, Cirencester Gloucestershire GL7 6JJ	
Honorary officers	David Emerson CBE Janet Thornton Jeremy Leggett John Hazelwood CBE	Chairman Vice Chair (retired November 2015) Vice Chair Treasurer (retired November 2015)
Principal staff	Janice Banks Richard Quallington Colette Williams Richard Quallington	Chief Executive (to May 2015) Chief Executive (from May 2015) Company Secretary (to June 2015) Company Secretary (from June 2015)
Bankers	Lloyds plc 14 Castle Street Cirencester Gloucestershire GL 7 1QJ	
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ	
Auditors	Sayer Vincent LLP Chartered accountants and statutory auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL	

Action with Communities in Rural England

Report of the Directors

For the year ended 31 March 2016

The directors present their report and the audited financial statements for the year ended 31 March 2016.

Introduction

In preparing this report, the directors complied with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

Structure, governance and management

Organisational structure

Action with Communities in Rural England (ACRE) is a company limited by guarantee (number 3336101) with a Board of Directors elected at general meetings by its members, the Rural Community Councils in the ACRE Network, and in accordance with the Articles of Association adopted on 18 June, 2014.

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 and up to two vice chairs are appointed annually from amongst the directors by the Board at its first meeting following the AGM.

All directors have an induction into the organisation and receive a Director Induction Pack. No person may 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 are set out in note 5 to the accounts.

Management

The directors are responsible for setting strategies and policies and for ensuring that these are implemented. In January 2014, the Directors approved an updated three year Corporate Plan to guide the strategic activity of the organisation.

Management Team

In the light of the financial challenges facing ACRE, the directors confirmed the business case for a change management programme which led to a restructure of the staff team in the early part of the financial year. The restructure focused on maintaining capacity to support the operational and leadership requirements of the organisation whilst making substantial savings in overheads and achieving a flatter management structure appropriate for a small staff team. The Chief Executive is responsible for operational decisions and delivering the organisation's strategic objectives during the financial year.

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 a further reduction in the cost base, identifying alternative sources of funding and developing new partnership arrangements with key stakeholders were investigated as part of the organisation's ongoing scenario planning. This and other risks to the fulfilment of ACRE's strategic objectives are kept under constant review by the directors at each board meeting and between board meetings by regular updates provided by the Chief Executive.

Action with Communities in Rural England

Report of the Directors

For the year ended 31 March 2016

Register of interests

All Board members complete an annual declaration of interests in compliance with the Conflict of Interest Policy. This is updated as required during the year. Board members are required to declare any related interest in decisions at the start of all Board meetings, or thereafter if relevant topics arise.

Related parties and connected organisations

ACRE receives membership subscriptions from its member Rural Community Councils. In addition, ACRE works with members on joint initiatives. During 2015-16 a total of £2,231,000 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 Rural Community Councils and ACRE.

Remuneration Policy

ACRE recognises that the delivery of its vision and purpose is largely dependent upon the skills, knowledge and experience of its staff. It is therefore committed to ensuring that the staff team is provided with appropriate remuneration to encourage and enhance performance and are, in a fair and responsible manner, rewarded for their contributions to the success of the charity. The salaries of ACRE staff including key management personnel are periodically reviewed in the light of inflationary pressures and benchmarked against comparable organisations, including other charities at a national level involved in carrying out similar work. Directors consider this information alongside the affordability for ACRE to inform and adjust salaries and remuneration accordingly.

Where appropriate ACRE employ's freelance personnel to undertake specific roles for the organisation including research, marketing, finance and interim 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 2016

Member Community Councils at 31 March 2016

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

Associate members

Rev Canon John Brown

Objectives and activities

The objectives, aims and activities of ACRE are reviewed annually as part of the corporate planning cycle. The review considers what has been achieved and the outcomes from the previous 12 months' work. It looks at the success of each key activity and the benefits they have brought to those groups ACRE aims to help. The review also helps to ensure the organisational aims and activities remain focussed on the stated purposes.

Reference has been made to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and planning future activities. In particular, the directors consider how planned activities contribute to the aims and objectives set.

Objectives

ACRE's objective, is to promote a healthy, informed, vibrant and sustainable rural community sector that is well connected to policies and initiatives at national, sub-national and local levels.

ACRE's vision is to be *the* voice of rural communities. Its mission is to provide critical, evidence-based intelligence and solutions to achieve a fair deal for rural communities.

ACRE's charitable purpose is to support sustainable rural community development and to provide a national voice for its members, end beneficiaries and other bodies and individuals who work at local, county and regional level to alleviate rural disadvantage in England. As the national arm of the ACRE Network, it also provides support for its member organisations to build their capacity in serving and responding to the needs of rural communities.

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Report of the Directors

For the year ended 31 March 2016

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.

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.

Activities

Notwithstanding the financial challenges and the reduced staff capacity during the year ACRE continued to focus on the three key objectives contained in the corporate plan; Sustain, Support and Speak Up which are underpinned by a strong rural intelligence resources provided by ACRE's member RCCs.

This year, ACRE has made good progress in achieving its objectives through:

1. Sustain by identifying, shaping and accessing funding opportunities for ACRE and the ACRE network that support rural communities.
2. Support by developing the collective strength of the ACRE network and making effective use of its rural intelligence.
3. Speak Up for and represent rural communities at national and European level providing a credible and informed commentary on rural community issues.

How our activities deliver public benefit

ACRE's charitable activities are to alleviate rural disadvantage in the 11,000 rural communities throughout England through its activities and achievements a sample of which are set out below.

Achievements and performance

- 1 During 2015-16, ACRE continued to develop its strategy for advocacy on behalf of its end beneficiaries in three major directions:
 - Securing long term recognition of the value delivered by the ACRE Investment Agreement with the Department for Environment, Food and Rural Affairs (Defra) by ensuring effective delivery and by identifying impact;
 - Positioning ACRE Network members as primary agents of change in the implementation of localism and other government policies;
 - Capitalising on the ACRE Network's reach into rural communities and expertise in ensuring rural communities and particularly those most disadvantaged by rurality benefit from national policy initiatives.
- 2 With the arrival of a new government and the prospects of continuing austerity measures ACRE worked hard to improve the monitoring and evidence gathering that supports the ACRE Network Agreement with Defra. With enhanced reporting, the development of case studies and examples of best practice to evidence impact, ACRE was able to convince Defra ministers of the value of the agreement. At the cusp of the 15/16 financial year Defra confirmed its intention to extend the agreement with ACRE and the Network of RCCs for the lifetime of the parliament.
- 3 ACRE administers the Rural Community Buildings Loan Fund of £700,000, which offers financial support to village hall management committees to improve their facilities for their communities. During 2015-2016, 52 loans were supported throughout the year, 10 new loans were approved at a value of £160,051. The total value of the loans

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Report of the Directors

For the year ended 31 March 2016

outstanding at the end of the year was £409,530. A proposal for the evaluation of the Rural Community Buildings Loan fund was accepted by Defra and will take place during the next financial year.

- 4 Having relaunched the Village SOS campaign, a £1.4m Big Lottery funded project in November 2014, the past year has focussed on the delivery of support to enterprising projects in rural communities across the UK. In England, the ACRE Network has worked with over 300 projects, ranging from community buildings, to childcare organisations, to community transport groups and local neighbourhood planning groups. The flexibility of the campaign has enabled the ACRE Network to ensure that Village SOS activity has dovetailed with and added value to, other local programmes and sources of support. Projects have been able to access expert advice relating to funding and investment, business planning, community consultation, legal structures/governance and promotion and marketing.

The campaign has been able to promote the support available and cascade messages of good practice through the ACRE Network. Over 2000 people have attended training and networking sessions across England to find out how Village SOS could help their projects develop. There has also been the opportunity to promote good news stories and learning from across the network in the Village SOS E-Bulletins, newsletters and via the social media accounts. The campaign is due to close in December 2016, at which point the main focus of work will be to ensure that the 1200 individuals who have signed up as Village SOS members across England are connected to the local ACRE Network member so that they can continue to access effective and professional advice locally.

- 5 The ACRE Network secured funding in 2015 from the Centre for Social Action Innovation Fund to scale up Good Neighbour schemes, supported by Rural Community Councils, to other parts of England. The project led by ACRE member Bedfordshire Rural Communities Charity (BRCC) saw new Good Neighbour schemes being set up in Yorkshire, Cumbria, Sussex, Lincolnshire and Buckinghamshire. In September 2015 the National Good Neighbours Network project (led by BRCC on behalf of the ACRE Network) was included in a portfolio of projects submitted to the Big Lottery Accelerating Ideas Fund. ACRE supported the group of RCCs to produce a development plan for scaling up Good Neighbour schemes across the UK.
- 6 ACRE secured £100,000 from the Department of Communities and Local Government in December 2015 to deliver a neighbourhood planning mobilisation project. The organisation worked with the Campaign to Protect Rural England (CPRE) to run a series of neighbourhood plan roadshows in the spring of 2016 to promote the benefits of neighbourhood planning to communities that hadn't engaged with the process.

Ten rural areas in England were identified where take-up of the opportunities provided by neighbourhood planning had been relatively slow. ACRE Network members and CPRE branches, worked in partnership with other local organisations to hold a series of events during March 2016. Each event included presentations from local groups who had been involved in neighbourhood planning, representatives from local planning authorities, and officials from the Department for Communities and Local Government (DCLG), the funder of the programme. The initial feedback from those who attended was positive.

- 7 ACRE's Village Hall Information and Advice Service provided support for the ACRE Network members during the year. The suite of 42 Information Sheets have been kept up to date and the ACRE model documents will be revised during the new financial year. Thanks to the support received from Aon (UK) Limited, the annual residential training event took place in Stratford upon Avon which attracted 41 delegates from across 36 ACRE Network member organisations. Discussions have been held with the National Village Halls Forum with a view to developing a reference group as a replacement for the Forum when it disbands.

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Report of the Directors

For the year ended 31 March 2016

- 8 In pursuance of its role of speaking up for rural communities, ACRE continued its engagement in a wide range of national advisory and steering groups including; The Rural Housing Advisory Group run by DCLG, and the European Funding Network hosted by NCVO. ACRE has also provided the secretariat for the Age Action Alliance Transport Working Group run by DWP and has been an active participant on the Arts Council Stakeholder Group and the FCERM Stakeholder Group as well as being part of the Plunkett Foundation's frontline advisory group.
- 9 ACRE provided evidence and responded to consultations on behalf of the Network to The Law Commission on technical issues in charity law, and DECC on changes to Feed in Tariff Accreditation and to HM Treasury on changes to the Landfill Tax (Amendment) Regulations 2016.
- 10 ACRE continued to support a number of major campaigns focusing on addressing rural energy issues. These have been funded by central government and include Big Energy Saving Week, Big Energy Saving Network and national buy heating oil and LPG early campaigns, working with DECC, Citizens Advice and the Federation of Petroleum Suppliers.
- 11 Throughout the year ACRE continued to research and share best practice through the production of case studies utilising the skills and experience of the ACRE Network to highlight what works. Examples include:-
- Devon Communities Together, Upper Culm Community Land Trust;
 - Cornwall RCC, Cornwall Fisheries Community Animator;
 - Cheshire Community Action, Meet the Developer event;
 - Durham Community Action, County Durham Food Partnership;
 - Community Action Northumberland, Warm Hub Scheme;
 - Community First (Wiltshire & Swindon), Community Minibuses;
 - Community Lincs, Huttoft Village Hall in Lincolnshire;
 - Action with Communities in Rural Kent, Growth Rings Community Interest Company;
 - Community Action Norfolk, rural proofing activity;
 - Northamptonshire ACRE, funding a Rural Wellbeing Service;
 - Shropshire RCC, The Pheasant at Neenton;
 - Action in Rural Sussex, Sussex Community Buildings Workshops;
 - Rural Action Yorkshire, Community Hubs;
 - Village halls, Screen on the Green;
- 12 ACRE has worked with the Rural Coalition, a small group of significant national rural stakeholders, representing private, voluntary and public sector interests. Their collective aim is to support the delivery of a positive vision for rural communities and to influence government departments and parliamentary circles. During 2015-16 the Rural Coalition met with Oliver Letwin MP to discuss the government's approach to rural areas, the Permanent Secretary from Defra responsible for rural policy and also made representations on the Housing and Planning Bill, specifically in relation to the need for affordable housing in rural areas, during the Bill's passage through parliament. ACRE's role as secretariat and founder member provides a national platform for the work of ACRE members and due recognition for the role of community-led empowerment and regeneration.
- 13 ACRE continued to strengthen its links with rural organisations based in Europe and was a member of The European Rural Community Alliance. As the England lead partner for the European Rural Parliament ACRE prepared a report based on the work and activity of the ACRE Network which fed into the European Rural Manifesto. A delegation from across the ACRE Network attended the European Rural Parliament in Austria in November 2015 to share learning and and best practice.

Action with Communities in Rural England

Report of the Directors

For the year ended 31 March 2016

As the previous overview sets out, 2015/2016 has been a year of both opportunities and some notable successes for ACRE. Working with the challenges of reduced staff capacity following the restructure, an office move and the introduction of new IT arrangements has tested and also confirmed the resilience, creativity and flexibility of the highly motivated staff team, 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 has set a very challenging and uncertain operating environment for infrastructure charities such as ACRE in England. In seeking to address this ACRE trustees commissioned the Institute for Voluntary Action Research to undertake a review of the organisation's role and function which has led to a renewed commitment from ACRE and the Network of RCCs to focus on end beneficiaries.

One consequence of the financial constraints imposed by central government has been the uncertainty surrounding the future of government investment in the work of the ACRE Network in supporting rural communities to survive and thrive. However, following prolonged negotiations, the future of the agreement with government has now been assured. This enables both ACRE and The Network of RCCs to plan for both a longer term future of support to rural communities, and internal transformational change to ensure that the services and support available are more sustainable beyond the current round of public investment.

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 net incoming resources of £6,866 (31st March 2015 outgoing £209,640). The closing fund balances at the 31st March 2016 were £413,004 (31st March 2015 - £406,138).

The statement of financial activities (SOFA) shows that the total incoming resources for the year were £3,011,695 compared with £2,734,276 for the previous year.

During the year ACRE received £2,341,879 restricted income and £669,815 unrestricted income. A list of the restricted funds is included in note 17. 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 pump prime the transformational change, now an expectation of the new Defra funding agreement.

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Report of the Directors

For the year ended 31 March 2016

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 2016, the total reserves were:	£413,004
Restricted funds:	£21,356
Designated funds:	£48,912
Unrestricted funds:	£342,736

With the exception of the remnants of the ACRE Network Development Fund the directors agreed to reassign unused designated reserves at the end of the financial year to the general unrestricted reserves to enable the organisation to maximise future opportunities.

Principal funding sources

The majority of ACRE's funding for 2015-16 came from a strategic grant paid by Defra, Big Lottery Village SOS programme and from membership fees paid by the Rural Community Councils which belong to the ACRE Network. This funding was used to support ACRE's key functions under its Corporate Plan:

- Sustain
- Support
- Speak Up

Plans for future periods

Key objectives for 2016-17

During 2016, ACRE will continue to assess the impact that the government, post referendum, might have on its end beneficiaries in rural communities and how its own role in relation to supporting the work of the Rural Community Councils might need to evolve and change in order to maximise the sustainability of services into the longer term. To assist with this work, ACRE will continue to work with the Institute of Voluntary Action Research to build on the clarity and consensus that is starting to emerge about its future role. This is a role that will be specifically 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.

Funds held as custodians

Defra investment in the ACRE Network

A further year of investment to enable the ACRE Network deliver support to rural communities within the key Defra priority themes was secured pending future funding decisions of the incoming government. The investment in support of rural communities through the Network amounted to £2,231,000 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 2015-16.

Action with Communities in Rural England

Report of the Directors

For the year ended 31 March 2016

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 membership were distributed as agreed by members during 2015/16 and the remnants carried forward to activity planned for 16/17.

Statement of Directors' responsibilities

The directors (who are also trustees of Action with Communities in Rural England for the purposes of charity 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.

Action with Communities in Rural England

Report of the Directors

For the year ended 31 March 2016

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:

Dominic Driver	Appointed March 2016
David Emerson CBE	Chair – elected November 2014, re-elected November 2015
John Hazelwood CBE	Treasurer – elected November 2014 retired November 2015
Peter Jefferson	Elected November 2014, re-elected 2015, resigned January 2016; CEO Cornwall Rural Community Charity
Jeremy Leggett	Vice Chair – elected 2014 re-elected 2015; CEO Action in rural Sussex
Richard Priest OBE	Elected November 2014, retired November 2015; Chair Community Action Isle of Wight
Doff Pollard	Elected November 2015
John Rose	Elected November 2014, re-elected November 2015; Director Community Lincolnshire
Janet Thornton	Vice Chair – elected November 2014, retired November 2015; Director Rural Action Yorkshire
Mark Shucksmith OBE	Elected November 2014, re-elected November 2015
Jon Bright	Elected November 2014, resigned November 2015; CEO Community First Oxfordshire

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 2016 was 38 (2015 - 38). The Directors have no beneficial interest in the charitable company.

Action with Communities in Rural England

Report of the Directors

For the year ended 31 March 2016

Auditors

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The report of the 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 September 2016 and signed on their behalf by

David Emerson – Chair

Independent auditor's report

To the members of

Action with Communities in Rural England

We have audited the financial statements of Action with Communities in Rural England for the year ended 31 March 2015 which comprise the statement of financial activities, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' responsibilities set out in the report of the Directors, the Directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report

To the members of

Action with Communities in Rural England

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the report of the Directors' and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Catherine Sayer (Senior statutory auditor)

16 November 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors

Invicta House

108-114 Golden Lane

LONDON

EC1 0TL

Action with Communities in Rural England

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

For the year ended 31 March 2016

	Note	Unrestricted £	Restricted £	2016 Total £	Unrestricted £	Restricted £	2015 Total £
Income from:							
Donations and legacies	2	30,944	-	30,944	38,121	-	38,121
Charitable activities							
Sustain	3	522,165	2,331,055	2,853,220	307,128	2,231,112	2,538,240
Support	3	57,500	8,424	65,924	68,155	8,228	76,383
Speak Up	3	52,243	2,400	54,643	73,438	2,600	76,038
Services and sales	3	6,750	-	6,750	5,294	-	5,294
Investments	4	214	-	214	200	-	200
Total income		669,816	2,341,879	3,011,695	492,336	2,241,940	2,734,276
Expenditure on:							
Raising funds	5	30,278	-	30,278	67,599	-	67,599
Charitable activities							
Sustain	5	426,251	2,324,278	2,750,529	247,488	2,231,081	2,478,569
Support	5	105,743	8,424	114,167	171,922	8,228	180,150
Speak Up	5	101,239	323	101,562	211,969	5,629	217,598
Services and sales	5	8,293	-	8,293	-	-	-
Total expenditure		671,804	2,333,025	3,004,829	698,978	2,244,938	2,943,916
Net income / (expenditure) for the year	7	(1,988)	8,854	6,866	(206,642)	(2,998)	(209,640)
Transfers between funds		-	-	-	79,129	(79,129)	-
Net income / (expenditure) before other recognised gains and losses		(1,988)	8,854	6,866	(127,513)	(82,127)	(209,640)
Net movement in funds		(1,988)	8,854	6,866	(127,513)	(82,127)	(209,640)
Reconciliation of funds:							
Total funds brought forward		393,636	12,502	406,138	521,149	94,629	615,778
Total funds carried forward		391,648	21,356	413,004	393,637	12,502	406,138

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 25 to the financial statements.

Action with Communities in Rural England

Balance sheet

Company no. 3336101

As at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets:					
Tangible assets	12		<u>724</u>		<u>2,300</u>
			724		2,300
Current assets:					
Debtors	13	417,441		491,357	
Cash at bank and in hand		533,765		470,211	
Account for rural community buildings loan fund		<u>290,470</u>		<u>236,877</u>	
		1,241,676		1,198,445	
Liabilities:					
Creditors: amounts falling due within one year	14	<u>(829,396)</u>		<u>(794,607)</u>	
Net current assets / (liabilities)			<u>412,280</u>		<u>403,838</u>
Total assets less current liabilities			<u>413,004</u>		<u>406,138</u>
Net assets excluding pension asset / (liability)			<u>413,004</u>		<u>406,138</u>
Total net assets / (liabilities)			<u><u>413,004</u></u>		<u><u>406,138</u></u>
The funds of the charity:					
Restricted income funds	17		21,356		12,502
Unrestricted income funds:					
Designated funds		48,912		209,129	
General funds		<u>342,736</u>		<u>184,507</u>	
Total unrestricted funds			<u>391,648</u>		<u>393,636</u>
Total charity funds			<u><u>413,004</u></u>		<u><u>406,138</u></u>

Approved by the trustees on 8th September 2016 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 2016

	Note	2016	2015
		£	£
Cash flows from operating activities	18		
Net cash provided by / (used in) operating activities		62,840	(183,672)
Cash flows from investing activities:			
Dividends, interest and rents from investments		214	200
Proceeds from the sale of fixed assets		500	-
Net cash provided by / (used in) investing activities		714	200
Change in cash and cash equivalents in the year		63,554	(183,472)
Cash and cash equivalents at the beginning of the year		470,211	653,683
Cash and cash equivalents at the end of the year	19	533,765	470,212

1 Accounting policies

a) 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) (August 2014) 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.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014. No restatements were required.

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.

Key judgements that the charitable company has made which have a significant effect on the accounts include.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

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

1 Accounting policies (continued)

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

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 2016

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

● Cost of raising funds	8%
● Sustain	48%
● Support	23%
● Speak Up	20%
● Services and sales	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
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Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

1 Accounting policies (continued)

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.

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.

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.

p) 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 £	2016 total Total £	2015 Total £
Gifts	30,944	-	30,944	38,121
	<u>30,944</u>	<u>-</u>	<u>30,944</u>	<u>38,121</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

3 Income from charitable activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Sustain				
Defra support to rural communities	81,000	2,231,000	2,312,000	2,312,000
Rural communities buildings loan fund	19,078	-	19,078	20,984
Interest from RCAN account	-	55	55	112
Village SOS (Big Lottery)	369,104	-	369,104	154,477
NESTA – Good Neighbours Accelerating Ideas	2,315	-	2,315	-
DCLG – Neighbourhood Planning Mobilisation		100,000	100,000	-
Membership	50,667	-	50,667	50,667
Sub-total for Sustain	522,165	2,331,055	2,853,219	2,538,240
Support				
Aon	-	8,424	8,424	8,228
Calor gas	-	-	-	2,000
Conferences	1,833	-	1,833	13,988
Ecology Building Society	-	-	-	500
Enzygo	-	-	-	500
Charity Bank	-	-	-	500
CHK Charities	5,000	-	5,000	-
Membership	50,667	-	50,667	50,667
Sub-total for Support	57,500	8,424	65,924	76,383
Speak Up				
Rural Coalition	-	2,400	2,400	2,600
Returned NDF	-	-	-	22,634
European Rural Parliament	1,577	-	1,577	-
Membership	50,666	-	50,666	50,804
Sub-total for Speak UP	52,243	2,400	54,643	76,038
Sales; publications & furniture	1,000	-	1,000	-
Staff fees ACRE Quality Standards	5,750	-	5,750	5,294
Sub-total for other charitable activity	6,750	-	6,750	5,294
Total income from charitable activities	638,658	2,341,879	2,980,537	2,695,955

4 Income from investments

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Interest received	214	-	214	200
	214	-	214	200

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

5 Analysis of expenditure

	Cost of raising funds £	Charitable activities					Governance costs £	Support costs £	2016 Total £	2015 Total £
		Sustain £	Support £	Speak Up £	Services and sales £					
Staff costs (Note 8)	12,309	75,463	39,204	41,601	2,096	8,726	137,100	316,499	447,935	
Direct costs	1,125	331,583	20,431	15,165	3,764	20,505	12,503	405,076	209,900	
Defra Grant to ACRE Network	-	2,231,012	-	-	-	-	-	2,231,012	2,231,081	
Rural Coalition expenditure	-	-	-	323	-	-	-	323	5,629	
Overheads	2,093	17,680	8,245	6,017	235	456	17,194	51,920	49,371	
	15,527	2,655,738	67,880	63,106	6,095	29,687	166,797	3,004,830	2,943,916	
Support costs	12,310	79,145	38,647	32,108	1,835	2,752	(166,797)	-	-	
Governance costs	2,442	15,646	7,640	6,348	363	(32,439)	-	-	-	
Total expenditure 2016	30,279	2,750,529	114,167	101,562	8,293	-	-	3,004,830	2,943,916	
Total expenditure 2015	67,599	2,478,569	180,150	217,598	-	-	-	2,943,916		

Of the total expenditure, £671,793 was unrestricted (2015: £698,978) and £2,333,024 was restricted (2015: £2,244,938).

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

6 Grant making

	Grants to institutions £	Support costs £	2016 £	2015 £
Cost				
Allocation of Defra Grant	2,231,012	–	2,231,012	2,231,018
DCLG – Neighbourhood Planning	85,000	8,266	93,266	–
At the end of the year	<u>2,316,012</u>	<u>8,266</u>	<u>2,324,278</u>	<u>2,231,018</u>

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

ACRE was the accountable body for the DCLG Neighbourhood Planning Mobilisation grant and distributed grants to partner organisations

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2016 £	2015 £
Depreciation	1,576	2,207
Operating lease rentals:		
Property	18,621	19,000
Other	2,267	12,346
Auditors' remuneration (excluding VAT):		
Audit	<u>4,500</u>	<u>7,700</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

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

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	165,603	259,937
Redundancy and termination costs	32,763	12,992
Social security costs	13,905	27,525
Employer's contribution to defined contribution pension schemes	10,038	20,266
Other staff costs	94,190	127,215
	<u>316,499</u>	<u>447,935</u>

No employee earned more than £60,000 during the year (2015: nil).

Redundancy and termination costs comprises redundancy payments made in the year. All were fully paid by the year end.

There were no employee benefits including pension contributions paid to key management personnel during the year as the individuals concerned were self employed. The key management personnel costs totalled £78,180 (2015: £107,040)

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £3,279 (2015: £8,340) incurred by 6 (2015: 9) members relating to attendance at meetings of the trustees.

9 Staff numbers

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

From June 2015, there were 3 full time employees, following the redundancies of 5 full time staff.

	2016 No.	2015 No.
Raising funds	0.3	0.7
Sustain	2.0	2.0
Support	1.0	1.8
Speak up	0.8	2.5
Governance	0.1	0.3
	<u>4.2</u>	<u>7.3</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

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:

	2016	2015
	£	£
Action Hampshire	61,043	61,043
Action in rural Sussex	64,757	64,757
Action with Communities in Cumbria	67,314	67,314
Action with Communities in Rural Kent	67,677	67,677
Bedfordshire Rural Communities Charity	48,834	48,834
Cambridgeshire ACRE	60,363	60,363
Cheshire Community Action	53,963	53,963
Community Action Isle of Wight	46,237	46,237
Community Action Norfolk	69,684	69,684
Community Action Northumberland	57,932	57,932
Community Action Suffolk	61,913	61,913
Community Council for Berkshire	47,591	47,591
Community Council for Somerset	60,200	60,200
Community Council of Staffordshire	57,926	57,926
Community Development Action Hertfordshire	52,003	52,003
Community First in Herefordshire and Worcestershire	60,022	60,022
Community First Oxfordshire	54,164	54,164
Community First, Wiltshire	56,141	56,141
Community Futures, Lancashire	60,450	60,450
Community Impact Bucks	53,279	53,279
Community Lincs	66,990	66,990
Cornwall Rural Community Charity	62,394	62,394
Devon Communities Together	72,612	72,612
Dorset Community Action	56,360	56,360
Durham Community Action	58,184	58,184
Gloucestershire Rural Community Council	53,585	53,585
Humber & Wolds Rural Community Council	57,341	57,341
Northamptonshire ACRE	55,042	55,042
Rural Action Derbyshire	60,381	60,381
Rural Action Yorkshire	95,267	95,267
Rural Community Action Nottinghamshire	55,441	55,441
Rural Community Council (Leicestershire & Rutland)	56,291	56,291
Rural Community Council of Essex	64,048	64,048
Shropshire Rural Community Council	54,835	54,835
Surrey Community Action	52,925	52,925
Tees Valley Rural Community Council	46,768	46,768
Warwickshire Rural Community Council	51,416	51,416
West of England Rural Network	49,627	49,627
	<hr/>	<hr/>
	2,231,000	2,231,000
	<hr/>	<hr/>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

DCLG grants to network members in 2016 (there were no payments of this nature in 2015).

	2016 £
Action with Rural Sussex	32,100
Cambridgeshire ACRE	4,120
Community First Oxfordshire	4,200
Community First (Wiltshire)	3,930
Community Lincs	3,990
Durham Community Action	3,800
Rural Action Derbyshire	3,800
Shropshire Rural Community Council	<u>4,080</u>
	<u>60,100</u>

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

11 Taxation

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

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

12 Tangible fixed assets

	Computer equipment £	Total £
Cost or valuation		
At the start of the year	39,740	39,740
Disposals in year	(25,353)	(25,353)
At the end of the year	14,387	14,387
Depreciation		
At the start of the year	37,440	37,440
Charge for the year	1,576	1,576
Eliminated on disposal	(25,353)	(25,353)
At the end of the year	13,663	13,663
Net book value		
At the end of the year	724	724
At the start of the year	2,300	2,300

All of the above assets are used for charitable purposes.

13 Debtors

	2016 £	2015 £
Loans to rural community buildings under loan scheme	409,530	463,123
Other debtors	1,480	6,532
Prepayments	4,116	14,202
Accrued income	2,315	7,500
	417,441	491,357

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Rural community buildings loan fund (Note 15a)	700,000	700,000
Trade creditors	30,506	48,111
Taxation and social security	25,231	21,444
Other creditors	73,430	23,760
Deferred income	229	1,292
	<u>829,396</u>	<u>794,607</u>

14a Rural community buildings loan fund

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

	2016 £	2015 £
Funds advanced by Defra at 1 April 2015	<u>700,000</u>	<u>700,000</u>
Loans to rural community buildings:		
Outstanding at 1 April 2015	463,123	415,005
Made during year	107,500	174,803
Repayments during year	<u>(161,093)</u>	<u>(126,685)</u>
Outstanding loans at March 2016 (note 9)	<u>409,530</u>	<u>463,123</u>
Bank deposit on hand at 31 March 2016	<u>290,470</u>	<u>236,877</u>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

15 Deferred income

Deferred income comprises

	2016 £	2015 £
Balance at the beginning of the year	1,292	31,898
Amount released to income in the year	(1,292)	(31,898)
Amount deferred in the year	229	1,292
	<hr/>	<hr/>
Balance at the end of the year	229	1,292
	<hr/> <hr/>	<hr/> <hr/>

16 Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	724	–	–	724
Net current assets	379,276	48,912	(15,908)	412,280
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at the end of the year	380,000	48,912	(15,908)	413,004
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

17 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
Aon	-	8,424	(8,424)	-	-
Rural Infrastructure for England (Big Lottery)	2,431	-	-	-	2,431
Defra rural communities	31	2,231,055	(2,231,012)	-	74
National Parks Residents Association (ANPAC)	2,787	-	-	-	2,787
DCLG - Neighbourhood Planning Mobilisation	-	100,000	(93,266)	-	6,734
Rural Coalition	7,253	2,400	(323)	-	9,330
Total restricted funds	12,502	2,341,879	(2,333,025)	-	21,356
Unrestricted funds:					
Designated funds:					
Contingency	20,000	-	-	(20,000)	-
ACRE Network Development Fund	79,129	-	(30,217)	-	48,912
Transitional costs 2015-2016	110,000	-	(95,877)	(14,123)	-
Total designated funds	209,129	-	(126,094)	(34,123)	48,912
General funds	184,507	669,815	(545,710)	34,123	342,735
Total unrestricted funds	393,636	669,815	(671,804)	-	391,647
Total funds including pension fund	406,138	3,011,694	(3,004,828)	-	413,004

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

Purposes of restricted funds

Aon

This is a contribution to the training of ACRE Network Village Hall Advisors, which took place in May 2015.

Rural Infrastructure for England (Big Lottery)

This five year programme was aimed at achieving sustainable, effective and relevant infrastructure for the 11,000 rural communities across England. The programme commenced in October 2007 and was completed in September 2012. ACRE is in discussion with Big Lottery over the utilisation of this particular underspend.

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.

DCLG – Neighbourhood Planning Mobilisation

During the year ACRE provided the accountable body function for a programme of promotion and community engagement delivered through ACRE Network members and CPRE.

Rural Coalition

ACRE undertakes the secretariat for the Rural Coalition. The funds from the membership were distributed as agreed by members during 2015/16 and the remnants carried forward for activity planned in 16/17.

Purpose of designated funds

Contingency

The risk of unexpected expenditure which had driven the establishment of this fund in July 2014 did not materialise and the resource was therefore subsequently released back into the general reserve during the financial year.

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.

Transitional costs 2015-16

The ACRE Board agreed to set aside funds to complete the restructure and change management of ACRE during the financial year.

Action with Communities in Rural England

Notes to the financial statements

For the year ended 31 March 2016

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

	2016 £	2015 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	6,866	(209,640)
Depreciation charges	1,576	2,207
Dividends, interest and rent from investments	(214)	(200)
(Profit)/loss on the disposal of fixed assets	(500)	–
(Increase)/decrease in debtors	73,916	(43,998)
(Increase)/decrease in loan fund cash	(53,593)	48,118
Increase/(decrease) in creditors	34,789	19,841
Net cash provided by / (used in) operating activities	62,840	(183,672)

19 Analysis of cash and cash equivalents

	At 1 April 2015 £	Cash flows £	At 31 March 2016 £
Cash at bank and in hand	470,211	63,554	533,765
Total cash and cash equivalents	470,211	63,554	533,765

20 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	
	2016 £	2015 £	2016 £	2015 £
Less than one year	2,400	19,000	657	12,346
One to five years	–	–	1,314	657
	2,400	19,000	1,971	13,003

21 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.