



TRUSTEES REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2021

Charity Number: 212796

Action with Communities in Rural Kent
The Old Granary, Penstock Hall Farm
East Brabourne, Kent TN25 5LL

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Legal Status

Action with Communities in Rural Kent is an unincorporated charity (Number 212796)

Trustees

The members of the Management Committee are the charity's trustees and throughout the report are collectively referred to as the trustees.

The honorary officers and trustees of the charity during the year were as follows:

Honorary Officers:

Richard King - Chairman
Frank Cottee - Vice Chair and Kent Community Halls Advisory Group

Trustees:

Michael Burgess - Kent Borough, City & District Councils Representative
Ronald Butcher - Kent Association of Local Councils Representative
Paul Venning
David Wood
Charlie Simkins - KCC Representative
Martin Round
Lesley Brown - (joined January 2021)

Chief Executive

Keith Harrison

Principal Office

The Old Granary
Penstock Hall Farm
Canterbury Road, East Brabourne
Ashford, Kent TN25 5LL

Auditors

Calcutt Matthews Ltd
19 North Street
Ashford, Kent TN24 8LF

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent, ME19 4JQ

Co-Operative Bank
14 Hythe Street
Dartford
Kent, DA1 1BD

Natwest
Europa House
49 Sandgate Road
Folkestone
Kent, CT20 1RU

NS&I
Glasgow
G58 1SB

ACTION WITH COMMUNITIES IN RURAL KENT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

The Trustees are pleased to present their Report and Accounts for the year ended 31st March 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and governance

Action with Communities in Rural Kent was founded in 1923, is a registered charity (No. 212796) and constituted currently under a trust deed dated April 1988.

A Management Committee, consisting of Honorary Officers and trustees (whose details are set out on page 2) is responsible for the governance and management of Action with Communities in Rural Kent. Up to three Honorary Officers and six trustees are elected annually by the members of the charity. Kent Community Halls Advisory Group appoints one trustee, and four are appointed on an annual basis by local government bodies. The Management Committee may co-opt up to two further trustees, to ensure that appropriate skills and experience are available. Honorary Officers may not normally serve in any one capacity for more than five consecutive years nor may a trustee who is not an Honorary Officer serve for more than ten consecutive years.

The Management Committee meets at least four times a year and has established working groups of trustees with specific terms of reference to consider financial and personnel matters. These working groups report back to the Management Committee on a regular basis in accordance with their terms of reference. The Management Committee is responsible for setting strategies and policies and for ensuring that these are implemented.

The charity is a member of the ACRE Network, comprising 38 county-based charities that undertake work to help rural communities thrive and one further charitable organisation – Action with Communities in Rural England (ACRE) – which seeks to aggregate insight and support the beneficiaries of the 38 at national level.

Induction and training for trustees

An induction pack is sent to new trustees as part of a short induction process. External training opportunities are sourced to assist in providing knowledge and skills pertinent to specific trustee needs.

Internal control and risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and systems have been established to mitigate those risks. Trustees are aware of no immediate adverse risk to funding as the charity has secured resources to pursue its charitable purposes at least until March 2021.

OBJECTIVES AND ACTIVITIES

The formal objects of the charity are:

- a To promote any charitable purposes for the benefit of the community in the administrative County of Kent and the Unitary authority of Medway by assisting the work of statutory authorities and voluntary organisations engaged in advancing education, furthering health, relieving poverty, distress or sickness, or in pursuing any other charitable purposes; and
- b To promote and organise co-operation in the achievement of the said purposes and to that end to bring together in Council representatives of the authorities and organisations engaged in the furtherance of the said purposes within the administrative County of Kent and Medway Unitary Authority.

In the furtherance of these objects the charity may:

- a Assist any such body financially or otherwise;
- b Obtain, collect and receive money and funds by way of contributions, donations, affiliation fees, subscriptions, legacies, grants and any other lawful method, and accept and receive gifts of property of any description (whether subject to special trusts or not);
- c Procure and provide information;
- d Procure to be written and print, publish, issue and circulate gratuitously or otherwise any reports or periodicals, books, pamphlets, leaflets, or other documents;
- e Arrange and provide for or join in arranging and providing for the holding of exhibitions, meetings, lectures and classes;
- f Promote, encourage or undertake experimental work.

To set strategic direction for a period of five years the trustees approved the Action with Communities in Rural Kent Strategy 2017-22. The Strategy sets out the following aim, vision and values for the charity:

Aim:

People in rural areas do not always enjoy the same access to opportunities as exist elsewhere – due to increased cost of service delivery, poor communications infrastructure, smaller size of markets, and distances from major urban centres. At Action with Communities in Rural Kent (Rural Kent) we believe these disadvantages can be overcome.

Our aim is that:

“Everyone should have the same access to opportunity, regardless of where they live”.

Vision:

No matter where in rural Kent somebody lives or works, they should have access to a range of support which helps make their community thrive. If there is a potential problem – perhaps the closure of a much needed group, service or business – there is always a friendly and knowledgeable source of help at hand: Rural Kent.

Our vision is:

- To be the single 'Go To' body for all rural community support matters affecting Kent and Medway
- To remain a provider of essential support services to communities across rural Kent and Medway and recognised both locally and internationally for the positive impact of our work
- To have an annual turnover in excess of £2million per annum by 2021/22
- To maintain at least 500 organisational members, attract 100 corporate members by 2021 and in addition develop an individual membership base.

Values:

To achieve its aim Rural Kent will need to work in a way which encourages equality of opportunity. In order to achieve this we will operate with the following values in mind:

Equality: Rural Kent exists to help ensure people do not miss out on opportunity simply because they live or work in a rural community.

Inclusiveness: Rural Kent exists to bring people together to make, where it can, positive change in rural communities.

Respect: Rural Kent acknowledges and accepts a diversity of views on the agendas it works on.

Grant Making Policy

Grant awards made by Action with Communities in Rural Kent are in accordance with the requirements agreed by funders.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

During the year, Action with Communities in Rural Kent continued with its various activities with the aim of improving the quality of life of local communities, particularly for disadvantaged people, and facilitating the development of thriving, diverse and sustainable communities throughout Kent and Medway.

There were some significant changes to the way in which work was delivered, as a result of the coronavirus pandemic - and certain aspects of these alterations may be kept for the future as there were cases where they proved more effective, and less financially costly, than traditional approaches.

All activities have been undertaken in light of the Trustees compliance with the duty in s.4 of the Charities Act 2006, giving due regard to the guidance issued by the Charity Commission on public benefit.

Some highlights of the year include:

In terms of delivering support to rural communities:-

- 402 Village Halls Management Committees were aided to operate safely and in line with good governance.
- 78 rural businesses - mostly social enterprises - were assisted to transition ways of working, helping rural communities, during the coronavirus pandemic running throughout 2020/21.
- 12 Housing Needs Surveys were undertaken (across twelve villages), demonstrating a housing need of 137 affordable homes within those communities. This represents a potential contribution to the rural economy of £19.1million.
- In partnership with the Kent Housing Group (comprising all 14 County, Unitary and District/Borough/City Councils in Kent & Medway) and English Rural Housing Association, launching the revised Kent Rural Housing Protocol (including a Foreword by Baroness Warwick.)
- 23 rural communities served by a re-purposed Rural Coffee & Information Project - working in partnership principally with community hubs on Romney Marsh, the Kent Coalfield and Hoo Peninsula - to tackle loneliness and isolation during the pandemic. The Social Return on Investment of this work was an estimated £735,000.
- More than 300 people were trained, or gained new knowledge, through the charity's online seminars and training events. Subjects ranged "how to carry out inclusive community consultations in a covid-secure way" to "developing community-owned student accommodation."

In terms of generating new workstreams:-

- Commencing preparatory work on a new Action with Communities in Rural Kent strategy, including discussions with a small number of charitable trusts that have potential interest in helping deliver on the strategy's outcomes.
- Starting a partnership with external parties - including The Bay Trust and Carbon Free Group CIC - seeking to find synergies between the environmental education ambitions of those with the community development expertise of Action with Communities in Rural Kent, and provide the charity's beneficiaries with access to expertise in decarbonisation, electric vehicle charging, green energy efficiency in buildings etc.

- Work with local authority and charity sector partners on Romney Marsh to develop a "green bus" pilot project; Action with Communities in Rural Kent would operate as fundholders for this partnership, working in particular with Kent County Council to bring this project to fruition.

- Working with ACRE Network partners to secure new future funding opportunities at national level that can bring benefit both to Action with Communities in Rural Kent and its beneficiaries.

Staffing/Employees

All work requires effort from both paid staff and volunteer members, trustees etc. Delivery of work in 2020/21 was undertaken principally through:

Full time = 1 x Chief Executive, 1 x Social Enterprise and Rural Officer, 1 x Rural and Community Housing Manager, 1 x Finance and Office Manager.

Part time = 1 x 0.6 FTE Project Manager, 1 X 0.6 FTE Rural and Community Housing Enabler, 1 Rural Retail Advisor (Self-Employed), 2 x 0.3 FTE Community Engagement Officers, 1 x 0.2 Community Engagement Officer, 1 x 0.3 Kent Hub Co-ordinator and over 50 volunteers

Staff left during 2020/2021 = 1 x 0.6 FTE Community Halls Advisor, 1 x 0.6 FTE Project Manager. Recruitment for a successor to the former of these commenced during the year but the post would not be filled until 2021/22.

Breakdown of staff costs between wages, social security and pension contributions are shown in financial statement note 4.

Apart from the Chief Executive, all other full time and part time staff are paid on the NJC scale. No employee's earnings were more than £60,000 per annum.

Pension Scheme

The charity operates the Auto Enrolment obligations. Rural Kent also operates a stakeholder pension scheme and contributes up to 5% of gross salary, providing it was at least matched by the employee.

Trustee Remuneration and Expenses

During the year, no trustees received reimbursed travelling, subsistence or conference expenses.

FINANCIAL REVIEW

Review of financial performance

Overall expenditure for the year stood at £448,192 while income received was £456,648. Expenditure and income can be subdivided into restricted and unrestricted funds.

Details of the movements on restricted funds are set out in note 14 to the financial statements. At the start of the year the trustees held £77,112 on such funds. Further funds amounting to £266,310 were received during the year. The project expenditure during the year amounted to £244,698. Several closed projects, carrying deficits, were written off at the end of the financial year.

On other unrestricted funds, income increased from £150,574 in 2019/20 to £189,696 and expenditure increased from £179,543 in 2019/20 to £203,494 in this current year – a deficit of £13,798 (see page 13).

Trustees are aware of a need to reduce deficits on individual restricted funds, and there is scope to do this in areas of work that the charity has not only undertaken for a number of years but also has secured income to continue to work on for future years (e.g. Rural Housing, Kent Association for Rural Retail.) Plans include the further diversification of workstreams in receipt of restricted funds and during 2019/20 new income began to

be generated in two of these. Trustees and senior staff also have plans to trim expenditure further which, in turn, would reduce deficits in future years.

Given the degree of work undertaken by the charity on a 'paid by results and in arrears' basis – a growing element of activity since 2011 – it has effectively loaned itself money by spending restricted funds on activity related directly to those purposes in order to deliver work. The Car Loan Fund, set up simply to help staff travel across Kent (i.e. car use is not stipulated as the only means of travel), has functioned in this way and Trustees have plans in place both to repay monies from this fund and close it off once complete. The option of creating a designated reserve for such purposes remains open for the future, although could also encompass expenditure to enable staff to work remotely more often as digital technologies allow.

Investment funds generated small dividends that were spent in support of delivery of the charity's work during 2020/21. With planned completion of incorporation work during 2021/22, having finally agreed a way of winding down subsidiary charities that hold bequests and donations to the charity, a consideration has had to be given to these funds in order that they can continue to be used for their original intentions (i.e. to pursue the general purposes of the charity) and Trustees wish to increase the amounts the organisation has within an investment portfolio. Use was made of the Car Loan Fund during the year in line with its purpose to support the ability of the charity's staff to travel across the county of Kent and it is intended to close this fund formally in 2021.

	Balance at year end	Change in Year
Decrease/increase in general fund	-£23,333	£ 4,889
Decrease / increase in designated funds	£ 6,000	£ 0

Investment Policy

Under the trust deed the charity has the power to make any investment which the trustees see fit. As a result of legacies from Mrs Crannis, Miss Wardle, Colonel Bowra and Colonel Chamberlain the trustees hold quoted investments in M&G and COIF charity units as an endowment fund. Other surplus funds are invested in interest bearing bank accounts.

Reserves Policy

In the preparation of these accounts, the trustees reviewed and retained the existing policy that the free reserves should be maintained (unrestricted funds not committed or invested in fixed assets) at a level which equates to no fewer than twelve weeks unrestricted expenditure and that this policy be reviewed from time to time. On 31st March 2021, the free reserves against planned core expenditure in 2021/2022 sat significantly below this level - principally as a result of writing off a loss from the Work Programme (an HM Government initiative which the charity had been a sub-contractor of) at the end of the 2019/20 financial year. As a result, trustees have put in place mechanisms to monitor expenditure strategically on a monthly basis so that swift decisions can be made should the charity become exposed to unexpected shocks during 2021/22 and also consider alterations to the calculation of project management fees to better reflect where expenditure by the charity is actually made.

Significant effects and risks

The charity has identified potential significant effects in its Business Plan risk register. The most major of these at present is being unable to replace the loss of a core grant from Kent County Council, a fund removed during 2018/19 (backdated to the start of the financial year and without advance notice) that had been in place – in some shape or form – since 1923. The fund was removed in its entirety as deemed unaffordable by the Economic Development Unit at Kent County Council.

The principal impact of loss of this funding has been on the core operation of the charity and, as such, a decision has been taken to undertake a strategic review of the organisation during 2021/22 whilst in the meantime seeking to sell time of the Chief Executive on a consultancy basis so as to generate new income.

Further risks that Trustees are aware of for 2021/22 include potential alterations to ways of working in rural communities, and funding opportunities to support this, arising from the coronavirus pandemic. The United Kingdom went into a period of "lockdown" as the 12 months covered by this report came to an end, whilst constraints on movement and business remained in place by the time the Trustees' Report was being written. It is the intention of Rural Kent to work to secure income which enables it to support rural communities in a safe and secure way whilst the pandemic continues to affect everyday life.

Looking further ahead Trustees are aware that the policy environment affecting work of the charity is changing as a result of the UK's departure from the European Union - by way of example a new Agriculture Bill does not contain provisions for rural development (including on alleviation of poverty and disadvantage in rural areas) as exists in the European Common Agricultural Policy - and domestically around protected landscapes and the land-use planning system (for example, provisions set out in the Glover Review and Planning White Paper running risk of creating a "two-tier" countryside where not all communities will have the same means of addressing local socio-economic need.)

The charity updates its risk register as part of an annual business planning process. This register includes a range of personnel (including succession), data, policy change, robustness of partner/funding organisations and environmental scenarios and indicates both likelihood and mitigation measures.

Principal funding sources

The charity has a very small number of principal funders for its work, with core activity co-financed by Defra and membership fees alone.

A majority of the charity's funders provide contributions to specific work delivered under restricted fund areas. The largest of these in the past year was the National Lottery Community Fund, investing in the charity's award-winning Rural Coffee & Information Project.

Some restricted fund work is supported by numerous funders; more than ten contributed to Rural Housing for example.

PLANS FOR FUTURE PERIODS

There is a major need to generate new investment to support frontline services to the charity's beneficiaries – particularly in light of ongoing impacts of government austerity policies and excessive burdens on leadership, managerial and administrative functions of the charity (within specific services and its strategic operations too.) In short, this does mean attempting to secure new and significant core income assisting the charity to deliver on its purposes as well as giving frontline services the best chance to thrive and further enhance the reputation of Rural Kent.

Plans, both strategic and operational, include:

Strategic plans:

- To conduct a strategic review during 2021/22, with the explicit aim of assessing how best the charity's beneficiaries might receive rural community support services in future. This review will be co-financed by the charity and run by an independent consultancy based outside of Kent & Medway. The review will include input from the national umbrella charity ACRE.
- To launch a "zero-carbon rural communities" initiative with a partnership of environmental education charities and social enterprises, giving access for the charity's beneficiaries to expertise seeking new audiences. Initially this work will be delivered via village halls and rural housing workstreams.
- To complete transfer of assets into a newly incorporated (charity and company already registered) charitable company, giving a "fitter for purpose" governance model for the charity.
- To commence planning for the charity (in all of its incarnations) centenary, set for spring 2023.
- To commence consideration of recommendations arising from the charity's strategic review and, if appropriate, begin implementation of these.

Operational plans:

- To secure new investment to underpin modernisation of the charity's village halls support service.
- To secure new investment to maintain operation of the Kent Community Housing Hub
- To commence roll-out of a new five-year funding agreement for Rural Housing work in one west Kent district council area and finalise a similar programme with a local authority in East Kent
- Bid into the UK Shared Prosperity Fund or, if launch of that remains delayed, any relevant interim community regeneration schemes launched by Government as successors to EU Structural Funds
- To continue to offer to work with Kent County Council (KCC) on creation of a Kent Rural Strategy (as outlined in KCC's own Corporate Plan.)
- To continue to monitor trends and impacts of the Coronavirus Pandemic on rural communities and safe delivery of the charity's services to them. Revise service delivery models where necessary so as to ensure safety of both beneficiaries and the charity's own personnel.

Statement of trustees' responsibilities in relation to the accounts

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993 and trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 15th December 2021 and signed on their behalf by:



Richard King
Chairman

Opinion

We have audited the financial statements of Action with Communities in Rural Kent (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Gaining a full and extensive knowledge of the entity, environment and the regulatory framework to which it must abide by.
- Evaluating and assessing the extent to which the entity's internal systems are adhering to these as well as gaining a full and comprehensive understanding of the entity's current activities and effectiveness of its' control environment (including those in place to identify and prevent fraud.)

We achieved this by carrying out the following:

- Enquiry of and detailed communication with management.
- Determining key fluctuations and deviations from previous performance.
- Reviewing internal systems and controls & testing these for effectiveness and accuracy.
- Reviewing financial statement disclosures and compliance with applicable laws and regulations.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Hume

Nicholas Hume FCA
Calcutt Matthews WBZ Ltd Chartered Accountants and Statutory Auditors
19 North Street
Ashford
Kent

Date:22.12.2021.....

ACTION WITH COMMUNITIES IN RURAL KENT
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2021

	Note	(Unrestricted Funds)				Total 2021	Total 2,020
		General Funds	Designated Funds	Endowment Funds	Restricted Funds		
INCOME AND ENDOWMENTS FROM:							
Donations and Legacies	3	23,598				23,598	19,600
Income from Charitable Activities	2	£ 77,538	£ -		£ 266,310	343,848	£ 378,544
Other Trading Activities	3	£ 115				115	£ 685
Income from Investments	3	£ -	£ -	£ 642	£ -	642	£ 627
Other income	3	£ 88,445	£ -	£ -	£ -	88,445	£ 59,335
TOTAL INCOME AND ENDOWMENTS		£189,696	£ -	£ 642	£ 266,310	£ 456,648	£ 458,791
EXPENDITURE ON:							
Raising Funds	7	£ 26	£ -		£ -	26	£ 26
Expenditure on Charitable Activities	4	£203,176	£ -		£ 244,234	447,410	£ 440,716
Other expenditure	5	£ 292	£ -		£ 464	756	£ 1,173
TOTAL RESOURCES EXPENDED		£203,494	£ -	£ -	£ 244,698	£ 448,192	£ 441,915
NET INCOME/(EXPENDITURE)		-£ 13,798	£ -	£ 642	£ 21,612	£ 8,456	£ 16,876
TRANSFERS	14	£ 14,369	£ -	£ -	£ 14,369	£ -	£ -
NET GAINS/(LOSSES) ON INVESTMENTS	9	£ -	£ -	£ 3,418	£ -	£ 3,418	£ 543
NET INCOME/(EXPENDITURE) FOR THE YEAR		£ 571	£ -	£ -	£ 7,243	£ 8,456	£ 16,876
NET MOVEMENT IN FUNDS		£ 571	£ -	£ 3,418	£ 2,925	£ 11,874	£ 16,333
Total Funds Brought Forward	15	-£ 23,333	£ 6,000	£ 18,998	£ 77,112	£ 78,777	£ 63,071
TOTAL FUNDS CARRIED FORWARD		-£ 22,762	£ 6,000	£ 22,416	£ 80,037	£ 85,691	£ 78,777

ACTION WITH COMMUNITIES IN RURAL KENT

BALANCE SHEET AS AT 31ST MARCH 2021

	Note	2021	2020
FIXED ASSETS	8	£ 2,690	£ 6,290
INVESTMENTS	9	£ 22,416	£ 18,998
		£ 25,106	£ 25,288
CURRENT ASSETS			
Debtors and Prepayments	10	£ 56,536	£ 29,303
Accounts		£ 62,125	£ 98,617
Cash		£ 75	£ 75
		£ 118,736	£ 127,995
LIABILITIES			
Creditors - Amounts falling due within one year	11	£ 58,151	£ 74,506
NET CURRENT ASSETS		£ 60,585	£ 53,489
NET ASSETS		£ 85,691	£ 78,777
TOTAL FUNDS OF THE CHARITY			
Endowment Funds	13	£ 22,416	£ 18,998
Restricted Funds	14	£ 80,037	£ 77,112
UNRESTRICTED INCOME FUNDS			
Designated Funds	15	£ 6,000	£ 6,000
General Fund		-£ 22,762	-£ 23,333
	16	£ 85,691	£ 78,777

Approved on behalf of the Trustees:



Richard King
Chairman

ACTION WITH COMMUNITIES IN RURAL KENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

1 ACCOUNTING POLICIES

The Financial Statements have been prepared under the historical cost convention with the exception of investments, which are included at market value. The Financial Statements have been prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in the SORP (F:IS 102) applicable from 1st January 2019. The functional and presentational currency in the accounts is GBP (£).

a) Fund Accounting

General Funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the General Objectives of the Charity, and which have not been designated for other purposes.

Designated Funds are those where funds have been set aside by the trustees for particular purposes. The aim and use of each is set out in the notes to the financial statements. The cost of raising and administering such funds are charged against the specific fund.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent assets received that may not be exhausted; only the income earned from associated investments may be expended. Investment income and gains are allocated to the appropriate fund.

b) Incoming Resources

Incoming resources are included when the Charity is legally entitled to the income, and the amount can be quantified with reasonable accuracy.

Where income for expenditure in a future accounting period is received in advance it is recognised as deferred income. The amounts shown in the balance sheet in respect of receipts in advance represent the amounts deferred to future accounting periods.

c) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of the Charitable objectives.

Grants payable are recognised in the year when the offer is made, providing that any related conditions within the control of the charity have been fulfilled. Grants offered, subject to conditions which remain within the control of the charity and have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Governance costs are the costs associated with the governance arrangements of the charity that relate to the general running of the charity, as opposed to the costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to the day-to-day management of the charity's activities

The trustees have amended their policy on the allocation of expenditure so that governance costs now additionally incorporates an element of staff costs which relate to governing the charity.

d) Office Furniture, Fittings and Equipment and Refurbishment of Leasehold Property

Normally expenditure on the acquisition of office furniture, fittings and equipment including refurbishment of leasehold property is written off immediately after allowing for any capital grants and proceeds of sales. Any equipment for project use only is capitalised only if its value exceeds £2,500. Equipment for the core objectives of the charity are capitalised and depreciated on a straight line basis over a period of 4 years.

e) Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

f) Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising in revaluations and disposals throughout the year.

g) Value Added Tax

We are registered for VAT for business elements of our work.

h) Operating Leases

Rentals under operating leases are charged on a straight line basis over the lease term.

ACTION WITH COMMUNITIES IN RURAL KENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2021 (Continued)

2	INCOME FROM CHARITABLE ACTIVITIES	2021		2020
	General	77,538		70,954
	Projects	266,310		307,590
	Total	£ 343,848	£	£ 378,544
3	OTHER INCOME	2021		2020
	Expenses Recovered	88,445		59,335
		£ 88,445	£	£ 59,335
	DONATIONS AND LEGACIES	2021		2020
	Membership	19,365		18,523
	Donations	4,233		1,077
		£ 23,598	£	£ 19,600
	INCOME FROM INVESTMENTS	2021		2020
	Bank Interest	£ -	£	-
	Endowment Funds	£ 642	£	£ 627
	Restricted Funds	£ -	£	-
		£ 642	£	£ 627
	OTHER TRADING ACTIVITIES	2021		2020
	Publications	£ 115	£	£ 685
		£ 115	£	£ 685
	TOTAL INCOME AND ENDOWMENTS:	£ 456,648	£	£ 458,791

Endowments were created by the charity following receipt of legacies. The charity has made use of endowment funds during the year to assist in bankrolling work paid on results and in arrears, in line with guidance given at www.gov.uk/guidance/permanent-endowment-rules-for-charities. The charity is delivering such work, currently, until the summer of 2021.

4	EXPENDITURE ON CHARITABLE ACTIVITIES	General Fund	Designated Fund	Restricted Fund	Total 2021	Total 2020
	Salaries, Fees, National and Other Insurance and Superannuation	155,183		85,599	240,782	237,439
	Governance Costs	13,589		0	13,589	10,752
	Travel and Subsistence	0		3,533	3,533	6,445
	Postage/Mobile and Telephone	190		5,156	5,346	7,867
	Printing and stationery/Photocopying	163		10,129	10,292	5,607
	Rent, Rates and Insurance	4,385		9,149	13,534	9,763
	Heating, lighting and cleaning	178		334	512	587
	Office Equipment	1,669		3,099	4,768	3,813
	Building Maintenance and Repairs	27		49	76	239
	Computer Maintenance	1,658		4,427	6,085	4,878
	Depreciation of Office Equipment	2,690		0	2,690	6,291
	Fuel	0		569	569	2,045
	Staff Conferences/Training	0		985	985	2,162
	Projects	0		20,511	20,511	51,245
	General Expenses	2,032		1,373	3,405	1,383
	Recruitment	0		265	265	1,215
	Bank Charges	47		67	114	101
	Subscriptions and Fees	3,375		5,492	8,867	9,767
	Meetings, Conferences and Training Organised	60		1,135	1,195	678
	Other/ Project Expenditure	17,930		92,362	110,292	78,439
		£ 203,176	£ -	£ 244,234	£ 447,410	£ 440,716
5	OTHER EXPENDITURE	General Fund	Designated Fund	Restricted Fund	Total 2021	Total 2020
	Publications and Publicity	292	0	464	756	1,173
		£ 292	£ -	£ 464	£ 756	£ 1,173

ACTION WITH COMMUNITIES IN RURAL KENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2021 (Continued)

8 FIXED ASSETS	General Office Equipment				
	2021	2020			
Cost					
At 1st April 2020	£ 63,156	£ 62,141			
Additions	£ 9,742	£ 1,015			
At 31st March 2021 (0010)	<u>£ 72,898</u>	<u>£ 63,156</u>			
Items are capitalised at cost.					
Depreciation	2021	2020			
At 1st April 2020	£ 54,008	£ 47,718			
Less depreciation for 31/03/21	£ 2,690	£ 6,290			
At 31st March 2021 (0011)	<u>£ 56,698</u>	<u>£ 54,008</u>			
9 INVESTMENTS					
Quoted Investments	2021	2020			
Market Value at 31st March 2021	£ 18,998	£ 19,541			
Disposals	£ -	£ -			
Net Gain/(Loss) on Revaluation	£ 3,418	£ -543			
Market value at 31st March 2021 (3010)	<u>£ 22,416</u>	<u>£ 18,998</u>			
10 DEBTORS	2021	2020			
Grants Receivable (1100)	£ 55,315	£ 12,390			
Services Receivable (1100)	£ 1,221	£ 12,595			
Prepayments (1103)	£ -	£ -			
Car Loans/Expenses Loan (1210/1110)	£ -	£ 4,218			
	<u>£ 56,536</u>	<u>£ 29,203</u>			
11 CREDITORS - Amounts falling due within one year	2021	2020			
Grant Award Payable (7029)	£ 26	£ 26			
Trade Creditors (2100)	£ 3,790	£ 26,417			
Other Credits (2100)	£ 26,949	£ 31,825			
VAT Control Account (2200/2201)	£ 6,294	£ 6,200			
Receipts in Advance (2110)	£ 21,092	£ 10,038			
	<u>£ 58,151</u>	<u>£ 74,506</u>			
12 OPERATING LEASE COMMITMENTS					
At 31 March 2020 the charity had annual commitments under non-cancellable operating leases as follows:					
	2021	2020			
Property	£ 9,125	£ 9,125			
Equipment	£ 3,770	£ 3,770			
	<u>£ 12,895</u>	<u>£ 12,895</u>			
13 COMBINED LEGACIES FUND					
	Balance	Disposals	Gain/(Loss)	Movement	Balance
	1st April	(sold shares)		in Funds	31st March
	2020			Revaluation	2021
Mrs M.M. Crannis Fund	£ 8,991	£ -	£ 1,858	-£ 1,858	£ 10,849
Miss J. Wardle Fund	£ 4,203	£ -	£ 868	-£ 868	£ 5,071
Colonel Bowra Fund	£ 3,316	£ -	£ 685	-£ 685	£ 4,001
Colonel Chamberlain Fund	£ 2,488	£ -	£ 7	-£ 7	£ 2,495
	<u>£ 18,998</u>	<u>£ -</u>	<u>£ 3,418</u>	<u>-£ 3,418</u>	<u>£ 22,416</u>

This fund was set up by the way of legacies. The income is available for general purposes except for Colonel Chamberlain income which is made available to My Trust (formally known as Kent Youth Trust) in accordance with the benefactor's wishes.

The Fund is represented mainly by investments as shown in note 9.

ACTION WITH COMMUNITIES IN RURAL KENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (Continued)

14 RESTRICTED FUNDS	Balance		Movement in Resources				Balance	
	1st April 2020		Incoming	Transfers in/out	Outgoing	31st March 2021		
Car Loan Fund	£ 4,318	£	-	£ -	£ 4,318	£	-	
Kent Community Hub	£ -	£	97,801	£ -	£ 62,231	£	35,570	
Rural Housing Enabler	-£ 2,468	£	54,956	£ -	£ 58,768	-£	6,280	
Swale Funding Pot	£ 25,818	£	-	-£ 6,918	£ 18,900	£	-	
Swale Hub	£ 8,721	£	-	-£ 6,653	£ 2,068	£	-	
Kent Association for Rural Retail	-£ 11,567	£	1,390	£ -	£ 5,444	-£	15,621	
Coffee Caravan	£ 54,100	£	109,555	£ -	£ 97,287	£	66,368	
Stronger Kent Communities	-£ 1,810	£	2,608	-£ 798	£ -	£	-	
	£ 77,112	£	266,310	-£ 14,369	£ 249,016	£	80,037	

Trustees are aware of a need to reduce deficits on individual restricted funds, and there is scope to do this in areas of work that the charity has not only undertaken for a number of years but also has secured income to continue to work on for future years (e.g. Rural Housing, Kent Association for Rural Retail.)

CAR LOAN FUND

This Fund was created from the residue of the Estate of the late Miss Joyce Wardle and, in accordance with the wishes of her trustees, is used for granting loans to staff to assist in travel across the County of Kent. During the year, the charity commenced work on the closure of this fund with the ultimate aim that money will be transferred to unrestricted reserves, and attributed management costs to operation of these funds of £4,318.

RURAL HOUSING ENABLER

This Fund has been set up to provide rural housing advice to local authorities and rural communities, by the employment of a full-time enabler. Funding is provided by Housing Associations, several District Councils and individual Parish Councils. Approximately 50% of funding is paid to the charity in arrears.

KENT ASSOCIATION FOR RURAL RETAILERS (KARR)

This fund has been created to offset the costs of the service that provides guidance, support and training for individual shopkeepers and communities to secure the future of the last remaining shop and/or post office in a village.

THE COFFEE AND INFORMATION PROJECT

This project brings a library of information and a mobile café to rural communities in Kent and Medway. During 2020/21 funding was provided by The National Lottery Community Fund, Intulti Solutions Ltd., donations and part of the Defra/ACRE agreement.

STRONGER KENT COMMUNITIES

Formed by 11 Kent organisations, Stronger Kent Communities (SKC) is a consortium-based Community Interest Company working on projects that seek to strengthen governance and finance of voluntary & community sector bodies in Kent. The initiative started in January 2017, with a potential five-year funding agreement from Kent County Council. This funding ceased after three years and some legacy work to support work in the coronavirus pandemic was awarded during 2020/21..

KENT COMMUNITY HUB

This project runs from 1st March 2020 to 30th September 2021, financed through Community Led Homes and Groundwork - this runs alongside the Rural Housing Enabler.

SWALE HUB

This developed as a multi-year pilot programme co-ordinated by Action with Communities in Rural Kent and supported by Swale Borough Council. This project is to provide a supporting service for individuals, groups and communities considering a community led housing scheme in Swale. There is also funding available for community housing groups to buy-in specific expertise. It is also part of the charity's housing service

ACTION WITH COMMUNITIES IN RURAL KENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2021

15 DESIGNATED FUNDS	Balance 1st April 2020	Movement in Resources		Balance 31st March 2021
		Incoming	Outgoing	
Building Maintenance & Repairs	-	-		-
Office Equipment Replacement Provision	£ 1,000	£ -		£ 1,000
Emergency Staff Reserve	£ 5,000	£ -	£ -	£ 5,000
	<u>£ 6,000</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 6,000</u>

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Investments Total
Endowment Fund	
Combined Legacy Fund (3010)	<u>£ 22,416</u>
Restricted Funds	
Car Loan Fund	0
Kent Community Hub	35,570
Rural Housing Enabler	(6,280)
Swale Funding Pot	0
Swale Hub	0
Kent Association for Rural Retail	(15,621)
Coffee Caravan	66,368
Stronger Kent Communities	0
	<u>£ 80,037</u>
Designated Funds	
Building Maintenance and Repairs	0
Office Equipment Replacement Provision	1,000
Staff Reserve	5,000
General Fund	<u>-£ 22,762</u>
	<u>£ 85,691</u>

17 PENSION COMMITMENTS

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £5,998.00

18 RELATED PARTY TRANSACTIONS

The charity received £30,000 in funding from The Bay Trust as part of unrestricted funds to support a range of actions relating to net zero capacity building in rural communities. The Bay Trust includes among its Trustees the Chief Executive Officer of Action with Communities in Rural Kent, who was not involved in decisions on agreement for the charities to work together and the transaction was made on an at arms length basis. All documentation pertaining to this fund can be made available.