



**Rural Community Council of Essex  
Financial Statements**

**Incorporating the Directors' and Auditors' Reports**

**Year ended 31 March 2022**

**THE RURAL COMMUNITY COUNCIL OF ESSEX**  
A Charitable Company Limited By Guarantee  
Registered Charity No. 1097009

**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

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## **DIRECTORS' REPORT**

The Directors are pleased to present their report on the affairs of the Rural Community Council of Essex (RCCE) together with the audited Financial Statements of the charitable company for the year to 31 March 2022.

The Financial Statements have been prepared in accordance with the accounting policies set out in Note 1 of the Financial Statements and comply with the Companies Act 2006.

### **1. OBJECTIVES AND ACTIVITIES**

The purpose of the Rural Community Council of Essex's work, as stated in its Memorandum of Association is:

- "To promote any charitable purpose for the benefit of the community in the County of Essex and, in particular,
- The advancement of education, the protection of health, and the relief of poverty, distress and sickness,
- In the furtherance of the said purposes to promote and organise co-operation in the achievement of the same and to that end to bring together in the council representatives of the voluntary organisations and statutory authorities within the County."

During the period under review, RCCE's *Strategy 2019-22* provided the strategic framework for the company's development. This strategy retains RCCE's existing mission and aims, but highlights four priority areas of work for the three-year period:

- Community Engagement and Housing;
- Community Buildings, Assets and Enterprise;
- Supporting People in Need;
- Rural Voice, Partnerships and Programme Delivery.

### **2. ACHIEVEMENTS AND PERFORMANCE**

This section of the report summarises the achievements and performance of RCCE in the year to 31 March 2022 in relation to the four priority areas of work set out in *Strategy 2019-22*. The directors have paid due regard to guidance from the Charity Commission on public benefit in deciding what activities the charitable company should undertake, and the impact of the following achievements, based on RCCE's aims, evidences that public benefit.

The income and expenditure attributable to each of the activities outlined in this section are presented as Notes 2 and 3 to the Financial Statements respectively.

#### **Community Engagement and Housing**

##### ***Community Engagement***

Neighbourhood Plans enable local people to influence development and give them the opportunity to secure the housing and amenities they need for a sustainable future. These plans have a statutory role under the 2011 Localism Act.

With many parishes in Essex interested in producing Neighbourhood Plans, RCCE has established itself in recent years as a focal point for advice and support, provided in part through contracts with Braintree, Epping Forest and Uttlesford District Councils. The pandemic has inevitably impacted on progress but in spite of this, RCCE provided support to 41 individual Neighbourhood Plans in the course of the year and organised 17 virtual training sessions that attracted 163 participants.

## **DIRECTORS' REPORT - continued**

### **2. ACHIEVEMENTS AND PERFORMANCE - continued**

RCCE uses its community engagement skills in delivering other projects and contracts with partners. It continued to provide support to Lottery-funded 'Big Local' partnerships in a range of locations, helping them to address long-term social and economic challenges.

The Essex Village of the Year Competition, which has provided an annual showcase for community engagement and enterprise, was again cancelled as a result of the pandemic.

#### *Rural Housing Enabler Service*

According to government statistics, the most affordable homes in rural areas cost 9.6 times earnings compared to 8 times earnings in urban areas. In many parts of rural Essex, the position is even worse. In Chelmsford district for instance, residents will need to pay nearly 12 times their earnings for the most affordable homes. When this is coupled with the rapid rise in the cost of living and energy prices in particular, the result is that far too many young people and families simply cannot afford to live in the village they call home.

RCCE believes this has serious long-term consequences for the rural economy and for community cohesion and is committed to increasing the supply of affordable housing in rural communities through its Rural Housing Enabler service. It works with specialist rural housing providers, local authorities and parish councils to facilitate small scale schemes based on the evidence of housing needs surveys and usually developed on exception sites provided at a discount by local landowners. The Rural Housing Enabler plays a critical role in each individual scheme helping the Parish Council to engage with the community to identify needs and brokering crucial relationships with the local planning authority and housing provider.

Notwithstanding the restrictions of the coronavirus pandemic, demand for the Rural Housing Enabler service has increased steadily over the past two years. In 2021/22, 11 further housing needs surveys were completed by parishes and a new scheme was completed at High Easter in Uttlesford district. RCCE additionally worked with ACRE, its national association, to produce a promotional film about the affordable housing scheme at Roxwell which was opened in 2020. This will be launched in Rural Housing Week 2022.

In addition to the progress made by the Rural Housing Enabler service, RCCE continues to explore other approaches that can increase the supply of affordable housing. Alongside the five other Rural Community Councils in the East of England, it is a partner in Eastern Community Homes; a hub for facilitating community led housing launched in 2021. Notable progress has been made in Essex with 6 local authorities signing up as partners, one of whom, Chelmsford City Council, has agreed a larger-scale bespoke contract. On behalf of Eastern Community Homes, RCCE is currently supporting 4 local community led housing projects across the county.

#### **Community Buildings, Assets and Enterprise**

##### *Village Halls & Community Buildings Advice Service*

The past year has been another very testing one for the trustees of village halls and community buildings with halls gradually able to reopen after the successive lockdowns imposed as a result of the coronavirus pandemic. RCCE worked hard to help trustees navigate a way through the crisis, providing regular information bulletins including guidance on all Government regulations relating to village halls.

In June 2021, Essex County Council asked RCCE to take responsibility for managing a new funding stream, the Covid Safe Community Buildings Fund, introduced as part of a package of support measures for Essex made possible by funding received from the Department of Health and Social Care.



## **DIRECTORS' REPORT - continued**

### **2. ACHIEVEMENTS AND PERFORMANCE - continued**

The Fund went live at the end of July and over the next six months RCCE distributed over £700,000 in grants to help fund improvements that would make local village halls and other community buildings more Covid-secure, thereby giving local people more confidence to use these facilities again. With demand for support exceeding the original allocation of funding, ECC agreed additional funds to support eligible projects already in the pipeline.

Aside from the pandemic, many halls continued to seek advice from RCCE on funding for longer-term improvements and on updating their legal and constitutional status, with an increasing number looking to attain Charitable Incorporated Organisation (CIO) status. At the end of the year, more than 250 individual halls were affiliated as members of RCCE, the best recorded figure yet. The credit for this must go to Sue Gibson, who retired as Village Halls and Community Buildings Adviser in March 2022 after almost 16 years in post. Sue worked tirelessly to support the needs of hall trustees across the county, never more so than in the enormous efforts she made to guide them through the unprecedented challenges of the past two years.

#### **Supporting People in Need**

##### *Community Agents Essex*

The Community Agents Essex service focusses on helping vulnerable elderly people and their carers; enabling them to continue living safe, happy and well in their own home.

The continuing pandemic helped ensure a high level of demand throughout 2021/22. The Agents who operate countywide supported over 5,600 new clients and handled more than 16,000 activities and ongoing referrals. Much of this support was provided remotely but home visiting was able to resume on a limited and strictly controlled basis later in the year.

Throughout the pandemic, the Community Agents service has worked as an integral part of the overall countywide relief effort, co-ordinated by Essex County Council. This success of this collaboration encouraged ECC to develop plans for a new Essex Wellbeing Service, which would bring together a range of preventive and early intervention services, including Community Agents and United in Kind (see below).

RCCE was a partner in a successful bid to run the new service headed by Provide CIC. This should ensure the future of Community Agents for the next five years. After a three-month mobilisation process, the new Essex Wellbeing Service was ready to commence operation on 1<sup>st</sup> April 2022. British Red Cross, which had partnered RCCE in delivering Community Agents since 2014, decided not to participate in the new service, so in future the full team of Agents will be employed by RCCE.

##### *Social Isolation and Loneliness*

The problem of loneliness and social isolation, already recognised as a significant political issue, has clearly been exacerbated by the lockdowns and restrictions necessary to deal with the coronavirus pandemic.

Shortly before the onset of the pandemic, RCCE established a team of community resilience coaches, working at district level, as part of the 'United in Kind' campaign initiated by Essex County Council. As with Community Agents, the project was integrated with the overall countywide pandemic relief effort and 2021/22 proved another very busy year. In total, the 'United in Kind' coaches recruited more than 3,500 volunteers and helped to facilitate over 8,000 acts of kindness.

## **DIRECTORS' REPORT - continued**

### **2. ACHIEVEMENTS AND PERFORMANCE - continued**

There have also been important additions to the service with Essex County Council, supporting the employment of a Volunteer Co-ordinator to provide longer-term support to Essex Wellbeing Service volunteers, and funding a new initiative called 'Find Your Active', through which 'Community Connectors' encourage people to be more active, but to do so in a way that best suits them, whether it be getting out into the garden, going for a walk or a bike ride, or visiting the local leisure centre. This pilot project has been extended to March 2023.

From April 2022, 'United in Kind' will be another component in the new Essex Wellbeing Service, with the prospect of funding for five years, and as with Community Agents, RCCE will now have responsibility for employing all coaches countywide. It will also be the pathway lead for social isolation within the Essex Wellbeing Service.

#### *Growing Communities*

RCCE's Growing Communities project focusses on children and the importance of educating them on the benefits of growing and eating locally sourced food and caring for nature and the local environment.

After a one-year break imposed by the pandemic, the annual competition for schools, the focal point of the project returned in 2021 in a virtual format and with a new look. Entitled 'Bee Good' it invited children to design a plot which will help encourage bees. Six schools were awarded prizes across two age group categories with support for the competition again generously provided by The Augustine Courtauld Trust and Kings Seeds.

#### **Rural Voice, Partnerships and Programme Delivery**

##### *Essex Rural Partnership*

RCCE continued to facilitate the running of the Essex Rural Partnership (ERP) bringing together public, private and voluntary sector partners to co-ordinate approaches and assess the rural implications of national and local policy initiatives. Alongside RCCE, the key partners include Essex County Council, District Councils, Essex Police, Office of the Police, Fire and Crime Commissioner, Essex Association of Local Councils, National Farmers Union, Diocese of Chelmsford, Essex Wildlife Trust, Farming Community Network, Visit Essex and Essex Young Farmers.

A draft was prepared for a refreshed Essex Rural Strategy, offering a shared vision for the future of the county's rural areas. Evidence of rural needs was also fed into the overall Covid Impact Assessment prepared for the Essex Leaders group and into the consultation on 'Everyone's Essex', Essex County Council's new organisation strategy.

The Essex Rural Partnership continued to focus on rural crime issues, supporting the refresh of the Essex Police Rural Strategy and engaging with the Police, Fire and Crime Commissioner on the new Essex Police and Crime Plan, which identifies rural crime as a priority.

##### *Policy Influencing and Representation*

Aside from its role with the Essex Rural Partnership, RCCE has extensive experience of its own in providing a voice for rural communities to all levels of government and other public bodies and partnerships.

Examples this year included continued engagement with the South East Local Enterprise Partnership (SELEP), primarily through membership of its Rural Sector Working Group, and working with ACRE, the national body for Rural Community Councils, to influence the development of the UK Shared Prosperity Fund, the Government's successor to European Structural Funds, which will be introduced in full in 2022/23.

## **DIRECTORS' REPORT - continued**

### **2. ACHIEVEMENTS AND PERFORMANCE - continued**

In tandem with ACRE, RCCE examined the attention given to rural areas in the Government's flagship Levelling-Up White Paper, published in February 2022 and supported Essex County Council's plans for a rural levelling-up pilot in Braintree district, which will be launched in 2022/23.

RCCE registered its support for the report of the Essex Climate Action Commission (ECAC), published in July 2021, and early in 2022 it was invited to participate in the new Essex Local Nature Partnership, set up in response to the ECAC report, with a mission to stimulate nature recovery and improve access to green space in the county. This will present an opportunity for RCCE to use its skills and experience in community engagement in conjunction with more specialist environmental bodies.

Some of RCCE's influencing work is ongoing in nature. This includes providing regular trends and issues reports, and other intelligence, to ACRE under the terms of the current Defra/ACRE grant agreement and supporting ACRE in its efforts to secure long-term investment in the Rural Community Council network.

#### **LEADER**

RCCE concluded the delivery and management of the Essex Rivers 'LEADER' programme this year, although ongoing monitoring responsibilities continue to be fulfilled. Since its launch in 2015, the programme allocated £1.6 million to stimulate rural business growth, diversification and job creation across a large part of rural Essex. In doing so it created 74 full-time equivalent jobs exceeding the job creation target it had been set at the start of the project.

At the post-project attestation meeting with the Rural Payments Agency, the management and delivery of the programme was endorsed without reservation and evidence and good practice from Essex Rivers was inputted into the national review of the LEADER programme undertaken by Defra.

RCCE had also participated in two other cross-border LEADER programmes, Heritage Coast and Wool Towns, which straddled the Suffolk- Essex border and liaised with another, which covered East Hertfordshire and North West Essex. Cumulatively with Essex Rivers, these programmes invested almost £4 million into the rural economy in Essex.

LEADER ("Liaison Entre Action de Developpement de l'Economie Rurale") funding came from the European Agricultural Fund for Rural Development, so ceased to be available in the UK as a result of its departure from the European Union.

### **3. FINANCIAL REVIEW**

#### **Financial Performance - Year to 31 March 2022**

From a financial perspective, the charity's activities are sub-divided between restricted activities and unrestricted activities. The restricted activities are funded by grants and other donations which are required to be used for specific purposes laid down by the donor. Unrestricted activities are funded by grants, donations, contract income and other income receivable, or generated, for the objects of the charity, without further specified purpose. Unrestricted activities are further analysed between charitable activities, donations and investments. The Statement of Financial Activities on page 16 of the Financial Statements provides an overall summary of the Restricted and Unrestricted activities.

#### Restricted Activities

The movements in restricted funds for the year are summarised in Note 10 to the Financial Statements. The donors, and specific activities that have they have funded, are described either in Section 2 of this Directors' Report or in Note 10. In overall terms, during the course of the year, the charity received £2,058,304 in restricted grants and donations and defrayed £1,691,455 in expenditure, generating a surplus for the year of £366,849. When added to the accumulated surplus brought forward (£321,090), the accumulated surplus on restricted activities carried forward (£687,939) will be available to support restricted activities in 2022/23 and beyond.

## **DIRECTORS' REPORT - continued**

### **3. FINANCIAL REVIEW - Continued**

#### Unrestricted Charitable Activities

During the course of the year, the charity received £426,208 in unrestricted charitable income and incurred £416,545 of expenditure, generating a surplus for the year of £10,042. The activities funded by these unrestricted funds are described in Section 2 of this Directors' Report.

#### Donations

During the course of the year, the charity received £2,192 in donations (i.e. gifts made on a voluntary basis without any significant benefit to the donor).

#### Investments

The charity generated £142 in interest on its bank deposits and investments over the course of the year. Because the charity presently has insufficient staff/activities to fill the entire Threshelfords Business Park office, sections of the building are rented out on short-term operating leases. The rental income generated was £30,624. The share of overheads attributable to this space amounted to £10,624. The minimum future rental income receivable from the tenants is disclosed in Note 9 to the Financial Statements.

#### Total Unrestricted Activities

The overall surplus on unrestricted activities (£31,998) has been carried forward, taking total unrestricted funds as at 31 March 2022 to £867,069. A proportion of these funds (£507,304), being an approximation of the equity held in the Threshelfords Business Park property, has been separately set aside as a Designated Capital Fund in the event that it is needed to contribute to a pension 'cessation' liability, should the charity cease to be a member of the Essex Local Government Pension Scheme.

#### Essex Local Government Pension Scheme

In arriving at the above surplus on unrestricted activities, the Directors have continued to apply a true and fair override of Section 28 of FRS102; the Directors' reasons for making this judgement are fully explained in Note 12 to these Financial Statements. Had the charity applied Section 28 of FRS102, this would have led to an additional pension service cost for the year of £39,000 and an interest charge on the net pension liability of £6,000. The actuarial gain for the year would have been £422,000 and there would have been a Balance Sheet pension liability of negative £78,000. Note 12 to the Financial Statements provides further details. In these circumstances, the company would have recorded a surplus for the year on unrestricted activities of £408,998.

#### **Risk Management**

At each of their meetings, the four Board sub-committees review those aspects of the company's Strategic Risk Register which fall within their remit. The major risks are then taken to the subsequent Board meeting. Internal financial risks are minimised through the implementation of robust financial control procedures. These procedures are regularly reviewed by the Financial Control Committee to ensure that they still meet the needs of the company.

#### **Reserves Policy**

The company's Reserves Policy requires RCCE's minimum unrestricted funds neither committed nor invested in tangible assets (i.e. the company's minimum 'Free Core Charitable Funds' or 'Free Reserves') to be sufficient to enable the company to meet its next five months' direct expenditure on its unrestricted activities. As at 31 March 2022 this equated to a minimum requirement of £177,987 (2021: £194,378) in Free Reserves. The actual Free Reserves as at that date amounted to £359,763 (2021: £341,767).



## **DIRECTORS' REPORT – continued**

### **3. FINANCIAL REVIEW - continued**

#### **Investment Policy**

The company's overall investment objectives are to create income to assist the company to carry out its purposes consistently year by year, with due and proper consideration for future needs and the maintenance of and, if possible, the enhancement of the capital value of the invested funds while they are retained. During the last financial year the directors applied the following approach:

1. Investing surplus cash (over and above the company's short-term liquidity needs) in National Savings Income Bonds and/or one or more low-risk cautious funds and/or one or more fixed interest or fixed term securities;
2. Keeping the company's remaining cash with the company's bankers, Barclays. The trustees perceive the residual risk associated with holding cash with Barclays (cash which, from time to time, will exceed the amount guaranteed by the UK government's deposit protection scheme - currently £85,000) to be minimal, and one that they are prepared to accept;
3. To the extent that the company has insufficient staff/activities to fill the entire Threshelfords Business Park building, maximising the rental income on the building.

Following a review, the Board adopted a revised Investment Policy in June 2022. This states that the Trustees' investment objectives will be best achieved by:

1. Retaining the company's investment in the Threshelfords Business Park premises; maximising the rental income on spare space in the building and managing the level of the mortgage linked to it.
2. Investing up to £50,000 in CCLA's COIF Charities Investment Fund.
3. Investing surplus cash in fixed term cash deposits, subject to the Financial Services compensation Scheme (FCSC) protection cap.
4. Keeping the company's remaining cash with CCLA'S Charities' Deposit Fund or Barclays Bank.

### **4. PLANS FOR FUTURE PERIODS**

The organisation's 'Strategy 2019-22' identified a range of political, economic, social and technological changes that will present particular challenges for rural communities in Essex in the coming years. Given continuing uncertainties throughout 2021-22 as a result of the coronavirus pandemic, this strategy has been updated for 2022-23 as an interim measure. A new three-year strategy will be prepared to take effect from 2023-24. For the coming year, RCCE will continue to give priority to four broad areas of work over the coming period:

- Community Engagement and Housing;
- Community Buildings, Assets and Enterprise;
- Supporting People in Need; and
- Rural Voice, Partnerships and Programme Delivery.

In order to facilitate progress, the strategy identifies particular priorities for funding development, HR, property, governance and communications, which will be monitored by the Board sub-committees that report to the Board of Trustees.

#### **Impact of the Coronavirus Pandemic**

The coronavirus pandemic has continued to have consequences for RCCE, as noted elsewhere in this Directors' Report. For much of 2021-22, most services continued to be delivered virtually, although by the end of the year in person meetings were gradually resuming as was the use of RCCE's own office. It is anticipated that some virtual provision will continue in 2022/23.

## **DIRECTORS' REPORT - continued**

### **4. PLANS FOR FUTURE PERIODS - Continued**

#### **Impact of the Coronavirus Pandemic - Continued**

That said, there has been no detrimental impact on the charity's budgeted income for 2021/22, nor on its levels of working capital. At the time of approving these Financial Statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and they continue to adopt the going concern basis of accounting as a result.

It is apparent that, as the country does emerge from the pandemic, rural communities in Essex are looking to RCCE for support and guidance in rebuilding community life.

### **5. STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Rural Community Council of Essex is a private company limited by guarantee incorporated in England and Wales, registered company number 04609624. The registered office is Threshelfords Business Park, Inworth Road, Feering, Essex CO5 9SE. The company is also a registered charity, charity registration number 1097009. The company is governed by its Memorandum and Articles of Association.

RCCE's subscribing membership comprises individual members and corporate members, the vast majority of the latter being village halls and parish and town councils.

#### **Directors / Trustees**

The directors who have held office during the year are as follows:

Mr N S Charrington DL - Chairman - Resigned 13 October 2021  
Dr J Bettley JP DL FSA - Chairman - appointed 8 December 2021  
Mrs G Hayter - Vice Chairman - acting Chairman 13 October to 8 December 2021  
Mr R J Bray  
Mr R Brice  
Cllr G Butland - elected 13 October 2021  
Mr S R Brice DL  
Mr S Lyster DL  
Mr P J Martin MBE, DL  
Rev. Canon J Nicholls  
Ms S Pinkerton  
Mr P Roberts - elected 13 October 2021  
Mr H M Stuchfield MBE, JP, DL  
Cllr S Walsh - resigned 13 October 2021

The directors of the company are also charity trustees for the purposes of charity law. The Articles of Association stipulate that the Board of Trustees can comprise up to 12 elected members - all elected trustees are required to be subscribing members of the charity. In addition to the elected members, the Board is also entitled to co-opt up to 5 additional members to meet the requirement for specialist skills. At each Annual General Meeting, one-third of the trustees (both elected and co-opted) are required to retire and are then eligible for re-election (those longest in office since their election/co-option are required to retire first). All subscribing RCCE members are circulated with invitations to nominate trustees prior to the Annual General Meeting.

The Board of Trustees administers the charitable company and meets on a quarterly basis. There are four Board sub-committees. Of these, the Financial Control Committee meets on a similar quarterly cycle, the other committees meet at least twice a year. The trustees review the operation of the Board and its sub-committees on a regular basis. In addition to its regular schedule of meetings, the Board holds annual 'awaydays' to review the charity's future direction.

## **DIRECTORS' REPORT - continued**

### **5. STRUCTURE, GOVERNANCE AND MANAGEMENT - continued**

New trustees undergo a briefing session to inform them of their legal obligations under charity and company law, and to introduce them to the Memorandum and Articles of Association, the strategy, business plan, and governance and management structures of the organisation. As part of this induction they are introduced to key employees and other trustees.

#### **Company Secretary and Honorary Officers**

The Company Secretary throughout the year was Mr N Shuttleworth. The Honorary Officers who have held office during the year are as follows:

The Patron	Mrs Jennifer Tolhurst, The Lord Lieutenant of Essex
President	Mr G Courtauld OBE, DL
Vice-Presidents	Mr D Boyle JP, DL The Revd. Canon J Brown DL Mr N S Charrington – appointed 8 December 2021 Cllr J Jowers Mr C Manning-Press DL – died 13 September 2021 Lord Petre KCVO Professor J Pretty OBE Mr R Woolley
Treasurer	Mr P Conway FCA – resigned 13 October 2021

The Company Secretary and Honorary Officers are elected/re-elected annually at the first Board meeting following the Annual General Meeting.

#### **The Executive**

The Executive Director, Mr N Shuttleworth, has delegated authority from the Board of Trustees to manage the day to day operations of the charity. Sitting beneath the Executive Director, the charity's staffing structure is aligned with the four priority areas of work defined in RCCE's *Strategy 2020-22* (see Sections 1 and 2 of this report).

In addition to the Executive Director, the charity presently has 13 field-based Community Agents working in the districts of Uttlesford, Braintree, Tendring, Colchester, Maldon and Chelmsford, 11 field-based United In Kind coaches working in the districts of Braintree, Tendring, Colchester, Maldon, Rochford, Castle Point, Basildon, Chelmsford and Brentwood, 5 field based Find your active agents working in the districts of Tendring, Colchester, Rochford, Castle Point, Basildon, Brentwood, Chelmsford and Maldon, and 12 members of staff working from home. Most of the latter were, until Covid restrictions came into place, based at RCCE's Threshelfords Business Park office.

**THE RURAL COMMUNITY COUNCIL OF ESSEX**

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**DIRECTORS' REPORT - continued**

**6. OTHER REFERENCE AND ADMINISTRATIVE DETAILS**

**Bankers**

The charity's bankers throughout the year were:

Barclays Bank plc  
40-41 High Street  
Chelmsford  
Essex CM1 1BE

The mortgage on the company's Threshelfords Business Park premises is also held by Barclays.

**Auditors**

The charity's auditors throughout the year were:

Whittle & Partners LLP  
Chartered Accountants  
The Old Exchange  
64 West Stockwell Street  
Colchester  
Essex CO1 1HE

Whittle & Partners LLP, practising as Whittles, has indicated its willingness to continue in office and will be proposed for reappointment at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.



Approved by Dr J Bettley JP DL FSA (Chairman)  
14<sup>th</sup> September 2022



## **THE RURAL COMMUNITY COUNCIL OF ESSEX**

**A Charitable Company Limited By Guarantee**

**Registered Charity No. 1097009**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Charity 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 company and of the excess of net income or of net expenditure of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless this is inappropriate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **THE RURAL COMMUNITY COUNCIL OF ESSEX**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RURAL COMMUNITY COUNCIL OF ESSEX**

#### **Opinion**

We have audited the financial statements of Rural Community Council of Essex Limited (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activity, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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.

#### **Emphasis of matter – defined benefit pension scheme**

In forming our opinion, we have considered the adequacy of the disclosures made in Note 1viii) and Note 12 of the financial statements concerning the company's defined benefit pension scheme and the application of a true and fair override of Section 28 of Financial Reporting Standard 102. In view of the significance of this information we consider that it should be drawn to your attention, but our opinion is not modified in this respect.

#### **Other information**

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RURAL COMMUNITY COUNCIL OF ESSEX – continued**

#### **Other information - continued**

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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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 trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the Statement of directors' responsibilities, the trustees who are also the directors of the charitable company for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 of 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## THE RURAL COMMUNITY COUNCIL OF ESSEX

A Charitable Company Limited By Guarantee

Registered Charity No. 1097009

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RURAL COMMUNITY COUNCIL OF ESSEX - continued

#### Auditor's responsibilities for the audit of the financial statements - continued

The audit tests, including planning procedures, adopted for the audit of these financial statements are designed to assess and detect the risk of irregularities, including fraud. Our risk assessment of the likelihood of irregularities included the high degree of involvement of the experienced directors, which reduces the risk of irregularities. The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector.

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, Charities Act 2011, Employment Law and Data Protection.

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management. These were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and the specific procedures performed to address them are described below:

- We obtained an understanding of the income process and the flow of financial information to the general ledger and how this is classified as restricted and unrestricted.
- Cut-off testing was performed at the year-end date by reviewing revenue which had been accrued for and revenue that had been recognised after date to identify any transaction which had been erroneously recognised in the incorrect period. The same testing was carried out for expenditure.
- In line with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we reviewed accounting records for any unusual adjustments.

In addition to the above, our procedures to respond to the risk identified included the following:

- Reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud.
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance for the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**THE RURAL COMMUNITY COUNCIL OF ESSEX**

A Charitable Company Limited By Guarantee

Registered Charity No. 1097009

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS  
OF THE RURAL COMMUNITY COUNCIL OF ESSEX - continued**

**Auditor's responsibilities for the audit of the financial statements - continued**

**Use of our report**

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

*Michael Greene BSc FCCA (Senior Statutory Auditor)*

*For and on behalf of Whittles*

Chartered Accountants

Statutory Auditor

Date: **22** September 2022

Whittle & Partners LLP

The Old Exchange

64 West Stockwell Street

Colchester

Essex

CO1 1HE

**THE RURAL COMMUNITY COUNCIL OF ESSEX**  
A Charitable Company Limited By Guarantee  
Registered Charity No. 1097009

**STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account)**  
**YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £ Note 10	Total 2022 £	Total 2021 £ Note 15
<b>Income from:</b>					
Charitable activities	2	426,208	2,058,304	2,484,512	1,509,591
Donations		2,192	-	2,192	2,340
<b>Investments</b>					
Rents receivable	1v	30,624	-	30,624	29,902
Interest receivable		142	-	142	1,235
<b>Total income</b>		<u>459,166</u>	<u>2,058,304</u>	<u>2,517,470</u>	<u>1,543,068</u>
<b>Expenditure on:</b>					
Charitable activities	3	416,545	1,691,455	2,107,999	1,309,663
Investment management					
Rental overheads	1v	10,624	-	10,624	9,497
<b>Total expenditure</b>		<u>427,169</u>	<u>1,691,455</u>	<u>2,118,623</u>	<u>1,319,160</u>
<b>Net income before transfers</b>		<u>31,998</u>	<u>366,849</u>	<u>398,847</u>	<u>223,908</u>
<b>Transfers between funds</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net income after transfers</b>		<u>31,998</u>	<u>366,849</u>	<u>398,847</u>	<u>223,908</u>
<b>Total funds brought forward</b>		<u>835,069</u>	<u>321,090</u>	<u>1,156,159</u>	<u>932,251</u>
<b>Total funds carried forward</b>		<u><u>£867,067</u></u>	<u><u>£687,939</u></u>	<u><u>£1,555,006</u></u>	<u><u>£1,156,159</u></u>

The notes on pages 19 to 34 form part of these financial statements.



**THE RURAL COMMUNITY COUNCIL OF ESSEX**  
A Charitable Company Limited By Guarantee  
Registered Charity No. 1097009

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	4	697,051	702,837
Investments	5	100,000	100,000
		<u>797,051</u>	<u>802,837</u>
<b>Current assets</b>			
Debtors	6	220,954	98,487
Cash at bank and in hand		832,291	563,082
		<u>1,053,245</u>	<u>661,569</u>
<b>Creditors: amounts falling due within one year</b>	7	(124,499)	(119,246)
<b>Net current assets</b>		<u>947,091</u>	<u>542,323</u>
<b>Total assets less current liabilities</b>		<u>1,725,797</u>	<u>1,345,160</u>
<b>Creditors: amounts falling due after more than one year</b>	7	(170,791)	(189,001)
<b>Net assets</b>		<u>£1,555,006</u>	<u>£1,156,159</u>
<b>Restricted funds</b>	10	687,939	321,090
<b>Unrestricted funds</b>	11		
Designated capital fund		507,304	493,302
Free core charitable funds		359,763	341,767
<b>Total funds</b>		<u>£1,555,006</u>	<u>£1,156,159</u>

Approved by the Board on 14<sup>th</sup> September 2022 and signed on its behalf by:

  
..... Dr J Bettley JP DL FSA  
(Chairman)

The notes on pages 19 to 34 form part of these financial statements.

**THE RURAL COMMUNITY COUNCIL OF ESSEX**  
A Charitable Company Limited By Guarantee  
Registered Charity No. 1097009

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £ Note 16
<b>Net income as per the Statement of Financial Activities</b>		31,998	366,849	398,847	223,908
Adjustments for:					
Rents receivable		(30,624)	-	(30,624)	(29,902)
Interest receivable		(142)	-	(142)	(1,235)
Rental overheads payable		11,193	-	11,193	9,497
Depreciation charges		5,786	-	5,786	6,537
Decrease/(increase) in debtors		(4,807)	(118,445)	(123,252)	(41,913)
Increase/(decrease) in creditors		13,340	(8,654)	4,686	(76,433)
<b>Net cash provided by operating activities</b>		<u>26,744</u>	<u>239,750</u>	<u>266,494</u>	<u>90,459</u>
<b>Cash flows from investing activities:</b>					
Rents received		31,409	-	31,409	29,589
Interest received		142	-	142	1,235
Rental overheads paid		(10,754)	-	(10,754)	(10,469)
<b>Net cash provided by investing Activities</b>		<u>20,797</u>	<u>-</u>	<u>20,797</u>	<u>20,355</u>
<b>Cash flows from financing activities:</b>					
Mortgage repayments	7	(18,082)	-	(18,082)	(18,579)
<b>Net cash (used in) financing activities</b>		<u>(18,082)</u>	<u>-</u>	<u>(18,082)</u>	<u>(18,579)</u>
<b>Net change in cash</b>		29,459	239,750	269,209	92,235
<b>Cash balances brought forward</b>		222,200	340,882	563,082	470,847
<b>Cash balances carried forward</b>		<u>£251,659</u>	<u>£580,632</u>	<u>£832,291</u>	<u>£563,082</u>

The notes on pages 19 to 34 form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES

i) *Bases of accounting*

These Financial Statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. They form the accounts of the Rural Community Council of Essex (RCCE), a public benefit entity as defined by FRS102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland). At the time of approving these Financial Statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting as a result.

ii) *Presentation currency and rounding*

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

iii) *Recognition and allocation of income and expenditure*

All income is accounted for on a receivable basis, net of any applicable VAT. Expenditure is accounted for on an accruals basis. All income and expenditure is allocated to a particular activity where it relates directly to that activity. Support functions (including finance, human resources, facilities management and governance) are apportioned across the activities that the functions support. Overhead costs (including office running costs and consumables, information technology, insurances and affiliation fees) are similarly apportioned. Taken together, all these costs are referred to as 'support costs' in Note 3 to the Financial Statements. To the extent that activity-related funding agreements allow, support costs are apportioned to activities based on the full-time equivalent number of staff employed within that activity.

iv) *Fund accounting*

Unrestricted funds comprise grants and donations, contract income and other income receivable or generated for the objects of the charity without further specified purpose. In RCCE's case this includes the charity's core commissioning grants from Essex County Council and Defra (the Department for Environment Food & Rural Affairs), both of which are applied across all the charity's objects and are fully utilised over the course of the year. Unrestricted funds which are not utilised during the year are carried forward as general funds. Designated funds are unrestricted funds earmarked by the directors for particular purposes. Restricted funds are grants or other donations which are required to be used for specific purposes laid down by the donor.

v) *Long-leasehold property*

RCCE occupies a purpose built office at Threshelfords Business Park in Feering, held under a 999 year lease acquired in October 2006. The building is held for operational use as a tangible fixed asset but, from time to time, if the company has insufficient staff/activities to fill the entire building, sections of the building are rented out on short-term operating leases. Because there is no long-term intention to hold the building for investment purposes, and because the fair value of the rented element of the building is variable and cannot be measured reliably without undue cost, it is the company's policy to account for the entire building as long-leasehold property within tangible fixed assets (see Note 4). In accordance with the Statement of Recommended Practice (FRS102), the rental income from the property is separately disclosed in the Statement of Financial Activities, alongside a fair share of the overhead costs associated with running the building. The future minimum rental receipts are disclosed in Note 9 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES - continued

*vi) Depreciation*

Depreciation is provided at the following annual rates in order to write off each 'high-value' asset (costing in excess of £1,000) over its estimated useful life:

Long leasehold buildings	-	1% on revalued amount
Long leasehold land	-	Nil
Office equipment	-	15% on cost
ICT hardware & software	-	25% on cost
Fixtures & fittings	-	10% on cost

High-value office equipment, ICT hardware & software, and fixtures & fittings that are specifically financed by restricted project funds are fully written off in the year that the expenditure occurs.

*vii) Financial instruments*

All the company's financial assets and financial liabilities are 'Basic Financial Instruments', as defined in Section 11 of FRS102. Accordingly:

1. All the company's fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at market value at each reporting date. Changes in market value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.
2. All the company's other financial assets, comprising trade debtors and bank balances, are measured at the cash consideration expected to be received and are not discounted.
3. All the company's financial liabilities, comprising trade/other creditors and the company's mortgage liability, are measured at the cash consideration expected to be paid. The amounts falling due on the mortgage are not discounted back to their present value as the time value of money is considered by the Board to be immaterial.

*viii) Defined benefit pension scheme*

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

RCCE participates in a multi-employer defined benefit pension scheme - the Essex Local Government Pension Scheme - administered by Essex County Council. The scheme has been closed to new members since 31<sup>st</sup> May 2016. Up until 31 March 2017, the pension liabilities and assets were recorded in line with Section 28 of FRS102. The Directors reconsidered this assumption in March 2018 and judged that, were the company's defined benefit pension liabilities and assets to be recorded in line with Section 28 of FRS102, this would not provide a true and fair view of the company's financial position at the Balance Sheet date, nor of its net income/expenditure for the year then ended. Instead, the Directors judged that it would be true and fair to include neither a net pension liability nor a net pension asset in the financial statements and that, from 1 April 2017, employer contributions should be charged in the accounts as they become payable in accordance with the rules of the scheme. The Directors' reasons for making this judgement are fully explained in Note 12 to these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES - continued

ix) *Defined contribution pension scheme*

The company operates a defined contribution pension scheme for all qualifying employees who are not members of the defined benefit pension scheme. The assets of the defined contribution scheme are held separately from those of the company in an independently administered fund. Employer contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

x) *Taxation*

The company is a charity within the meaning of section 506(1) of the Taxes Act 1988. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

2 INCOME FROM CHARITABLE ACTIVITIES

Activity	2022 £	2021 £
Community Engagement	122,885	111,557
Rural Housing Enabler Service	42,148	37,210
Village Halls Advice Service	53,618	47,303
Community Agents Essex	660,000	783,000
Home from Hospital / Social Prescription Service	62,500	62,500
Social Isolation & Loneliness Programme	260,543	269,739
Help Essex Buy Local	-	14,979
Growing Communities	-	2,500
Strategic Influencing and Partnership Working	145,057	132,503
Essex Rivers	2,114	47,800
Find your active	157,482	-
Covid Building Grant	750,000	-
Social Isolation Computer Grant	200,000	-
Afghan Refugee Fund	4,384	-
Essex Wellbeing Service	23,781	-
Restricted Grant Making Funds (Note 10)	-	500
	<b>£2,484,512</b>	<b>£1,509,591</b>

The above figures include the following 'government grants':

Source	Activity		
Essex County Council	Community Agents	660,000	753,000
Essex County Council	Social Isolation Programme	260,043	256,390
Essex County Council	Social Isolation Computer Grant	200,000	-
Essex County Council	Covid Building Grant	750,000	-
Essex County Council	Find your active	157,482	-
Essex County Council	Afghan Refugee Fund	4,384	-
Essex County Council	All unrestricted activities	150,000	150,000
DEFRA	Essex Rivers	-	47,800
DEFRA (via ACRE)	All unrestricted activities	47,875	48,375
District/Borough Councils	Rural Housing Enabler	6,000	5,000
<b>Total government grants</b>		<b>£2,235,784</b>	<b>£1,260,565</b>

**THE RURAL COMMUNITY COUNCIL OF ESSEX**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

**3 EXPENDITURE ON CHARITABLE ACTIVITIES**

Year to 31 March 2022	Direct costs £	Support costs £	Total 2022 £
Community Engagement	84,815	33,656	118,471
Rural Housing Enabler Service	23,806	16,828	40,634
Village Halls Advice Service	32,059	19,633	51,692
Community Agents Essex	623,136	37,500	660,636
Home from Hospital / Social Prescription	62,500	-	62,500
Social Isolation & Loneliness Programme	224,053	9,524	233,577
Help Essex Buy Local	3,399	-	3,399
Growing Communities	1,321	-	1,321
Strategic Influencing and Partnerships	94,972	44,875	139,847
Essex Rivers	1,954	-	1,954
Find your active	25,616	-	25,616
Covid Building Grant	742,394	-	742,394
Social Isolation Computer Grant	2,176	-	2,176
Afghan Refugee Fund	-	-	-
Essex Wellbeing Service	23,781	-	23,781
Restricted Grant Making Funds (Note 10)	-	-	-
	<u>1,945,982</u>	<u>162,017</u>	<u>2,107,999</u>
Year to 31 March 2021	Direct costs £	Support costs £	Total 2021 £
Community Engagement	51,847	54,767	106,614
Rural Housing Enabler Service	19,914	15,647	35,561
Village Halls Advice Service	26,952	18,255	45,207
Community Agents Essex	620,166	30,900	651,066
Home from Hospital / Social Prescription	57,500	5,000	62,500
Social Isolation & Loneliness Programme	210,248	-	210,248
Help Essex Buy Local	15,867	-	15,867
Growing Communities	2,077	-	2,077
Strategic Influencing and Partnerships	84,906	41,726	126,632
Essex Rivers	40,399	9,799	50,198
Restricted Grant Making Funds	3,693	-	3,693
	<u>£1,133,569</u>	<u>£176,094</u>	<u>£1,309,663</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

**3 EXPENDITURE ON CHARITABLE ACTIVITIES - continued**

Salary and on-costs

The average number of staff employed during the year was 38 (2021: 41). All the company's salary and on-costs are included in total expenditure on charitable activities, as follows:

	2022 £	2021 £
Wages and salaries	639,000	628,349
Employer's national insurance contributions	39,534	36,347
Employer's cont'ns - defined benefit pension scheme	105,709	111,547
Employer's contributions - defined contribution pension scheme	6,606	5,292
Total salary and on-costs	<u>£790,850</u>	<u>£781,535</u>

The above figures include accrued holiday pay of £10,520 (2021: £4,995).

No employee earned more than £60,000 per annum (2021: none), and no employee received any other benefits from the company (2021: none). The above figures include salary and employer's pension contributions for the Executive Director of £59,397 (2021: £58,233).

Grants payable

Direct costs include grants paid to third parties of £1,051,574 (2021: £305,895) - Note 10 (Restricted Funds) provides an analysis by activity. Of this sum, £302,000 was paid to British Red Cross (2021: £302,000), £742,394 to various organisations as part of the Covid Building Grant (2021: £0). The remainder was paid to small community groups and to individuals in need.

Support costs

The constituent elements of the company's support costs, and the method of their apportionment to the company's charitable activities, are explained in Note 1(iii) to these Financial Statements. Support costs include £5,786 for depreciation (2021: £6,537) and the following amounts in respect of governance costs for the company:

	2022 £	2021 £
Salary and on-costs	6,465	6,337
Statutory audit fees	4,350	3,900
	<u>£10,815</u>	<u>£10,237</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

**4 TANGIBLE FIXED ASSETS**

	Long- leasehold property £	Office equipment £	ICT hardware & software £	Fixtures & fittings £	Total £
<b>Cost/Valuation</b>					
As at 1 April 2021 and 31 March 2022	725,000	18,612	11,911	4,704	760,227
<b>Depreciation</b>					
As at 1 April 2021	24,480	17,110	11,911	3,888	57,389
Charge for period	4,080	1,502	-	204	5,786
As at 31 March 2022	28,560	18,612	11,911	4,092	63,175
<b>Net book value</b>					
As at 31 March 2021	£700,520	£1,502	£ -	£815	£702,837
As at 31 March 2022	£696,440	£-	£ -	£611	£697,051

The long-leasehold property comprises a purpose built office at Threshelfords Business Park in Feering, held under a 999 year lease acquired in October 2006. The property was revalued, in accordance with the current edition of the Royal Institute of Chartered Surveyors' UK and global professional standards, by an independent valuer, Fenn Wright Chartered Surveyors, in April 2015. Had the long-leasehold property not been revalued in April 2015 its carrying (net book) value at 31 March 2022 would have been £855,143 (2021: £860,370).

**5 FIXED ASSET INVESTMENTS**

	2022 £	2021 £
National Savings - Income Bonds	£100,000	£100,000

Fixed asset investments are stated at market value. The original transaction price for these investments, excluding transaction costs, was £100,000.

**THE RURAL COMMUNITY COUNCIL OF ESSEX**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

**6 DEBTORS**

	2022 £	2021 £
Trade debtors	207,029	85,199
Grants receivable	-	7,773
Other debtors	1,347	3,055
Prepayments	12,578	2,460
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	£220,954	£98,487

**7 CREDITORS**

	2022 £	2021 £
<u>Amounts falling due within one year</u>		
Trade/other creditors	29,844	40,757
Income received in advance	10,368	5,911
Accruals	47,424	33,823
Mortgage capital instalments	18,345	18,217
Value added tax	8,213	12,382
Pay-as-you-earn tax (PAYE)	10,305	8,156
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	£124,499	£119,246

	2022 £	2021 £
<u>Amounts falling due after one year</u>		
Mortgage capital instalments	£170,791	£189,001
	<hr/>	<hr/>

The mortgage is secured on the long leasehold property at Threshelfords Business Park (see Note 4). During the course of the year, in addition to paying mortgage capital instalments of £18,081 (2021: £18,579), the company paid £3,105 in mortgage interest (2021: £3,239). Mortgage interest is included within total expenditure in the Statement of Financial Activities.



**THE RURAL COMMUNITY COUNCIL OF ESSEX**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

**8 FINANCIAL INSTRUMENTS**

	2022 £	2021 £
<u>Financial Assets</u>		
Fixed asset investments (Note 5)	100,000	100,000
Trade debtors (Note 6)	207,029	85,199
Cash at bank and in hand	832,291	563,082
	<hr/>	<hr/>
Carrying value of financial assets	£1,139,320	£748,281
	<hr/>	<hr/>
<u>Financial Liabilities</u>		
Trade/other creditors (Note 7)	29,844	40,757
Mortgage capital instalments (Note 7)	189,137	207,218
	<hr/>	<hr/>
Carrying value of financial liabilities	£218,981	£247,975
	<hr/>	<hr/>

**9 AMOUNTS RECEIVABLE UNDER OPERATING LEASES**

The company's minimum future rental income - receivable from tenants of the Threshelfords Business Park building - is as follows:

	2022 £	2021 £
Receivable within 1 year	10,965	27,936
Receivable between 1 and 5 years	-	11,394
	<hr/>	<hr/>
	£10,965	£39,330
	<hr/>	<hr/>



**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

**10 RESTRICTED FUNDS**

	Balance 1 April 2021	Total income	Expenditure			Tran- s- fers	Balance 31 March 2022
			Activities under- taken directly	Grant funding of activities	Total expend- iture		
	£	£	£	£	£	£	£
<b>Restricted Activities described in the Directors' Report</b>							
Community Agents Essex	163,681	660,000	358,553	302,084	660,636	-	163,044
Social Isolation and Loneliness	143,740	260,543	227,802	5,775	233,577	-	170,706
Find your Active	-	157,482	25,616	-	25,616	-	131,866
Social Isolation Computer Grant	-	200,000	2,176	-	2,176	-	197,824
EWS Volunteer Service	-	23,781	23,781	-	23,781	-	-
Covid Community Building Fund	-	750,000	-	742,394	742,394	-	7,606
Growing Communities	2,946	-	-	1,321	1,321	-	1,625
Essex Rivers	-	2,114	1,954	-	1,954	-	160
<b>Restricted Grant-Making Funds</b>							
'Making It Happen'	2,000	-	-	-	-	-	2,000
'Surviving Winter Appeal Fund'	502	-	-	-	-	-	502
'Natural Environment' Project	6,700	-	-	-	-	-	6,700
'Fighting Rural Crime' Project	1,522	-	-	-	-	-	1,522
'Afghan Refugee Fund'	-	4,384	-	-	-	-	4,384
	£321,090	£2,058,304	£639,881	£1,051,574	£1,691,455	£	£687,939

**Restricted Grant-Making Funds**

**'Making It Happen'**

This funding, made available by Essex County Council, provides support to parishes and community groups that are committed to developing parish plans. No grants were made during the year.

**'Surviving Winter Appeal Fund'**

This funding, provided by the Essex Community Foundation, is designed to address short-term issues of fuel poverty by making small grants to people in need, as identified through the Community Agents Essex service. No grants were made during the year.

**'Natural Environment' Project**

This grant has been provided by Essex County Council to fund a project that will assist with the delivery of Priority 10 of the Essex Rural Strategy - 'Protecting and promoting our natural environment'. Essex Wildlife Trust, as the lead for Priority 10, will be identifying a project in due course. RCCE, as the managing body for the Essex Rural Partnership, is holding the funds until then.

**'Fighting Rural Crime' Project**

This funding has been provided by Essex Police (Proceeds of Crime Act funding), Essex County Council and the Essex Community Foundation. To date, it has been used to purchase covert cameras to help the police fight rural crime in the County. RCCE is holding the remaining funds as the managing body for the Essex Rural Partnership.

**'Afghan Refugee fund'**

This funding, provided by the Essex County Council, is designed to address short-term issues for refugees in need, as identified through the Community Agents Essex service. No grants were made during the year.

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

**11 UNRESTRICTED FUNDS**

	Designated Capital Fund £	Free Core Charitable Funds £	Total Unrestricted Funds £
As at 1 April 2021	493,302	341,767	835,069
Net movement in unrestricted funds	-	31,998	31,998
<b>Transfers to / from Designated Capital Fund:</b>			
Reduction in value of long leasehold property	(4,080)	4,080	-
Reduction in mortgage	18,082	(18,082)	-
As at 31 March 2022	<u>£507,304</u>	<u>£359,763</u>	<u>£867,067</u>

RCCE's designated Capital Fund as at 31 March 2022 comprises the carrying (net book) value of the company's long leasehold in the Threshelfords Business Park property (£696,440) minus the outstanding mortgage on the property (£189,136).

**12 DEFINED BENEFIT PENSION SCHEME**

RCCE participates in the Essex Local Government Pension Scheme (LGPS), a multi-employer defined benefit statutory pension scheme administered by Essex County Council. The scheme has been closed to new members since 31<sup>st</sup> May 2016. From 31 March 2013 to 31 March 2017, RCCE's pension liabilities and assets were recorded in line with Section 28 of FRS102. This gave rise to increasing volatility, year-on-year, in the value of the net liability recognised in the company's Balance Sheet and also the amounts recognised in the Statement of Financial Activities. Taken together, the FRS102 valuations were also significantly more pessimistic than those derived from the 2013 and 2016 "ongoing" (triennial) valuations of the entire Essex LGPS. As a result, the Directors decided to commission an additional bespoke pension valuation as at 31 March 2018 using a discount rate (and other financial/actuarial assumptions) consistent with those that would have been used had an "ongoing" (triennial) valuation been carried out as at that date.

The assumptions adopted by the scheme actuary, Barnett Waddingham, in arriving at the 2018 and 2017 valuations overleaf, were as follows:

	Ongoing Valuation 2018	FRS102 2018	FRS102 2017
<u>Financial assumptions</u>			
RPI increases	3.57%	3.3%	3.6%
Salary increases	4.17%	2.3%	4.2%
Pension increases	2.67%	2.3%	2.7%
Discount rate	5.19%	2.6%	2.8%
<u>Assumed life expectancy from age 65 years</u>			
Retiring today - males	22.2	22.2	22.1
Retiring today - females	24.7	24.7	24.6
Retiring in 20 years - males	24.4	24.4	24.3
Retiring in 20 years - females	27.0	27.0	26.9

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2022

12 DEFINED BENEFIT PENSION SCHEME – continued

In all cases, the actuary further assumed that (i) members would exchange 50% of their commutable pension for cash at retirement, (ii) members would retire at one retirement age for all tranches of benefit, which would be the pension weighted average tranche retirement age, and (iii) none of the active members would take up the option under the new LGPS to pay 50% of contributions for 50% of benefits.

The actuary's estimated asset allocation for the company as at the 2018 and 2017 year-ends was as follows:

	2018	2017
Equities	66%	68%
Gilts / other bonds	11%	8%
Property	9%	10%
Cash / alternative assets / other managed funds	14%	14%

These assumptions gave rise to the following valuations:

	Ongoing Valuation	FRS102	FRS102
	2018	2018	2017
Present value of defined benefit liabilities	(£1,437,000)	(£2,340,000)	(£2,327,000)
Fair value of fund assets	£2,038,000	£1,999,000	£1,706,000
Net defined benefit pension asset/(liability)	£601,000	(£341,000)	(£621,000)

On the basis of these valuations, the Directors made the following judgements in respect of the company's Balance Sheet reporting as at 31 March 2018:

1. Ongoing valuation - reporting a £601k pension asset account would have been wrong for many reasons including the trustees responsibilities for prudence, the lack of likelihood of conversion of a balance sheet asset to cash and the lack of any underlying detail in the actuary's 'ongoing' report.
2. FRS 102 valuation - reporting a £341k pension liability would also not have been "true and fair". It is clear from both the triennial report in 2016 and the 2020 ongoing valuation that RCCE has no actual pension deficit as normally measured. The *Institute of Chartered Accountants in England and Wales*, in their guidance on FRS102, emphasises that "true and fair" has to take precedence over financial reporting standards.
3. The only "true and fair" approach was to recognise neither an asset nor a liability in the Balance Sheet, but to account for employer contributions in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

In the intervening period, nothing has changed to persuade the Directors that they should not continue to apply this true and fair override of Section 28 of FRS102 to the company's Financial Statements.

FRS102 pension valuation as at 31 March 2022

The information overleaf is taken from the actuary's FRS102 pension valuation as at 31 March 2022, and is provided to enable the reader to understand how the company's Balance Sheets as at 31 March 2022 and 31 March 2021, and Statement of Financial Activities (SOFA) for the years then ended, would have looked if the Directors had decided to value the company's pension liabilities and assets using actuarial assumptions that comply with Section 28 of FRS102.

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

**12 DEFINED BENEFIT PENSION SCHEME - continued**

To arrive at the RCCE's FRS102 pension valuation as at 31 March 2022, the scheme actuary, Barnett Waddingham, applied the following actuarial assumptions that comply with Section 28 of FRS 102:

	2022	2021
<u>Financial assumptions</u>		
RPI increases	3.45%	3.15%
Salary increases	3.20%	2.80%
Pension increases	3.20%	2.80%
Discount rate	2.60%	2.00%
<u>Assumed life expectancy from age 65 years</u>		
Retiring today - males	21.6	21.6
Retiring today - females	23.7	23.6
Retiring in 20 years - males	23.0	22.9
Retiring in 20 years - females	25.1	25.1

The actuary's estimated asset allocation for the company as at the year-end was as follows:

	2022	2021
Equities	60%	62%
Gilts / other bonds	6%	8%
Property	8%	7%
Cash / alternative assets / other managed funds	25%	24%

These assumptions gave rise to the valuations below and overleaf.

It should be noted that, under FRS102, the 'current service cost' in the SOFA is assessed by the actuary to be the value of benefits accrued by members over the accounting period in question. In the year to 31 March 2022, this was estimated by the actuary to be £39k in excess of the employer contributions payable in accordance with the rules of the scheme (2021: £4k in excess).

<u>Analysis of the amounts that would have been recognised in the SOFA under FRS102</u>	2022	2021
	£'000	£'000
Current service cost	(144)	(115)
Net interest on the defined benefit pension liability	(6)	(2)
Total amount that would have been recognised in net income	(150)	(117)
Return on fund assets in excess of interest	249	616
Other actuarial gains	-	-
Changes in financial & demographic assumptions	181	(840)
Experience (gain) on defined benefit obligations	(8)	28
Total amount that would have been recognised as an actuarial (loss)/gain	422	(196)
Net amount that would have been recognised in the SOFA	272	(313)

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2022

12 DEFINED BENEFIT PENSION SCHEME - continued

<b><u>Analysis of the amount that would have been recognised in the Balance Sheet under FRS102</u></b>	<b>2022</b>	<b>2021</b>
	£'000	£'000
Present value of defined benefit scheme liabilities	3,400	3,371
Fair value of fund assets (bid value)	3,478	3,072
Net defined benefit pension liability	(78)	299
<b><u>Reconciliation of the opening and closing balances of the present value of the defined benefit scheme liabilities (under FRS102)</u></b>	<b>2022</b>	<b>2021</b>
	£'000	£'000
Opening present value of defined benefit scheme liabilities	3,371	2,382
Current service cost	144	115
Interest cost	67	56
Changes in financial & demographic assumptions	(181)	840
Experience (gain) on defined benefit obligations	8	(28)
Estimated benefits paid net of transfers in	(28)	(14)
Contributions by scheme participants	19	20
Closing present value of defined benefit scheme liabilities	3,400	3,371
<b><u>Reconciliation of the opening and closing balances of the fair value of the fund assets (under FRS 102)</u></b>	<b>2022</b>	<b>2021</b>
	£'000	£'000
Opening fair value of fund assets	3,072	2,285
Interest on assets	61	54
Return on assets less interest	249	616
Other actuarial gains	-	-
Estimated benefits paid net of transfers in	(28)	(14)
Contributions by employer	105	111
Contributions by scheme participants	19	20
Closing fair value of fund assets	3,478	3,072

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

31 March 2022	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	697,051	-	697,051
Fixed asset investments	100,000	-	100,000
Current assets – debtors	64,736	156,218	220,954
Current assets – cash at bank and in hand	251,659	580,632	832,291
Current liabilities	(75,588)	(48,911)	(124,499)
Long-term liabilities	(170,791)	-	(170,791)
Net assets at 31 March 2022	£867,067	£687,939	£1,555,006

**THE RURAL COMMUNITY COUNCIL OF ESSEX**  
A Charitable Company Limited By Guarantee  
Registered Charity No. 1097009

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

**13 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS continued**

31 March 2021	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	702,837	-	702,837
Fixed asset investments	100,000	-	100,000
Current assets – debtors	60,714	37,773	98,487
Current assets – cash at bank and in hand	222,200	340,882	563,082
Current liabilities	(61,681)	(57,565)	(119,246)
Long-term liabilities	(189,001)	-	(189,001)
Net assets at 31 March 2021	<u>£835,069</u>	<u>£321,090</u>	<u>£1,156,159</u>

**14 RELATED PARTIES**

Directors

RCCE is controlled by its Board of Directors. No member of the Board of Directors receives remuneration from the company, and no expenses were reimbursed to members of the Board during the year (2021: £nil). An up-to-date register of directors' interests is maintained, and all directors are required to declare any potential conflicts of interest at meetings of the Board and its sub-committees.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2022

15 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account)

<u>Year ended 31 March 2021</u>	Unrestricted funds £	Restricted funds £	Total £
<b>Income from:</b>			
Charitable activities	406,052	1,103,539	1,509,591
Donations	2,340	-	2,340
Investments			
Rents receivable	29,902	-	29,902
Interest receivable	1,235	-	1,235
<b>Total income</b>	<b>439,529</b>	<b>1,103,539</b>	<b>1,543,068</b>
<b>Expenditure on:</b>			
Charitable activities	392,380	917,283	1,309,663
Investment management			
Rental overheads	9,497	-	9,497
<b>Total expenditure</b>	<b>401,877</b>	<b>917,283</b>	<b>1,319,160</b>
<b>Net income before transfers</b>	<b>37,652</b>	<b>186,256</b>	<b>223,908</b>
Transfers between funds	-	-	-
<b>Net income after transfers</b>	<b>37,652</b>	<b>186,256</b>	<b>223,908</b>
Total funds brought forward	797,417	134,834	932,251
<b>Total funds carried forward</b>	<b>£835,069</b>	<b>£321,090</b>	<b>£1,156,159</b>



NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2022

16 COMPARATIVE STATEMENT OF CASH FLOWS

<u>Year ended 31 March 2021</u>	Unrestricted funds £	Restricted funds £	Total £
Net income as per the Consolidated Statement of Financial Activities	37,652	186,256	223,908
Adjustments for:			
Rents receivable	(29,902)	-	(29,902)
Interest receivable	(1,235)	-	(1,235)
Rental overheads payable	9,497	-	9,497
Depreciation charges	6,537	-	6,537
Decrease/ (increase) in debtors	(36,279)	(5,634)	(41,913)
(Decrease) in creditors	(30,918)	(45,515)	(76,433)
Net cash provided by / (used in) operating activities	<u>(44,648)</u>	<u>135,107</u>	<u>90,459</u>
Cash flows from investing activities:			
Rents received	29,589	-	29,589
Interest received	1,235	-	1,235
Rental overheads paid	(10,469)	-	(10,469)
Net cash provided by investing activities	<u>20,355</u>	<u>-</u>	<u>20,355</u>
Cash flows from financing activities:			
Mortgage repayments 7	(18,579)	-	(18,579)
Net cash (used in) financing activities	<u>(18,579)</u>	<u>-</u>	<u>(18,579)</u>
Net change in cash	(42,872)	135,107	92,235
Cash balances brought forward	265,072	205,775	470,847
Cash balances carried forward	<u>£222,200</u>	<u>£340,882</u>	<u>£563,082</u>