



**Rural Community Council of Essex
Financial Statements**

Incorporating the Directors' and Auditors' Reports

Year ended 31 March 2024

Registered Company No. 04609624
Registered Charity No. 1097009

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

FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

CONTENTS

	Pages
Directors' Report	1 - 9
Statement of Directors' Responsibilities	10
Auditors' Report	11 - 14
Statement of Financial Activities	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to the Financial Statements	18 - 32

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 2024.

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 current Strategy provided the strategic framework for the company's development. This Strategy identifies RCCE's long-term mission and aims, and highlights four priority areas of work:

- 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 2024 in relation to the four priority areas of work set out in its Strategy. 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, provides evidence of 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 communities to pro-actively influence development and give them the opportunity to secure the housing, services and amenities they need for a sustainable future. These plans have a statutory role under the 2011 Localism Act.

RCCE has established itself as a focal point for advice and support on neighbourhood planning in the county, provided in part through contracts with Braintree, Epping Forest and Uttlesford District Councils. The Covid pandemic inevitably disrupted progress for some years, but there was a discernible increase in activity in 2023/24, aided in part by the resumption of funding for Neighbourhood Plans; a programme delivered nationally by Locality. RCCE provided support to 18 individual Neighbourhood Plans, with 5 plans successfully completed. A series of training and network events again augmented the one-to-one support provided for local groups and attracted a total of 57 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.

Rural Housing Enabler and Community Led Housing

The immediate proximity of London exerts a big impact on rural Essex and inflates the demand for housing. In some areas, average house prices are 12 times higher than average earnings and significantly higher than both the equivalent figure for urban Essex and the national average.

RCCE's Rural Housing Enabler service helps local communities to identify needs through confidential Housing Needs Surveys and then facilitates the development of small-scale, affordable housing schemes on rural exception sites tailored to meet identified local needs. The outcome of this work can be life changing for families and individuals who are able to secure an attractively designed, energy-efficient home in the rural community where they have roots and wish to remain. There are strategic benefits as well as such schemes are good for the rural economy and help to maintain local services and amenities.

Demand for the Rural Housing Enabler service continued to increase in 2023/24 with 12 Housing Needs Surveys completed, a further 5 in progress and 12 schemes in the delivery pipeline. In a major step forward this year, the Department for the Environment Food & Rural Affairs (Defra) introduced a new, national Rural Housing Enabling Programme with the aim of securing a Rural Housing Enabler service in every county. RCCE was successful with a bid to the programme which will enable it to expand this service in 2024/25 with the creation of a second Rural Housing Enabler post.

Alongside its work on rural affordable housing schemes, RCCE is a partner in Eastern Community Homes, a regional hub for community led housing established by the six Rural Community Councils in the East of England. Progress continues to be made in Essex with bespoke contracts negotiated this year with Chelmsford City Council and Maldon District Council. These contracts will be delivered by RCCE.

Community Buildings, Assets and Enterprise

Village Halls & Community Buildings Advice Service

Village Halls and other similar community buildings are at the heart of rural community life in Essex providing an accessible venue for an enormous range of activities, events and clubs that cater for all ages and interests. Managing a hall in the wake of the pandemic and cost of living crisis and keeping pace with changing legal and regulatory requirements can be challenging for volunteer trustees, but RCCE remains on hand to help, this year providing advice and support to 260 member halls. As well as funding, popular topics included energy efficiency and legal and constitutional issues, with more halls keen to attain Charitable Incorporated Organisation (CIO) status to offset concerns about trustee liability.

With RCCE providing support for local applications, several Essex halls took advantage of the new Platinum Jubilee Village Halls Fund, set up by Defra and managed nationally by Action with Communities in Rural England (ACRE), the national association of Rural Community Councils. 6 Essex halls were successful with funding applications and when a small grants programme was introduced early in 2024, Kelvedon Institute became the first hall in the country to secure funding

DIRECTORS' REPORT - continued

2. ACHIEVEMENTS AND PERFORMANCE - continued

Supporting People in Need

Community Agents Essex

RCCE's Community Agents Essex service focusses on helping vulnerable people and their informal carers; enabling them to continue living safe, happy, and well in their own home. It forms an important part of the Essex Wellbeing Service, which drawing on lessons learnt from the pandemic has since 2022 brought together a range of preventive and early intervention health and wellbeing services, under the leadership of Provide CIC.

Community Agents work across all 12 districts/boroughs under the jurisdiction of Essex County Council. The team currently comprising 31 agents handled a total of 6,290 enquiries in 2023/24 and made 3,778 referrals to other organisations. Key areas of activity throughout the year included home safety and security issues, the reduction of debt and poverty and the handling of more than 1,500 Blue Badge applications. Across all activities, 92% of clients considered that their needs had been either fully met or significant progress had been made, with a further 5% feeling some progress had been achieved.

Social Isolation and Loneliness

The 'United in Kind' team of community resilience coaches are another component of the Essex Wellbeing Service that is provided by RCCE. Operating at district level, the 14 coaches aim to build resilience in communities across Essex and support them to tackle social isolation and loneliness which can be experienced by people of all ages and backgrounds.

Over the past year, the 'United in Kind' team helped to facilitate more than 13,000 acts of kindness, supported more than 6,000 volunteers, and helped to secure more than £21,000 in funding for local community activities. A new initiative this year was 'United in Nature', a programme of outdoor activities organised for Loneliness Awareness Week. 'United in Kind' will continue to encourage physical activity as a follow up to the 'Find Your Active' programme which concluded in March 2024.

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.

The annual competition for schools, which is the focal point of the project, was again entitled 'Bee Good'. It invited children to design a plot which would help encourage bees. Coopersale and Theydon Primary School and Danbury Park Community School were respectively the winners and runner-up, and all participating schools completed a survey to identify their gardening needs. Support for the competition was 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 developments.

Alongside RCCE, key members of the partnership included 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 and Visit Essex.

DIRECTORS' REPORT – continued

2. ACHIEVEMENTS AND PERFORMANCE - continued

During the year, topics discussed by the partnership included pressures on the food and farming sector, affordable rural housing, the Greater Essex Devolution bid, the Government's 'Unleashing Rural Communities' policy package and the Rural England Prosperity Fund. A close working relationship was sustained with Essex Police and the Police, Fire and Crime Commissioner reinforced by active promotion of the work of the Essex Police Rural Engagement Team.

ERP is one of 17 local or regional Rural & Farming Networks officially recognised by Defra. Meetings between the Rural & Farming Networks and Defra resumed this year after a pause during the pandemic years. RCCE's Executive Director represents ERP at these meetings.

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 as an active participant in strategic partnerships.

Examples this year included:

- Continued participation in the South East Local Enterprise Partnership's Rural Working Group.
- Engagement with Essex County Council's Levelling-Up Strategy through the 'Levelling-Up Rural Braintree' initiative.
- Registering support for the Greater Essex Devolution bid which could potentially lead to devolved powers and funding for matters such as transport, skills, and housing.
- Engagement with the new Essex Local Nature Partnership and representation on its Board and Local Communities Working Group.
- Participation in the grants panel for the Dedham Vale and Coast & Heaths National Landscapes 'Farming in Protected Landscapes' programme.

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 national network of Rural Community Councils.

Rural England Prosperity Fund

The past year saw the delivery of the Rural England Prosperity Fund begin in earnest. Established by the Government in 2022 as a rural 'top up' for the United Kingdom Shared Prosperity Fund (UKSPF) and in effect a replacement for the European Union LEADER programme, it provides £110 million in capital funding over two years to support rural business and community projects.

In Essex, as in all parts of the country with two-tier local government, the fund is being managed by District Councils. Seven Essex districts – Braintree, Chelmsford, Colchester, Epping Forest, Maldon, Tendring and Uttlesford – were offered funding allocations and most sought input from RCCE in developing their plans. Maldon District Council went further and from the outset expressed interest in engaging RCCE to assist in delivering the fund. This became possible when Maldon secured £80,000 over two years from Magnox, funding that enabled it to contract RCCE to support the promotion and facilitation of the fund.

RCCE appointed a Programme Officer to fulfil this role in December 2023, engagement with businesses and community groups began in the new year and the first Rural England Prosperity Fund grants in the district were awarded in March 2024. A total of £430,328 is available to be allocated by the end of 2024/25.

DIRECTORS' REPORT – continued

3. ENERGY AND CARBON REPORT

As the charity has not consumed more than 40,000kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption of energy efficiency activities.

4. FINANCIAL REVIEW

Financial Performance – Year to 31 March 2024

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 15 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 11 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 11. In overall terms, during the course of the year, the charity received £1,174,614 in restricted grants and donations and defrayed £1,203,470 in expenditure, generating a deficit for the year of £28,856. When added to the accumulated surplus brought forward £480,792, the accumulated surplus on restricted activities carried forward £451,936 will be available to support restricted activities in 2024/25 and beyond.

Unrestricted Charitable Activities

During the course of the year, the charity received £385,429 in unrestricted charitable income and incurred £344,129 of expenditure, generating a surplus for the year of £41,300. 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 £3,910 in donations (i.e. gifts made on a voluntary basis without any significant benefit to the donor).

Investments

The charity generated £24,372 in interest on its bank deposits and investments over the course of the year and £1,490 in realised gain on investments from the sale of the CCI.A Global Equity shares. 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 £7,939. The share of overheads attributable to this space amounted to £14,664. The minimum future rental income receivable as at 31/03/2024 from the tenants is disclosed in Note 9 to the Financial Statements.

Total Unrestricted Activities

The overall surplus on unrestricted activities (£61,847) has been carried forward, taking total unrestricted funds as at 31 March 2024 to £967,523. A proportion of these funds (£688,280), 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.

DIRECTORS' REPORT - continued

4. FINANCIAL REVIEW - Continued

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 13 to these Financial Statements. Had the charity applied Section 28 of FRS102, this would have led to an additional pension service credit for the year of £40,000 and an interest credit on the net pension of £69,000. The actuarial market value as at the year end was £1,833,000 (2023: £1,427,000) a gain of £406,000. However in accordance with asset ceiling rules the net defined pension surplus has been reduced to zero. This would have made no impact on the surplus for unrestricted activities in the year.

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 2024 this equated to a minimum requirement of £149,497 (2023: £145,869) in Free Reserves. The actual Free Reserves as at that date amounted to £279,243 (2023: £213,316).

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. Retaining the company's investment in the Threshelfords Business Park premises and maximising the rental income on the building. Not only should this provide a reliable stream of income and, over the long term, steady capital growth, but the building is used in RCCE'S day to day operations and the trustees believe that its disposal would adversely impact on the organisation's ability to deliver its objectives.
2. Investing up to no more than £50,000 in a conservatively managed global equity fund such as CCLAs Global Equity Fund.
3. Investing surplus cash (over and above the company's short term liquidity needs) in National saving income bonds, CCLA's Charity Deposit Fund and / or one or more other fixed interest or fixed term securities.
4. Keeping the company's remaining cash with main Bank (wherever possible in an interest-bearing deposit account, as opposed to a current account). The trustees perceive the residual risk associated with holding cash with its selected main bank - which, from time to time, may exceed the amount guaranteed by the Bank of England's deposit protection scheme (currently £85,000) - to be minimal, and one that they are prepared to accept.

DIRECTORS' REPORT - continued

5. PLANS FOR FUTURE PERIODS

RCCE's current Strategy recognises a series of challenges common to rural communities throughout Essex. These include an ageing population, poor access to jobs and services, increasing development pressures, a reduction in volunteers, disproportionate cost-of-living increases and specific challenges in adapting to climate change.

In responding to these challenges, RCCE will update its strategy as necessary and in the coming year will continue to give priority to four broad areas of work:

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

In keeping with the world around it, in 2023/24 RCCE continued to emerge from the restrictions imposed by the pandemic. In person meetings and activities increased but many meetings, particularly more strategic ones, continue to be conducted virtually. A new hybrid working policy is being developed for 2024/25 which will provide for a mix of home and office working for core staff, including substantial continued home working.

The cost-of-living crisis has impacted on RCCE's own running costs and whilst it is fortunate in the funding it receives, most notably in multi-year agreements with Essex County Council and Defra, it is acutely aware that the current agreements will expire in March 2025 and will require renewal for 2025/26.

That said, there has been no detrimental impact on the charity's budgeted income for 2023/24, 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 very apparent in these uncertain and unsettling times that rural communities in Essex value RCCE and the support it provides in sustaining and strengthening community life

6. 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' REPORT - continued

6. STRUCTURE, GOVERNANCE AND MANAGEMENT - Continued

Directors / Trustees

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

Dr J Bettley JP DL FSA – Chairman
Mr R J Bray
Mr R Brice DL
Mr S R Brice DL
Cllr G Butland
Dr C Dollery
Mrs S Dutton
Mr S Lyster DL – Vice Chairman
Revd. Canon J Nicholls DL
Ms S Pinkerton
Mr P Roberts
Mr H M Stuchfield MBE, JP, DL

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 Three Board sub-committees. Of these, the Financial Control Committee meets on a similar quarterly cycle, the other committees meet at least three times 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.

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.

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, HM Lord Lieutenant of Essex
President	Mr N S Charrington DL
Vice-Presidents	Mr D Boyle JP, DL The Revd. Canon J Brown DL Mr G Courtauld DL Cllr J Jowers Lord Petre KCVO Professor J Pretty OBE Mr R Woolley

THE RURAL COMMUNITY COUNCIL OF ESSEX

A Charitable Company Limited By Guarantee

Registered Charity No. 1097009

DIRECTORS' REPORT – continued

6. STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Company Secretary and Honorary Officers

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, update (see sections 1 and 2 of this report).

In addition to the Executive Director, the charity presently has 31 field-based Community Agents working in the districts of Uttlesford, Braintree, Tendring, Colchester, Maldon and Chelmsford. 14 field-based United In Kind coaches working in the districts of Braintree, Tendring, Colchester, Maldon, Rochford, Castle Point, Basildon, Chelmsford and Brentwood, 7 field based Find Your Active agents working in the districts of Tendring, Colchester, Rochford, Castle Point, Basildon, Brentwood, Chelmsford and Maldon, and 14 members of staff predominantly working from home. Most of the latter were, prior to the pandemic, based at RCCE's Threshelfords Business Park office.

7. 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

And

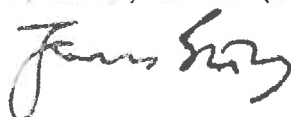
CCLA
One Angel Lane
London
EC4R 3AR

Auditors

The charity's auditors throughout the year were:

Streets Audit LLP
The Old Exchange
61 West Stockwell Street
Colchester
Essex
CO1 1HF

Approved by Dr J Bettley JP DL FSA (Chairman)
5th June 2024



DIRECTORS' REPORT - continued

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.

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 2024 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 2024, 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 13 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

**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:

**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 Streets Audit

Chartered Accountants

Statutory Auditor

Date: 17.6.24

Streets Audit LLP

The Old Exchange

64 West Stockwell Street

Colchester

Essex

CO1 1HE

STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account)
YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £ Note 11	Total 2024 £	Total 2023 £ Note 15
Income from:					
Charitable activities	2	385,429	1,172,114	1,557,543	1,597,681
Donations		1,410	2,500	3,910	2,069
Investments					
Rents receivable	1v	7,939	-	7,939	26,129
Interest receivable		24,372	-	24,372	5,401
Realised Gain on investment	5	1,490	-	1,490	-
Total income		420,640	1,174,614	1,595,254	1,631,280
Expenditure on:					
Charitable activities	3	344,129	1,203,470	1,547,599	1,787,758
Investment management					
Rental overheads	1v	14,664	-	14,664	12,060
Total expenditure		358,793	1,203,470	1,562,263	1,799,818
Net income before transfers		61,847	(28,856)	32,991	(168,538)
Transfers between funds		-	-	-	-
Net income after transfers		61,847	(28,856)	32,991	(168,538)
Total funds brought forward		905,676	480,792	1,386,468	1,555,006
Total funds carried forward		£967,523	£451,936	£1,419,459	£1,386,468

The notes on pages 18 to 32 form part of these financial statements.

BALANCE SHEET
AS AT 31 MARCH 2024

	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	4	688,484	692,767
Investments	5	-	10,000
		<u>688,484</u>	<u>702,767</u>
Current assets			
Debtors	6	67,083	206,166
Cash at bank and in hand		726,799	526,342
		<u>793,882</u>	<u>732,508</u>
Creditors: amounts falling due within one year	7	(62,907)	(48,808)
Net current assets		<u>730,975</u>	<u>683,700</u>
Total assets less current liabilities		<u>1,419,459</u>	<u>1,386,468</u>
Creditors: amounts falling due after more than one year	7	-	-
Net assets		<u>£1,419,459</u>	<u>£1,386,468</u>
Restricted funds	11	451,936	480,792
Unrestricted funds	12		
Designated capital fund		688,280	692,360
Free core charitable funds		279,243	213,316
Total funds		<u>£1,419,459</u>	<u>£1,386,468</u>

Approved by the Board on 5th June 2024 and signed on its behalf by:

 Dr J Bettley JP DL FSA
(Chairman)

The notes on pages 18 to 32 form part of these financial statements.

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £ Note 16
Net income as per the Statement of Financial Activities		61,847	(28,857)	32,990	(168,538)
Adjustments for:					
Rents receivable		(7,939)	-	(7,939)	(26,129)
Interest receivable		(25,862)	-	(25,862)	(5,401)
Rental overheads payable		14,664	-	14,664	12,060
Depreciation charges		4,284	-	4,284	4,284
Decrease/(increase) in debtors		(18,810)	150,515	131,705	19,573
Increase/(decrease) in creditors		7,860	6,464	14,324	(57,160)
Net cash provided by operating activities		<u>36,044</u>	<u>128,122</u>	<u>164,166</u>	<u>(221,311)</u>
Cash flows from investing activities:					
Rents received		15,318	-	15,318	21,344
Interest received		24,372	-	24,372	5,401
Realised Gain on Investments		1,490	-	1,490	
Rental overheads paid		(14,890)	-	(14,890)	(12,246)
Net cash provided by investing Activities		<u>26,290</u>	<u>-</u>	<u>26,290</u>	<u>14,499</u>
Cash flows from financing activities:					
Mortgage repayments		-	-	-	(189,136)
Net Cash used from investments.		<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>£99,110</u>
Net cash (used in) financing activities		<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>(99,136)</u>
Net change in cash		<u>72,334</u>	<u>128,122</u>	<u>200,456</u>	<u>(305,948)</u>
Cash balances brought forward		<u>215,019</u>	<u>311,324</u>	<u>526,343</u>	<u>832,291</u>
Cash balances carried forward		<u>£287,353</u>	<u>£439,446</u>	<u>£726,799</u>	<u>£526,343</u>

The notes on pages 18 to 32 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

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 2024

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	-	Zero
Office equipment	-	15% on cost
ICT hardware & software	-	25% on cost
Fixtures & fittings	-	10% on cost

Any 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 will be 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 31st 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 13 to these Financial Statements

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES - continued

ix) Defined contribution pension scheme

The company participates in 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

<u>Activity</u>	2024 £	2023 £
Community Engagement	81,016	92,908
Rural Housing Enabler Service	76,963	66,996
Village Halls Advice Service	47,110	47,376
Rural England Prosperity Fund Maldon	40,000	-
Community Agents 'Provide'	615,093	614,641
United in Kind 'Provide'	395,938	389,419
Growing Communities	-	2,500
Strategic Influencing and Partnership Working	140,339	147,816
Find Your Active	90,000	-
NWI Big Local Community Spaces	7,000	-
NWI Big Local Grants	2,500	-
NWI Big Local Partnership Support	18,850	-
NWI Big Local Wellbeing	6,150	-
NWI Big Local Young People	16,500	-
NWI Big Local RCCE Contribution	2,550	-
Defra Rural Housing Programme	17,533	-
Covid Building Grant	-	236,025
	£1,557,543	£1,597,681

The above figures include the following 'government grants':

<u>Source</u>	<u>Activity</u>		
Essex County Council	Covid Building Grant	-	236,025
Essex County Council	All unrestricted activities	150,000	150,000
DEFRA (Via ACRE)	All unrestricted activities	46,875	46,875
DEFRA (via ACRE)	Rural Housing Programme	17,533	-
District/Borough Councils	Rural Housing Enabler	6,000	5,000
Total Government Grants		£220,408	£437,900

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

3 EXPENDITURE ON CHARITABLE ACTIVITIES

Year to 31 March 2024	Direct costs £	Support costs £	Total 2024 £
Community Engagement	54,110	18,225	72,335
Rural Housing Enabler Service	46,846	21,870	68,716
Village Halls Advice Service	29,304	12,758	42,062
Rural England Prosperity Fund Maldon	8,084	-	8,084
Growing Communities	3,440	-	3,440
Strategic Influencing and Partnerships	103,723	49,208	152,931
Community Agents 'Provide'	545,292	30,755	576,047
United in Kind 'Provide'	276,180	19,371	295,551
Covid Building Grant	6,834	-	6,834
Find Your Active	101,325	7,874	109,199
Social Isolation Computer Grant	179,736	968	180,704
NWI Big Local Community Spaces	764	-	764
NWI Big Local Grants	-	-	-
NWI Big Local Partnership Support	10,853	-	10,853
NWI Big Local wellbeing	2,134	-	2,134
NWI Big Local Young People	3,800	-	3,800
NWI Big Local RCCE Contribution	-	705	705
Defra Rural Housing Programme	11,655	1,282	12,937
Restricted Grant Making Funds (Note 10)	502	-	502
	1,384,582	163,016	1,547,598

Year to 31 March 2023	Direct costs £	Support costs £	Total 2023 £
Community Engagement	65,545	22,897	88,442
Rural Housing Enabler Service	40,878	22,897	63,775
Village Halls Advice Service	31,742	13,357	45,099
Community Agents Essex	161,026	2,018	163,044
Social Isolation & Loneliness Programme	167,721	2,985	170,706
Growing Communities	750	-	750
Strategic Influencing and Partnerships	102,548	38,162	140,710
Essex Rivers	160	-	160
Find Your Active	78,312	7,874	86,186
Covid Building Grant	236,797	-	236,797
Social Isolation computer Grant	17,120	-	17,120
Community Agents 'Provide'	442,662	30,513	473,175
United in Kind 'Provide'	274,794	19,094	293,888
Restricted Grant Making Funds (Note 10)	7,906	-	7,906
	£1,627,961	£159,797	£1,787,758

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

3 EXPENDITURE ON CHARITABLE ACTIVITIES - continued

Salary and on-costs

The average number of staff employed during the year was 61 (2023: 63). All the company's salary and on-costs are included in total expenditure on charitable activities, as follows:

	2024 £	2023 £
Wages and salaries	960,056	842,978
Employer's national insurance contributions	54,639	45,076
Employer's cont'ns - defined benefit pension scheme	105,440	96,449
Employer's contributions - defined contribution pension scheme	11,044	10,341
	<hr/>	<hr/>
Total salary and on-costs	£1,131,179	£994,844

The above figures include accrued holiday pay of £24,419 (2023: £13,643).

One employee earned more than £60,000 per annum (2023: one), and no employee received any other benefits from the company (2023: Zero). The above figures include salary and employer's pension contributions for the Executive Director of £64,491 (2023: £60,585).

Grants payable

Direct costs include grants paid to third parties of £187,562 (2023: £579,886) - Note 11 (Restricted Funds) provides an analysis by activity. Of this sum, nothing was paid to ECC in repayment of underspend for Community Agents (2023: £163,042), nothing was repaid to ECC in repayment of Social Isolation underspend (2023: £171,231), £179,667 was paid to ECC in repayment of Social Isolation Computer Grant (2023: Zero), £6,994 to various organisations as part of the Covid Building Grant (2023: £236,797). nothing was paid to United in Kind fund to cover costs of help for Afghan Refugee (2023: £4,384). 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 £4,284 for depreciation (2023: £4,284) and the following amounts in respect of governance costs for the company:

	2024 £	2023 £
Salary and on-costs	7,020	6,593
Statutory audit fees	8,525	7,275
	<hr/>	<hr/>
	£15,545	£13,868

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 2024****4 TANGIBLE FIXED ASSETS**

	Long- leasehold property £	Office equipment £	ICT hardware & software £	Fixtures & fittings £	Total £
Cost / Valuation					
As at 1 April 2023 and 31 March 2024	725,000	18,612	2,611	4,704	750,927
Depreciation					
As at 1 April 2023	32,640	18,612	2,611	4,296	58,159
Charge for period	4,080	-	-	204	4,284
As at 31 March 2023	36,720	18,612	2,611	4,500	62,443
Net book value					
As at 31 March 2023	£692,360	£-	£ -	£407	£692,768
As at 31 March 2024	£688,280	£-	£ -	£204	£688,484

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 2024 would have been £844,689 (2023: £849,916).

5 FIXED ASSET INVESTMENTS

	2024 £	2023 £
Market Value at 01 April 2023	10,000	-
Additions	-	10,000
Disposal	(11,490)	-
Realised Gain	1,490	-
Unrealised Gain	-	-
Market Value at 31 March 2024	-	10,000

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

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:

	2024	2023
	£	£
Receivable within 1 year	-	11,070
Receivable between 1 and 5 years	-	13,838
	<u>£-</u>	<u>£24,908</u>

10 AMOUNTS PAYABLE UNDER OPERATING LEASES

The company's minimum future rental liabilities is as follows:

	2024	2023
	£	£
Payable within 1 year	1,278	656
Payable between 1 and 5 years	2,816	1,067
	<u>£4,094</u>	<u>£1,723</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

11 RESTRICTED FUNDS

	Balance 1 April 2023	Total income	Expenditure			Balance 31 March 2024
			Activities under-taken directly	Grant funding of activities	Total expenditure	
	£	£	£	£	£	£
Restricted Activities described in the Directors' Report						
Community Agents 'Provide'	141,466	615,093	576,047	-	576,047	180,512
United in Kind 'Provide'	95,531	395,938	292,843	2,708	295,551	195,918
Find your Active	45,680	90,000	109,199	-	109,199	26,481
Social Isolation Computer Grant	180,704	-	1,036	179,668	180,704	-
Covid Community Building Fund	6,834	-	342	6,492	6,834	-
Growing Communities	3,375	2,500	2,631	809	3,440	2,435
Defra RHE Programme	-	17,533	12,937	-	12,937	4,596
NWI Big Local	-	53,550	18,256	-	18,256	35,294
Restricted Grant-Making Funds						
'Surviving Winter Appeal Fund'	502	-	-	502	502	-
'Natural Environment' Project	6,700	-	-	-	-	6,700
	£480,792	£1,174,614	£1,013,291	£190,179	£1,203,470	£451,936

Restricted Grant-Making Funds

'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. One grant was made during the year. Project now ended.

'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. RCCF, as the managing body for the Essex Rural Partnership, is holding the funds until then.

12 UNRESTRICTED FUNDS

	Designated Capital Fund £	Free Core Charitable Funds £	Total Unrestricted Funds £
As at 1 April 2023	692,360	213,316	905,676
Net movement in unrestricted funds	-	61,847	61,847
Transfers to/ from Designated Capital Fund:			
Reduction in value of long leasehold property	(4,080)	4,080	-
As at 31 March 2024	£688,280	£279,243	£967,523

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

13 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 31st May 2016.

Since 31 March 2018 the Directors have made the following judgements in respect of the company's Balance Sheet reporting:

1. Ongoing valuation - reporting a 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 pension liability would also not have been "true and fair" as it was felt clear from ongoing valuations 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.

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.

A new ongoing valuation was completed as of 31st March 2023. Current funding position as follows:

	Ongoing Valuation 2023	FRS102 2024	FRS102 2023
<u>Financial assumptions</u>			
Salary increases	3.50%	2.90%	2.85%
Pension increases (CPI)	2.50%	2.90%	2.85%
Discount rate	4.20%	4.90%	4.80%
	Ongoing Valuation 2023	FRS102 2024	FRS102 2023
Present value of defined benefit liabilities	(£2,193,000)	(£2,143,000)	(£2,040,000)
Fair value of fund assets	£2,937,000	£3,981,000	£3,467,000
Impact of asset ceiling	-	(1,838,000)	-
Net defined benefit pension asset/(liability)	£744,000	£-	1,427,000

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

13 DEFINED BENEFIT PENSION SCHEME – continued

FRS102 pension valuation as at 31 March 2024

The information below is taken from the actuary's FRS102 pension valuation as at 31 March 2024, and is provided to enable the reader to understand how the company's Balance Sheets as at 31 March 2024 and 31 March 2023, 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.

To arrive at the RCCF's FRS102 pension valuation as at 31 March 2024, the scheme actuary, Barnett Waddingham, applied the following actuarial assumptions that comply with Section 28 of FRS 102:

	2024	2023
<u>Financial assumptions</u>		
RPI increases	3.20%	3.15%
Salary increases	2.90%	2.85%
Pension increases	2.90%	2.85%
Discount rate	4.90%	4.80%
<u>Assumed life expectancy from age 65 years</u>		
Retiring today - males	20.8	21.1
Retiring today - females	23.3	23.5
Retiring in 20 years - males	22.0	22.3
Retiring in 20 years - females	24.7	25.0

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

	2024	2023
Equities	55%	58%
Gilts / other bonds	2%	1%
Property	7%	8%
Cash / alternative assets / other managed funds	35%	33%

These assumptions gave rise to the valuations below.

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 2024, this was estimated by the actuary to be £40,000 in deficit of the employer contributions payable in accordance with the rules of the scheme (2023: £24k in excess)

<u>Analysis of the amounts that would have been recognised in the SOFA under FRS102</u>	2024 £'000	2023 £'000
Current service cost	(63)	(123)
Net interest on the defined benefit pension liability	69	2
Total amount that would have been recognised in net income	6	(121)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

13 DEFINED BENEFIT PENSION SCHEME - continued

Return on fund assets in excess of interest	263	(79)
Other actuarial gains	-	(110)
Changes in financial & demographic assumptions	46	1,454
Experience (gain) on defined benefit obligations	(7)	106
Changes in effect of asset ceiling	(1,838)	-
	<hr/>	<hr/>
Total amount that would have been recognised as an actuarial (loss)/gain	(1,536)	1,371
	<hr/>	<hr/>
Net amount that would have been recognised in the SOFA	(1,530)	1,250
	<hr/>	<hr/>

<u>Analysis of the amount that would have been recognised in the Balance Sheet under FRS102</u>	2024	2023
	£'000	£'000
Present value of defined benefit scheme liabilities	2,143	2,040
Fair value of fund assets (bid value)	3,981	3,467
	<hr/>	<hr/>
Deficit / (surplus)	(1,838)	(1,427)
	<hr/>	<hr/>
Impact of asset ceiling	1,838	-
Net defined benefit pension liability/(asset)	-	(1,427)
	<hr/>	<hr/>

<u>Reconciliation of the opening and closing balances of the present value of the defined benefit scheme liabilities (under FRS102)</u>	2024	2023
	£'000	£'000
Opening present value of defined benefit scheme liabilities	2,040	3,400
Current service cost	63	123
Interest cost	97	88
Changes in financial & demographic assumptions	(46)	(1,454)
Experience (gain) on defined benefit obligations	7	(106)
Estimated benefits paid net of transfers in	(36)	(28)
Contributions by scheme participants	18	17
	<hr/>	<hr/>
Closing present value of defined benefit scheme liabilities	2,143	2,040
	<hr/>	<hr/>

<u>Reconciliation of the opening and closing balances of the fair value of the fund assets (under FRS 102)</u>	2024	2023
	£'000	£'000
Opening fair value of fund assets	3,467	3,478
Interest on assets	168	92
Return on assets less interest	263	(79)
Other actuarial gains	(2)	(112)
Estimated benefits paid net of transfers in	(36)	(28)
Contributions by employer	103	99
Contributions by scheme participants	18	17
	<hr/>	<hr/>
Closing fair value of fund assets	3,981	3,467
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

31 March 2024	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	688,484	-	688,484
Current asset investments	-	-	-
Current assets – debtors	34,798	32,284	67,082
Current assets – cash at bank and in hand	287,353	439,446	726,799
Current liabilities	(43,112)	(19,795)	(62,907)
Long-term liabilities	-	-	-
Net assets at 31 March 2024	<u>£967,523</u>	<u>£451,935</u>	<u>£1,419,458</u>

31 March 2023	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	692,767	-	692,767
Fixed asset investments	10,000	-	10,000
Current assets – debtors	23,367	182,799	206,166
Current assets – cash at bank and in hand	215,019	311,324	526,343
Current liabilities	(35,477)	(13,331)	(48,808)
Long-term liabilities	-	-	-
Net assets at 31 March 2023	<u>£905,676</u>	<u>£480,792</u>	<u>£1,386,468</u>

15 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 (2023: Zero). 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 2024

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

<u>Year ended 31 March 2023</u>	Unrestricted funds £	Restricted funds £	Total £
Income from:			
Charitable activities	355,096	1,242,585	1,597,681
Donations	2,069	-	2,069
Investments			
Rents receivable	26,129	-	26,129
Interest receivable	5,401	-	5,401
Total income	388,695	1,242,585	1,631,280
Expenditure on:			
Charitable activities	338,026	1,449,732	1,787,758
Investment management			
Rental overheads	12,060	-	12,060
Total expenditure	350,086	1,449,732	1,799,818
Net income before transfers	38,609	(207,147)	(168,538)
Transfers between funds	-	-	-
Net income after transfers	38,609	(207,147)	(168,538)
Total funds brought forward	867,067	687,939	1,555,006
Total funds carried forward	£905,676	£480,792	£1,386,468

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

17 COMPARATIVE STATEMENT OF CASH FLOWS

<u>Year ended 31 March 2023</u>	Unrestricted funds £	Restricted funds £	Total £
Net income as per the Consolidated Statement of Financial Activities	38,609	(207,147)	(168,538)
Adjustments for:			
Rents receivable	(26,129)	-	(26,129)
Interest receivable	(5,401)	-	(5,401)
Rental overheads payable	12,060	-	12,060
Depreciation charges	4,284	-	4,284
Decrease/(increase) in debtors	46,154	(26,581)	19,573
(Decrease) in creditors	(21,580)	(35,580)	(57,160)
Net cash provided by / (used in) operating activities	<u>47,997</u>	<u>(269,308)</u>	<u>(221,311)</u>
Cash flows from investing activities:			
Rents received	21,344	-	21,344
Interest received	5,401	-	5,401
Rental overheads paid	(12,246)	-	(12,246)
Net cash provided by investing activities	<u>14,499</u>	<u>-</u>	<u>14,499</u>
Cash flows from financing activities:			
Mortgage repayments	(189,136)	-	(189,136)
Net Cash used from investments	<u>£9000</u>	<u>-</u>	<u>£9000</u>
Net cash (used in) financing activities	<u>(99,136)</u>	<u>-</u>	<u>(99,136)</u>
Net change in cash	(36,640)	(269,308)	(305,948)
Cash balances brought forward	251,659	580,632	832,291
Cash balances carried forward	<u>£215,019</u>	<u>£311,324</u>	<u>£526,343</u>