

**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
(a company limited by guarantee)

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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COMPANIES HOUSE

**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
**(a company limited by guarantee)**

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**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2017**

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<b>Trustees</b>	I P Annibal, Chair K W Chapman, Vice Chair D C Pearson, Honorary Treasurer H M Brand, appointed - Bassetlaw District Council F Taylor, appointed - Newark and Sherwood District Council C M Combellack, appointed - Rushcliffe Borough Council S M Creamer, appointed - Nottinghamshire County Council K Senior, Nottinghamshire Association of Local Councils (resigned 2 September 2016) S P Tipping, Co-opted C D Baker, Co-opted
<b>Company registered number</b>	2118349
<b>Charity registered number</b>	519405
<b>Registered office</b>	Newstead Centre Tilford Road Newstead Village Nottingham NG15 0BS
<b>Company secretary</b>	P L Lewis appointed 13 September 2016
<b>Chief executive officer</b>	H Kearsley-Cree appointed 15 August 2016
<b>Independent examiner</b>	Jonathan Wilson Barnett & Turner Accountants Ltd Cromwell House 68 West Gate Mansfield Nottinghamshire NG18 1RR
<b>Bankers</b>	NatWest Bank PLC 9 Church Street Southwell Nottinghamshire NG25 0HW

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**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2017**

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The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Rural Community Action Nottinghamshire (the company) for the year ended 31 March 2017. The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their financial statements 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)

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

## **OBJECTIVES AND ACTIVITIES**

### **Policies and objectives**

The aims and objectives of Rural Community Action Nottinghamshire (RCAN) as set out in the Memorandum of Association are to "promote any charitable purposes for the benefit of the community in the county of Nottinghamshire."

The appointment of a new CEO coupled with the Local Sustainability Fund change programme gave RCAN the opportunity to scrutinise and revise the charity's strategic vision and plan. The strategic planning process, which took place from August 2016 to March 2017, involved all trustees and staff and was underpinned by consultation with stakeholders and clients.

### **Our vision**

Thriving, resilient rural communities with the capacity and confidence to influence and deliver lasting impacts.

### **Our Mission**

To support people and communities to take action for themselves to achieve positive change.

### **Our Values**

**Integrity** - we will work at all times in the best interest of rural communities; we will challenge inequality and welcome diversity; we will value the unique contribution of staff, trustees, volunteers, communities and other stakeholders; we will develop and promote community leadership and empowerment.

**Accountability** - we will work in a way which is open and transparent, we will ensure sustainability in everything we do, we will actively recognise and promote success at all levels.

**Collaboration** - we will seek to work in partnership and recognise the added value of collaborative relationships, we will work with all key stakeholders to identify rural needs in Nottinghamshire, we will raise the rural voice.

**Social Innovation** - we will provide leadership, guidance and facilitate change, we will develop and promoting community leadership and empowerment, we will develop services which address gaps in provision and which build community resilience, we will encourage enterprise and innovation.

**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**Our 3 Strategic Objectives**

- Promote economic inclusion and development across rural Nottinghamshire.
- Address issues of inequality, social exclusion and vulnerability faced by people in rural communities.
- Support active community engagement, volunteering and positive social action.

**Our Delivery Framework**

**Strategic Objective 1 - Promote economic inclusion and development across rural Nottinghamshire**

Aim and Benefit	Indicative Activity
Provide accessible transport to increase the number of young people securing employment or education	Wheels to Work project
Deliver personal navigation support/advice to connect vulnerable people to labour market opportunities	Opportunity and Change project
Deliver sessions to address barriers created by the digital divide	IT Champions programme
Deliver services and initiatives to improve energy efficiency and reduce fuel expenditure	Bulk Oil Scheme Energy Best Deal Smart Meters sessions
Provide advice and information to increase the sustainability and impact of rural community buildings	Supporting Communities Team
Develop Newstead and Annesley Country Park as an economic, environmental and leisure asset for Nottinghamshire	Park management Partnership development

**Strategic Objective 2 – Address issues of inequality, social exclusion and vulnerability faced by people in rural communities**

Aim and Benefit	Indicative Activity
Deliver work that increases awareness of issues faced by specific groups and improve their access to local services	Travelling Together work Opportunity and Change project
Deliver support to reduce isolation and exclusion in target groups	Rural Bassetlaw Befriending Scheme SAY Now – Health and isolation campaign
Provide information and support to reduce vulnerability and victimisation	Anti-Fraud work
Development work to connect people and services to improve health and wellbeing	Health Hubs initiative

**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**Strategic Objective 3 – Support active community engagement, volunteering and positive social action**

<b>Aim and Benefit</b>	<b>Indicative Activity</b>
Provide support to increase people's involvement in local decision making and service provision	Neighbourhood Planning consultancy Community Led Planning work Consultation Parish Council work
Deliver development work to increase the number of community volunteers making an active contribution to cohesion and social action	SAY Now campaigns
Deliver initiatives that support volunteers to engage in the development and delivery of local services	IT Champions project Rural Bassetlaw Befriending Scheme
Provide infrastructure services to increase the sustainability of community initiatives and rural voluntary/community sector	Supporting Communities Team Big Local Langold, Carlton and Costhorpe

**Grant making policies**

These means are provided by the generosity of our funders who entrust RCAN with managing their funds. The charity has a duty to ensure that grants are made after careful assessment, that they meet priority needs and that people with detailed local knowledge contribute to decision-making to ensure that grants achieve their aims.

**Main activities undertaken to further the charity's purposes for public benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that they have set. The above table sets out the benefits expected from our indicative activities.

**Volunteers**

The charity is again grateful for the unstinting efforts of its volunteers who are involved as trustees, in service provision, developing the Newstead and Annesley Country Park and supporting our projects.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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## **ACHIEVEMENTS AND PERFORMANCE**

### **Review of activities**

In the past year Rural Community Action Nottinghamshire (RCAN) and our volunteers have worked hard to help the communities of Nottinghamshire; below is some of the work that we have carried out:

Promote economic inclusion and development across rural Nottinghamshire

- We gave funding advice, access to professional services support and general running advice to 53 Village Halls.
- In partnership with Nottinghamshire Association of Village and Community Halls, RCAN designed and distributed to its 29 members, a quarterly newsletter.
- RCAN have helped 65 community groups across Nottinghamshire to receive £320K of grant aid.
- 90 people were able to take up new employment or training through our Wheels to Work Nottinghamshire project. We received new funding to offer the service (with 3 mopeds) in North Nottinghamshire.
- The IT Community Champions project has supported 22 people over the age of 50 to access basic IT training with support from 10 volunteer tutors. 2 volunteers in particular donated a total of 133 hours of volunteering time.
- RCAN delivered energy-saving advice sessions to consumers and frontline workers, reaching 143 individuals. One to one support provided to customers to make the switch reduced energy bills for consumers by an average of £240 per annum.
- RCAN's Bulk Oil buying scheme increased to 243 members. We ordered a total of 98,300 litres of oil, an increase of 33% on the previous year, helping members to save on average over 5 pence per litre on each order.
- RCAN continue to be an active member of both the North Notts and South Notts LEADER Local Action Groups, the decision making structures that enable additional investment into rural businesses.
- RCAN's CAST project became an independent Community Interest Company in September 2016 and up to that point has supported 74 young people to acquire basic, practical and life skills and raised self-esteem.

Address issues of inequality, social exclusion and vulnerability faced by people in rural communities

- 44 Gypsy and Traveller families or individuals have received accommodation related support for needs associated with homelessness, domestic violence, debt, access to primary mental and physical health issues and support with benefit and statutory entitlements.
- Staff are actively involved with the Nottinghamshire GRT Strategic Health and Social Care Partnership to act as a platform for issues affecting the GRT community to be addressed.
- During the year 8 volunteer befrienders have helped support over 30 lonely people either through offering a 1-2-1 befriending service, helping with shopping, days out or just to be there for a cup of tea and a chat.
- Starting delivery on the new Opportunity and Change consortium project in October 2016 we have supported 5 people with multiple and complex needs to access employment/training.
- Within the Preventing Fraud programme we reached a total of 3,996 people through 124 events, 1-2-1 conversations and direct support.
- RCAN has become involved with the Nottinghamshire County Council sponsored Community Empowerment and Resilience Programme (CERP). This multi sector partnership has aligned with the community and voluntary sector support services delivered through Nottinghamshire Together. A key work stream is the implementation of asset based community development to address issues of isolation in the smaller urban areas of the county.

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**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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Support active community engagement, volunteering and positive social action

- RCAN's Supporting Communities Team provided general support to 82 community groups across Nottinghamshire.
- We became a member of the Nottinghamshire Together consortium that has been set up to co-ordinate support services to the community and voluntary sector. Being part of this has resulted in resources to engage with a new healthy hub initiative in North Leverton and the legacy of refining the delivery model and taking it into other rural settings.
- Direct support has been provided to 23 Parish Councils across Nottinghamshire and we co-hosted a successful Rushcliffe Parish Council Conference with 76 attendees.
- We supported the development of 3 Community Led Plans across Nottinghamshire.
- We worked in partnership with the planning departments to undertake 2 Neighbourhood Plans across Nottinghamshire.
- RCAN continue to support the Big Lottery funded project in the Langold, Costhorpe and Carlton area by providing community development support to December 2016.
- RCAN continue to operate as the Local Trusted Organisation for the LCC Big Local Project and is therefore responsible for financial management and governance of a £1million lottery grant for the development of the community plan over a 10 year period.

Due to shortage of staffing resource, RCAN has continued a low-key development of the Newstead and Annesley Country Park. This included the following:

- Working in partnership with the local Community Rehabilitation Company to utilise Community Payback to help with park maintenance and clearance.
- The first fishing lake has been leased to CAST and is well used by local anglers with volunteer bailiffs patrolling the site.
- Volunteer wardens regularly patrol the site and formally update on risk and maintenance issues.
- The group "Friends of Newstead and Annesley Country Park" continues to support the park through the volunteering of their time to support the development of the site.
- The Wind Turbine was installed in January 2017 and a Community Fund was created as a condition of the planning consent.
- The Community Fund worth £7,500 per annum for the next 25 years has been assigned to 3 local community agents: Friends of Newstead and Annesley Country Park; Newstead Parish Council; Annesley and Felley Parish Council.



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**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**FINANCIAL REVIEW**

**Reserves policy**

RCAN's reserves policy is that there should be maintained in free reserves a minimum of two months' operating expenditure for core activities, plus costs associated should the charity be wound up. The balance sheet at 31 March 2017 now meets this target.

**Principal funding**

The core function of RCAN greatly benefits from funding from DEFRA and Nottinghamshire County Council. During 2016 we were pleased to receive the news that DEFRA intended to commit to a new 4-year agreement to fund the work of the RCCs.

The majority of RCAN's income is through contracts for the delivery of support to community and voluntary activity in Nottinghamshire and specific projects. The key sources of funding in 2016/17 were; Nottinghamshire County Council, District and Borough Councils in Nottinghamshire, Government Funding Streams and Big Lottery Fund. Detailed analysis of incoming and the application of funding streams is given in the notes to the financial statements.

RCAN received funding through the Local Sustainability Fund to fund the internal costs of change management and to engage with an external Local Adviser. The allocation was spent in full and all outcomes of the change management programme were achieved.

Throughout the year, cash flow has continued to be a focus of attention. This is in part due to the changing profile of our income following a reduction in the receipt of upfront grants and an increase in the retrospective payment for services provided.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The company is registered as a charitable company limited by guarantee and was set up in 1924.

The company is constituted under a memorandum of association dated 1 April 1987, as amended by the certificate of incorporation on change of name dated 15 November 2007, as a charitable company limited by guarantee and is a registered charity, number 519405.

The principal object of the company is to promote any charitable purposes for the benefit of the community in the county of Nottinghamshire and in particular, the advancement of education, the protection of health and the relief of poverty, distress and sickness, to promote and organise co-operation and to bring together in organisation representative of the voluntary organisations and statutory authorities within the area of benefit."

The charity's wholly owned subsidiary, Notts RCC Limited, continued trading during the year in order to facilitate delivery of the bulk oil purchasing scheme. Purple Zebra Limited, an IT support provider had previously been an RCAN wholly owned subsidiary company but this had been sold in 2015-16. RCAN held one place on the Trustee Board of Newstead Enterprise Ltd until April 2016.

**Method of appointment and election of trustees**

The trustees have the power to co-opt further persons having specialist knowledge or experience as trustees.

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**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**Policies adopted for induction and training of trustees**

All trustees receive a comprehensive induction pack which contains necessary information about the organisation and of their roles and responsibilities within the organisation. Training is also conducted from time to time in order to help ensure that trustees are familiar with RCAN and its activities and of their roles and responsibilities as trustees.

**Pay policy for senior staff**

The directors consider the board of directors, who are the charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 11 to the financial statements.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings.

**Organisational structure and decision making**

A board of trustees, the Executive Board, meet quarterly and are responsible for the governance and administration of the charity. As set out in the Articles of Association, trustees shall be those elected at the Annual General Meeting and the representatives of those authorities or organisations as are from time to time approved by a General Meeting (see page 1). The trustees have the power to co-opt further persons having specialist knowledge or experience as trustees. All trustees receive a comprehensive induction pack that contains necessary information about the organisation and of their roles and responsibilities within the organisation. Training and development opportunities are offered in order to help ensure that trustees are familiar with RCAN and its activities, and of their roles and responsibilities as trustees.

The Resources Committee (a mandated sub-committee) meets quarterly to support the work of the Executive Board and focuses on the scrutiny of matters financial, HR and risk management.

A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. An interim arrangement with direct support from a peer RCC (Community Lincs) was in place from January 2016 and ran through until August 2016 when a dedicated CEO was appointed to RCAN. The support from Community Lincs continued throughout the remainder of 2016-17 under the Local Sustainability Fund change programme.

**Risk management**

The trustees actively review the major risks which the charity faces on a regular basis. RCAN holds ISO9001 accreditation and systems are in place to identify those risks in terms of strategic and operational impact, with plans and actions identified and implemented to reduce the level of risk to which the organisation is exposed.

**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**PLANS FOR THE FUTURE**

**Future developments**

In relation to our external activities, we plan the following:

- Create a new partnership with relevant agencies to develop the significance of the Newstead and Annesley Country Park.
- Work with the Friends and Newstead and Annesley Country Park and the two local Parish Councils to support investment into the local community through the wind turbine Community Fund.
- Work in partnership with Nottinghamshire County Council to integrate Wheels to Work into the broader Access Fund programme.
- Increase marketing activity to promote the Neighbourhood Planning consultancy offer to Parish Councils and communities.
- Seek additional resources to expand the support work delivered to economically marginalised communities – specifically the Gypsy, Roma, Traveller community.
- Through membership of the Social Inclusion and Equalities Advisory Group we will engage with the emerging D2N2 LEP Community Programme.
- Work with Nottinghamshire Association of Village and Community Halls to transfer their support service into mainstream RCAN delivery and grow the number of Village and Community Halls that receive support.
- Conclude our Big Local role as the Locally Trusted Organisation.

In relation to our internal activities, we plan to:

- Use the Charity Governance Code for smaller charities as a tool to underpin our continuing improvement.
- Undertake a Trustee recruitment exercise to enhance the Board of Trustees.
- Re-organise the staff resources to respond to a revised income generation strategy.
- Adopt a refreshed website that better enables customers to access our organisation and its services.
- Capitalise on opportunities to involve Interns in the work of RCAN.
- Support and work closely with our national umbrella organisation ACRE.

This report was approved by the trustees on 24.10.17 and signed on their behalf by:



I P Annibal, Chair  
Trustee

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**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE****(a company limited by guarantee)**

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**INDEPENDENT EXAMINER'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2017**

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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF RURAL COMMUNITY ACTION  
NOTTINGHAMSHIRE**

I report on the financial statements of the company for the year ended 31 March 2017 which are set out on pages 12 to 32.

This report is made solely to the company's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's trustees as a body, for my work or for this report.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER**

The trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales (ICAEW).

Having satisfied myself that the company is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

**BASIS OF INDEPENDENT EXAMINER'S REPORT**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**

**(a company limited by guarantee)**

**INDEPENDENT EXAMINER'S REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2017**

**INDEPENDENT EXAMINER'S STATEMENT**

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - to prepare financial statements which accord with the accounting records, Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and in other respects comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed: Jonathan Wilson FCA, CTA

Dated: 16 November 2017

**JONATHAN WILSON**  
Chartered Accountant  
Cromwell House  
68 West Gate  
Mansfield  
Nottinghamshire  
NG18 1RR

**RURAL COMMUNITY ACTION, NOTTINGHAMSHIRE**  
(a company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>					
Donations and legacies	2	63,240	-	63,240	95,308
Charitable activities	3	190,764	372,089	562,853	762,372
Investments	5	4,084	-	4,084	37
Other income	6	66,938	-	66,938	-
<b>TOTAL INCOME</b>		<b>325,026</b>	<b>372,089</b>	<b>697,115</b>	<b>857,717</b>
<b>EXPENDITURE ON:</b>					
Charitable activities	7	279,598	334,732	614,330	764,529
<b>TOTAL EXPENDITURE</b>		<b>279,598</b>	<b>334,732</b>	<b>614,330</b>	<b>764,529</b>
<b>NET INCOME BEFORE INVESTMENT LOSSES</b>		<b>45,428</b>	<b>37,357</b>	<b>82,785</b>	<b>93,188</b>
Net losses on investments		-	-	-	(9,502)
<b>NET INCOME BEFORE TRANSFERS</b>		<b>45,428</b>	<b>37,357</b>	<b>82,785</b>	<b>83,686</b>
Transfers between Funds	17	856	(856)	-	-
<b>NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>46,284</b>	<b>36,501</b>	<b>82,785</b>	<b>83,686</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>46,284</b>	<b>36,501</b>	<b>82,785</b>	<b>83,686</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		79,570	371,529	451,099	367,413
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>125,854</b>	<b>408,030</b>	<b>533,884</b>	<b>451,099</b>

All activities relate to continuing operations.

The notes on pages 15 to 32 form part of these financial statements.

# RURAL COMMUNITY ACTION NOTTINGHAMSHIRE

(a company limited by guarantee)

REGISTERED NUMBER: 2118349

## BALANCE SHEET AS AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	12		303,899		298,895
Investments	13		2		2
			<u>303,901</u>		<u>298,897</u>
<b>CURRENT ASSETS</b>					
Debtors	14	103,216		57,574	
Cash at bank and in hand		319,657		162,463	
		<u>422,873</u>		<u>220,037</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	(75,896)		(67,835)	
<b>NET CURRENT ASSETS</b>			<u>346,977</u>		<u>152,202</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>650,878</u>		<u>451,099</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		(116,994)		-
<b>NET ASSETS</b>			<u><u>533,884</u></u>		<u><u>451,099</u></u>
<b>CHARITY FUNDS</b>					
Restricted funds	17		408,030		371,529
Unrestricted funds	17		125,854		79,570
<b>TOTAL FUNDS</b>			<u><u>533,884</u></u>		<u><u>451,099</u></u>

The trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the executive committee on 24.10.2017 and signed on their behalf, by:

  
I P Annibal, Chair

Trustee

The notes on pages 15 to 32 form part of these financial statements.

**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>160,010</u>	<u>109,554</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		84	37
Purchase of tangible fixed assets		(12,900)	(6,608)
Proceeds from sale of investments		<u>10,000</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<u>(2,816)</u>	<u>(6,571)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>157,194</b>	<b>102,983</b>
Cash and cash equivalents brought forward		<u>162,463</u>	<u>59,480</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>319,657</u></u>	<u><u>162,463</u></u>



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**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE****(a company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**1. ACCOUNTING POLICIES****1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 Action Nottinghamshire meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Reconciliation with previous Generally Accepted Accounting Practice**

In preparing these accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

**1.3 Company status**

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**1.4 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

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

Investment income, gains and losses are allocated to the appropriate fund.

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**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

**1.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'gains/(losses) on investments' in the statement of financial activities incorporating income and expenditure account.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.8 Tangible fixed assets and depreciation**

All assets costing more than £150 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	-	nil
Motor vehicles	-	25% straight basis
Fixtures and fittings	-	20% straight basis
Computer equipment	-	1/3 straight line basis

**1.9 Operating leases**

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Lease premiums received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

Rentals receivable under operating leases are accounted for in the statement of financial activities in the year in which they are receivable as permitted under Section 20.25(b) of FRS 102 when the payments to the lessor are structured to increase in line with expected general inflation.

**1.10 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

**1.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.12 Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.14 Pensions**

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

Retirement benefits to other employees of the company are provided by the Local Government Pension Scheme (LGPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme (SERPS).

The company is unable to identify the share of the overall assets and pensions liability within the LGPS which relate to its employees. Consequently the company accounts for its pension contributions as if it were a defined contribution scheme and are charged to the statement of financial activities in the year which they become payable.

As required under Section 28.13A of FRS 102, the company has accounted for its share of the pension deficit payments in the statement of financial activities, based on the LGPS triennial valuation at 31 March 2016. The liability amounted to £38,869 for 2017/2018 to 2019/2020 and the amounts payable for 2018/2019 and 2019/2020 have been adjusted to reflect the discounted present value basis.

**1.15 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.16 Concessionary loans**

The company has taken advantage of Section 34 of FRS 102 to recognise a loan to a public benefit entity as a concessionary loan. As such the company initially recognises and measures the loan at the amount receivable in the statement of financial activities. In subsequent years, the carrying value will be adjusted to reflect repayments and any accrued interest, where applicable and adjusted if necessary for any impairment.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**2. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DEFRA	52,240	-	52,240	55,440
Nottinghamshire County Council	11,000	-	11,000	39,868
	<u>63,240</u>	<u>-</u>	<u>63,240</u>	<u>95,308</u>

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Core	190,764	-	190,764	34,384
Children and Young People	-	64,505	64,505	179,073
Enterprise and Skills	-	42,695	42,695	40,409
Healthier Communities	-	10,740	10,740	11,778
Safer, Stronger Greener Communities	-	138,328	138,328	360,799
Transport and Accessibility	-	115,821	115,821	135,929
	<u>190,764</u>	<u>372,089</u>	<u>562,853</u>	<u>762,372</u>

**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

**4. ANALYSIS OF INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Core £	Children and Young People £	Enterprise and Skills £	Healthier Communities £	Safer, Stronger Greener Communities £	Transport £	2017 £	2016 £
Nottinghamshire County Council	-	-	-	9,000	-	10,000	19,000	35,462
The Big Lottery Fund	57,320	-	42,695	-	108,350	83,072	291,437	310,486
District councils	55,470	-	-	1,000	-	-	56,470	88,270
Miscellaneous grants	14,500	-	-	-	29,978	4,800	49,278	91,721
Donations and subscriptions	740	-	-	540	-	-	1,280	3,126
Training fees	(587)	63,447	-	-	-	-	62,860	175,552
Other income	55,314	1,058	-	200	-	17,949	74,521	16,949
Capacity income	4,618	-	-	-	-	-	4,618	40,806
Letting of property for charitable purposes	7,389	-	-	-	-	-	7,389	-
	<u>194,764</u>	<u>64,505</u>	<u>42,695</u>	<u>10,740</u>	<u>138,328</u>	<u>115,821</u>	<u>566,853</u>	<u>762,372</u>

Included in restricted funds are grants from "The Big Lottery Fund" for the following projects:

Core - £57,320  
LCC Big Local - £108,350  
IT Community Champions - £42,695  
Wheels to Work Notts. - £83,072

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Letting of property for charitable purposes	4,000	-	4,000	-
Investment income	84	-	84	37
	<u>4,084</u>	<u>-</u>	<u>4,084</u>	<u>37</u>

**6. OTHER INCOMING RESOURCES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Sale of goodwill	59,467	-	59,467	-
Profit on sale of disposal of fixed assets	7,471	-	7,471	-
	<u>66,938</u>	<u>-</u>	<u>66,938</u>	<u>-</u>

**7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Core	279,598	-	279,598	168,527
Children and Young People	-	73,181	73,181	133,951
Enterprise and Skills	-	41,697	41,697	42,174
Healthier Communities	-	11,888	11,888	13,223
Safer, Stronger Greener Communities	-	105,656	105,656	274,134
Transport and Accessibility	-	102,310	102,310	132,520
	<u>279,598</u>	<u>334,732</u>	<u>614,330</u>	<u>764,529</u>

Restricted funds include the expenditure incurred as a result of receiving grants from **The Big Lottery Fund** for the following projects:

Core  
LCC Big Local  
IT Community Champions  
Wheels to Work Notts.

The analysis of this expenditure is given in note 8.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**8. DIRECT COSTS**

	Core £	Children and Young People £	Enterprise and Skills £	Healthier Communities £
Professional fees	48,596	1,252	682	163
Travel and subsistence	4,682	76	3,154	490
Motor expenses	-	7,920	-	-
Rent, rates, insurance and services	27,765	5,057	866	140
IT support and maintenance	5,288	254	410	61
General expenses	15,648	8,208	263	300
Project management	(32,918)	3,000	6,442	2,050
Project support	(14,956)	1,325	3,911	2,720
Beneficiary events and activities	1,000	2,912	-	-
Wages and salaries	143,722	39,706	20,540	4,672
National insurance	11,967	2,671	1,579	391
Pension cost	65,809	800	3,850	901
Depreciation	2,995	-	-	-
	<b>279,598</b>	<b>73,181</b>	<b>41,697</b>	<b>11,888</b>

  

	Safer, Stronger Greener Communities £	Transport and Access £	Total 2017 £	Total 2016 £
Professional fees	62	1,799	52,554	44,067
Travel and subsistence	27,843	3,197	39,442	18,171
Motor expenses	-	33,071	40,991	56,226
Rent, rates, insurance and services	1,198	553	35,579	44,483
IT support and maintenance	380	472	6,865	2,706
General expenses	7,211	2,373	34,003	71,499
Project management	8,426	13,000	-	-
Project support	-	7,000	-	-
Beneficiary events and activities	41,830	670	46,412	58,693
Wages and salaries	15,314	28,977	252,931	356,532
National insurance	1,386	6,156	24,150	27,324
Pension cost	2,006	308	73,674	41,723
Depreciation	-	4,734	7,729	9,237
	<b>105,656</b>	<b>102,310</b>	<b>614,330</b>	<b>730,661</b>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. GRANTS MADE**

	2017 £	2016 £
Gedling Council for Voluntary Service	-	5,918
Bassetlaw Community and Voluntary Service	-	8,000
Nottingham Hostels Liaison Group	-	3,750
Community Accounting Plus	-	7,500
Newark and Sherwood Council for Voluntary Service	-	8,700
	<u>-</u>	<u>33,868</u>

**10. NET INCOMING RESOURCES**

This is stated after charging: -

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	7,729	9,237
Independent examination	1,500	1,500
Other services - accountancy	2,725	3,650
	<u>7,729</u>	<u>14,387</u>

During the year no trustees received any remuneration (2016 - £NIL).

During the year, no trustees received any benefits in kind (2016 - £NIL).

During the year, no trustees received any reimbursement of expenses (2016 - £188).

In addition a total of £1,790 (2016 - £6,216) for salary costs was paid to one employee who is connected to one of the trustees.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**11. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	252,931	356,532
Social security costs	24,150	27,324
Other pension costs	73,674	41,723
	<u>350,755</u>	<u>425,579</u>

The average number of persons employed by the company during the year was as follows:

	2017 No.	2016 No.
Charitable activities	8	11
Management and administration of the charity	2	5
	<u>10</u>	<u>16</u>

No employee received remuneration amounting to more than £60,000 in either year.

Management personnel were paid £104,658 for salaries, on which the employer's national insurance was £10,341 and employer's pension contributions amounted to £11,722.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**12. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 April 2016	293,550	57,756	55,164	127,480	533,950
Additions	-	7,240	-	5,660	12,900
Disposals	-	(28,230)	(28,947)	(112,976)	(170,153)
Restatement adjustments	-	(7,047)	483	1,581	(4,983)
At 31 March 2017	293,550	29,719	26,700	21,745	371,714
<b>Depreciation</b>					
At 1 April 2016	-	54,833	54,251	125,971	235,055
Charge for the year	-	4,734	555	2,440	7,729
On disposals	-	(25,701)	(28,947)	(112,976)	(167,624)
Restatement adjustments	-	(9,315)	482	1,488	(7,345)
At 31 March 2017	-	24,551	26,341	16,923	67,815
<b>Net book value</b>					
At 31 March 2017	293,550	5,168	359	4,822	303,899
At 31 March 2016	293,550	2,923	913	1,509	298,895

Included in land and buildings is freehold land at cost of £293,550 (2016 - £293,550), which is not depreciated.

The acquisition of the freehold land was funded by a grant. The conditions of the grant impose restrictions on the use of the land. There are also restrictions on the free sale or mortgage of the land.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**13. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>Market value</b>	
At 1 April 2016 and 31 March 2017	2
<b>Historical cost</b>	2

**Investments at market value comprise:**

	2017 £	2016 £
Group	2	2

All the fixed asset investments are held in the UK.

**Valuation**

At the balance sheet the charity owned 100% of the issued share capital in Notts RCC Limited amounting to 2 £1 shares. The investment is valued at cost.

**14. DEBTORS**

	2017 £	2016 £
<b>Due after more than one year</b>		
Concessionary loan	53,258	-
<b>Due within one year</b>		
Trade debtors	22,751	35,279
Amounts owed by group undertakings	3,134	7,355
Amounts owed by undertakings in which the company has a participating interest	2,401	5,438
Concessionary loan	13,893	-
Prepayments and accrued income	7,779	9,502
	<b>103,216</b>	<b>57,574</b>

The concessionary loan has been made by the company following the cessation of the CAST project in September 2016. A separate community interest company, independent of RCAN, has been formed to manage the project going forwards. The loan is for £69,467, is interest free and is repayable over 60 instalments with effect from 31 January 2017. Security has been given on the debt by the community interest company in the form of a debenture which carries a fixed and floating charge over specific property.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**15. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	30,985	33,684
Amounts owed to group undertakings	3,403	8,066
Amounts owed to other participating interest	3,158	3,159
Other taxation and social security	8,024	6,958
Other creditors	18,449	1,636
Accruals and deferred income	11,877	14,332
	<u>75,896</u>	<u>67,835</u>

The deferred income balance relates to a premium on a lease for the installation of a wind turbine on the company's land. The amount received as a lease premium was £100,000 and this is being recognised through the statement of financial activities over the term of the lease of 25 years at an annual amount of £4,000.

	£
<b>Deferred income</b>	
Deferred income at 1 April 2016	-
Resources deferred during the year	100,000
Released during the year	(4,000)
	<u>96,000</u>
Deferred income at 31 March 2017	<u>96,000</u>

**16. CREDITORS:  
Amounts falling due after more than one year**

	2017 £	2016 £
Other creditors	24,994	-
Accruals and deferred income	92,000	-
	<u>116,994</u>	<u>-</u>

**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**17. STATEMENT OF FUNDS**

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Carried forward £
<b>Unrestricted funds</b>					
General funds	79,570	325,026	(279,598)	856	125,854
<b>Restricted funds</b>					
Children and Young People	-	64,505	(73,181)	8,676	-
Enterprise and Skills	2,748	42,695	(41,697)	-	3,746
Healthier Communities	2,078	10,740	(11,888)	-	930
Safer, Stronger Greener Communities	66,703	138,328	(105,656)	(9,532)	89,843
Transport and Accessibility	-	115,821	(102,310)	-	13,511
Land Fund	300,000	-	-	-	300,000
	<u>371,529</u>	<u>372,089</u>	<u>(334,732)</u>	<u>(856)</u>	<u>408,030</u>
Total of funds	<u>451,099</u>	<u>697,115</u>	<u>(614,330)</u>	<u>-</u>	<u>533,884</u>

**Purpose of funds:**

**Unrestricted funds**

These funds are available for use at the discretion of the trustees in furtherance of the general objects of the charity.

**Restricted funds**

All restricted funds have been provided to the company for particular purposes for example, the purchase of fixed assets or for funding the costs incurred on specific projects.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	10,349	293,550	303,899	298,895
Fixed asset investments	2	-	2	2
Debtors due after more than 1 year	53,258	-	53,258	-
Current assets	255,135	114,480	369,615	220,037
Creditors due within one year	(75,896)	-	(75,896)	(67,835)
Creditors due in more than one year	(116,994)	-	(116,994)	-
	<u>125,854</u>	<u>408,030</u>	<u>533,884</u>	<u>451,099</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW  
FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net income for the year (as per statement of financial activities)	82,785	83,686
<b>Adjustment for:</b>		
Depreciation charges	7,729	9,237
Loss on investments	-	5,000
Dividends, interest and rents from investments	(4,084)	(37)
Profit on the sale of fixed assets	(7,471)	-
(Increase)/decrease in debtors	(45,642)	33,090
Increase/(decrease) in creditors	125,055	(21,422)
Restatement of fixed assets	(2,362)	-
<b>Net cash provided by operating activities</b>	<b>156,010</b>	<b>109,554</b>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	319,657	162,463
	<b>319,657</b>	<b>162,463</b>

**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**21. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme for certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

Retirement benefits to other employees of the company are provided by the Local Government Pension Scheme (LGPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme (SERPS).

The charity is unable to identify the share of the overall assets and pensions liability within the LGPS which relate to its employees. Consequently the company accounts for its pension contributions as it were a defined contribution scheme and are charged to the statement of financial activities in the year which they become payable.

As required under Section 28.13A of FRS 102, the company has accounted for its share of the pension deficit payments in the statement of financial activities, based on the LGPS triennial valuation at 31 March 2016. The liability amounted to £38,869 for 2017/2018 to 2019/2020 and the amounts payable for 2018/2019 and 2019/2020 have been adjusted to reflect the discounted present value basis. These deficit payments may not reflect the true value of the scheme's deficit as a whole.

**22. OPERATING LEASE COMMITMENTS WHERE THE CHARITY IS LESSEE**

At 31 March 2017 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	-	6,293

**23. OPERATING LEASE AGREEMENTS WHERE THE CHARITY IS LESSOR**

The company has entered into a lease agreement with a third party for the installation of a wind turbine on the company's land. This non-cancellable lease runs for 25 years from 4 October 2016 and includes a provision for regular rent reviews according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2017 £	2016 £
Within 1 year	20,000	-
Between 1 and 5 years	80,000	-
After more than 5 years	390,000	-



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**24. TRUSTEES' BENEFITS: ADVANCES, CREDIT AND GUARANTEES**

100% of the share capital of PurpleZebra Limited, one of the charity's wholly owned subsidiary companies, was sold to Comart Limited on 9 July 2015 for an initial consideration of £5,000 plus a percentage of future profits. This consideration was subsequently reduced to £Nil following a downturn of trade. A loan due from PurpleZebra Limited of £4,502 has also been written off at the balance sheet date.

At the date of disposal, Comart Limited, a company incorporated in England, was owned 100% by one of RCAN's trustees. Adequate disclosure of the trustee's interest in the acquiring company was not made to the board. The trustee (Kevin Senior) was subsequently challenged by the board once this became clear and resigned from the board of RCAN on 2 September 2016.

At 31 March 2016, there was a further debt of £19,365, inclusive of VAT, in respect of running costs recharged to PurpleZebra Limited, which the trustees believe may not be recoverable in full. A provision of £18,481 has been made against this debt. A trading balance of £3,159 was also due to PurpleZebra Limited from the charity at 31 March 2016.

**25. RELATED PARTY TRANSACTIONS**

Owing to the nature of the charity's operations and the fact that the members of the charity are representatives of local public and private sector organisations it is inevitable that transactions will take place with organisations in which a trustee or a member of the charity may have an interest.

The charity also acts as a service provider for the preparation of payroll for various other organisations which are situated in the same premises.

All transactions involving such organisations are conducted at arm's length.

The charity has taken advantage of the exemption available under FRS 102 Section 33 - "Related Party Transactions" that permits the non-disclosure of transactions with wholly-owned group undertakings provided that the subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

**26. CONTROLLING PARTY**

The trustees do not consider there to be any one controlling party.

**27. GOING CONCERN**

The charity is supported by grants and other income and is currently operating without an overdraft facility.

The trustees continue to pursue and apply for grant funding and have assessed the expected income levels and estimated the charity's likely cash requirements until at least September 2018. Other than the inherent nature of charitable activities and risks associated with the availability of grant funding, the trustees have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the charity to continue as a going concern.

On the basis of their assessment of the charity's financial position, the trustees have a reasonable expectation that the charity will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**RURAL COMMUNITY ACTION NOTTINGHAMSHIRE**  
**(a company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**28. PRINCIPAL SUBSIDIARIES**

At the balance sheet date the charity owned 100% of the issued share capital of Notts RCC Limited, a company registered in England. The subsidiary is used for trading purposes, which is the administration of a bulk oil scheme.

Turnover in Notts RCC Limited amounted to £1,417 (2016 - £3,703) and trading expenses were £1,812 (2016 - £2,520) resulting in a net loss of £395 (2016 - net profit of £1,183). The aggregate amount of assets was £8,127 (2016 - £8,182) and the aggregate amount of liabilities was £7,957 (2016 - £7,616), in total, representing a credit balance of £170 (2016 - a credit balance of £566) of capital and reserves.

**29. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.