

Company no. 02732325  
Charity no. 1041335

**Rural Media Charity**  
**Report and Audited Financial Statements**  
**31 March 2023**

## Rural Media Charity

### Reference and administrative details

**For the year ended 31 March 2023**

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<b>Company number</b>	02732325
<b>Charity number</b>	1041335
<b>Registered office and operational address</b>	Packers House 25 West Street Hereford HR4 0BX
<b>Trustees</b>	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: John Bateman Jane Daggers Joanna Davidson Anne Dawson Beverley Gibbs Matthew Hayes Martin Hitchin David Holdsworth
<b>Chief executive officer</b>	Nic Millington
<b>Company secretary</b>	Richard Deane
<b>Key management personnel</b>	Nic Millington, CEO Grant Black, Creative Director & Deputy CEO Rich Matthews, Head of Development Richard Deane, Finance & Operations Director Julie Colman, Head of Production
<b>Bankers</b>	Barclays Bank Plc 1 - 3 Broad Street Hereford HR4 9BA
<b>Solicitors</b>	Harrison Clark Rickerbys 5 Deansway Worcester Worcestershire WR1 2JG
<b>Auditors</b>	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

## Rural Media Charity

### Report of the Trustees

#### For the year ended 31 March 2023

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The trustees present their report and financial statements for the year ended 31 March 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

#### Objectives and activities

Rural Media Charity's mission statement is:

*To use media and creativity as a catalyst for social impact and positive change for individuals, communities, organisations, cultures and society.*

To deliver our mission we have identified five strategic priorities:

##### 1. Champion underrepresented people & communities

Rural Media Charity works with individuals of all ages and communities experiencing social, geographic, and material deprivation, with multiple and/or complex needs. Underrepresented communities we have provided participatory training, production opportunities, support, work experience, information and advice for include: young people experiencing domestic and relationship abuse; people with physical and learning disabilities; those in or at risk of entering the justice system; LGBTQ+; people experiencing mental health challenges; those in poverty or unemployed; people facing ethnic discrimination; elderly people both living independently and in residential settings; individuals and families experiencing geographical isolation and loneliness. See for example our work with Gypsy, Roma, and Travellers:

[ruralmedia.co.uk/projects/travellers-times](http://ruralmedia.co.uk/projects/travellers-times).

##### 2. Develop media skills & talent

New talent and diverse voices are at the heart of everything we do. Recent years have seen our talent development work increasingly take centre stage, whether working with school children through to giving new creative talent progression routes into the creative industries. This mirrors the launch of the Government's Industrial Strategy Creative Industries Sector Deal 2018 with an emphasis on training and employment, the BFI's five-year strategy with its emphasis on 'Future Learning and Skills', and a natural extension of our cultural work for ACE across the West Midlands. We aim to expand our support for talented young people, professional artists, and arts organisations, to push the boundaries between digital arts and creative practice, giving access to inspirational industry professionals, digital facilities, creative spaces, training, and employment opportunities. See [ruralmedia.co.uk/bfi](http://ruralmedia.co.uk/bfi).

##### 3. Celebrate place & heritage

Rural Media Charity will continue its emphasis on place-based work with key stakeholders including Local Authority MLA services, National Lottery Heritage Fund, Historic England, and National Trust, and, vitally, with communities to strengthen a sense of belonging and pride, share histories and memories, and celebrate what makes a place special. We will inspire and encourage communities locally, regionally and nationally to develop creative enterprises that breathe new life into the culture, places and spaces where they live. More diverse and younger residents will be included in arts, heritage, and cultural activity. Through the creation and distribution of high-quality digital content, improved use and understanding of data, communities will retain younger generations, create employment and creative workspaces, and attract more visitors, increasing sustainability across sectors. See [ruralmedia.co.uk/projects/herefordshires-great-place](http://ruralmedia.co.uk/projects/herefordshires-great-place).

## **Rural Media Charity**

### **Report of the Trustees**

**For the year ended 31 March 2023**

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#### **4. Raise awareness of rural issues & culture**

Having worked closely with rural communities, service providers and policymakers for over 30 years Rural Media Charity is highly regarded and trusted for its knowledge and insight into rural culture. With 17% of England's residents living in the countryside yet so much of rural life misunderstood and/or misrepresented, raising awareness of issues facing rural communities is a key priority for Rural Media Charity. Rural Media Charity plays an active role in ACE Rural Stakeholders' Group and development of ACE 2020-30 Strategy, Let's Create, and other national policy forums, e.g. Rural Services Network (RSN), BBC Rural Affairs Committee etc. As we become a digital-first society with widening choice of where to live, work or study, the interdependence of rural and urban culture, economy and wellbeing is increasingly recognised. Rural Media Charity contributes creatively and critically to this major policy discourse. See [ruralmedia.co.uk/POV](https://ruralmedia.co.uk/POV).

#### **5. Support arts & cultural organisations**

Arts & culture act as R&D for the creative industries, encouraging experimentation and in turn driving innovation and commercial activity. Meanwhile, creative industries are increasingly recognised as potential drivers of economic growth in rural areas. Rural Media Charity advocates powerfully for cultural organisations and creative businesses to be recognised strategically as contributors to the economic and social wellbeing of rural counties.

Our in-depth local knowledge and understanding of rural communities feed into our own creative programming along with our role in local, regional, and national economic and cultural policy development. To sustain and grow this work, we continue to seek new partnerships and attract cross-sector investment for strategic revenue and capital projects. Our support for cultural enterprise development, especially within the creative technology sector contributes significantly towards regeneration of rural cities and market towns. See Rural Media Charity's leadership role with Herefordshire Cultural Partnership:

[the-shire.co.uk/stories/new-report-looks-boost-herefordshires-creative-economy](https://the-shire.co.uk/stories/new-report-looks-boost-herefordshires-creative-economy).

#### **Public benefit**

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the charity's aims and objectives. Rural Media Charity provides public benefit through its work with communities, schools and colleges, groups, and individuals to create issue-driven films, heritage and digital arts projects that raise awareness, influence change, and celebrate rural life. The charity's work with young people is designed to foster confidence and equip them with the flexible skillset to work in today's creative digital industries. The charity's education programme for young people includes the provision of nationally accredited courses, and its work with marginalised communities is internationally recognised. The charity publishes Travellers' Times, a bi-annual print magazine and daily website [travellerstimes.org.uk](https://travellerstimes.org.uk) to support Gypsies and Travellers to tell their stories, educate people and advocate for their communities.

#### **Achievements and performance**

Rural Media Charity's considerable outputs and outcomes were achieved throughout 2022-23 in no small way thanks to the financial and advisory support of Arts Council England, The National Lottery Community Fund and a range of local and national trusts and foundations.

## **Rural Media Charity**

### **Report of the Trustees**

#### **For the year ended 31 March 2023**

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During 2022-23 Rural Media Charity worked with more than 2,000 people and with our inclusive outreach programme and project portfolio many were from diverse or disadvantaged backgrounds. We produced high-quality media resource training, increasing the skills of young talent in the Midlands. We were grateful for continued core support from The Elmley Foundation which enables us to use film, media and digital art to strengthen communities and give a platform to unheard voices, deliver much needed bespoke and accessible health & wellbeing advice and information directly to communities in crisis and support creative rural talent.

Our multi-faceted projects have given ongoing training and support for organisational development, leadership and media skills to Gypsy, Roma and Traveller communities nationally, expanded our community outreach across the most underserved areas of Herefordshire and strengthened creative networks and supported young talent right across the Midlands region. In doing so we created a portfolio of innovative creative media including films, moving image, animation, audio, educational resources, health and wellbeing resources, photography collections, websites and printed media.

We worked directly with more than 600 people from a range of diverse backgrounds, across 30 projects and productions. Through our broadcast and digital channels, we estimate our audience reach to be more than 10 million over the course of the year.

Project highlights were:

#### **British Film Institute (BFI)**

In the tenth year of BFI Film academy, Rural Media Charity trained 22 young people in filmmaking. Participants received a bespoke training schedule, notably producing practical workshops for hands-on experience. Delivered in a hybrid format, the 2022-23 cohort devised, scripted and produced two creative short films. Participants also had the opportunity to gain an industry recognised NCFE qualification in Preparing to Work in The Film Industry. See [ruralmedia.co.uk/bfi](http://ruralmedia.co.uk/bfi).

#### **Rural Studios**

Rural Media Charity's commercial trading arm Rural Studios [ruralstudios.co.uk](http://ruralstudios.co.uk), delivered series one of our BBC Arts commissioned series The Read – Iconic novels brought to life on screen with creative performance readings from outstanding talent. They were broadcast on BBC Four and BBC Two Wales and we have been commissioned for a second series in 2023-24.

From television and radio for national broadcasters to online social media films for charities and businesses Rural Studios sets out to change perspectives through film and audio and empower future talent through innovative storytelling and powerful visuals and we are working on several exciting pitches for commissioners.

#### **BookFlicks**

BookFlicks is a youth-led project helping young people make & share creative content about the books they love and upskilling and inspiring libraries and festivals to use social media as an innovative way to engage with younger audiences nationally. To watch the BookFlicks content, search @bookflicks on TikTok or visit [www.tiktok.com/@bookflicks](https://www.tiktok.com/@bookflicks).

## **Rural Media Charity**

### **Report of the Trustees**

#### **For the year ended 31 March 2023**

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##### **P.O.V**

Supported by Esmée Fairbairn Foundation (EFF) through core funding, the P.O.V. programme has now reached 1,600 14-25 year-olds in Herefordshire, Shropshire and Worcestershire. Activity includes production of P.O.V. podcast series, launched March 2022; youth leadership course with Level 3 qualification; workshops on creative skills, activism and local campaigning. Support from Herefordshire Community Foundation enabled POV to continue its focussed participatory work with rural young people in the Teme Valley area of North Herefordshire. In-depth listening work has informed the development of several spin-off thematic projects (example themes: care experience; rural racial inequality; hyper-local place-based youth consultations). 2022-23 priorities included continuation strategy with EFF staff; developing skills and diversifying Boards through a youth trustee programme; and piloting policy development/participatory democracy activity with rural local authorities. See [pointofviewrural.com](http://pointofviewrural.com).

##### **Travellers' Times - TT Vision**

Funded by the National Lottery Community Fund, TT Vision builds on the work of the last 20 years as Travellers' Times continues to improve lives through challenging negative media and amplifying Gypsy, Roma and Traveller voices. In 2022-23 we produced two full-page magazines and the website hosted over 150 co-produced news and feature articles and videos information on a huge range of subjects about the things that are important to Gypsy, Roma, and Traveller people. We worked specifically on films for the Samaritans as well as attending conferences and screenings of the work to discuss how we can better understand and address the suicide crisis within Gypsy and Traveller communities.

Our main focus has been working with community members to deliver a three-year paid training programme to transition Travellers' Times into an independent community led entity through work based training and continuing professional development. The two cohorts of 10 and 5 trainees joined us in September 2022 to learn media skills, leadership and community development delivered through a blended learning approach including residencies, location based, online, one to one's and group work . See [travellerstimes.org.uk/tt-vision](http://travellerstimes.org.uk/tt-vision).

##### **Financial review**

The consolidated financial statements for the year to 31 March 2023 are for Rural Media Charity and its wholly-owned trading subsidiary, Rural Studios Ltd. The financial statements have been prepared according to the requirements of the Statement of Recommended Practice – Accounting by Charities (effective from January 2019) and have been prepared on the basis of funds accounting, rather than on an income and expenditure basis.

For the year to 31 March 2023 total income was £1,290,192 (2022: £1,033,990) of which unrestricted income was £692,307 (2022: £589,712). The surplus on unrestricted funds was £7,555 (2022: deficit of £16,575). Rural Studios Ltd contributed £25,258 (2022: £17,650) to unrestricted funds. Rural Studios Ltd donates all its profits to Rural Media Charity under a deed of covenant.

At 31 March 2023, £2,470 and £31,371 were transferred, from the unrestricted general fund and restricted funds respectively, to the designated fixed asset fund, representing the value of fixed asset additions in the year. This resulted in closing balances of £147,727 restricted funds (2022: £94,792), £56,233 designated funds (2022: £45,264) and £146,170 unrestricted general funds (2022: £118,213).

## **Rural Media Charity**

### **Report of the Trustees**

#### **For the year ended 31 March 2023**

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The trustees recognise the importance of maintaining a realistic level of reserves in order to ensure that Rural Media Charity continues to be in a position to discharge its obligations to its beneficiaries, partners, creditors and staff. The reserves policy is reviewed annually by trustees to take into account risk and sustainability of the organisation.

At 31 March 2023 the trustees maintained the reserves target such that unrestricted general funds, excluding designated funds, are required to provide at least 4 months' cover of core costs (being establishment and staff expenditure not attributable to project activity). The unrestricted general funds are to be held in the form of cash at bank in a specially designated bank deposit account. At 31 March 2023 the charity's unrestricted general fund target was £120,000 (4 months' core cost cover) and the actual unrestricted general fund was £146,170 (4.9 month's cover), all of which was held on bank deposit account at the year-end (2022: unrestricted reserves target £110,000 (4 months' cover), actual unrestricted reserves £118,213 (4.3 months' cover)).

The trustees have considered the major risks to which the charity is exposed and have implemented review systems to mitigate these risks.

The major risks are currently identified as:

- Reliance on charitable and other income to supplement earned income to meet the cost of the creative programme;
- Changes in the arts funding system; and
- Critical impact of the loss of key senior staff.

To mitigate these risks the charity:

- Ensures that it has a diverse funding profile without an over-reliance on any one source of funding;
- Reviews existing and potential ways of generating earned income and works towards financial sustainability;
- Maintains and enhances relationships with key funders and remains well informed about developments in the arts funding arena;
- Invests time and effort in the exploration of funding opportunities and financial partnerships; and
- Ensures that all staff, including key senior staff, are well supported and that there is a regular appraisal of skills, roles and responsibilities within the senior staff team.

#### **Going concern**

The trustees consider that the charity will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved for the following reasons:

- At the year-end the charity holds unrestricted general reserves of £146,170 and cash balances of £333,209;
- The charity's key funders have confirmed that they will continue to support the charity for at least the next 12 months;
- The charity benefits from holding National Portfolio Organisation (NPO) status with Arts Council England (ACE); and
- In November 2022 ACE confirmed that Rural Media Charity would retain its NPO status with unrestricted NPO annual funding maintained at £251,036 for a further three years to 31 March 2026.

The trustees, therefore, consider it appropriate to adopt the going concern basis for the preparation of the accounts, as detailed in note 1(c) to the financial statements.

## **Rural Media Charity**

### **Report of the Trustees**

#### **For the year ended 31 March 2023**

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##### **Plans for future periods**

In November 2022 ACE confirmed that Rural Media Charity would retain its NPO status for a further three years to 31 March 2026. With NPO status comes secured unrestricted funding to develop Rural Media Charity's digital arts portfolio. NPO status is the foundation upon which Rural Media Charity will build a more secure and sustainable financial position. As part of its business plan, Rural Media Charity's trading subsidiary, Rural Studios Ltd, will grow its income and surplus. Rural Media's proposal to develop a Digital Culture Hub (DCH) was included in Hereford's Stronger Towns Fund plan. The DCH will contribute to "levelling up" by creating a beacon of innovation and enterprise for Herefordshire and the rural West Midlands where creativity meets technology. It will aggregate in a single, fully accessible, contemporary space the creative technologies, tools, and expertise to inspire and raise the skill levels of creative and cultural entrepreneurs, SMEs, students, public, private and VCSE sectors in the county, enabling them to take advantage of the booming, post-Covid-19 digital economy. Rural Media Charity's successful application for £1.2m will enable the charity to purchase its current base at Packers House and through loan finance refurbish and equip the new centre.

##### **Employees**

At Rural Media Charity we rely heavily on the excellence of our staff to help achieve and maintain the highest standards of our creative outputs. We support our staff through regular performance reviews and through training and development programmes that are tailored to the individual.

##### **Structure, governance and management**

Rural Media Charity is a charitable company limited by guarantee, incorporated on 17 July 1992 and registered as a charity on 7 October 1994. The organisation is constituted under a Memorandum of Association which sets out the objects and powers of the charitable organisation and is governed under the Articles of Association. Rural Media Charity wholly owns a subsidiary company, Rural Studios Ltd that commenced trading on 13 May 2016.

The directors are also its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The organisation does not have a membership and the voluntary Board of Trustees is responsible for the overall management of the charity. The trustees have power to set an upper limit to the number of trustees appointed to the Board, currently there is no upper limit. There must be a minimum of three trustees for the Board to be quorate. The trustees meet in full on a quarterly basis

The selection and recruitment of new trustees is the responsibility of the full Board, who appoint by invitation of the Board. New trustees are proactively recruited to meet any skills gaps as identified by trustees. All new trustees are invited to attend one full Board meeting, and activities associated to that meeting, before being formally nominated.

Each new trustee receives an induction pack prior to nomination setting out their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, and minutes which capture the recent financial performance of the charity. Regular Board development sessions are held and each session following appointment of new trustees incorporates induction and orientation information for the newly appointed trustees. The Board itself are exploring further training and support for Trustees run by organisations such as NCVO.



## **Rural Media Charity**

### **Report of the Trustees**

#### **For the year ended 31 March 2023**

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The day-to-day running of the organisation is carried out by a Senior Management Team (SMT) members of which are appointed by the trustees. The SMT comprises: Chief Executive Officer, Creative Director & Deputy CEO, Head of Production, Head of Development and Finance & Operations Director. To facilitate effective operations, the Chief Executive Officer and the SMT have delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and programme related activity. Members of the SMT are not directors of the charitable company in the legal sense under Company Law.

The charity adopts the NJC pay structure and pay scales for all its staff, including key management personnel. NJC scales are local government pay scales that are a result of negotiations between trade unions (Unite, Unison and GMB) and the Local Government Association. NJC pay scales are used extensively in the voluntary sector.

#### **Fundraising**

The charity does not seek to raise funds from the public and therefore has nothing to report on its fundraising approach and standards.

#### **Statement of responsibilities of the Trustees**

The Trustees (who are also Directors of the charity 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. 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 Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and the group 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.

## **Rural Media Charity**

### **Report of the Trustees**

#### **For the year ended 31 March 2023**

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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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

#### **Auditors**

Godfrey Wilson Limited were re-appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 26 October 2023 and signed on their behalf by

David Holdsworth - Chair

## **Independent auditors' report**

### **To the members of**

#### **Rural Media Charity**

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#### **Opinion**

We have audited the financial statements of Rural Media Charity (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity 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 charity'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 group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity 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.

## **Independent auditors' report**

### **To the members of**

#### **Rural Media Charity**

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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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### **Opinion 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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

#### **Responsibilities of the Trustees**

As explained more fully in the Trustees' responsibilities statement set out in the Trustees' report, the Trustees 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 they 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

#### **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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Independent auditors' report**

### **To the members of**

#### **Rural Media Charity**

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- (1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
- (2) We reviewed the charity's policies and procedures in relation to:
  - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
  - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
- (3) We inspected the minutes of trustee meetings.
- (4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.
- (5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.
- (6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.
- (7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:
  - Testing the appropriateness of journal entries;
  - Assessing judgements and accounting estimates for potential bias;
  - Reviewing related party transactions; and
  - Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Independent auditors' report**

**To the members of**

**Rural Media Charity**

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### **Use of our report**

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 27 October 2023

**Rob Wilson FCA**  
**(Senior Statutory Auditor)**

For and on behalf of:

**GODFREY WILSON LIMITED**

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

## Rural Media Charity

### Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

	Note	Restricted £	Unrestricted £	2023 Total £	2022 Total £
<b>Income from:</b>					
Donations	3	180,923	355,829	<b>536,752</b>	458,650
Charitable activities	4	416,962	335,569	<b>752,531</b>	573,780
Investments		-	210	<b>210</b>	122
Other income		-	699	<b>699</b>	1,438
<b>Total income</b>		<u>597,885</u>	<u>692,307</u>	<u><b>1,290,192</b></u>	<u>1,033,990</u>
<b>Expenditure on:</b>					
Raising funds		-	58,184	<b>58,184</b>	53,495
Charitable activities		<u>513,579</u>	<u>626,568</u>	<u><b>1,140,147</b></u>	<u>939,109</u>
<b>Total expenditure</b>	6	<u>513,579</u>	<u>684,752</u>	<u><b>1,198,331</b></u>	<u>992,604</u>
<b>Net income</b>		84,306	7,555	<b>91,861</b>	41,386
Transfers between funds		<u>(31,371)</u>	<u>31,371</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>	7	52,935	38,926	<b>91,861</b>	41,386
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>94,792</u>	<u>163,477</u>	<u><b>258,269</b></u>	<u>216,883</u>
<b>Total funds carried forward</b>		<u><u>147,727</u></u>	<u><u>202,403</u></u>	<u><u><b>350,130</b></u></u>	<u><u>258,269</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 18 to the accounts.

# Rural Media Charity

## Consolidated balance sheets

As at 31 March 2023

	Note	The group 2023 £	The group 2022 £	The charity 2023 £	The charity 2022 £
<b>Fixed assets</b>					
Tangible assets	10	56,233	45,264	56,233	45,264
Investments	11	-	-	2	2
		<u>56,233</u>	<u>45,264</u>	<u>56,235</u>	<u>45,266</u>
<b>Current assets</b>					
Debtors	13	97,403	201,453	64,337	96,019
Cash at bank and in hand		<u>333,209</u>	<u>251,705</u>	<u>277,305</u>	<u>214,789</u>
		430,612	453,158	341,642	310,808
<b>Liabilities</b>					
Creditors: amounts falling due within 1 year	14	<u>(120,498)</u>	<u>(219,115)</u>	<u>(47,747)</u>	<u>(97,805)</u>
<b>Net current assets</b>		<u>310,114</u>	<u>234,043</u>	<u>293,895</u>	<u>213,003</u>
<b>Total assets less current liabilities</b>		366,347	279,307	350,130	258,269
Creditors: amounts falling due after more than 1 year	15	<u>(16,217)</u>	<u>(21,038)</u>	-	-
<b>Net assets</b>	17	<u>350,130</u>	<u>258,269</u>	<u>350,130</u>	<u>258,269</u>
<b>Funds</b>	18				
Restricted funds		147,727	94,792	147,727	94,792
Unrestricted funds					
Designated funds		56,233	45,264	56,233	45,264
General funds		<u>146,170</u>	<u>118,213</u>	<u>146,170</u>	<u>118,213</u>
<b>Total charity funds</b>		<u>350,130</u>	<u>258,269</u>	<u>350,130</u>	<u>258,269</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees on 26 October 2023 and signed on their behalf by

David Holdsworth - Chair

John Bateman - Trustee



# Rural Media Charity

## Consolidated statement of cash flows

For the year ended 31 March 2023

	2023 £	2022 £
<b>Cash used in operating activities:</b>		
Net movement in funds	91,861	41,386
Adjustments for:		
Depreciation charges	23,288	25,382
Profit on disposal of tangible fixed assets	(699)	-
Interest from investments	(210)	(122)
(Increase) / decrease in debtors	104,050	(104,531)
(Decrease) / increase in creditors	(98,617)	101,430
<b>Net cash provided by / (used in) operating activities</b>	<b>119,673</b>	<b>63,545</b>
<b>Cash flows from investing activities:</b>		
Interest from investments	210	122
Purchase of tangible fixed assets	(35,376)	(2,676)
Proceeds from the sale of tangible fixed assets	1,818	-
<b>Net cash provided used in investing activities</b>	<b>(33,348)</b>	<b>(2,554)</b>
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	(4,821)	-
Cash inflows from new borrowings	-	26,297
<b>Net cash provided used in financing activities</b>	<b>(4,821)</b>	<b>26,297</b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>	<b>81,504</b>	<b>87,288</b>
Cash and cash equivalents at the beginning of the year	251,705	164,417
<b>Cash and cash equivalents at the end of the year</b>	<b>333,209</b>	<b>251,705</b>

## Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash	251,705	81,504	333,209
Loans falling due within 1 year	(5,259)	-	(5,259)
Loans falling due after 1 year	(21,038)	4,821	(16,217)
<b>Total</b>	<b>225,408</b>	<b>86,325</b>	<b>311,733</b>

## **Rural Media Charity**

### **Notes to the financial statements**

**For the year ended 31 March 2023**

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#### **1. Accounting policies**

##### **a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Rural Media Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

##### **b) Group accounts**

These financial statements consolidate the results of the charitable company and its wholly-owned (controlled) subsidiary on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

##### **c) Going concern basis of accounting**

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. At the year-end the group holds unrestricted general reserves of £146,170 and cash balances of £333,209. The charity's key funders have confirmed that they will continue to support the charity for at least the next 12 months. The charity benefits from holding National Portfolio Organisation (NPO) status with Arts Council England (ACE). In November 2022 ACE confirmed that Rural Media Charity would retain its NPO status with unrestricted NPO annual funding maintained at £251,036 for a further three years to 31 March 2026. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

##### **d) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of provision of services under contract is deferred until criteria for income recognition are met.

## Rural Media Charity

### Notes to the financial statements

#### For the year ended 31 March 2023

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**e) Interest receivable**

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

**f) Funds accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

**g) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**h) Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated in full to expenditure on charitable activities which is deemed to be reflective of the activities of the charity in this period.

**i) Grants payable**

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

**j) Tangible fixed assets**

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Motor vehicles	25% straight line
Technical equipment	25% straight line
Fixtures and fittings	25% straight line

Items of equipment are capitalised where the purchase price exceeds £1,000.

**k) Investment in subsidiary undertakings**

The charitable company has one wholly owned subsidiary, Rural Studios Ltd, (registered company number 03751216). The subsidiary is used for non-primary purpose trading activities. The subsidiary undertaking is valued at cost less any cumulative impairment losses in the charitable company's accounts.

## **Rural Media Charity**

### **Notes to the financial statements**

#### **For the year ended 31 March 2023**

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**l) Debtors**

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

**m) Cash at bank and in hand**

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

**n) Creditors**

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**o) Financial instruments**

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

**p) Pension costs**

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

**q) Redundancy payments**

Where an employee receives a termination benefit the full cost is recognised at the date the employee is notified.

**r) Accounting estimates and key judgements**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements is depreciation, as described in note 1j to the financial statements.

# Rural Media Charity

## Notes to the financial statements

For the year ended 31 March 2023

### 2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2022 Total £
<b>Income from:</b>			
Donations	101,534	357,116	458,650
Charitable activities	342,314	231,466	573,780
Investments	-	122	122
Other income	430	1,008	1,438
<b>Total income</b>	<b>444,278</b>	<b>589,712</b>	<b>1,033,990</b>
<b>Expenditure on:</b>			
Raising funds	-	53,495	53,495
Charitable activities	386,317	552,792	939,109
<b>Total expenditure</b>	<b>386,317</b>	<b>606,287</b>	<b>992,604</b>
<b>Net income / (expenditure) and net movement in funds</b>	<b>57,961</b>	<b>(16,575)</b>	<b>41,386</b>

### 3. Income from donations

	Restricted £	Unrestricted £	2023 Total £
<b>Donations</b>			
Individual donations	65	10	75
<b>Grants</b>			
Arts Council England	103,500	251,036	354,536
Elmley	12,000	-	12,000
Esmee Fairbairn Foundation	-	72,908	72,908
Herefordshire Community Foundation	20,500	-	20,500
Herefordshire Council	44,858	-	44,858
Lankelly Chase	-	21,875	21,875
HCP	-	5,000	5,000
Creative UK	-	5,000	5,000
<b>Total income from donations</b>	<b>180,923</b>	<b>355,829</b>	<b>536,752</b>

## Rural Media Charity

### Notes to the financial statements

For the year ended 31 March 2023

#### 3. Income from donations (continued)

##### Prior period comparative:

	Restricted £	Unrestricted £	2022 Total £
<b>Donations</b>			
Individual donations	100	-	100
<b>Grants</b>			
Arts Council England	-	251,036	251,036
Cultural Recovery Fund	62,000	-	62,000
Elmley	12,000	-	12,000
Esmee Fairbairn Foundation	-	66,280	66,280
Herefordshire Community Foundation	20,200	-	20,200
Herefordshire Council	7,234	-	7,234
Lankelly Chase	-	32,000	32,000
Open Arms Kington CIC	-	7,800	7,800
<b>Total income from donations</b>	<b>101,534</b>	<b>357,116</b>	<b>458,650</b>

#### 4. Income from charitable activities

	Restricted £	Unrestricted £	2023 Total £
<b>Grants and service level agreements</b>			
National Lottery Community Fund	359,962	-	<b>359,962</b>
The British Film Institute	17,000	-	<b>17,000</b>
University of Wolverhampton	-	7,500	<b>7,500</b>
The Clothworkers' Foundation	40,000	-	<b>40,000</b>
<b>Earned income</b>	<b>-</b>	<b>328,069</b>	<b>328,069</b>
<b>Total income from charitable activities</b>	<b>416,962</b>	<b>335,569</b>	<b>752,531</b>

##### Prior period comparative:

	Restricted £	Unrestricted £	2022 Total £
<b>Grants and service level agreements</b>			
National Lottery Heritage Fund	29,927	-	29,927
Arts Council England	55,000	-	55,000
National Lottery Community Fund	240,387	-	240,387
The British Film Institute	17,000	-	17,000
<b>Earned income</b>	<b>-</b>	<b>231,466</b>	<b>231,466</b>
<b>Total income from charitable activities</b>	<b>342,314</b>	<b>231,466</b>	<b>573,780</b>

## Rural Media Charity

### Notes to the financial statements

#### For the year ended 31 March 2023

##### 5. Government grants

The charitable company receives government grants, defined as funding from Arts Council England, National Lottery Community Fund, The British Film Institute and Herefordshire Council, to fund core services and charitable activities. The total value of such grants in the period ending 31 March 2023 was £776,356 (2022: £662,584). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

##### 6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2023 Total £
Staff costs (note 8)	58,184	578,975	15,405	<b>652,564</b>
Training	-	4,809	-	<b>4,809</b>
Production costs	-	364,704	-	<b>364,704</b>
Travel and subsistence	-	5,417	-	<b>5,417</b>
Equipment hire	-	4,252	-	<b>4,252</b>
Rent, rates and premises	-	34,571	-	<b>34,571</b>
Insurance	-	10,094	251	<b>10,345</b>
Heat, light and power	-	9,967	-	<b>9,967</b>
Motor expenses	-	3,810	-	<b>3,810</b>
Printing and stationery	-	4,567	-	<b>4,567</b>
Telephone and computer	-	23,129	-	<b>23,129</b>
Memberships and subscriptions	-	22,274	-	<b>22,274</b>
Marketing	-	6,763	-	<b>6,763</b>
Bank charges and interest	-	891	-	<b>891</b>
Depreciation	-	23,288	-	<b>23,288</b>
Professional fees	-	9,065	17,915	<b>26,980</b>
<b>Sub-total</b>	<b>58,184</b>	<b>1,106,576</b>	<b>33,571</b>	<b>1,198,331</b>
Allocation of support and governance costs	-	33,571	(33,571)	-
<b>Total expenditure</b>	<b>58,184</b>	<b>1,140,147</b>	<b>-</b>	<b>1,198,331</b>

Total governance costs were £9,551 (2022: £9,350).

# Rural Media Charity

## Notes to the financial statements

For the year ended 31 March 2023

### 6. Total expenditure (continued)

#### Prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2022 Total £
Staff costs (note 8)	53,495	509,521	13,693	576,709
Training	-	3,234	-	3,234
Production costs	-	267,314	-	267,314
Travel and subsistence	-	1,278	-	1,278
Equipment hire	-	3,504	-	3,504
Grants payable	-	1,350	-	1,350
Rent, rates and premises	-	31,621	-	31,621
Insurance	-	10,112	280	10,392
Heat, light and power	-	7,224	-	7,224
Motor expenses	-	4,734	-	4,734
Printing and stationery	-	2,251	-	2,251
Telephone and computer	-	18,411	-	18,411
Memberships and subscriptions	-	23,953	-	23,953
Marketing	-	5,473	-	5,473
Bank charges and interest	-	613	-	613
Depreciation	-	25,382	-	25,382
Professional fees	-	91	9,070	9,161
<b>Sub-total</b>	<b>53,495</b>	<b>916,066</b>	<b>23,043</b>	<b>992,604</b>
Allocation of support and governance costs	-	23,043	(23,043)	-
<b>Total expenditure</b>	<b>53,495</b>	<b>939,109</b>	<b>-</b>	<b>992,604</b>



## Rural Media Charity

### Notes to the financial statements

#### For the year ended 31 March 2023

#### 7. Net movement in funds

This is stated after charging:

	2023 £	2022 £
Depreciation	23,288	25,382
Operating lease payments	22,637	19,600
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses*	Nil	26
Auditors' remuneration (excluding VAT):		
▪ Statutory audit	8,650	6,750
▪ Other services	350	1,300

\* In the prior year one trustee was reimbursed £26 for travel expenses.

#### 8. Staff costs and numbers

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	586,852	513,647
Social security costs	53,479	49,655
Pension costs	12,233	12,319
Statutory redundancy costs	-	1,088
	<u>652,564</u>	<u>576,709</u>

Two employees earned between £60,000 and £70,000 during the year (2022: one).

Redundancy costs comprise statutory redundancy payments made to one member of staff following a change in Rural Media's marketing strategy.

The key management personnel of the charitable company comprise the Trustees, the Chief Executive Officer, the Creative Director & Deputy CEO, the Head of Development, Head of Production and the Finance & Operations Director. The total employee benefits of the key management personnel were £321,015 (2022: £259,859).

	2023 No.	2022 No.
Average number of employees (headcount)	19.6	14.7
Average number of employees (full-time equivalent)	<u>15.5</u>	<u>13.4</u>

#### 9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

## Rural Media Charity

### Notes to the financial statements

For the year ended 31 March 2023

#### 10. Tangible fixed assets

##### The charity and group

	Motor vehicles £	Technical equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 April 2022	27,270	199,962	5,215	<b>232,447</b>
Additions	-	35,376	-	<b>35,376</b>
Disposals	-	(1,535)	-	<b>(1,535)</b>
At 31 March 2023	<u>27,270</u>	<u>233,803</u>	<u>5,215</u>	<u><b>266,288</b></u>
<b>Depreciation</b>				
At 1 April 2022	27,270	155,689	4,224	<b>187,183</b>
Charge for year	-	22,297	991	<b>23,288</b>
Disposals	-	(416)	-	<b>(416)</b>
At 31 March 2023	<u>27,270</u>	<u>177,570</u>	<u>5,215</u>	<u><b>210,055</b></u>
<b>Net book value</b>				
<b>At 31 March 2023</b>	<u>-</u>	<u><b>56,233</b></u>	<u>-</u>	<u><b>56,233</b></u>
At 31 March 2022	<u>-</u>	<u>44,273</u>	<u>991</u>	<u>45,264</u>

#### 11. Investments

##### Rural Studios Ltd

The charitable company owns the whole of the issued share capital (2 ordinary £1 shares) of Rural Studios Ltd (formerly Rural Media Productions Ltd), a company registered in England and Wales. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2023 £	2022 £
Turnover	<b>259,528</b>	184,268
Cost of sales	<u><b>(207,503)</b></u>	<u>(134,008)</u>
Gross profit	<b>52,025</b>	50,260
Administrative expenses	<b>(31,767)</b>	(32,610)
Other operating income	<u><b>5,000</b></u>	<u>-</u>
Profit on ordinary activities	<u><b>25,258</b></u>	<u>17,650</u>

## Rural Media Charity

### Notes to the financial statements

#### For the year ended 31 March 2023

#### 11. Investments (continued)

The aggregate of the assets, liabilities and funds was:

	2023 £	2022 £
Assets	130,067	160,099
Liabilities	(130,065)	(160,097)
Funds	<u>2</u>	<u>2</u>

#### 12. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2023 £	2022 £
Gross income	1,066,642	881,472
Results for the year	<u>91,861</u>	<u>41,386</u>

#### 13. Debtors

	The group		The charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	73,223	178,816	1,500	60,000
Accrued income	13,600	5,100	13,600	5,100
Rural Studios Ltd	-	-	41,097	17,749
Prepayments	10,580	17,082	8,140	12,715
Other debtors	-	455	-	455
	<u>97,403</u>	<u>201,453</u>	<u>64,337</u>	<u>96,019</u>

#### 14. Creditors : amounts due within 1 year

	The group		The charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	17,766	35,535	10,911	16,449
Other taxation and social security	15,003	12,363	15,003	12,363
VAT	23,820	31,290	-	-
Accruals	25,450	30,242	21,833	28,192
Deferred income (see note 16)	33,200	104,125	-	40,500
Other creditors	-	301	-	301
Loans	5,259	5,259	-	-
	<u>120,498</u>	<u>219,115</u>	<u>47,747</u>	<u>97,805</u>

## Rural Media Charity

### Notes to the financial statements

#### For the year ended 31 March 2023

#### 15. Creditors : amounts due after 1 year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Loans	<b>16,217</b>	21,038	-	-

The group secured a Government backed Business Interruption Payment - Bounce Back Loan via Barclays Bank in a bid to secure future low interest loans should the organisation require additional cashflow. The loan was secured at 2.5% interest with no payments due within the first year of the loan.

#### 16. Deferred income

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
At 1 April 2022	<b>104,125</b>	8,200	<b>40,500</b>	-
Deferred during the year	<b>33,200</b>	104,125	-	40,500
Released during the year	<b>(104,125)</b>	(8,200)	<b>(40,500)</b>	-
At 31 March 2023	<b>33,200</b>	104,125	-	40,500

Deferred income relates to income received in advance of delivery of services.

#### 17. Analysis of net assets between funds

	Restricted funds	Designated funds	General funds	Total funds
	£	£	£	£
Tangible fixed assets	-	56,233	-	<b>56,233</b>
Current assets	147,727	-	282,885	<b>430,612</b>
Current liabilities	-	-	(120,498)	<b>(120,498)</b>
Non current liabilities	-	-	(16,217)	<b>(16,217)</b>
<b>Net assets at 31 March 2023</b>	<b>147,727</b>	<b>56,233</b>	<b>146,170</b>	<b>350,130</b>
<b>Prior year comparative</b>				
	Restricted funds	Designated funds	General funds	Total funds
	£	£	£	£
Tangible fixed assets	-	45,264	-	45,264
Current assets	94,792	-	358,366	453,158
Current liabilities	-	-	(219,115)	(219,115)
Non current liabilities	-	-	(21,038)	(21,038)
<b>Net assets at 31 March 2022</b>	<b>94,792</b>	<b>45,264</b>	<b>118,213</b>	<b>258,269</b>

## Rural Media Charity

### Notes to the financial statements

For the year ended 31 March 2023

#### 18. Movements in funds

	At 1 April 2022 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2023 £
<b>Restricted funds</b>					
British Film Institute - Film Academy	-	17,000	(17,000)	-	-
Cultural Recovery Fund - CRF1	2,592	-	(2,592)	-	-
Digital Culture Hub	-	44,858	(44,858)	-	-
Elmley Foundation	-	12,000	(12,000)	-	-
National Lottery Community Fund -	-				
TT Vision	85,590	360,027	(324,535)	-	<b>121,082</b>
POV - Teme Valley	6,610	-	(6,610)	-	-
Rural Voices, Collective Power	-	20,500	(11,789)	-	<b>8,711</b>
BookFlicks	-	103,500	(94,195)	-	<b>9,305</b>
Clothworkers	-	40,000	-	(31,371)	<b>8,629</b>
<b>Total restricted funds</b>	<b>94,792</b>	<b>597,885</b>	<b>(513,579)</b>	<b>(31,371)</b>	<b>147,727</b>
<b>Unrestricted funds</b>					
<i>Designated funds</i>					
Fixed asset fund	45,264	-	(22,872)	33,841	<b>56,233</b>
General funds	118,213	692,307	(661,880)	(2,470)	<b>146,170</b>
<b>Total unrestricted funds</b>	<b>163,477</b>	<b>692,307</b>	<b>(684,752)</b>	<b>31,371</b>	<b>202,403</b>
<b>Total funds</b>	<b>258,269</b>	<b>1,290,192</b>	<b>(1,198,331)</b>	<b>-</b>	<b>350,130</b>

#### Purposes of restricted funds

##### British Film Institute - Film Academy

The annual BFI Film Academy provides an opportunity for young people aged 16-19 to access high quality film production training through a series of masterclasses and practical workshops and to gain an NCFE qualification.

##### Cultural Recovery Fund - CRF1

The CRF1 fund was managed by Arts Council England on behalf of the Government Department for Digital, Culture, Media and Sport. The funding enabled the charity to protect its creative programme by undertaking an agile, iterative restructure centered on technology, and to further develop, refine and consolidate outreach, engagement and remote production practices begun in lockdown.

## **Rural Media Charity**

### **Notes to the financial statements**

**For the year ended 31 March 2023**

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#### **18. Movements in funds (continued)**

##### **Purposes of restricted funds (continued)**

###### **Digital Culture Hub**

In June 2021 Hereford Stronger Towns Partnership secured £22.4 million of Town Deal Funding from the Department for Levelling up, Housing and Communities (DLUHC) to deliver six capital projects which is anticipated will support the economic recovery and growth of Hereford. To support the development of the full business cases of these projects DLUHC has made available 5% of the total funding as Early Funding. Rural Media Charity has been allocated up to £55,000 of Early Funding to be used in the development of the full business case for a capital project. At 31 March 2022 Rural Media Charity had received and applied £7,234 of Early Funding from Herefordshire Council, the accountable body for the Early Funding. At 31 March 2023, RMC had received and applied a further £44,858 of the early funding.

###### **Elmley Foundation**

Core funding in support of a Development Producer post for three years to 2023-24.

###### **TT Vision**

A four year training and career development project funded by National Lottery Community Fund to empower the upcoming generation of Gypsy, Roma and Travellers to take on the running and development of Travellers' Times as a sustainable 100% community-led project.

###### **POV - Teme Valley**

Funded by Herefordshire Community Foundation Teme Valley Fund the project focusses on 14-18 year olds living in the Teme Valley region. The project aims are to collect impactful testimony of rural young people's lived experience and points of view and to amplify these through the production of creative content exploring these issues; to support young people to access new opportunities such as creative, cultural, social, educational, training or career opportunities; and to empower young people to independently create quality digital creative content that raises awareness of issues and themes that are important to rural young people.

###### **Rural Voices, Collective Power**

Funded by Herefordshire Community Foundation, "Rural Voices, Collective Power" [RVCP] is a youth empowerment and skills project that elevates rural young people's stories and channels them into youth-led campaigns for local change and social impact. Young people will be supported to establish, launch and run place-based youth-led campaigns designed to bring about positive social change for communities across Teme Valley, Kington and Leominster.

###### **BookFlicks**

Funded by Arts Council England (ACE), BookFlicks offers young artists long-form broadcast work to sustainably drive career progression.

###### **Clothworkers**

The Clothworkers' Foundation provided funding to purchase IT equipment to support disadvantaged young people nationally.

###### **Cultural Recovery Fund - CRF2**

The CRF2 fund was managed by Arts Council England of behalf of the Government Department for Digital, Culture, Media and Sport. The funding enabled the charity to invest further in its project development capacity but also to facilitate more strategic, targeted development and core funding.

## **Rural Media Charity**

### **Notes to the financial statements**

**For the year ended 31 March 2023**

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#### **18. Movements in funds (continued)**

##### **Purposes of restricted funds (continued)**

###### **Herefordshire is a Great Place**

'Herefordshire's a Great Place' is a cultural development project, co-funded by Arts Council England and National Lottery Heritage Fund and supported by Historic England. The project empowers communities to redefine what makes Herefordshire a great place, while championing and strengthening the vital role culture and heritage plays in a rural county's social and economic future.

###### **TT Connect**

A 15 month project funded by The National Lottery Community fund to continue the work of Travellers' Times and to conduct action based research into the development of a four year project to transition Travellers Times into an independent community led entity.

###### **New Creatives**

Arts Council England funded talent development scheme offering commissioning opportunities and training for emerging creatives, aged 16-30 based in the Midlands, to make new artistic works in film, audio or interactive media, designed for BBC channels and platforms.

##### **Purposes of designated funds**

###### **Fixed assets fund**

This fund represents the net book value of fixed assets.

## Rural Media Charity

### Notes to the financial statements

For the year ended 31 March 2023

#### 18. Movements in funds (continued)

##### Prior year comparative

	At 1 April 2021 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2022 £
<b>Restricted funds</b>					
British Film Institute - Film Academy	-	17,430	(17,430)	-	-
Cultural Recovery Fund - CRF 1	7,187	-	(4,595)	-	2,592
Cultural Recovery Fund - CRF 2	-	62,000	(62,000)	-	-
Digital Culture Hub	-	7,234	(7,234)	-	-
Elmley Foundation	-	12,000	(12,000)	-	-
Herefordshire is a Great Place	(24,561)	29,927	(5,366)	-	-
National Lottery Community Fund - TT Connect	54,052	-	(54,052)	-	-
National Lottery Community Fund - TT Vision	-	240,487	(154,897)	-	85,590
New Creatives	153	55,000	(55,153)	-	-
POV - Teme Valley	-	20,200	(13,590)	-	6,610
<b>Total restricted funds</b>	<b>36,831</b>	<b>444,278</b>	<b>(386,317)</b>	<b>-</b>	<b>94,792</b>
<b>Unrestricted funds</b>					
<i>Designated funds</i>					
Fixed asset fund	67,970	-	(25,382)	2,676	45,264
General funds	112,082	589,712	(580,905)	(2,676)	118,213
<b>Total unrestricted funds</b>	<b>180,052</b>	<b>589,712</b>	<b>(606,287)</b>	<b>-</b>	<b>163,477</b>
<b>Total funds</b>	<b>216,883</b>	<b>1,033,990</b>	<b>(992,604)</b>	<b>-</b>	<b>258,269</b>

#### 19. Post balance sheet event

On 14 August 2023, the Rural Media Charity board of trustees approved the purchase of the freehold of Packers House, 25 West Street, Hereford, HR4 0BX for £1,150,000. The acquisition is to be financed by a loan of £250,000 provided by The Charity Bank Limited, and £900,000 to be applied from a restricted grant administered by Herefordshire Council on behalf of the central government Department for Levelling Up, Housing and Communities. Herefordshire Council will take a first charge secured against the property and The Charity Bank Limited will take a second charge secured against the property and a mortgage debenture secured against the charity's other assets. The purchase is expected to complete on 31 October 2023.



## Rural Media Charity

### Notes to the financial statements

#### For the year ended 31 March 2023

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##### 20. Related party transactions

Rural Studios Ltd is a wholly owned subsidiary of Rural Media Charity. During the year the company paid the following amounts to the charity:

	2023 £	2022 £
Contribution to production costs, overheads and wages	15,721	14,100
Gift aid donation to parent	<u>25,258</u>	<u>17,650</u>
	<u>40,979</u>	<u>31,750</u>

At 31 March 2023 the subsidiary company owed the parent charity £41,097 (2022: £17,749).

Matthew Hayes, a trustee of Rural Media Charity, is a partner at Harrison Clark Rickerbys Limited (HCR). During the year, HCR invoiced the charity £6,556 for legal fees (2022: £nil). There were no outstanding balances at 31 March 2023.

Nic Millington, Chief Executive Officer of Rural Media Charity, is a director of Herefordshire Cultural Partnership (HCP). During the year, Rural Media Charity recognised £5,000 of income from HCP (2022: £10,000). This was part of an agreement signed in 2021/22 for £20,000, however the scope of the work was reduced in 2022/23 with the total income related to the agreement reducing to £15,000. At 31 March 2023, the balance outstanding from HCP was £nil (2022: £20,000).

There were no other related party transactions during the year.