

Company Registration No. NI31418 (Northern Ireland)
Registered Charity No. NIC100009

RURAL COMMUNITY NETWORK (NI)
(Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

RURAL COMMUNITY NETWORK (NI)

COMPANY INFORMATION

| | |
|----------------------------------|---|
| Trustees | Raymond Craig Patsy O'Hanlon Frances Spence (Hon Secretary) Arnold Hatch Nicholas Moore John Waddell (Chairperson) Noelle Donnell (Vice Chairperson) Rosemary Forde Eimear Montague Philip O'Kane Karin Eyben Hugh Hastings Ruth Montgomery Ian Patterson Denise Kelso Liam Campbell Alan Poots |
| Corporate Management Team | Kate Clifford (Director) Kevin Traynor (Finance & IT Officer) |
| Company number | NI31418 |
| Registered office | 38a Oldtown Street Cookstown Co Tyrone BT80 8EF |
| Auditor | David Lyttle + Co Ltd Station House 46 Molesworth Street Cookstown Co Tyrone BT80 8PA |
| Bankers | Bank of Ireland 32 James Street Cookstown Co Tyrone BT80 8LU |
| Solicitors | PA Duffy & Co 14 Molesworth Street Cookstown Co Tyrone BT80 8NX |

RURAL COMMUNITY NETWORK (NI)

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RURAL COMMUNITY NETWORK (NI)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, submit their Annual Report and the externally independently examined Financial Statements for the year ended 31 March 2023. The trustees have adopted the provisions of the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 effective 1 January 2015), in preparing the annual report and financial statements of the charity.

Trustees

The trustees who held office during the year and up to the date of signature of the financial statements were as follows:

Raymond Craig
Patsy O'Hanlon
Frances Spence (Hon Secretary)
Arnold Hatch
Nicholas Moore
John Waddell (Chairperson)
Noelle Donnell (Vice Chairperson)
Rosemary Forde
Aidan Bunting
Eimear Montague
Philip O'Kane
Karin Eyben
Hugh Hastings
Ruth Montgomery
Ian Patterson
Denise Kelso
Liam Campbell
Alan Poots

(Resigned 1 March 2023)

Structure, Governance and Management

Rural Community Network (NI) was set up in 1991, as a company limited by guarantee constituted under the Companies Act 2006 and is a registered charity, number XR17297. Rural Community Network (NI) is registered with the Charity Commission for Northern Ireland as a Company Limited by Guarantee, number NIC100009. It is governed by a Memorandum and Articles of Association. The principal office of the company is located at 38a Oldtown Street, Cookstown, Co Tyrone, BT80 8EF.

The trustees of the company are its directors for the purposes of charity law and are collectively referred to as trustees. The number of trustees must not be less than 5 or more than 23. Rural Community Network (NI) is managed by voluntary trustees elected every two years and there are also a number of co-opted positions. The elected trustees include two community representatives from each of the six counties in Northern Ireland, two affiliate members from regional voluntary organisations and one representative from the statutory authorities. The co-options can be representatives from agriculture, disability and cross border sectors.

After each election an induction is held for the trustees. Areas considered at the induction include an explanation of the major areas of activity (including the current programmes of work), guidance on the governance aspects of a trustee's role, an introduction to the strategic aims over the two-year period and an examination of the main threats and opportunities facing the charity.

The day to day management of Rural Community Network (NI) is delegated to a management team headed by Kate Clifford (Director) which reports to the Board of Trustees 6 to 7 times per year. The Finance and Human Resources sub-committee oversees major areas of work and reports from the sub-committee are presented at each Board meeting. Written policies and procedures detail the decision making powers which are delegated to the staff and those which are retained by the trustees. The current Finance and Human Resources sub-committee has committed to working with the Board on an ongoing programme of review of policies which are used within the organisation.

RURAL COMMUNITY NETWORK (NI)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Risk management

The trustees have undertaken a detailed review of the major risks to which the charity is exposed. A major risk is around cash flow and the ability of Rural Community Network (NI) to meet payments due to delays in payments from funders. The trustees have considered this risk and have made provision under the Reserves Policy. Systems and procedures have been established to mitigate risk identified and strategies are being developed to minimise the impact on the community, should any of the risks materialise.

Background

Rural Community Network is a voluntary membership-based organisation supporting rural communities across the region. RCN works with rural communities to address issues relating to poverty, inequality, community, and good relations.

RCN adopts a community development approach to its work. Areas of work include community development training, action research, policy analysis, peacebuilding, strategic planning, consultation, mediation and facilitation.

OUR VISION is of vibrant, articulate, inclusive and sustainable rural communities whose contribution is valued across Northern Ireland.

OUR MISSION is to provide an effective voice for, and support to, rural communities, particularly those who are most disadvantaged and excluded.

OUR VALUES are set within the context of community development which is a long-term value-based process which aims to address imbalances in power and bring about change founded on social justice, equality and inclusion. The values we bring to our work are:

- Community Empowerment
- Social Justice
- Collective Action
- Working/Learning Together
- Equality and Anti-discrimination

RURAL COMMUNITY NETWORK (NI)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and Performance

The external independent examination of Rural Community Network accounts presented in this report comprise its results for the year ended 31 March 2023, detailed on page 10.

Key achievements under each Strategic Aim are listed below.

RCN continues to be in a consortium with NICVA, CENI and CO3 in the extension period of the Generic strand of the Regional Infrastructure Support Programme (RISP) funded through DAERA and DfC to deliver key services to community and voluntary sector groups throughout Northern Ireland with a strong rural presence.

Rural Community Network (NI) currently uses the RISP funding to part support a Director's post, a Policy and Public Affairs post, a Community Learning and Skills post and a Finance and IT post. Rural Community Network (NI) currently has three staff employed through a Community Relations Council Core funded programme.

In addition, RCN has secured funding for the Ours to Share project funded through the National Lottery Heritage Fund. We also have additional contract and tender work through bids to undertake work in relation to poverty research, facilitation, housing, education and peacebuilding.

The following report gives a snapshot of the achievements of Rural Community Network during the reporting period under our 4 strategic aims to illustrate how we are meeting our targets across the aims and objectives of our strategic plan. The Strategic Plan's fifth aim is concerned with internal systems and resourcing for the Network and is reported at the end of this document.

Key figures from this year for RCN Activities:

UK and Republic of Ireland work we have done:

- RCN remains connected to European Rural community Alliance, European Rural Parliament, and Scottish Rural Action
- 5G New Thinking Consortium (UK wide)
- Shared Island part of a panel speakers at four events
- Working on peace issues with the Department of Foreign Affairs
- House of Lords Committee on NI Protocol x 3 events
- 2 presentations at NI Affairs Committee
- North South Ministerial Council meeting with international delegations
- OECD Conference 2 presentations
- British Irish Council events x 3 attended with presentations

Representation on 23 NI wide committees including:

- Integrated Care strategy CVS workstream
- Developing Governance working group
- Future framework for Rural NI – DAERA
- DAERA Monitoring Committee for Rural Development
- CRC Annual Good Relations Week planning committee
- Human Rights Consortium Brexit working group
- Ad Hoc Group for North, South, East, West co-operation
- Women addressing paramilitarism co design group
- LGBTQ+ Strategy group convened by DfC
- Anti-poverty Strategy convened by DfC
- Cost of Living Crisis Emergency Leadership group convened by DfC
- Business in the Community Digital inclusion group
- 20 new groups supported with Heritage Lottery investment through 'Ours to Share' Project
- 213 Zoom sessions hosted
- 74 workshops and Training session organised
- 521 No of people attending/reached by our programmes
- 200+ Meetings facilitated
- 45+ Groups received Social Value Engine Impact support
- 31 groups attended Impact support training sessions
- 9 Consultation responses including ongoing policy representation on rural issues
- 5000+ Social media followers (Twitter, Linked in, Facebook etc)
- 4 Blogs written on issues impacting rural life
- 10 Rural Brief newsletter editions
- 3 Policy link publications
- 5 Beyond Belfast peace and good relations' Practitioners support sessions

RURAL COMMUNITY NETWORK (NI)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Strategic Aim 1: Empowering the Voice of Rural Communities

Peace and reconciliation

We represented the voice of our network at the following events. Every event we attended required work beforehand to contact and understand the voices of our membership so we could represent these at the committee.

- Shared Island part of a panel speakers at four events
- Working on peace issues with the Department of Foreign Affairs
- House of Lords Committee on NI Protocol x 3 events
- 2 presentations at NI Affairs Committee
- North South Ministerial Council meeting with international delegations

Health Sector transformation; C and V sector group

Health service reform in NI. We have Developed the Rural Health Toolkit for NI in partnership with Centre for Rural Health in the UK. Rural Proofing as we continue health service reform remains a key element of our work. We have hosted the PHA Elevate training for our members supporting understanding the link between community development, prevention and intervention work at community level and the effects of the social determinants of health on the demand for services across the region.

Rural Residents' Forum - supporting the Forum to raise its voice on issues which impact rural tenants - through presentations to raise awareness of NIHE Corporate plan, Rural New Building targets, Personal Independence Payment, Rural Needs Act.

Charity Sector Support: Supporting groups with issues that impact on them across the region such as: access to banking facilities, governance, regulation, and digital inclusion. Also, significant work to allow post-covid operating support with changes to constitutions with groups including online access for members and meetings, and funding deadline and delivery changes as a result of the ongoing pandemic.

Meetings with Secretary of State, EU Commission, Irish Government and UK Government and Departments MLAs on issues such as the Collapse of NI Government, Rights agendas post Brexit, Protocol, rural social housing, rural development replacement funding and funding strategies, Rural Needs Impact Assessment issues, Brexit, and budget issues.

Ad Hoc group – RCN is part of the group supporting North South and East West relations to talk about the impact of Brexit, protocol, funding for all island projects and support for groups and individuals in border regions. Maintaining and sustaining support for networking connecting on an East West basis too.

Consultations (in the absence of NI Assembly) responded to include

- Doh Review of Urgent and Emergency care service sin I.
- DoH Reform of Social Care
- Electric Vehicle Infrastructure Consumer Subgroup
- NHSCT – Causeway Hospital service changes
- NIE networks RP7
- NI Peatland Strategy EQIA
- NIHE Corporate Strategy
- NHSCT Acute maternity Services

RURAL COMMUNITY NETWORK (NI)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Strategic Aim 2: Promoting, supporting and celebrating community development practice in rural communities

- **Looking back to go forward report** – a review of the learning from the use of the LEADER approach in NI
- **Diploma:** 19 Individuals have completed the NUI Galway Diploma in Community Development Practice and are due to graduate in November 2023
- **Training for groups** and individuals in: Canva, Avoiding Blunders with Funders, NINNIS statistics in local areas, Rural Needs Impact Assessment and Understanding the Rural Needs Act, CD practice and Principles, Meeting management and group work skills, managing conflict and mediation.
- **Webinars/ Online engagement** : Social Enterprise opportunities in NI, Succession planning, Building Back Better? Assembly Explained; Rural Sustainability Issues; Rural Digital Exclusion, The Bill of Rights; Community Responses to the Pandemic;
- **Connecting rural:** RCN is a partner in the UK 5G New Thinking Project to empower rural and poorly connected communities to explore remote working, digital hubs and produced a report on the policy context for Digital remote working in NI. RCN also works on the Digital Inclusion group with Business in the Community and has advised Government of the roll out of project Stratum.
- **Community Leadership in the West** – funded by National Lottery Community Fund in partnership with Fermanagh Trust and Holywell Trust to revive leadership and group training and support in community development and leadership in the rural West. 23 seminars, 26 networking events and over 40 group sessions run.
- **Ours to Share:** Networking and supporting groups to engage in the exploration of wider inclusion in their History and Heritage projects. We invested in projects with 20 groups to support them to engage wider and more diverse audiences in their projects.

Strategic Aim 3: Actively working towards an equitable and peaceful society

- **25 Years of the Good Friday Agreement:**
 - RCN Partnered with Corrymeela on a number of reflection exercises regarding the anniversary
 - RCN staff spoke at a number of GFA 25 anniversary events hosted by our members across NI.
- **Hume Foundation:** RCN attended and spoke at several events hosted by the Hume Foundation on future of Rural Peace in this region.
- **Beyond Belfast** practitioners support group – RCN ran 5 support meetings for practitioners who are largely working in isolation in their communities during the COVID pandemic. We undertook a strategic review of the forum and its work. We engaged rural Practitioners in Trauma Informed Practice Training .
- **National Lottery Heritage Fund Shared History Fund** Completed '100 Years of Change in NI' project that yielded: 32 seminars and supported 37 groups to take part in events and showcase work.
- **Government/ Statutory engagement:** RCN continues to work with DfC, PSNI DOJ, TEO and CRC on issues of rural peacebuilding and issues of racism and sectarianism.
- **Contribution to the co-design** groups set up for the social strategies by DfC on LGBTQ rights and the Anti-poverty strategy. Provided input to the responses on Disability and children's poverty issues from a rural perspective.
- **NSEW AD Hoc group** – RCN continues to play an active part in this group of organisations who are supporting better relations between those working across these Islands in line with Strand 2 of the GFA.

RURAL COMMUNITY NETWORK (NI)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Strategic Aim 4: Supporting rural communities to realise their potential and ambitions

- **5G New Thinking Digital Inclusion Project – Concluded.** We commissioned a paper on policy needed to enable greater use of digital hubs. Convened a number of site visits and networking meetings to alert funders Government departments and community group to the opportunities arising from Digital Hubs, Remote working and SMARTer towns and villages.
- **Covid and Cost of Living Crisis**— one to one support was given for groups applying for financial support for both Covid Recovery, and the Cost of Living Crisis, including Red Cross Hardship fund CFNI, DfC and Children in Need.
- **Networking:** Provided networking opportunities for practitioners and groups to share learning on the use of warm hubs, cost of living crisis and the distribution of food and energy aid.
- **Supported the community and faith sector** through a series of webinars and online training including social media, Twitter, Instagram & Canva; Fundraising, Grants and Foundations, Funding Applications; Lobbying & Campaigning; Succession Planning; Return to Work Premises; Social Fund; Facilitating Effective Meetings; and Fundraising for Schools & PTAs.
- **Social Value Engine** —45 groups have received support with access to and training on the use of the SVE., DAERA and DfC have both commissioned the use of SVE in evaluation processes. CRC have commissioned the use for core funded groups.
- **RCN Membership Survey** on their issues and needs at this time and found that very many of our groups are acting and responding to the crisis, but many are worried about their future sustainability. Affordable, reliable digital connectivity for rural regions is an ongoing issue.

Strategic Aim 5: Developing staff systems and resources, ensuring continuous improvement and development of RCN services.

RCN Staff and Board have embarked on a strategic review of the Network its systems, its resources, its functionality, and its ambitions.

Post covid, and with a changing rural landscape post – Brexit, Rural NI is changing and so are we. We have agreed to a root and branch review of what we do, what we aim to deliver and how we do that with our members, our board and our staff team.

Over the coming year RCN will be embarking on an internal and external strategic review process which will hopefully see us emerge as a more robust, effective, efficient, well-resourced and well-supported organisation.

RURAL COMMUNITY NETWORK (NI)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial Review

For the year, income is £453,234 (2022: £698,329), a decrease of £245,095 coming from funding received. Expenditure has decreased on last year by £139,484.

The Trustees of RCN have met with our appointed Independent Examiner to discuss the surplus in last year's accounts and are aware of the implications for the organisation. The Trustees of RCN acknowledge and understand the current financial situation and are confident of the performance of the organisation for the coming 12 month period but will keep a watching brief on the accounts in these austere times.

Rural Community Network (NI) receives funding from a range of government and charitable organisations and discharges these funds in pursuit of its charitable objectives and the particular programme funding targets.

Reserves Policy

Rural Community Network (NI) has a Reserves Policy which details why reserves are held and the level of reserves appropriate for the charity. The trustees review the level of free reserves required (that is those funds not tied up in fixed assets, designated and restricted funds) on an annual basis to ensure continuity of charitable operations.

In the event of Rural Community Network (NI) being wound up there is a legal requirement to store documentation for seven years and the associated costs would need to be met from reserves. The actual free reserves at 31 March 2023 are £253,055.

Designated reserves for other purposes are detailed in note 18. A cash flow fund is held to bridge any potential shortfall in fundraising targets and to underpin viable programmes that are experiencing cash flow problems. A staffing fund is held to enable Rural Community Network (NI) to cover sickness, maternity and meet redundancy costs. A development fund is held to facilitate the development of new programmes and to provide for restructuring of existing activities. A capital fund exists to hold funds received for the purchase of fixed assets.

Funds held as custodian trustees on behalf of others

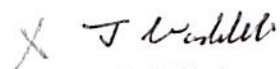
The charity holds no funds as custodian trustees on behalf of others.

Statement of disclosure to Independent Examiner

So far as each person who was a director at the date of approving this report is aware, there is no relevant information of which the company's Independent Examiner is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant information and to establish that the company's Independent Examiner is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



John Waddell (Chairperson)

Director

6 December 2023

RURAL COMMUNITY NETWORK (NI)

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

The trustees (who are also directors of Rural Community Network (NI) for the purposes of company law) are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



John Waddell (Chairperson)

Director

6 December 2023

RURAL COMMUNITY NETWORK (NI)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF RURAL COMMUNITY NETWORK (NI) FOR THE YEAR ENDED 31 MARCH 2021

Independent Examiners Report to the Trustees of Rural Community Network (NI)

I report on the accounts of the charity for the year ended 31 March 2023, which are set out on pages 14 to 26.

Respective responsibilities of directors and examiner

As the charity's Trustees, you are responsible for the preparation of the accounts in accordance with the Charities Act (Northern Ireland) 2008.

It is my responsibility to:

- examine the accounts under section 65 of the Charities Act
- follow the procedures laid down in the general directions given by the Commission under section 65 (9) (b) of the Charities Act
- state whether particular matters have come to my attention.

Basis of independent examiner's report

I have examined your charity accounts as required under section 65 of the Charities Act and my examination was carried out in accordance with the general directions given by the Charity Commission for Northern Ireland under section 65(9)(b) of the Charities Act.

My examination included a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also included consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as charity Trustees concerning any such matters.

My role is to state whether any material matters have come to my attention giving me cause to believe:

1. That accounting records were not kept in accordance with section 63 of the Charities Act.
2. That the accounts do not accord with those accounting records.
3. That the accounts do not comply with the accounting requirements of the Charities Act.
4. That there is further information needed for a proper understanding of the accounts to be reached.

Independent examiner's statement

I have completed my examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission for Northern Ireland, I have found no matters that require drawing to your attention.

Erica Convery
for and on behalf of David Lyttle + Co Ltd

6 December 2023

**Chartered Accountants
& Registered Auditors**

Station House
46 Molesworth Street
Cookstown
Co Tyrone
BT80 8PA

RURAL COMMUNITY NETWORK (NI)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | Unrestricted funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|--|-------|----------------------------|--------------------------|--------------------|--------------------|
| Incoming resources from generated funds | | | | | |
| Voluntary income | 2 | 1,500 | 171,812 | 173,312 | 163,234 |
| Investment income | 3 | 45 | - | 45 | 19 |
| Incoming resources from charitable activities | | | | | |
| Charitable projects income | 4 | 19,600 | 225,054 | 244,654 | 526,280 |
| Other incoming resources | 6 | 35,223 | - | 35,223 | 8,796 |
| | | | | | |
| Total incoming resources | | 56,368 | 396,866 | 453,234 | 698,329 |
| Resources expended | | | | | |
| Charitable activities | 7 | 63,701 | 339,141 | 402,842 | 542,936 |
| Governance costs | 8 | 3,078 | - | 3,078 | 2,468 |
| | | | | | |
| Total resources expended | | 66,779 | 339,141 | 405,920 | 545,404 |
| | | | | | |
| Net incoming/(outgoing) resources | | (10,411) | 57,725 | 47,314 | 152,925 |
| | | | | | |
| Total funds brought forward at 1 April 2022 | | 636,391 | 10,296 | 646,687 | 493,762 |
| Transferred to/(from) Capital Fund | | - | - | - | - |
| | | | | | |
| Total funds carried forward at 31 March 2023 | | 625,980 | 68,021 | 694,001 | 646,687 |

The statement of financial activities has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the statement of financial activities.

RURAL COMMUNITY NETWORK (NI)

BALANCE SHEET

AS AT 31 MARCH 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|----------------|----------------|-----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 13 | | 303,060 | | 310,440 |
| Current assets | | | | | |
| Debtors | 14 | 47,380 | | 2,054 | |
| Cash at bank and in hand | | 346,723 | | 380,156 | |
| | | <u>394,103</u> | | <u>382,210</u> | |
| Creditors: amounts falling due within one year | 16 | <u>(3,162)</u> | | <u>(45,963)</u> | |
| Net current assets | | | 390,941 | | 336,247 |
| Total assets less current liabilities | | | <u>694,001</u> | | <u>646,687</u> |
| The funds of the charity | | | | | |
| Restricted income funds | 18 | | 68,021 | | 10,296 |
| Unrestricted income funds | 18 | | | | |
| General funds | | | 253,055 | | 246,087 |
| Designated funds | | | 372,925 | | 390,304 |
| Total unrestricted income funds | | | <u>625,980</u> | | <u>636,391</u> |
| Total charity funds | | | <u>694,001</u> | | <u>646,687</u> |

For the financial year ended 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 6 December 2023 and are signed on its behalf by:



John Waddell (Chairperson)

Company Registration No. NI31418

RURAL COMMUNITY NETWORK (NI)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Rural Community Network (NI) is a private company limited by guarantee incorporated in Northern Ireland. The registered office is 38a Oldtown Street, Cookstown, Co Tyrone, BT80 8EF.

1.1 Accounting convention

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

Rural Community Network (NI) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost and transaction value unless otherwise stated in the relevant accountancy policy note(s). The financial statements are prepared on a going concern basis.

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

1.2 Income and expenditure

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

- **Voluntary income** - Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when the charity is legally entitled to income and the amount can be quantified with reasonable accuracy.
- **Investment income** - Investment income relates to bank interest receivable.
- **Charitable projects income** - Charitable projects income is received by way of grants and is included in the Statement of Financial Activities when the charity is legally entitled to the income and can be quantified with reasonable accuracy.
- **Other incoming resources** - Fees and other income are included in full in the Statement of Financial Activities when due.
- **Grants** - Grants for the purpose of capital expenditure are credited to restricted incoming resources when receivable and transferred to unrestricted funds on purchase of the asset. Revenue grants are credited to incoming resources on the earlier date of when they are received, unless they relate to a specified future period in which case they are deferred.

RURAL COMMUNITY NETWORK (NI)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

All expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to supply them. Support costs are allocated to their relevant activity based on the number of staff on the project.

- **Charitable activities and grants paid** - Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to supply them. Support costs are allocated to their relevant activity based on the number of staff on the project.
- **Governance costs** - Governance costs include those incurred in the governance of its assets which are associated with constitutional and statutory requirements.
- **Pension costs** - The charity operates a defined contribution scheme for employees. Contributions are charged to the Statement of Financial Activities in the period to which they relate.
- **Operating leases** - Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease terms.
- **Fund accounting** - The charity has various types of fund for which it is responsible and which require specific disclosures. A definition of the various types of funds is as follows:
 - General funds are unrestricted funds which are available for use at the discretion of the trustees for furtherance of the general objectives of the charity and which have not been designated for other purposes.
 - Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.
 - Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|------------------------------|---------------------|
| Freehold land and buildings | not depreciated |
| Leasehold land and buildings | 2% straight line |
| Fixtures and fittings | 10% straight line |
| Computers | 33.3% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

RURAL COMMUNITY NETWORK (NI)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

RURAL COMMUNITY NETWORK (NI)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

2 Voluntary income

| | Unrestricted funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| DAERA / DFC | - | 171,812 | 171,812 | 158,064 |
| Membership fees | 1,500 | - | 1,500 | 5,170 |
| | <u>1,500</u> | <u>171,812</u> | <u>173,312</u> | <u>163,234</u> |

3 Investment income

| | Unrestricted funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Interest receivable and similar income | 45 | - | 45 | 19 |
| | <u>45</u> | <u>-</u> | <u>45</u> | <u>19</u> |

RURAL COMMUNITY NETWORK (NI)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable projects income

| | Unrestricted funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Total charitable trusts and other bodies | | | | |
| Community Relations Council | - | 59,666 | 59,666 | 58,433 |
| ABC Council | - | - | - | 980 |
| Halifax Community Grants Programme | - | 500 | 500 | - |
| National Lottery Heritage Fund | - | 65,383 | 65,383 | 132,880 |
| National Lottery Heritage Fund - Shared History | - | - | - | 35,000 |
| CFNI New Needs Fund | - | 10,000 | 10,000 | 9,730 |
| Social Value Engine | - | 29,505 | 29,505 | - |
| DfC Diploma | - | 60,000 | 60,000 | - |
| Total charitable trusts and other bodies | - | 225,054 | 225,054 | 237,023 |
| Fee income | 19,600 | - | 19,600 | 289,257 |
| | <u>19,600</u> | <u>225,054</u> | <u>244,654</u> | <u>526,280</u> |

5 Fee income

| | Unrestricted funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|------------|----------------------------|--------------------------|--------------------|--------------------|
| Fee income | <u>19,600</u> | <u>-</u> | <u>19,600</u> | <u>289,257</u> |

6 Other incoming resources

| | Unrestricted funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|----------------------|----------------------------|--------------------------|--------------------|--------------------|
| Miscellaneous income | - | - | - | 8,205 |
| Meeting income | 223 | - | 223 | 591 |
| NIHE | 35,000 | - | 35,000 | - |
| | <u>35,223</u> | <u>-</u> | <u>35,223</u> | <u>8,796</u> |

7 Charitable projects

| | Unrestricted funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|--------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Cost of general projects | <u>63,701</u> | <u>339,141</u> | <u>402,842</u> | <u>542,936</u> |

RURAL COMMUNITY NETWORK (NI)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Governance costs

| | Unrestricted funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|--------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Professional fees and board expenses | 3,078 | - | 3,078 | 2,468 |

9 Net movement in funds

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Net movement in funds is stated after charging: | | |
| Staff costs (Note 11) | 266,670 | 277,112 |
| Depreciation | 7,379 | 7,380 |

10 Trustees' remuneration

The Trustees neither received nor waived any emoluments during the year (2022: £nil).

RURAL COMMUNITY NETWORK (NI)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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

Employees

Average monthly number of persons employed during the year, excluding trustees, by activity:

| | 2023 Number | 2022 Number |
|--|----------------|----------------|
| Charitable activities | 5 | 5 |
| Management and administration of the company | 2 | 2 |
| | <u>7</u> | <u>7</u> |

Their aggregate remuneration comprised:

| | 2023 £ | 2022 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 228,670 | 243,764 |
| Social security costs | 24,291 | 21,546 |
| Pension costs | 13,709 | 11,802 |
| | <u>266,670</u> | <u>277,112</u> |

Employees falling in the emoluments band over £60,000 is Nil (2022 : £nil).

Key management compensation

Key management included the trustees and members of senior management. The compensation paid or payable to key management for employee services is shown below:

| | 2023 £ | 2022 £ |
|-----------------------------|----------------|----------------|
| Key management compensation | <u>101,198</u> | <u>100,022</u> |

Trustees

| | 2023 Number | 2022 Number |
|--|----------------|----------------|
| The number of trustees at the year end was | <u>17</u> | <u>18</u> |
| | <u>17</u> | <u>18</u> |

RURAL COMMUNITY NETWORK (NI)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Taxation

The company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives if these profits and surpluses are applied for charitable purposes.

The charity is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

13 Tangible fixed assets

| | Land and buildings | Plant and machinery etc | Total |
|------------------------------------|-----------------------|-------------------------------|---------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2022 and 31 March 2023 | 450,531 | 39,871 | 490,402 |
| Depreciation and impairment | | | |
| At 1 April 2022 | 141,066 | 38,897 | 179,963 |
| Depreciation charged in the year | 6,158 | 1,221 | 7,379 |
| At 31 March 2023 | 147,224 | 40,119 | 187,343 |
| Carrying amount | | | |
| At 31 March 2023 | 303,307 | (247) | 303,060 |
| At 31 March 2022 | 309,465 | 975 | 310,440 |

14 Debtors

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Service charges due | 5,445 | 1,240 |
| Prepayments and accrued income | 41,935 | 813 |
| | 47,380 | 2,053 |

15 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

16 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------|-----------|-----------|
| Accruals and deferred income | 3,162 | 45,963 |

RURAL COMMUNITY NETWORK (NI)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Contingent liabilities

There is a contingent liability to repay all grant monies should they not be distributed under the terms of the various initiatives. The trustees do not anticipate any repayment falling due under the terms on which the grants were received.

RURAL COMMUNITY NETWORK (NI)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Statement of funds

Unrestricted funds

| | At 1 April 2022 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2023 £ |
|---------------------------------|-------------------------|---------------|------------------|----------------|--------------------------|
| General reserve | 246,087 | 56,368 | (59,400) | 10,000 | 253,055 |
| | <u>246,087</u> | <u>56,368</u> | <u>(59,400)</u> | <u>10,000</u> | <u>253,055</u> |
| Designated funds | | | | | |
| Capital fund | 303,661 | - | (7,379) | - | 296,282 |
| Cash flow fund | 30,838 | - | - | - | 30,838 |
| Staffing fund | 55,000 | - | - | 10,000 | 45,000 |
| Development fund | 805 | - | - | - | 805 |
| | <u>390,304</u> | <u>-</u> | <u>(7,379)</u> | <u>10,000</u> | <u>372,925</u> |
| Total unrestricted funds | <u>636,391</u> | <u>56,368</u> | <u>(66,779)</u> | <u>-</u> | <u>625,980</u> |

General reserve

The general reserve represents the funds of the charity which are not designated for particular purposes.

Capital fund

The capital fund consists of funds received for the purpose of fixed assets which are transferred to unrestricted funds when expended and then released from designated funds over the related assets' useful life. £7,379 represents the depreciation charge in the current financial year.

Cash flow fund

The cash flow fund has been designated by the trustees to ensure that sufficient reserves are available to bridge any potential shortfall in fundraising targets and to allow sufficient time for additional funds to be secured. This fund also allows for a temporary transfer of funds while funding claims are being processed.

Staffing fund

The staffing fund has been set up to cover the cost of employing locum staff as well as covering the cost of contractual obligations to staff including provision for redundancy costs, training for the re-deployment of staff and good employment practice.

Development fund

The development fund was established to allow Rural Community Network (NI) to invest in the development of new programmes where a need is identified and to restructure existing functions where required.

RURAL COMMUNITY NETWORK (NI)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Statement of funds

(Continued)

Restricted funds

| | At 1 April 2022 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2023 £ |
|------------------------------------|-------------------------|----------------|------------------|----------------|--------------------------|
| Community Relations Council | 255 | 59,666 | (59,921) | - | - |
| ABC Council | 41 | - | (41) | - | - |
| Halifax Community Grants Programme | 10,000 | 500 | (3,210) | - | 7,290 |
| DAERA/DFC | - | 171,812 | (171,812) | - | - |
| CFNI | - | 10,000 | (145) | - | 9,855 |
| Heritage Lottery Heritage Fund | - | 65,383 | (65,383) | - | - |
| Social Value Engine | - | 29,505 | - | - | 29,505 |
| DfC Diploma | - | 60,000 | (38,629) | - | 21,371 |
| | <u>10,296</u> | <u>396,866</u> | <u>(339,141)</u> | <u>-</u> | <u>68,021</u> |

Regional Infrastructure Support Programme

The Regional Infrastructure Support Programme funded by DAERA and DfC to a consortium of groups provides generic infrastructure support to enable the voluntary and community sector to operate effectively and efficiently across Northern Ireland in both urban and rural areas.

ABC Borough Council

This fee income was received from ABC Borough Council for community relations projects within its Council area delivered by RCN.

Community Relations Council

This programme funds a Community Relations programme of activity by providing funding for a Community Relations Officer and a part time administrator and seeks to improve and promote community relations and a 'shared future' regionally across rural Northern Ireland.

The Halifax Foundation for Northern Ireland

Halifax Foundation have funded RCN under their special initiatives programme to undertake the 're-ignite' programme which is a diagnostic strategic planning process undertaken with 4 groups across NI in phase one. In phase two we will network and cluster groups of similar ambition to learn from each other.

Department of Foreign Affairs & Trade – Reconciliation Fund

The DFA funds were received for OCN Level 2 in understanding different types of commemorations and developing good practice in relation to ethical remembering.

CFNI New Needs Fund

Community Foundation for Northern Ireland 'New Needs Fund'. The fund comprises money from Comic Relief and the National Emergency Trust, and was available to the sector to help organisations and communities to address new needs appearing as a result of the Coronavirus and to find new ways of meeting existing needs. RCN supported faith based groups to address their new needs.

National Lottery Heritage Fund

Ours to share project: The NLHF's Strategic Funding Framework 2019-2024 sets out to address under-representation in funding of areas that: Have received least funding in the past and experience deprivation. the National Lottery Heritage Fund identified 13 local authority areas that displayed both criteria. Since April 2019 NLHF teams have worked strategically with stakeholders in those areas to identify the best way to meet local needs. The Strategic

RURAL COMMUNITY NETWORK (NI)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Statement of funds

(Continued)

Funding Framework also explained that, where appropriate, NLHF would solicit applications for priority heritage projects in those areas. In Northern Ireland two project proposals were identified to target communities in particular need, one of which is RCN.

National Lottery Heritage Fund - Shared History

A project working across rural Northern Ireland called 100 Years of Change – Rural Shared History Programme which helped groups to mark the Centenary of NI in a thoughtful, inclusive and engaging way.

19 Directors' transactions

The trustees neither received nor waived any emoluments during the year (2022:£nil).

20 Professional indemnity insurance

Professional indemnity insurance of £395 (2022 : £324) has been paid to indemnify trustees and staff providing technical advice to community groups.