

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
RURAL COMMUNITY COUNCIL (LEICESTERSHIRE
& RUTLAND)**

Mark J Rees LLP Chartered Accountants
and Statutory Auditors
Granville Hall
Granville Road
Leicester
LE1 7RU



**RURAL COMMUNITY COUNCIL (LEICESTERSHIRE
& RUTLAND)**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	Page
Report of the Trustees	1 to 5
Report of the Independent Auditors	6 to 9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Financial Statements	12 to 19

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To further any charitable purpose or purposes for the benefit of those who are resident or work in the rural areas and communities of Leicestershire and Rutland.

The trustees believe that all the activities undertaken by the charity are for the public benefit, and as part of their role as trustees for the organisation ensure that future and proposed activities fit with the purposes of the charity, and that the charitable activities remain relevant to beneficiaries.

Trustees can confirm that they have had regard for the Charity Commission Public Benefit guides as below:

- The Public Benefit Requirement (PB1)
- Running a Charity (PB2)
- Reporting (PB3)

The Rural Community Council (Leicestershire and Rutland) (RCC) aims to ensure that all those who work and live in rural communities in Leicestershire and Rutland are provided with access to a range of opportunities, services and facilities, which are sustainable and inclusive to all and are empowered to influence and manage their future. Key elements of the RCC's work designed to meet the charitable activity outlined above can be summarised as;

Community Wellbeing

- Development of Good Neighbour schemes
- Delivery of Suicide prevention and awareness training
- Provision of outreach and engagement services to local authorities, the NHS and clinical commissioning groups
- Encourage rural equality in service deliver

Rural Economy

- Promote economic development and investment across rural areas of Leicestershire and Rutland
- Provide a voice for rural businesses and communities
- Encourage rural equality in investment and infrastructure

Facilities and Services

- Provide support and guidance to community owned buildings and facilities
- Champion community ownership
- Provide support to community transport solutions and activities

Community Planning

- Strengthen the voice and influence of rural communities within the planning system
- Provide support to rural communities to develop local planning documents and guidance
- Stimulate the increase and sustainability of affordable rural homes

STATEMENT OF DISCLOSURE TO AUDITORS

So far as the trustees/directors are aware there is no relevant audit information of which the charitable companies auditors are unaware. Additionally, the trustees/directors have taken all the necessary steps that they ought to have taken as trustees/directors in order to make themselves aware of all relevant audit information and to establish that the charitable companies auditors are aware of that information.

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENT AND PERFORMANCE

Achievement and Performance

Community Wellbeing

- Good Neighbour schemes continue to be assisted to provide peer to peer support for those in need in rural communities.
- Suicide prevention and awareness sessions have been delivered in Leicester City and throughout the County.
- Wellbeing and loneliness training sessions delivered across both counties.
- Delivered year 2 of a 2-year contract with Leicestershire County Council to deliver the "Start a Conversation" project aimed at raising awareness and the prevention of suicide risk through a structured campaign.
- Delivered year 2 of a 3-year Lottery funded project titled "Rural Coffee Connect" which tackles rural isolation and loneliness through outreach, training and the building of social capacity.

Rural Economy

- In Partnership with 6 other sector organisations delivered against a £2.4M European Social Investment Fund grant through the Building Better opportunities fund. Further grant funding of £180K to further activity in identifying and engaging with those furthest from the job and training market and located in rural areas.
- Engagement and support of the Leicester and Leicestershire Economic Partnership to encourage spend and investment in rural areas.

Facilities and Services

- Provide support and guidance to the 300 or so community owned buildings and village halls through the RCC Community Building service.
- Provide support and advice to over 100 community play and sport organisations.

Community Planning

- Support provided to rural communities in Leicestershire & Rutland to undertake Neighbourhood Planning process in order to strengthen the voice and influence of rural communities within the planning system.

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

Reserves policy

The RCC has identified that a minimum level of unrestricted reserve funds should be set to counterbalance trading uncertainty and produce a base level for stability. Additionally, a target level of unrestricted funds will also be set to allow for growth and for the RCC to take advantage of strategic development opportunities going forward. Holding unrestricted but designated reserves will also allow the RCC to make cash investments in order to generate revenue income to cover day to day operational expenses. We have identified that the level of unrestricted funds should be set as:

Minimum Level

- Six months operating costs - £220,000
- Cover for redundancy costs - £ 25,000
- Contingent liabilities - £ 50,000

Total - £295,000

Target Level

- Nine months operating costs - £310,000
- Cover for redundancy costs - £ 25,000
- Contingent liabilities - £ 50,000

Total £385,000

Operating costs being defined as payroll costs plus direct purchases. These costs exclude those relating fixed term staff and activities purely related to the restricted WiLL Project fund. Redundancy costs being the statutory level for all staff employed.

Designated funds are excluded from reserves as per the Charities Commission definition. The RCC Trustees have designated the following funds

- Designated cash for investment - £350,000
- Designated strategic investment - £ 50,000

Total £400,000

At 31 March 2021 the total funds held are £772,592 (2020: £778,058).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Rural Community Council (Leicestershire and Rutland) is a company limited by guarantee and a registered charity.

The charitable company is governed by its Memorandum and Article of Association which sets out the objects and powers of the charitable company.

In the event of the Company being wound up members will be required to contribute an amount not exceeding £10.

Recruitment and appointment of new Trustees / Directors

Trustees joining the RCC receive a full induction into the governance and operational activities of the charity. Policies and procedures are adopted across the business, so trustees receive the same information as the Executive and staff teams.

Organisational structure

The charitable company is governed by a Trustee Board which can accommodate between 3 and 16 trustees. The Board select a Chair, 2 vice chairs and a Treasurer for each annual term at the AGM.

A Scheme of Delegation clearly sets out activities and decisions that are reserved for the trustees, the Executive and the wider staff team.

The RCC is a member of Action for Communities in Rural England (ACRE).

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk Management

A risk register is maintained and constantly reviewed to minimise any risks to the charity assets.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03665974 (England and Wales)

Registered Charity number

1077645

Registered office

Unit S09
The Atkins
Lower Bond Street
Hinckley
Leicestershire
LE10 1QU

Trustees

Mr E Baines
Mrs P Crane
Mr P H Durban
Mr J H Flower
Mrs H J Fryer
Mrs J Martin
Mr A D Mortimer
Mr M J D Traynor OBE
Mrs H L Richardson (resigned 30.6.2021)

Jennifer Lady Gretton DCVO JP is the President of the charitable company.

The Trustees/Directors delegate the day to day management of the charitable company to two employed Directors (distinct from the Directors of the charitable company).

Mr K Butcher and Mr S Howlett are Executive Directors of the charitable company.

Company Secretary

Mr K Butcher

Auditors

Mark J Rees LLP Chartered Accountants
and Statutory Auditors
Granville Hall
Granville Road
Leicester
LE1 7RU

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Rural Community Council (Leicestershire & Rutland) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

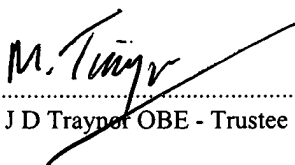
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Mark J Rees LLP Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 03/11/2021 and signed on its behalf by:



Mr M J D Traynor OBE - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

Opinion

We have audited the financial statements of Rural Community Council (Leicestershire & Rutland) (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISA's (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory frameworks applicable to the charity and industry in which it operates through our general commercial experience. We determined that the following laws and regulations were most significant: FRS 102, Companies Act 2006 and Charities SORP (FRS 102).

We enquired of management concerning the charities policies and procedures relating to:

- the identification and compliance with laws and regulations.
- the detection and response to the risks of fraud.
- the internal controls inherent within the charity to mitigate fraud risk and non-compliance to laws and regulations.

We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We communicated relevant laws and regulations and potential areas of fraud to all audit team members. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We have determined that the principal risk areas where material irregularities could occur were related to posting manual journal entries to manipulate financial performance, income recognition and significant one-off or unusual transactions.

Our audit procedures were designed to respond in particular to these identified risks (including non compliance with laws and regulations and fraud).

Our audit procedures included but were not limited to:

- A review of a sample of sales invoices from both income streams to ensure income has been accurately recorded and to confirm amounts are recognised in the correct period.
- A review of laws and regulations the charity is subject to, followed by compliance checks and discussion with management to ensure no instances of non compliance.
- Addressing the risks of fraud through management override of controls by performing journal entry test.


We did not identify any matters during the course of our work that indicated non-compliance with laws and regulations or relating to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RURAL COMMUNITY COUNCIL (LEICESTERSHIRE
& RUTLAND)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr P Bott FCA (Senior Statutory Auditor)
for and on behalf of Mark J Rees LLP Chartered Accountants
and Statutory Auditors
Granville Hall
Granville Road
Leicester
LE1 7RU

Date:4/11/21.....

**RURAL COMMUNITY COUNCIL (LEICESTERSHIRE
& RUTLAND)**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	103,451	39,571	143,022	89,374
Other trading activities	3	165,231	-	165,231	230,145
Investment income	4	10,460	-	10,460	16,301
Total		279,142	39,571	318,713	335,820
EXPENDITURE ON					
Other		273,899	49,882	323,781	389,177
NET INCOME/(EXPENDITURE)		5,243	(10,311)	(5,068)	(53,357)
Transfers between funds	14	(114)	114	-	-
Net movement in funds		5,129	(10,197)	(5,068)	(53,357)
RECONCILIATION OF FUNDS					
Total funds brought forward		767,861	10,197	778,058	831,415
TOTAL FUNDS CARRIED FORWARD		772,990	-	772,990	778,058

The notes form part of these financial statements

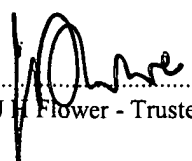
RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

BALANCE SHEET 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	9	1,532	5,098	6,630	16,181
Investments	10	6,000	-	6,000	6,000
		<u>7,532</u>	<u>5,098</u>	<u>12,630</u>	<u>22,181</u>
CURRENT ASSETS					
Debtors	11	9,550	-	9,550	8,800
Prepayments and accrued income		562	811	1,373	8,813
Cash at bank		775,743	9,670	785,413	767,184
		<u>785,855</u>	<u>10,481</u>	<u>796,336</u>	<u>784,797</u>
CREDITORS					
Amounts falling due within one year	12	(20,397)	(15,579)	(35,976)	(28,920)
NET CURRENT ASSETS		<u>765,458</u>	<u>(5,098)</u>	<u>760,360</u>	<u>755,877</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>772,990</u>	<u>-</u>	<u>772,990</u>	<u>778,058</u>
NET ASSETS		<u>772,990</u>	<u>-</u>	<u>772,990</u>	<u>778,058</u>
FUNDS	14				
Unrestricted funds:					
General fund				772,990	767,861
Restricted funds				-	10,197
TOTAL FUNDS				<u>772,990</u>	<u>778,058</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 03/04/2021 and were signed on its behalf by:


Mr J. Flower - Trustee

The notes form part of these financial statements

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

COVID-19 Grants

During the year the charity took advantage of the Government's Job Retention Scheme and small business grant in order to mitigate costs against the Coronavirus pandemic. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Therefore included within grants received is an amount of £18,814 relating to COVID-19 grants.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 33% on cost
Motor vehicles	- 33% on cost
Computer equipment	- 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Operating leases

Rental under operating leases is credited to income on an accruals basis and rental expenditure under operating leases are charged to the Statement of Financial Activities on the accruals basis.

Grants Payable

Grants payable are accounted for on the accruals basis when the grant has been approved by the Trustees.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Going Concern and COVID-19

The trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

Whilst Covid-19 has impacted the charitable company's operations it has not changed its ability to continue as a going concern.

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Membership and donations	4,694	3,149
Grants	138,328	86,225
	<u>143,022</u>	<u>89,374</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Leicestershire County Council	20,000	15,000
DEFRA/ACRE	41,200	41,800
Hinckley & Bosworth Borough Council	10,000	-
Playing Fields Association	-	5,410
National Lottery Community Fund	54,590	24,015
Leicestershire and Rutland Community Foundation	2,224	-
Coronavirus Job Retention Scheme	8,814	-
National Association for Voluntary and Community Action	1,500	-
	<u>138,328</u>	<u>86,225</u>

Included within grants received is an amount of £18,814 relating to COVID-19 grants.

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Services and project work	165,231	230,145

4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	10,460	16,301

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	3,840	4,020
Depreciation - owned assets	<u>11,107</u>	<u>10,895</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustee's remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no Trustee's expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

7. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2021	2020
	10	10
Average number of employees	<u>10</u>	<u>10</u>

No employees received emoluments in excess of £60,000.

The charitable company operates a pension scheme for the benefit of employees. Contributions are charged to the Statement of Financial Activity in the period to which they relate. The charge for the year was £11,645 (2020: £12,632).

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 31 MARCH 2020

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	55,359	34,015	89,374
Other trading activities	230,145	-	230,145
Investment income	<u>16,301</u>	<u>-</u>	<u>16,301</u>
Total	301,805	34,015	335,820
EXPENDITURE ON			
Other	<u>349,394</u>	<u>39,783</u>	<u>389,177</u>
NET INCOME/(EXPENDITURE)	(47,589)	(5,768)	(53,357)
Transfers between funds	(15,412)	15,412	-

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 31 MARCH 2020 - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Net movement in funds	(63,001)	9,644	(53,357)
RECONCILIATION OF FUNDS			
Total funds brought forward	830,862	553	831,415
TOTAL FUNDS CARRIED FORWARD	<u>767,861</u>	<u>10,197</u>	<u>778,058</u>

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2020	11,679	15,295	5,713	32,687
Additions	438	-	1,118	1,556
At 31 March 2021	<u>12,117</u>	<u>15,295</u>	<u>6,831</u>	<u>34,243</u>
DEPRECIATION				
At 1 April 2020	7,786	5,098	3,622	16,506
Charge for year	3,952	5,099	2,056	11,107
At 31 March 2021	<u>11,738</u>	<u>10,197</u>	<u>5,678</u>	<u>27,613</u>
NET BOOK VALUE				
At 31 March 2021	<u>379</u>	<u>5,098</u>	<u>1,153</u>	<u>6,630</u>
At 31 March 2020	<u>3,893</u>	<u>10,197</u>	<u>2,091</u>	<u>16,181</u>

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

10. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 April 2020 and 31 March 2021	<u>6,000</u>
NET BOOK VALUE	
At 31 March 2021	<u>6,000</u>
At 31 March 2020	<u>6,000</u>

There were no investment assets outside the UK.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,260	8,700
Other debtors	5,595	100
VAT	2,695	-
	<u>9,550</u>	<u>8,800</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	294	-
VAT	-	2,220
Other creditors	3,343	3,631
Accruals and deferred income	32,339	23,069
	<u>35,976</u>	<u>28,920</u>

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	13,785	13,785
Between one and five years	17,231	31,015
	<u>31,016</u>	<u>44,800</u>

Lease payments of £14,162 were recognised as an expense during the year.

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

14. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	767,861	5,243	(114)	772,990
Restricted funds				
Coffee Connect	10,197	(10,311)	114	-
TOTAL FUNDS	<u>778,058</u>	<u>(5,068)</u>	<u>-</u>	<u>772,990</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	279,142	(273,899)	5,243
Restricted funds			
Coffee Connect	39,571	(49,882)	(10,311)
TOTAL FUNDS	<u>318,713</u>	<u>(323,781)</u>	<u>(5,068)</u>

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	830,862	(47,589)	(15,412)	767,861
Restricted funds				
Leicestershire Community Bus Partnership	553	(553)	-	-
Coffee Connect	-	(5,215)	15,412	10,197
	<u>553</u>	<u>(5,768)</u>	<u>15,412</u>	<u>10,197</u>
TOTAL FUNDS	<u>831,415</u>	<u>(53,357)</u>	<u>-</u>	<u>778,058</u>

RURAL COMMUNITY COUNCIL (LEICESTERSHIRE & RUTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

14. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	301,805	(349,394)	(47,589)
Restricted funds			
Leicestershire Community Bus Partnership	-	(553)	(553)
Coffee Connect	34,015	(39,230)	(5,215)
	<u>34,015</u>	<u>(39,783)</u>	<u>(5,768)</u>
TOTAL FUNDS	<u>335,820</u>	<u>(389,177)</u>	<u>(53,357)</u>

Restricted funds

Leicestershire Community Bus

A Community Bus Partnership to increase passenger usage on four rural bus routes in Leicestershire thus enabling retention of the bus services. Funded by Leicestershire County Council.

Coffee Connect

Hitting the road in 2020, Rural Coffee Connect is a brand new barista coffee van that will travel across rural Leicestershire and Rutland popping up a safe, welcoming and informal café for people to enjoy a free cup of coffee or tea, chat and build connections in their community.

Rural Coffee Connect will also provide a focal point for delivering information, awareness training and other community activities to help combat loneliness and isolation within our rural areas.

15. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.