

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

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The following pages do not form part of the statutory financial statements:

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RURAL ACTION DERBYSHIRE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2019

Trustees

Ms V E Broom, (resigned as Chair 1 April 2019)
Mr G S Gilbert
Mr M J Haynes, Treasurer
Ms J Hirst (Acting Vice Chair from September 2018, Appointed Vice Chair 1 April 2019)
Mr M A Stanton – resigned 1 April 2019
Mrs S Douglas – resigned 11 July 2019
Mr S G Taylor, Acting Chair (from September 2018), Chair (appointed 1 April 2019)
Mr R N E Walsh
Ms E L Monkman
Mrs S Beastall – resigned 15 January 2019
Mr B Strafford-Stephenson – appointed December 2018

Registered office

Town Hall
Bank Road
Matlock
DE4 3NN

Company secretary

Mr G S Gilbert

Chief executive officer

Ms B Parker

Accountants

Smith Cooper Audit Limited
St Helens House
King Street
Derby
DE1 3EE

Bankers

HSBC Bank plc
Market Place
Chesterfield
Derbyshire
S40 1TN

President

Sir Richard Fitzherbert Bt

RURAL ACTION DERBYSHIRE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their annual report together with the financial statements for the period 1 April 2018 to 31 March 2019.

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 accounts in accordance with 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 Director's Report) Regulations 2013 is not required.

Objectives and Activities

Rural Action Derbyshire's aim is to ensure the well-being of the people who live and work in rural Derbyshire and that they are not unduly disadvantaged.

Their mission is to improve the quality of life for Derbyshire residents, by empowering people in rural communities to take action to address disadvantage, become more sustainable and increase local control.

Their objectives are:

- To support rural community development
- To address rural disadvantage and counter the effects of isolation
- To improve the access to services for people living in rural communities
- To inform and challenge statutory service providers about the needs of rural communities.

Rural Action Derbyshire works to meet its aims and objectives in two ways;

- By providing direct services to help people and groups in rural communities
- By raising awareness of the issues faced by rural communities.

Rural Action Derbyshire is one of 37 rural community councils in England and is a member of Action with Communities in Rural England (ACRE).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Chair's remarks

RAD is in good health and ready for challenges and opportunities ahead. The team must be congratulated on their foresight, skills, flexibility and courage in getting RAD into this position. Thank you also to my fellow trustees who have provided the governance, oversight and guidance in support of the team's work.

During the first full year of our CEO, Bev Parker, much work has been completed to give the organisation the firm foundations it needs to successfully deliver bigger and more complex external projects. A much-overdue IT upgrade and a new organisational structure have allowed RAD's staff to work more collaboratively and efficiently than was possible before. These sort of behind-the-scenes projects are often avoided in organisations because they are too difficult or because the day-to-day flurry of activities don't seem to allow space for them. It is great testament to Bev and the team that these were tackled successfully on time and on budget.

These improvements have had immediate benefits including the successful conferences for community buildings and Feeding Derbyshire that couldn't have been effectively resourced before. It has also allowed more flexible working for everybody, so that they have been able to work on-the-move or from home, as well as in the office. At the same time the organisation has continued to deliver on existing and new work that you will read about later in this document. This has all been most impressive and I would like to thank everybody involved for their fine efforts, on behalf of our beneficiaries, members and trustees.

Notwithstanding these immediate successes, the bigger benefits of these firmer foundations will be the improvements in the organisation's ability to proactively respond to the changing world in which it works. Whilst RAD continues to be enormously grateful for the funding it receives from central government, local governments and other donors, we have realised that we need to have more than one string to our bow. The finances of government, both national and local, are becoming more stretched and less certain. At the same time the parameters and conditions of available grant funding are changing, making those income streams less predictable. As result, we have decided that the organisation also needs to be able to generate its own revenue streams by learning how to operate partly as a social enterprise. This would not be possible without the new organisational flexibility and continued development of the new IT systems. The trustees are extremely aware that this carries with it a higher level of commercial risk and we have had much discussion about this amongst ourselves and with the CEO. As a result of those conversations we have plotted a course that manages that risk. We will do this through clear processes for the review of opportunities, defining the money available to be invested in commercial projects in sensible proportion to RADs overall reserves and then making sure we use the demonstrable commercial skills and experience of staff and trustees. At the same time, the approach will allow the RAD team the freedom to go out and speculate to accumulate with the confident backing of the trustees.

I am very pleased to have taken on the role of Chair of RAD as it heads towards its centenary in 2024. I would like to record my thanks to Valerie Broom for her leadership of RAD as its Chair for over 3 years. I am very grateful for the support of Julie Hirst as the new vice-Chair and to John Haynes and Grahame Gilbert for their long-standing roles as Treasurer and Company Secretary respectively. I'm looking forward to working with all the trustees and staff as we continue to set the organisation up for the next hundred years.

I am happy to commend this report to the Trustees.

Simon Taylor
Chair

A handwritten signature in black ink, appearing to be 'S. Taylor', with a long horizontal line extending from the end of the signature.

RURAL ACTION DERBYSHIRE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Staff Changes

In 2018/19 a number of staff moved onto pastures new. Natalie O'Connell, Wheels to Work Manager, left on 13/7/2018 after 5 years with RAD. Gail Hannan, Money House Assistant left on 19/7/18 after 10 months and Claire Thornber, Money House Co-ordinator left on 13/8/2018 after nearly 7 years with RAD in a variety of roles. We wish them every success with their new ventures.

We were joined by new recruits:

Emily Brailsford, Chaplain for Young Farmers joined on 1/8/18,
Joanne Peck, Admin Assistant joined on 9/8/18,
Jacqui Bell, Policy & Partnerships Manager joined on 6/9/18,
Becky Newton, Wheels to Work Project Assistant joined on 17/9/18 and
Jordan Beresford, Administrative Assistant Trainee joined on 24/9/18.

RAD Trustees were joined by Bentley Strafford-Stephenson in December 2018. In January 2019 the Board also received the resignation of Samantha Beasall who had been on the Board since 2017. Valerie Broom stepped down as Chair due to illness in September 2018 and Simon Taylor, Vice Chair, was appointed as Acting Chair and then formally appointed to the Chair in April 2019. Valerie is a long standing Trustee having been on the Board since March 2008 and Chair since March 2015. We are pleased that she is remaining on the Board and would like to thank her for her contribution and leadership as Chair for over 3 years.

Chief Executive's Report

Reflecting on the year I feel that we have made a good start towards developing RAD into an organisation that is fit for the future. We have made changes to our staffing structure and welcomed some new faces onto the team. We have invested in IT and systems which help us to be more efficient and work smarter. We have refreshed our strategic plans and developed our role as champions for people in rural Derbyshire, highlighting issues around rural poverty, the attrition of local services such as banks, post offices and health services. We have campaigned to highlight the issue of food poverty in rural areas, speaking to the UN Special Rapporteur during his visit to the UK to highlight the impact of welfare reforms on poverty. We were involved in the RSA Commission on Food and Farming, resulting in a commissioned short film highlighting rural issues such as affordable housing, transport and jobs and the pressures faced by hill farmers struggling to make a living.

Importantly, I am pleased to report that we have ended the year in a position of financial strength through close attention to costs and budgets, and by successfully winning new resources.

The future is always uncertain, but I am determined to lead RAD into a future which involves less reliance on grant funding, that is built on more sustainable income sources and that enables us to be lean and agile and respond to new challenges. RAD is the only voluntary sector organisation that can truthfully claim to have a foot in every single village in the county and that understands the needs of rural communities in all shapes and sizes. We have a team of talented, enthusiastic and committed people who love their work and are excited about the future. I am proud to have such a wonderful team of staff who use their skills and experience to help Derbyshire people to develop vibrant, sustainable local communities.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

Refining our focus

RAD has made some minor changes to its strategic aims and has defined a new mission statement to better describe our fundamental purpose.

“We believe that no-one should be unfairly disadvantaged because they live in a rural area”

Our Strategic Aims

- To help remove barriers that prevent people from taking up opportunities, living well and participating in daily life.
- To enable communities to develop more control, protect and develop community assets and build resilience and community spirit.
- To address rural disadvantage particularly for vulnerable or low-income groups.
- To support rural economic development and sustainable rural communities
- To grow and develop Rural Action Derbyshire to secure its future sustainability.

The CEO and staff have developed a new Business Plan. It represents some projects that have been core to RAD's portfolio for some time, and a new focus on income generation and sustainability. The key driver for the plan is to ensure that RAD remains a viable business, which can generate a small surplus to reinvest in future projects and ensure that it continues to be a well-managed charity that safeguards the interests of its community and beneficiaries.

Beverley Parker
Chief Executive Officer

AGRICULTURAL CHAPLAINCY

The Derbyshire Agricultural Chaplaincy aims to reach out to the most isolated communities within rural Derbyshire offering a listening ear and support in difficult times. We have three chaplains, Rev. Alan Griggs, Rev. Prof Stella Mills and Emily Braisford, who is the Chaplain to Young Farmers. There are six volunteers in the Farmers Support Team who provide a friendly face at the regular livestock market in Bakewell and carry out practical tasks when someone is struggling. This might be helping to rebuild a stone wall, helping drench sheep or covering a milking during illness.

The team have made over 270 visits over the year, and supported over 40 people with ongoing pastoral support and care. The team have attended six shows and carried out 21 funerals requested by farming families. Over 800 people attended the two main events of the year (Harvest Festival and Carol Service) and Bagshaws and the High Peak Livestock Society continue to offer their support for these events and the market presence at Bakewell. 1600 newsletters have been circulated to farms.

The Chaplain to Young Farmers is connecting with young farmers in Derbyshire. She has visited five Young Farmers Clubs, received 80 completed questionnaires from young people and attended 10 YFC events. She has been supporting two ongoing cases.

Case Study – Boylestone Social Group

The rural social group meets from 2pm to 4pm on the 4th Thursday of every month at Boylestone Methodist Chapel led by the Rev'd Professor Stella Mills. The group is a partnership between the Methodist Church, the Derbyshire Agricultural Chaplaincy / Rural Action Derbyshire, and the Farming Life Centre.

It has been wonderful to see the group go from strength to strength. The group was initially supported by a small grant from South Derbyshire District Council to focus on well-being in rural areas. We now welcome between 15 and 20 people each month to enjoy conversation over cake and tea, and a speaker with a rural focus. The group also ventures out for a farm visit or visit to a Derbyshire village in the summer and a Christmas meal.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

AGRICULTURAL CHAPLAINCY (continued)

One member of the group is a farmer that the agricultural chaplaincy was able to help when he was forced to leave his tenant farm following bereavement. The group has become a highlight for the farmer and an invaluable way to keep the farmer connected to rural life and conversation.

RURAL POVERTY

RAD works in a number of ways to support people on low incomes and finding it difficult to make ends meet. We do this by supporting partnerships that help people in need and by designing projects to tackle specific issues such as Food Poverty, Financial Inclusion and Fuel poverty.

It is estimated that living in a rural area requires additional income of around £3,000 per annum due to the increased costs of living. Housing, transport, food, fuel and everyday cost of living is more expensive in rural areas, and often wages are lower too. On top of this, access to health and related services are worse for people living in rural areas where longer distances to GPs, dentists, hospitals and other health facilities mean rural residents experience disadvantage when accessing health and care Services.

Food Poverty

RAD took over responsibility for Feeding Derbyshire from Derbyshire County Council in 2018. Many people in Derbyshire find themselves going without and unable to feed themselves or their family either occasionally, or on a regular basis. There are many reasons why this might happen – low income, relationship breakdown, benefit withdrawal or sanctions, bereavement, job loss or irregular or zero hours work. There are 23 food banks in Derbyshire who provide emergency food as well as other support. There are a growing number of community cafes, community pantries and fridge and food box schemes which provide regular rather than emergency provisions at low cost.

Key successes for 2018/19 included the appointment of Jacqui Bell as Policy and Partnerships Manager to lead the work on food poverty and financial inclusion. Feeding Derbyshire also received funding from Feeding Britain to run the Food Bank Plus programme. This puts Citizens Advice advisers at the heart of the food banks regular services to help people address issues such as benefits and debts. Nine food banks across Derbyshire increased their direct work with those in greatest need, by up to 31%, enabling them to see a highly skilled adviser instantly and to cut through the welfare systems' barriers.

The 2018 summer holidays Feeding Derbyshire Holiday Food Programme involved 12,140 children targeting the most deprived and isolated areas in Derbyshire,

- 25 schemes worked with 160 partners provided healthy food, drinks and snacks and an extensive range of organised activities for children and families.
- 182 volunteers and local businesses gave their time and resources
- FareShare East Midlands supplied 37,113 meals in total, to approximately 1395 children per week last summer and supplied 10 projects with enough food to give out 1052 food parcels at Christmas 2018.

Financial Inclusion

The Money House was a training project aimed at young people aged 17-24 who are making a transition to independent living. The 4-day course prepared young people to manage their money and maintain their tenancies. It was delivered in a 'real life' flat and used a variety of tasks and activities to create discussion and experiential learning. Take up was disappointing with just 28 young people attending for more than one day. Outcomes, however, were good. The course helped them develop a greater understanding of how to use their bank accounts to manage their finances, the real cost of borrowing and the reality of their financial situation and budgets. It is too early to gauge the long term effects the project has had but young people have told us they feel better prepared to manage their move to independent living. This project has now ended due to loss of funding.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

Fuel Poverty

Many people in Derbyshire on low incomes spend a high proportion of their income heating their homes. At 11.9% this is above the average for the UK, but there are some areas where the issue is further exacerbated by lack of choice. For example, in Derbyshire Dales more than 40% of houses are off mains gas. This means they have to use oil or LPG and due to location and accessibility may pay more for this supply. In addition, such customers will often pay more for electricity as they are unable to take advantage of more competitive "dual fuel" tariffs.

Unlike electricity, gas or broadband there is no specific regulator to monitor prices and practices, therefore there will always be people who end up paying too much for their energy costs. RAD provides a bulk buying scheme for central heating oil and can also negotiate cheaper prices for LPG canisters.

Crude oil prices are volatile and the impact of Brexit may cause price rises. We can often get customers a more competitive price and also take the hassle out of ordering oil. By working with our commercial partner E-smartmetrics, we offer an internet based ordering scheme similar to many other schemes. However, the difference is that we also offer those people that do not use the internet the facility to order and pay for their oil. All they need to do is contact the RAD office and project officer Emma will take their orders over the phone and manage the online process for them. Buying oil or LPG through RAD helps us to help those people who need it most, at the same time as providing a valuable and cost effective service.

Over the year the scheme has purchased 579,625 litres of oil representing a potential saving against the highest quote of £45,085. This is a significant increase on the previous year when 409,346 litres was ordered and the membership continues to grow steadily with 464 members.

NEIGHBOURHOOD PLANNING

Housing is a hot topic in rural areas. There is a widespread shortage of affordable rural housing and developer pressure is focused on large developments of, mainly three or four bedroom properties. Competition for housing, particularly in desirable locations such as the Peak District pushes up prices. On average house prices are 26% higher in rural areas. This is compounded by the fact that earnings are often lower on average, and many local people are priced out of the market.

However, there is a way that communities can influence the planning process and have a say on the type and size of housing development in their area.

Neighbourhood Plans are community led plans that can develop a shared vision for an area. An NDP can identify and protect important local green spaces and influence what new building should look like. It also enables the community to have an influence on residential and business development, where it should be sited and what it should look like.

Rural Action Derbyshire has provided support to many communities wishing to develop a Neighbourhood Development Plan. This can be by providing advice, attending meetings, delivering workshops and/or providing on-going telephone and email support.

Joe Dugdale has years of experience working with different groups and communities. This year he has been working directly with Brailsford, Hilton, Kirk Langley and Kirk Ireton. There are many more communities in Derbyshire who have benefitted from this process. We can also help you access national funding towards the costs of the process.

Case Study

Joe began working with Bakewell Town Council back in 2014 when they were at the start of their journey. He acted as their consultant, guiding and advising the group on the information required and processes involving in developing the plan, which was complicated due to the location within the Peak District National Park. They have now prepared a 'pre-submission draft' of their Neighbourhood Plan and are seeking comments from people who live, work or carry on business in the area.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

NEIGHBOURHOOD PLANNING (continued)

The Plan sets out a vision for Bakewell Parish reflecting the views and feelings of local people and contains planning policies for the development boundary, environment and heritage, housing, community facilities, economy and transport and communications. The consultation period ends on 9 September 2019.

SUICIDE AWARENESS

- On average, 16 people kill themselves each day in the UK.
- Men are 3 times as likely to take their own lives as women.
- Men aged between 45 and 49 are most at risk.

In 2017 there were 49 deaths in Derbyshire by suicide*

"The effects of self-harm and suicide can be devastating. Many people – friends, family, professionals, colleagues and wider society will feel the impact. There are also significant financial costs associated with a suicide. The average cost of a completed suicide of a working age adult in the UK is estimated to be £1.67m.

We believe that too many people die from suicide and are touched by self-harm in Derbyshire. We also believe that in many cases the death may have been prevented if the signs of distress that the person was displaying were recognised and appropriate support provided".

Derbyshire County Council

RAD works in partnership with the Derbyshire Suicide Prevention Partnership Forum to raise awareness and prevent deaths by suicide. We have been delivering suicide awareness training seminars throughout Derbyshire since 2009, funded by Derbyshire County Council. Over the course of the past year we have delivered 13 seminars and trained over 200 people. This is less than previous years due to a short gap due to the tender process for the new contract. We have also delivered private seminars to local employers to support their awareness of the issue.

*or where the coroner has recorded a death by injury with unclear intent

COMMUNITY BUILDINGS AND VILLAGE HALLS

The Community Buildings Advisory Service provides support and advice for community buildings and village halls. Most take advantage of a free consultation, and one or two ask us to undertake additional detailed work on a fee-paying basis. We also provide training courses on a range of topics, and organized the first of what will be an annual conference for trustees and paid staff of halls and community buildings.

The Community Buildings Advisory Service directly supported 125 community groups and parish councils. Governance was a key issue, e.g. Bramwell Memorial Institute were seeking to update the 1975 Scheme, Tupton Village Hall sought clarification over the role of the parish Council as Custodian Trustee.

The first Village Halls & Community Buildings annual conference 'Fit for the Future' received 100% satisfaction from its 55 delegates, who said that the overall impression of the conference was either good or excellent with 90% noting they had gained skills or knowledge to help their organisation. Delegates drawn from across Derbyshire & Nottinghamshire are now more aware about the potential risks they face and how to make their halls become more resilient in the future, e.g. cyber security threats, underinsurance and planning for emergencies, becoming more digitally inclusive and the benefits of building a stronger relationship with their local councils.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

COMMUNITY BUILDINGS AND VILLAGE HALLS (continued)

Portable Appliance Testing Training – nine organisations now have the skills to undertake annual testing of portable electrical equipment. Some groups have subsequently purchased the necessary PAT testing equipment, which will enable them to carry out PAT testing for their hall's equipment and any potentially, equipment brought onto the premises by hirers. Over time, this should make a substantial financial saving to their hall.

Case Study

Dalbury Lees Parish Council commissioned RAD to establish a legal framework to enable the transfer of local council land. RAD is now investigating the process that complies with both Statutory Powers and Charity Law. RAD has helped to develop good working relationship between the Village Halls Trustee and the Local Council with the aim of resolving the situation and retain the land for allotments.

WHEELS TO WORK AND WELLBEING

Rural Action Derbyshire manages a Wheels to Work and Wellbeing scheme in Derbyshire, helping people from across the county access employment, training and education by providing moped loans and subsidized bicycles. The project is also part-funded by Big Lottery, Derbyshire County Council and Derby City Council Access fund. We have received our first funding instalment from Big Lottery and we are busy developing new partnerships over the border in Nottinghamshire and promoting the project.

Over the last twelve months W2W Derbyshire has received 365 enquiries and helped 188 people. 66 people have received a moped and 122 receiving a bicycle. W2W Derbyshire's business model is built on sustainability. Users of the scheme have the option of purchasing their moped at either 6 or 12 months. This has the added benefit of helping to make sure that the bikes are well looked after, serviced regularly and that any warranty issues are dealt with promptly. It also replenishes the capital available to buy new bikes, and enables us to keep a relatively new and reliable fleet. The users generally arrange finance through a credit union which we broker, thus also enabling them to borrow at a very low rate and establish a positive credit rating at the same time.

Case Study

CS came to the scheme after securing an apprenticeship. CS has significant mental health problems including paranoid schizophrenia.

Since having the moped his mum said "it's made the world of difference to his mental health, a real life line" she also said [since having the moped] "he's been doing so well, it's the first time since his illness took hold that he's been coping on his own".

CS has progressed hugely within his role and is now doing a level 4 apprenticeship with the same organisation. After a year on the scheme, CS has recently taken out a loan with the Credit Union and is purchasing his moped from us. It has been a joy to see how CS has grown in confidence over his time with W2W&W, previously all communication was done through his mum; he now contacts us happily and even pops into the office at times.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Financial review

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

RESERVES POLICY

Unrestricted Funds.

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level that equates to approximately three months total expenditure. Based on the accounts to 31 March 2019, this target level (for Core business) would be £37,655. As at 31 March 2019 free reserves amounted to £213,945. The charity has carried higher levels of unrestricted funds due to a property sale in previous years. The majority of the funds are set aside as Designated Reserves to cover future redundancy liability and to cover the pension liability risk outlined in point 15 below.

Restricted Funds

Sufficient reserves should be retained under each of the restricted funds to meet the company's obligations under that fund.

Quarterly management information is presented to the Management Committee and there are four formal board meetings each year. Sub-committees are called between the Board Meetings to consider issues as and when they arise. In addition, the Chairperson has regular contact with the Chief Executive Officer, the Treasurer and the Finance Manager.

Structure, governance and management

CONSTITUTION

Established in 1924, Rural Action Derbyshire, trading as Rural Action Derbyshire (RAD), is an independent organisation and registered charity operating across the county. Its legal name is Rural Action Derbyshire which is incorporated as a company limited by guarantee under the Companies Act, and is also registered as a charity. The company was formed to take over the charitable activities of Rural Action Derbyshire and did so with effect from 1 April 1997.

The company is constituted under a Memorandum of Association dated 18 February 1997 and is a registered charity number 1061531

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The company's Articles of Association require the Board to consist of such honorary officers and other members as shall be appointed at the Annual General Meeting.

All company directors (trustees) hold office until the next annual general meeting when they all retire, but they can be proposed for re-appointment by ordinary resolution of the meeting. Any member of Rural Action Derbyshire can also stand for election as a company director provided he/she is properly nominated and seconded by other members.

Company directors (trustees) holding office during the period are listed on page 1 of this report. None of the company directors has a service contract with the company.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

RISK MANAGEMENT

The major risks to which Rural Action Derbyshire is exposed is kept under review by the Board, which has taken measures to mitigate such risks. The trustees have implemented a risk management strategy which comprises:

- A quarterly review of the risks which the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise potential impact on the charity should any of the risks materialise.

GRANT MAKING

Rural Action Derbyshire is not a grant-making body but sometimes it is asked to administer small grants funds on behalf of funders.

FUNDERS

The company directors wish to thank all those who contributed to the company's income in 2017/18. A list of the principal funders may be found on the last page of this report. Their support is greatly valued.

PUBLIC BENEFIT

The charity trustees have had due regard to the public benefit guidance published by the Charity Commission. Further details of the activities undertaken for public benefit are given in this Trustees' Report under the section headed "Review of Activities and Future Developments".

RURAL ACTION DERBYSHIRE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Rural Action Derbyshire for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

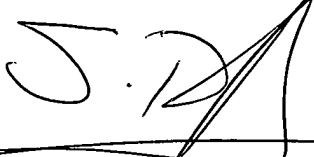
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 15/10/19 and signed on their behalf by:

Simon Taylor
Chair


A handwritten signature in black ink, appearing to be 'S. Taylor', is written over a horizontal line. The signature is slanted and includes a large, sweeping flourish at the end.

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2019

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF RURAL ACTION DERBYSHIRE

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2019 which are set out on pages 14 to 28.

RESPONSIBILITIES AND BASIS OF REPORT

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examinations I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

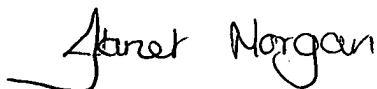
Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Janet Morgan
Chartered Accountant
Smith Cooper Limited

St Helens House
King Street
Derby
DE1 3EE

Date: 15 October 2019

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations	2	-	12,022	12,022	8,651
Charitable activities	3	100,271	417,195	517,466	595,348
Investments	4	2,491	-	2,491	3,113
Other income	5	77	42	119	878
TOTAL INCOME		102,839	429,259	532,098	607,990
EXPENDITURE ON:					
Charitable activities	6	150,621	362,454	513,075	659,678
TOTAL EXPENDITURE		150,621	362,454	513,075	659,678
NET INCOME / (EXPENDITURE)					
AND MOVEMENT IN FUNDS		(47,782)	66,805	19,023	(51,688)
Transfers between Funds		337	(337)	-	-
		(47,445)	66,468	19,023	(51,688)
Remeasurement gain/(loss) on defined benefit pension scheme	15	(2,388)	-	(2,388)	749
NET MOVEMENT IN FUNDS:		(49,833)	66,468	16,635	(50,939)
RECONCILIATION OF FUNDS:					
Total funds brought forward		264,115	230,662	494,777	545,716
TOTAL FUNDS CARRIED FORWARD		214,282	297,130	511,412	494,777

The notes on pages 17 to 28 form part of these financial statements.

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

REGISTERED NUMBER: 03320404
BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	2018 £
FIXED ASSETS				
Tangible assets	9		-	157
CURRENT ASSETS				
Debtors	10	12,259	28,641	
Cash at bank in hand		<u>552,025</u>	<u>525,394</u>	
		564,284	554,035	
CREDITORS: amounts falling due within one year	11	<u>(5,033)</u>	<u>(8,182)</u>	
NET CURRENT ASSETS			<u>559,251</u>	<u>545,853</u>
NET ASSETS EXCLUDING PENSION LIABILITY			559,251	546,010
Defined benefit pension liability	15	<u>(47,839)</u>	<u>(51,233)</u>	
NET ASSETS			<u>511,412</u>	<u>494,777</u>
CHARITY FUNDS				
Restricted funds	12	297,130	230,662	
Unrestricted funds	12	214,282	264,115	
TOTAL FUNDS			<u>511,412</u>	<u>494,777</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 for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2019 and of its net resources expended for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Trustees on 15/10/19 and signed on their behalf, by:



Simon Taylor, Chair

The notes on pages 17 to 28 form part of these financial statements.

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (provided by)/used operating activities	16	<u>24,140</u>	<u>(35,523)</u>
Cash flows from investing activities:			
Interest from investments		<u>2,491</u>	<u>3,113</u>
Net cash generated by investing activities		<u>2,491</u>	<u>3,113</u>
Change in cash and cash equivalents in the year		26,631	(32,410)
Cash and cash equivalents brought forward		<u>525,394</u>	<u>557,804</u>
Cash and cash equivalents carried forward	17	<u>552,025</u>	<u>525,394</u>

The notes on pages 17 to 28 form part of these financial statements.

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

1.1 General information and basis of preparation

Rural Action Derbyshire is a company limited by guarantee in England / Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustee Report.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 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.

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 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.

1.3 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1. ACCOUNTING POLICIES (Continued)

1.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required 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.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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:

Equipment, fixtures and fittings - 10% reducing balance

1.6 Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

1.7 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.8 Pensions

The company makes pension contributions to The Pension Trust's Growth Plan, a multi-employer defined benefits scheme, the assets of which are held separately from those of the charity in an independently administered fund. Normal contributions are charged to the SOFA in the period in which they are payable to the scheme. The pension liability is the responsibility of The Pensions Trust which has identified the assets/liabilities of the scheme that are attributable to the charity. The pension surplus/(deficit) is calculated based on the net present value of future deficit payments over a set term which is currently 9 years as required by FRS102.

The unwinding of the discount is treated as an interest expense within the SOFA and gains/losses on re-measurement of the surplus/deficit are shown within the SOFA under other recognised gains and losses.

The company also makes pension contributions to personal pension plans as appropriate to the employee. Contributions are charged to the SOFA when due.

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

2. INCOME FROM DONATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Agricultural Chaplaincy	-	12,022	12,022	8,651
Total donations	-	12,022	12,022	8,651

In 2018, of the total income from donations, £NIL was to unrestricted funds and £8,651 was to restricted funds

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Project income, funding agreements and grants	-	413,975	413,975	492,409
Grants	80,357	-	80,357	84,130
Core earned income	19,914	3,220	23,134	18,809
	100,271	417,195	517,466	595,348

In 2018, of the total income from grants and funding £492,409 was to restricted funds and £102,939 was to unrestricted funds.

Included in restricted funds for 2019 is an amount of £77,241 received from the Big Lottery Fund – Reaching Communities.

4. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest received	2,491	-	2,491	3,113

In 2018, of the total investment income, £3,113 was to unrestricted funds and £NIL was to restricted funds.

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

5. OTHER INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other income	77	42	119	740
Re-imbursement of VAT	-	-	-	138
Total other income	<u>77</u>	<u>42</u>	<u>119</u>	<u>878</u>

In 2018, of the total income from other income, £138 was to unrestricted funds and £740 was to restricted funds

6. CHARITABLE ACTIVITY COSTS

	Unrestricted expenditure central costs 2019 £	Restricted expenditure project costs 2019 £	Total 2019 £	Total 2018 £
Employment costs	138,446	151,191	289,637	316,704
Staff recruitment & Training	1,495	277	1,772	7,771
Travel	3,246	12,047	15,293	19,277
Rural Accessibility	-	120,019	120,019	255,415
Premises & Office Costs	21,616	5,884	27,500	30,762
IT Systems and Maintenance	10,189	839	11,028	5,633
Depreciation	157	-	157	17
Professional fees	4,709	6,297	11,006	18,989
VAT consultancy	-	-	-	750
Irrecoverable VAT	5,955	845	6,800	6,211
Grants & donations	-	25,000	25,000	-
Affiliation Fees	4,467	360	4,827	6,644
Insurance	3,267	54	3,321	2,633
Publicity	5,936	2,168	8,104	7,789
Community Development	2,142	37,037	39,179	37,812
Other Miscellaneous Items	696	400	1,096	2,381
Bank interest and Charges	139	36	175	114
Interest related to pension deficit	820	-	820	721
Management fees	(55,636)	-	(55,636)	(63,147)
Governance costs:	-	-	-	-
Independent examination	2,900	-	2,900	2,650
Costs associated with Trustees	77	-	77	552
Total	<u>150,621</u>	<u>362,454</u>	<u>513,075</u>	<u>659,678</u>

In 2018, of the total expenditure on charitable activities, £102,738 was to unrestricted funds and £538,818 was to restricted funds.

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- Owned by the charity	157	17
Independent examination fees	2,900	2,900
Pension costs	<u>12,550</u>	<u>14,389</u>

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL)

1 Trustee received reimbursement of travel expenses amounting to £77 in the current year, (2018 – 1 Trustee - £117)

The key management personnel of the charity comprises the Trustees and the Chief Executive Officer. The total employment benefits of the key management personnel were £42,887 (2018: £46,336).

8. STAFF COSTS

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	258,906	281,622
Social security costs	18,181	20,693
Defined benefit pension scheme costs in the year	12,550	14,389
	<u>289,637</u>	<u>316,704</u>

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

	2019 No	2018 No
	<u>13</u>	<u>13</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

9. TANGIBLE FIXED ASSETS

	Equipment, fixtures and fittings £
Cost	
At 1 April 2018 and 31 March 2019	<u>1,782</u>
Depreciation	
At 1 April 2018	1,625
Charge for the year	<u>157</u>
At 31 March 2019	<u>1,782</u>
Net book value	
At 31 March 2019	<u>-</u>
At 31 March 2018	<u>157</u>

10. DEBTORS

	2019 £	2018 £
Trade debtors	6,520	19,914
Prepayments and accrued income	<u>5,739</u>	<u>8,727</u>
	<u>12,259</u>	<u>28,641</u>

11. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade Creditors	160	1,049
Credit Card	480	129
HMRC	1,393	2,365
Accruals	<u>3,000</u>	<u>4,639</u>
	<u>5,033</u>	<u>8,182</u>

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

12. STATEMENT OF FUNDS

STATEMENT OF FUNDS – CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers £	Unrealised gains/ (losses) £	Balance at 31 March 2019 £
General funds						
General funds	264,115	102,839	(150,621)	337	(2,388)	214,282
Total Unrestricted funds	264,115	102,839	(150,621)	337	(2,388)	214,282
Restricted funds						
Restricted funds	230,662	429,259	(362,454)	(337)	-	297,130
Total of funds	494,777	532,098	(513,075)	-	(2,388)	511,412

STATEMENTS OF FUNDS – PRIOR YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers £	Unrealised gains/ (losses) £	Balance at 31 March 2018 £
Designated funds						
Designated funds	11,974	-	-	(11,974)	-	-
General funds						
General funds	278,213	106,190	(131,764)	10,727	749	264,115
Total Unrestricted funds	290,187	106,190	(131,764)	(1,247)	749	264,115
Restricted funds						
Restricted funds	255,529	501,800	(527,914)	1,247	-	230,662
Total of funds	545,716	607,990	(659,678)	-	749	494,777

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

12. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	At 1 April 2018	Incoming Resources	Outgoing Resources	Balance transfers	At 31 March 2019
	£	£	£	£	£
Food Bank Grants	1,583	-	(55)	-	1,528
Community Led Planning	337	-	-	(337)	-
Suicide and self-harm awareness	3,674	17,375	(12,522)	-	8,527
3D	801	-	(184)	-	617
Wheels 2 Work	167,679	261,510	(191,088)	-	238,101
Financial Action Advice Derbyshire/Money House	31,379	94,958	(105,009)	-	21,328
Agricultural Chaplaincy	25,209	55,416	(53,596)	-	27,029
Total	230,662	429,259	362,454	(337)	297,130

Restricted funds

Food Bank Grants – Derbyshire County Council – delegated funding to support Derbyshire food banks

Community Led Planning – support for organisations in South Derbyshire

Suicide and self-harm awareness – to raise awareness surrounding suicide and self-harm

3D - support for Derbyshire Voluntary sector infrastructure

Wheels 2 Work – to support access to transport

Financial action advice Derbyshire/Money House – to deliver agreed financial inclusion projects

Agricultural chaplaincy – to promote rural chaplaincy support in Derbyshire

13. RELATED PARTY TRANSACTIONS

The charity has no related party transactions that require disclosure.

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Tangible fixed assets	-	-	-	157
Current assets	267,154	297,130	564,284	554,035
Creditors due within one year	(5,033)	-	(5,033)	(8,182)
Pension liability	<u>(47,839)</u>	<u>-</u>	<u>(47,839)</u>	<u>(51,233)</u>
Total net assets	<u>214,282</u>	<u>297,130</u>	<u>511,412</u>	<u>494,777</u>

ANAYLSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted funds 2018 £	Restricted Funds 2018 £	Total funds 2018 £	Total funds 2017 £
Tangible fixed assets	157	-	157	174
Current assets	323,373	230,662	554,035	616,781
Creditors due within one year	(8,182)	-	(8,182)	(13,563)
Pension liability	<u>(51,233)</u>	<u>-</u>	<u>(51,233)</u>	<u>(57,676)</u>
Total net assets	<u>264,115</u>	<u>230,662</u>	<u>494,777</u>	<u>545,716</u>

15. PENSION COMMITMENTS

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

15 PENSION COMMITMENTS (CONTINUED)

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum	Payable monthly and increasing by 3% each on 1st April
---------------------------------------	-----------------------	--

Unless a concession has been agreed with the Trustees the term to 31 January 2025 applies

Note that the scheme's previous valuation was carried out at 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum	Payable monthly and increasing by 3% each on 1st April
From 1 April 2016 to 30 September 2028:	£54,560 per annum	Payable monthly and increasing by 3% each on 1st April

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	2019 £	2018 £	2017 £
Present value of provision	47,839	51,233	57,676

Reconciliation of opening and closing provisions

	2019 £	2018 £
Provision at start of period	51,233	57,676
Unwinding of the discount factor (interest expense)	820	716
Deficit contribution paid	(6,602)	(6,410)
Remeasurements - impact of any change in assumptions	437	(749)
Remeasurements – amendments to contribution schedule	1,951	-
Provision at end of period	<u>47,839</u>	<u>51,233</u>

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

15 PENSION COMMITMENTS (CONTINUED)

Income and expenditure impact

	2019	2018
	£	£
Interest expense	820	716
Remeasurements – impact of any change in assumptions	437	(749)
Remeasurements – amendments to contribution schedule	1,951	-

Assumptions

	2019	2018	2017
	%	%	%
Rate of discount	1.39	1.71	1.32

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Deficit contributions schedule

Year ending	2019	2018	2017
	£	£	£
Year 1	7,939	6,602	6,410
Year 2	8,177	6,800	6,602
Year 3	8,422	7,004	6,800
Year 4	8,675	7,214	7,004
Year 5	8,935	7,431	7,214
Year 6	7,670	7,654	7,431
Year 7	-	7,883	7,654
Year 8	-	4,060	7,883
Year 9	-	-	4,060
Year 10	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rates as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability.

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

16 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income / (expenditure) for the year	19,023	(51,688)
Adjustments for:		
Depreciation	157	17
Interest from investments	(2,491)	(3,113)
Interest on pension deficit	820	721
Contributions to pension deficit	(6,602)	(6,415)
Decrease in debtor	16,382	30,336
(Decrease) in creditors	(3,149)	(5,381)
Net cash (provided by)/ used / provided by operating activities	<u>24,140</u>	<u>(35,523)</u>

17 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	<u>552,025</u>	<u>525,394</u>
	<u>552,025</u>	<u>525,394</u>

RURAL ACTION DERBYSHIRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

MAIN FUNDERS 2018- 2019

	2019	2018
	£	£
Amber Valley Borough Council	2,540	2,540
Ashbourne Parochial Church Council	1,000	-
Big Lottery Fund – Reaching Communities	77,241	110,438
Bolsover District Council	2,265	2,265
Breadsall Parish Council	2,490	2,340
Department for Environment Food and Rural Affairs	48,070	51,940
Derby City Council	23,708	23,708
Derbyshire County Council	238,262	162,903
Derbyshire Dales District Council	4,542	4,542
Durham County Council	-	10,000
Gamesley Children and Youth Centre	1,000	-
Hardwick Clinical Commissioning Group	-	4,247
Kirk Langley Parish Council	-	1,170
The Methodist Church	28,846	28,000
Methodist Church Nottinghamshire and Derbyshire Districts	1,200	1,600
Mugginton Parochial Church Council	5,000	5,000
Nat West Skills & Opportunities Fund	-	15,885
NHS North Derbyshire Clinical Commissioning Group	5,663	-
North East Derbyshire District Council	2,633	3,633
South Derbyshire District Council	5,929	4,832
Derbyshire County Council (Health & Wellbeing)	2,685	2,685
St Barnabas Church	1,500	300
Sustain	10,000	-
Toyota	-	1,840
Walbrook Fund	2,000	1,000
Wessington Parish Council	-	1,170
W2W Durham	-	20,595