

RURAL MINISTRIES

England & Wales · Charity number 200027

Details

Other names	DATCHET EVANGELICAL FELLOWSHIP, DATCHET EVANGELICAL FELLOWSHIP LIMITED, RURAL MINISTRIES
Status	Registered
Legal form	Charitable company
Company number	00688281
Registered	1962-05-17
Register	View on the Charity Commission register

Contact

Address	Rural Ministries PO Box 293 Royston SG8 1FS
Phone	01763 878539
Email	office@ruralministries.org.uk
Website	www.ruralministries.org.uk

Activities

Objects: 3.1 The objects for which the Charity is established are to initiate, support, organise, maintain, equip, manage, promote or assist in any work in connection with the propagation of the Christian Gospel in accordance with the Basis of Faith, by itself or by or together with any other body or church or person or persons. 3.2 The Basis of Faith as at the date of these Articles is: BASIS OF FAITH We believe: 1. That Jesus is the Christ, real, fully human, and fully God. We believe that Jesus came to show us what God is like and what a God honouring life looks like. We accept many people use God-substitutes to give their lives meaning instead of God. We believe that the risen Christ is the only way to God, that people need to turn to God and have their lives restored, and that this is made possible through Jesus' life, death, and resurrection. We believe God reconciles the whole of creation to himself through Jesus. 2. In the one God who communes in three persons – the Father, the Son, and the Holy Spirit, and that all are jointly active in creation, salvation, and in empowering us today. 3. God created us to be His image bearers and have a relationship with Him. We believe that this relationship has been broken, and cannot be earned, nor is it our right, but rather the gift of God through all who place their hope and trust in Jesus. We believe this is good news, and we are called to help others love Jesus more. We believe that Jesus intercedes for all people today. 4. The Holy Spirit is at work in renewal, enabling us to encounter Jesus personally in each believer as they seek to worship and witness in their everyday lives. 5. The Bible is God's inspired word, in which we find life, hope and wisdom. 6. That being a Christian isn't a thing we do just on Sundays, that Church isn't something that just happens in a building, and that God's grace abounds everywhere – sometimes where we least expect it. We believe that Jesus Christ is coming again. We believe Christians need to join in with the mission that Jesus started and bring good news to all people and creation. We believe that Church is part of God's design, and that discipleship best happens in community. 7. That resurrection is real, and part of the promise for those that trust Jesus. We believe that heaven and earth will be brought together one day, renewing all things. We believe if people don't want God (choosing not to receive Jesus), they can choose eternity without Him.

Activities: To support rural churches in their growth and development and assist in the planting of new rural churches.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£154,342	£425,025	-	-
2024-03-31	£801,376	£339,882	£2,838,807	4
2023-03-31	£235,579	£239,959	-	-
2022-03-31	£104,411	£249,226	-	-
2021-03-31	£93,073	£264,019	-	-

Trustees

Name	Role	Appointed
Hilary Anne Taylor		2016-12-07
Kevin Karl Gladwell		2022-09-10
Paul Kenneth Susans		2011-11-30
Rev Yann Dubreuil		2020-12-10
Timothy Lea		2018-12-13

Linked charities

- POTTERNE MISSION ROOM AND TRUST (200027-1)
- HITCHAM FREE CHURCH (200027-2)

RURAL MINISTRIES

England & Wales - Charity number 200027

Accounts

Charity registration number 200027 (England and Wales)

Company registration number 00688281

RURAL MINISTRIES
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

RURAL MINISTRIES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr T Lea Mr P Susans Mrs H Taylor Rev Y Dubreuil Mr K Gladwell
Secretary	Mr N Jones
Charity number	200027
Company number	00688281
Registered office	4 Marigold Drive Bisley Woking Surrey GU24 9SF
Independent examiner	F J Wilde FCCA MBA DChA Warner Wilde 4 Marigold Drive Bisley Surrey GU24 9SF
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Investment advisors	Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QP
Solicitors	Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES

RURAL MINISTRIES

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RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Rural Ministries exists to promote Christian mission and discipleship in the countryside throughout the United Kingdom by assisting those seeking to pioneer new forms of church and mission, as well as resourcing existing rural churches and leaders in terms of growth, development, and missional engagement with their local context. Rural Ministries seeks to serve as a network for both rural pioneers and rural churches, enabling them to share ideas and best practices, identify potential resources and practical assistance, and encourage prayer support, either directly or through existing denominational links. A secondary but equally important goal is to inspire, educate, and encourage those already in the rural context to be more missionally effective by utilising their existing resources. Rural Ministries will continue developing meaningful working relationships with other mission agencies, denominations, and organisations that share our faith and vision to achieve these goals and objectives. The Chief Executive, regional staff, and trustees review such relationships regularly.

Each year, the trustees review the charity's objectives and activities to ensure they continue to reflect the organisation's aims. In this review, they have considered the Charity Commission's general guidance on public benefit and continue to adopt the guiding principles.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

There is a growing opportunity for the more entrepreneurial to rethink church and community engagement, we have seen this through those who have contacted us this year, and various conversation with like-minded charities and church bodies. Frustratingly, institutions, restructuring to offset the decline in income, have reduced support for pioneers, cutting some of the roles completely. As such we are increasingly being asked to step in and support pioneers. The staff team have been building on the existing regional Rural Mission Hub model, which has enabled RM to support, encourage and enable primarily those seeking to pioneer in their rural context, but also churches who are wrestling with change. We continue to emphasise the significance of listening to the context, God, and one another in order to facilitate a rethinking of mission and a re-establishing of church in rural communities. With this shift we have found a home with fellow pioneers and practitioners, and like-minded charities.

Many mainstream denominations' focus and resources still have a strong urban tilt, which means that rural communities are rarely the benefactors of any forward planning or strategising. As a result, the rural environment may feel as if it has few defenders and advocates for church innovation and purpose. Rural Ministries is always working to address this vacuum by investing in, supporting, and sustaining our increasing network through a combination of retreats and mission hubs, as well as the continuous distribution of the triannual journal 'MOSAIC.' Our weekly email meditations continue to spark conversation and sharing on social media with a larger audience, frequently serving as a topic for the morning service.

We are not seeking to become a brand nor the single dominant voice for the rural context; we are simply seeking to respond to and join in with what God is already doing. This means we link with like-minded mission agencies, church funding organisations, and denominations, helping them in what they are called to do. Our network structure gives us more freedom to operate and inspire a large number of people and congregations all over the UK. It is clear that a well-connected network of pioneers, practitioners, and permission-givers offers a longer-term benefit for the rural church. Our tagline of 'Rethinking mission. Reimagining church.' emphasises our desire for change to impact a disciple-making process and help the church become more effective.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Our connections with theological colleges are slowly increasing again. Connectivity continues to be essential for us, whether in person or virtually over Zoom. Together, we can learn, share, support, pray and grow as a network. We have begun an online prayer meeting and are looking to take on an editor for MOSAIC. In addition to working within our network, Rural Ministries works closely with a range of complementary organisations to the mutual benefit of those in our network. These strategic alliances allow us to offer resources and skills to more rural churches than we could provide on our own. However, the initiative 'Rural Hope' no longer gathers, and we have been approached by Churches Together to bring similar charities together alongside those within churches who would benefit from the conversation.

We have intentionally continued our strategy of identifying, investing in and resourcing rural pioneers and further developing the 'Missional Listening' project beyond individual workers to embracing a geographic region. One of the newer projects developed during the past year and launched in May 2024, is the support of an outdoor chaplain in Llanberis, working closely with the Church in Wales. We have long recognised that pioneers can feel isolated and the remote location of this project exacerbated this, leading to the project being paused during its first year. The project team has learnt a lot from this experience and we are working to reconfigure the project and restart it in light of our learning.

The Trust Board of Rural Ministries consists of experienced people intentionally selected from a wide range of church backgrounds and practices. We are constantly vigilant for any who could serve as an additional trustee to ensure that the breadth of expertise is maintained and that the trust board accurately represents the diversity of churches and mission initiatives we support and resource. Together with the staff, Chief Executive and Operations Manager, the Trust Board seeks to provide effective governance, determine policy, and support the ongoing work of Rural Ministries. The Trust Board has undertaken a full review of existing and future commitments at the end of the financial year, recognising the continuing gap between income and expenditure, and remains committed to Rural Ministries' charitable purposes of encouraging mission, enabling pioneers, and equipping the rural church. To this end, we continue to work hard to ensure that all partners are moving towards sustainability, exploring strategic alliances with other like-minded organisations, and raising visibility and financial support for partner organisations and others outside our existing partnership base.

Achievements and performance

Expenditure continues to grow, this year by 25% year in year, with a 32% increase in ministry support which is central to our purpose and a 28% increase in staff costs recognising that the staff team is the primary way we show our support and commitment to our growing network with the team mobilised in supporting six rural mission hubs across the UK, with more due to be launched in the coming year. Our consultants have also been a huge support and encouragement.

We continue to maintain the remaining properties held by Rural Ministries. In particular, work started in 2024 on our property in Bootle, Cumbria continued into this year. Ongoing budgets continue to allow for the repair and servicing of properties, however with none of our remaining properties being likely to serve as manses in the future we are progressively and intentionally disposing of them.

The Trustees continue to uphold the policy of ensuring the sustainability and self-sufficiency of pioneer-founded churches and projects. Our grant application process has been modified to reflect the significance of such considerations.

Another generous legacy of £50,000 was received during the year marking three consecutive years of large legacies (2024: c.£700,000, 2023: £117,000). The trustees of Rural Ministries are aware that such gifts cannot be relied on and that the charity normally runs at a greater annual loss but are reassured that there has been a steady income from our regular supporters - both individuals and churches - over the same period. Regular reviews of assets, suitability and budgets occur, with quarterly updates and variance reports provided for Trust Board members. The trustees have reviewed the resources to hand and concluded that while they are adequate for the current work of Rural Ministries in meeting its aims and objectives, they will eventually lead to closure unless these funds are replenished.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Financial review

The trustees have reviewed the charity's reserve requirements, considering the company's main risks, and have set appropriate budgets to maintain sufficient funds in the future. They discuss the level of reserves at their meetings, which continue to be mostly video conferencing, based on reports produced by the Operations Manager and Chief Executive. This allows them to monitor and manage the budgets closely, considering commitments already made and any future decisions of financial support.

The primary sources of income for Rural Ministries in the year came from donations and legacies, representing 51% of total income. Investment income barely changed in absolute terms and made up 47% of all income and comprised of managed investment income (56%, 2024: 58%) and rental income (34%, 2024: 32%).

We continue to try and recover the losses incurred from the default on our investment in Christian Property Development company B&R. The trustees have successfully petitioned a former director for bankruptcy and continue to seek to recover assets through the bankruptcy process. At the date of the statutory demand, the debt was £212,520.27. Due to the risk of this debt not being recovered, it has not been included in the debtor's total in the accounts.

Gifts from our network of individuals and churches continue at their underlying levels of around £100,000 however we recognise that many of our supporters face increasing pressures. In particular, Gift Aid donations dropped noticeably during the year although this was balanced by an increase in support from churches in our network.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Major risks

The trustees have assessed the significant risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Plans for future periods

At the end of each financial year, the trustees of Rural Ministries and the staff review our activities. In 2023, we reviewed, as a trust board and staff team, areas of expenditure and investment and agreed upon the following priorities:

1. Prayer, Rural Mission Hubs across the UK, improving the quality and reach of MOSAIC and our weekly reflections.
2. Strengthening the staff team in their ability to share what God is saying about the wider state of the church and Mission. Further utilising consultants for specific projects and regional expertise.
3. To offer, through the staff team, learning and training opportunities across the network.
4. To actively collaborate with other mission agencies and denominational bodies around the areas of mission, utilise fixed assets, and proactively signpost to one another.
5. One of our key roles, which we want to continue to develop, is being a 'permission-giving body', who, through grants and encouragement, enables others to follow the call of God.

Promotion

Through our website, weekly reflections, and printed material, we continue to promote the work of Rural Ministries. Our triannual magazine serves our supporters with prayer news and stories of mission, and articles to inspire. In compliance with GDPR legislation, we maintain strict control over the data we hold to ensure that it is relevant for us to use for promotion. Our website is regularly reviewed and updated to ensure it reflects who we are and what we do. This is managed in-house.

Resources and expenditure

The Trust Board and staff team are aware that fulfilling our objectives throughout the United Kingdom continues to be costly, and the effective use of all resources is a priority. We have sought ways to reduce our expenditure internally and externally and are continually mindful of costs. We continue to explore strategic alliances and partnerships with other organisations both in the UK and abroad that share our values and vision and leverage the input of RM. Our aim is to enable the continued support, encouragement and resourcing of rural churches that are working towards pioneering methods of mission and community engagement. Requests to help assess independent rural churches' current and future needs continue to receive attention; however, there is a conscious move away from Rural Ministries being the sole financial provider. The Trustees and CEO have reviewed the grant request process, making it much more robust and placing a higher expectation of match funding, and also a requirement for qualitative research and assessment of results where appropriate.

Staffing

During the year the Chief Executive announced his resignation after 14 years, allowing time for a smooth handover as the directors in the team stepped into a joint CEO role. Which gave us a team of three with our Operations Director. Using technology, we can meet up every other week via Zoom, although we often meet physically to plan, pray and strategize.

Structure, governance and management

Governing document

The charity is controlled by its governing document, the Articles of Association, which were comprehensively reviewed and updated during the year and adopted on the 18th November 2023. Rural Ministries constitutes a limited company (Reg. No. 00688281), limited by guarantee and not having a share capital, as defined by the Companies Act 2006. The charity is registered with the Charities Commission (Reg. No. 200027).

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs E Fisher	(Resigned 10 June 2025)
Mr C Hughes	(Resigned 5 November 2024)
Mr T Lea	
Mr P Susans	
Mrs H Taylor	
Rev Y Dubreuil	
Mr K Gladwell	
Mr S Spurgeon	(Resigned 13 September 2025)

Recruitment and appointment of trustees

The sole right of admission as a trustee is vested in the Trust Board. Trustees may, from time to time, elect individuals to the Trust Board (as per the criteria set out in the Articles of Association). Nominations for election follow an initial meeting with the Chairman or Chief Executive for orientation and briefing on their legal obligations, the content of the memorandum and articles of association, the decision-making process, and the recent performance of the charity.

Organisational structure

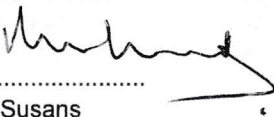
The Trust Board, which meets quarterly, administer the charity. The Trust Board appoints a Chief Executive to manage all charity activities. The Trust Board decide on development, strategy, policy and finance. Written reports from the Chief Executive and pastoral and administration staff are provided to Trust Board members before meetings to inform them of their activities and decisions. Regular updates are provided between meetings where appropriate.

Staff

Chief Executive Officer: Rev Simon Mattholie (resigned 30th June 2025)
Joint Chief Executive Officers: Rev Joanna Allen (appointed 1st July 2025)
Jonathan Timms (appointed 1st July 2025)

Operations Manager: Mr Nick Jones

The trustees' report was approved by the Board of Trustees.


.....
Mr P Susans

Trustee

Date: 6-12-25

RURAL MINISTRIES

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF RURAL MINISTRIES

I report to the trustees on my examination of the financial statements of Rural Ministries (the charity) for the year ended 31 March 2025.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

F J Wilde FCCA MBA DChA

Warner Wilde
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Date:

RURAL MINISTRIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income and endowments from:			
Donations and legacies	3	78,831	726,210
Charitable activities	4	486	2,293
Investments	5	72,145	71,993
Other income	6	2,880	880
Total income		<u>154,342</u>	<u>801,376</u>
Expenditure on:			
Raising funds	7	10,952	7,096
Charitable activities	8	414,073	332,786
Total expenditure		<u>425,025</u>	<u>339,882</u>
Net gains/(losses) on investments	13	<u>80,773</u>	<u>126,617</u>
Net income/(expenditure) and movement in funds		(189,910)	588,111
Reconciliation of funds:			
Fund balances at 1 April 2024		<u>2,838,807</u>	<u>2,250,696</u>
Fund balances at 31 March 2025		<u>2,648,897</u>	<u>2,838,807</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

RURAL MINISTRIES

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	15		108,262		110,923
Investment property	16		965,000		965,000
Investments	17		1,498,981		1,001,770
			<u>2,572,243</u>		<u>2,077,693</u>
Current assets					
Debtors falling due after one year	18	48,328		55,329	
Debtors falling due within one year	18	16,554		686,348	
Cash at bank and in hand		28,564		30,731	
			<u>93,446</u>	<u>772,408</u>	
Creditors: amounts falling due within one year	19		<u>(16,791)</u>		<u>(11,294)</u>
Net current assets			<u>76,655</u>		<u>761,114</u>
Total assets less current liabilities			<u>2,648,898</u>		<u>2,838,807</u>
The funds of the charity					
Unrestricted funds	21		<u>2,648,897</u>		<u>2,838,807</u>
			<u>2,648,897</u>		<u>2,838,807</u>

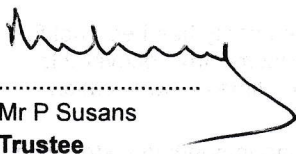
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025.

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

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

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

The financial statements were approved by the trustees on 6th December 2025



 Mr P Susans
 Trustee

Company registration number 00688281 (England and Wales)

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Rural Ministries is a private company limited by guarantee incorporated in England and Wales. The registered office is 4 Marigold Drive, Bisley, Woking, Surrey, GU24 9SF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% Straight line over 50 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

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

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.11 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	23,106	17,633
Legacies	55,725	708,577
	<u>78,831</u>	<u>726,210</u>

During the year Rural Ministries were notified that they were entitled to a large legacy, which was received after the year end. It is therefore included as income in the year, and as an amount due to the charity at the year end.

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Charitable activities		
Preaching Fees	486	2,293
	<u>486</u>	<u>2,293</u>

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Rental income	24,290	22,997
Income from listed investments	40,410	42,100
Interest receivable	7,445	6,896
	<u>72,145</u>	<u>71,993</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

6 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income	2,880	880

7 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Investment management	10,952	7,096

8 Expenditure on charitable activities

	Charitable activities 2025 £	Charitable activities 2024 £
Direct costs		
Staff costs	100,834	95,149
Depreciation and impairment	37,661	2,661
Ministry Support	140,427	106,403
Motor, travel expenses	8,688	8,250
Publications, publicity and websites	20,261	20,152
Rental commission and fees	2,680	2,477
Consultancy costs	10,172	4,177
Venue Costs	2,315	4,446
Staff development costs	4,253	365
Other conference costs	326	-
	<u>327,617</u>	<u>244,080</u>
Share of support and governance costs (see note 9)		
Support	73,495	76,969
Governance	12,961	11,737
	<u>414,073</u>	<u>332,786</u>
Analysis by fund		
Unrestricted funds	<u>414,073</u>	<u>332,786</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

9 Support costs allocated to activities

	Charitable activities	Total
	2025	2024
	£	£
Staff costs	18,276	17,232
Insurance	4,005	3,787
Office and general expenses	8,805	10,293
Staff expenses	3,734	4,170
Property maintenance and costs	38,539	41,427
Bank charges	135	60
Governance	12,961	11,737
	<u>86,455</u>	<u>88,706</u>
	2025	2024
	£	£
Governance costs comprise:		
Independent Examination fees	1,854	1,764
Legal and professional	10,112	8,964
Trustee expenses	995	1,009
	<u>12,961</u>	<u>11,737</u>
	2025	2024
	£	£
10 Net movement in funds		
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	1,854	1,764
Depreciation of owned tangible fixed assets	2,661	2,661
	<u>4,515</u>	<u>4,425</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

12 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Chief Executive	1	1
Operations Manager/Administrator	1	1
Other staff (including part time)	2	2
Total	4	4

Employment costs

	2025 £	2024 £
Wages and salaries	106,954	102,796
Social security costs	4,784	2,767
Other pension costs	7,372	6,818
	119,110	112,381

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025 £	2024 £
Aggregate compensation	24,369	-

13 Gains and losses on investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Gains/(losses) arising on:		
Revaluation of investments	80,773	126,617

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

15 Tangible fixed assets

	Freehold land and buildings
	£
Cost	
At 1 April 2024	133,066
At 31 March 2025	<u>133,066</u>
Depreciation and impairment	
At 1 April 2024	22,143
Depreciation charged in the year	2,661
At 31 March 2025	<u>24,804</u>
Carrying amount	
At 31 March 2025	<u><u>108,262</u></u>
At 31 March 2024	<u><u>110,923</u></u>

16 Investment property

	2025
	£
Fair value	
At 1 April 2024 and 31 March 2025	<u><u>965,000</u></u>

Investment property comprises:

- 1 Beck Brow, Bootle, Cumbria
- 32 Dartmouth Park Road, Camden, London,
- The Manse, Great Moulton, Norfolk
- Datchet House, Marsh Crescent, Rowhedge, Essex

The fair value of the investment property has been arrived at on the basis of a valuation carried out during the year by RICS surveyors with the exception of 1 Beck Brow which was valued by an estate agent prior to being marketed for sale. The surveyors and estate agent are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

17 Fixed asset investments

	Listed investments £	Unlisted investments £	Cash in portfolio £	Total £
Cost or valuation				
At 1 April 2024	957,368	35,000	9,402	1,001,770
Additions	1,327,737	-	-	1,327,737
Valuation changes	80,773	-	-	80,773
Cash in portfolio	-	-	4,435	4,435
Disposals	(880,734)	-	-	(880,734)
At 31 March 2025	<u>1,485,144</u>	<u>35,000</u>	<u>13,837</u>	<u>1,533,981</u>
Impairment				
At 1 April 2024	-	-	-	-
Impairment losses	-	35,000	-	35,000
At 31 March 2025	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Carrying amount				
At 31 March 2025	<u>1,485,144</u>	<u>-</u>	<u>13,837</u>	<u>1,498,981</u>
At 31 March 2024	<u>957,368</u>	<u>35,000</u>	<u>9,402</u>	<u>1,001,770</u>

18 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	<u>16,554</u>	<u>686,348</u>
Amounts falling due after more than one year:		
Other debtors	<u>48,328</u>	<u>55,329</u>
Total debtors	<u>64,882</u>	<u>741,677</u>

19 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	2,061	2,265
Other creditors	518	901
Accruals and deferred income	14,212	8,128
	<u>16,791</u>	<u>11,294</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

20 Retirement benefit schemes

	2025	2024
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	7,372	6,818

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024	Incoming resources	Resources expended	Gains and losses	At 31 March 2025
	£	£	£	£	£
General funds	2,838,807	154,342	(425,025)	80,773	2,648,897
Previous year:	At 1 April 2023	Incoming resources	Resources expended	Gains and losses	At 31 March 2024
	£	£	£	£	£
General funds	2,250,696	801,376	(339,882)	126,617	2,838,807

22 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

23 Contingent Asset

We continue to try and recover the losses incurred from the default on our investment in Christian Property Development company B&R. In October 2023 a former director of B&R defaulted on the final payment of £35,000 due under an agreement and immediately became liable for the full original debt, including interest accruing on the original investment. The trustees have successfully petitioned the former director for bankruptcy and continue to seek to recover assets through the bankruptcy process. At the date of the statutory demand, the debt, including the £35,000 unpaid under the agreement, was £212,520.27. Due to the risk of this debt not being recovered, it has not been included in the debtor's total in the accounts.

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RURAL MINISTRIES

England & Wales - Charity number 200027

Accounts

Charity registration number 200027

Company registration number 00688281 (England and Wales)

RURAL MINISTRIES
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

RURAL MINISTRIES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs E Fisher Mr C Hughes Mr T Lea Mr P Susans Mrs H Taylor Rev Y Dubreuil Mr K Gladwell Mr S Spurgeon
Secretary	Mr N Jones
Charity number	200027
Company number	00688281
Registered office	4 Marigold Drive Bisley Woking Surrey GU24 9SF
Independent examiner	F J Wilde FCCA MBA DChA Warner Wilde 4 Marigold Drive Bisley Surrey GU24 9SF
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Investment advisors	Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QP
Solicitors	Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES

RURAL MINISTRIES

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Statement of financial activities	7
Balance sheet	8
Statement of cash flows	9
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RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Rural Ministries exists to promote Christian mission and discipleship in the countryside throughout the United Kingdom by assisting those seeking to pioneer new forms of church and mission, as well as resourcing existing rural churches and leaders in terms of growth, development, and missional engagement with their local context. Rural Ministries seeks to serve as a network for both rural pioneers and rural churches, enabling them to share ideas and best practices, identify potential resources and practical assistance, and encourage prayer support, either directly or through existing denominational links. A secondary but equally important goal is to inspire, educate, and encourage those already in the rural context to be more missionally effective by utilising their existing resources. Rural Ministries will continue developing meaningful working relationships with other mission agencies, denominations, and organisations that share our faith and vision to achieve these goals and objectives. The Chief Executive, regional staff, and trustees review such relationships regularly.

Each year, the trustees review the charity's objectives and activities to ensure they continue to reflect the organisation's aims. In this review, they have considered the Charity Commission's general guidance on public benefit and continue to adopt the guiding principles.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Overview of charity's operations

While secular culture is recovering from the 'plague', the rural church has failed to follow suit. Unfortunately, many prior attendees have not returned, reducing volunteer numbers and financial reserves in many rural congregations; this has highlighted the vulnerability of many rural churches, which will find it difficult to continue in the pattern of meetings they have previously used to. Juxtaposed to this challenge is a growing opportunity for the more entrepreneurial to rethink church and community engagement. Frustratingly, institutions, restructuring to offset the decline in income, have reduced support for pioneers, cutting some of the roles completely. The staff team have been building on the regional mission hub model launched two years ago, which has enabled RM to support, encourage and enable primarily those seeking to pioneer in their rural context, but also churches who are wrestling with change. We continue to emphasise the significance of listening to the context, God, and one another in order to facilitate a rethinking of mission and a re-establishing of church in rural communities.

As many rural pubs, shops and post offices adjust to the changing economic landscape, closure has become inevitable. The rural church is often one of the last remaining community assets, and with guidance and planning, is frequently able to provide critical services that would not be able to function in their communities otherwise. Youth clubs, food banks, community groceries, pastoral and practical support for the elderly, cafés, substance abuse recovery, parenting classes, and debt management are examples of such services. Several of these would not be sustainable without the resources and support of Rural Ministries, nor would the churches that support them.

Many mainstream denominations' focus and resources still have a strong urban tilt, which means that rural communities are rarely the benefactors of any forward planning or strategising. As a result, the rural environment may feel as if it has few defenders and advocates for church innovation and purpose. Rural Ministries is always working to address this vacuum by investing in, supporting, and sustaining our increasing network through a combination of retreats and mission hubs, as well as the continuous distribution of the triannual journal 'MOSAIC.' Our weekly email meditations continue to spark conversation and sharing on social media with a larger audience, frequently serving as a topic for the morning service.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2024*

We are not seeking to become a brand nor the single dominant voice for the rural context; we are simply seeking to respond to and join in with what God is already doing. This means we link with like-minded mission agencies, church funding organisations, and denominations, helping them in what they are called to do. Our network structure gives us more freedom to operate and inspire a large number of people and congregations all over the UK. It is clear that a well-connected network of pioneers, practitioners, and permission-givers offers a longer-term benefit for the rural church. Our tagline of 'Rethinking mission. Reimagining church.' emphasises our desire for change to impact a disciple-making process and help the church become more effective.

Our connections with theological colleges have somewhat lessened over the past year as they adjust to the challenge of fewer candidates going forward for ordination and training. Connectivity continues to be essential for us, whether in person or virtually over Zoom. Together, we can learn, share, support, pray and grow as a network. We have begun an online prayer meeting and are looking to take on an editor for MOSAIC. In addition to working within our network, Rural Ministries works closely with a range of complementary organisations to the mutual benefit of those in our network. These strategic alliances allow us to offer resources and skills to more rural churches than we could provide on our own. Over the past year, we have worked hard to bring together some of these organisations under the banner of 'Rural Hope.' This group includes Fresh Expressions, Arthur Rank, Rural Missions, New Wine Rural, and the Methodists. One of the positive outputs is forming a joint calendar to ensure we do not overlap with events wherever possible.

We have intentionally continued our strategy of identifying, investing in and resourcing rural pioneers and further developing the 'Missional Listening' project beyond individual workers to embracing a geographic region. One of the newer projects developed during the past year and launched in May 2024, is the support of an outdoor chaplain in Llanberis, working closely with the Church in Wales.

The Trust Board of Rural Ministries consists of experienced people intentionally selected from a wide range of church backgrounds and practices. We are constantly vigilant for any who could serve as an additional trustee to ensure that the breadth of expertise is maintained and that the trust board accurately represents the diversity of churches and mission initiatives we support and resource. Together with the staff, Chief Executive and Operations Manager, the Trust Board seeks to provide effective governance, determine policy, and support the ongoing work of Rural Ministries. The Trust Board has undertaken a full review of existing and future commitments at the end of the financial year, recognising the continuing gap between income and expenditure, and remains committed to Rural Ministries' charitable purposes of encouraging mission, enabling pioneers, and equipping the rural church. To this end, we continue to work hard to ensure that all partners are moving towards sustainability, exploring strategic alliances with other like-minded organisations, and raising visibility and financial support for partner organisations and others outside our existing partnership base.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

Expenditure grew by 42% year in year, with a 54% increase in ministry support and a 21% increase in staff costs as we recruited two team members after Alison Griffiths' and Ali Birkett's departures. Some of the increase in ministry support was due the start of several new projects at the beginning of the year. Although working practises have evolved since the pandemic, the staff team is the primary way we show our support and commitment to our growing network with the team mobilised in supporting six rural mission hubs across the UK, with more due to be launched in the coming year.

We continue to maintain the remaining properties held by Rural Ministries. In particular, significant work was carried out on our property in Bootle, Cumbria, due to substantial dampness and wood rot. This resulted in a considerable increase in property maintenance costs and a reduced rental income. Ongoing budgets continue to allow for the repair and servicing of properties.

The Trustees continue to uphold the policy of ensuring the sustainability and self-sufficiency of pioneer-founded churches and projects. Our grant application process has been modified to reflect the significance of such considerations, and we regularly assist churches with resource management planning.

Two very generous legacies totalling more than £700,000 means that Rural Ministries operated at a profit of £461,490 for the year, an increase of 240% over the previous year (which also saw a generous legacy). The trustees of Rural Ministries are aware that such gifts cannot be relied on and that the charity normally runs at a greater annual loss. Regular reviews of assets, suitability and budgets occur, with quarterly updates and variance reports provided for Trust Board members. The trustees have reviewed the resources to hand and concluded that while they are adequate for the current work of Rural Ministries in meeting its aims and objectives, they will eventually lead to closure unless these funds are replenished.

Financial review

The trustees have reviewed the charity's reserve requirements, considering the company's main risks, and have set appropriate budgets to maintain sufficient funds in the future. They discuss the level of reserves at their meetings, which continue to be mostly video conferencing, based on reports produced by the Operations Manager and Chief Executive. This allows them to monitor and manage the budgets closely, considering commitments already made and any future decisions of financial support.

The primary sources of income for Rural Ministries in the year came from donations and legacies, representing 91% of total income compared to 66% in 22/23. However, this increase is largely explained by the legacy income and, as such, is not expected to continue at such a rate. Investment income barely changed in absolute terms and made up 9% of all income (2023: 33%) and comprised of managed investment income (58%, 2023: 53%) and rental income (32%, 2023: 40%). In 2017/18, we invested in a fund managed by EdenTree; however, during the year, EdenTree closed the fund, and the monies were added to our Investec portfolio.

We continue to try and recover the losses incurred from the default on our investment in Christian Property Development company B&R. Upon receipt of the final payment from a former director of B&R (due October 2023), 91% of the original investment capital would have been recovered. The former director defaulted on the final payment of £35,000 due under an agreement and immediately became liable for the full original debt, including interest accruing on the original investment. The trustees have successfully petitioned the former director for bankruptcy and continue to seek to recover assets through the bankruptcy process. At the date of the statutory demand, the debt, including the £35,000 unpaid under the agreement, was £212,520.27. Due to the risk of this debt not being recovered, it has not been included in the debtor's total in the accounts.

Gifts from our network continued at their underlying levels from the past two years after allowing for two large donations from closing churches the previous year. However, non-Gift Aid giving declined by over 50% year over year, reflecting the increase in the cost of living and the financially cautious position of many of our supporters.

A revaluation of our investment properties revealed an increase of £145,000, which was the main element in the revaluation of investments (£126,617).

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Major risks

The trustees have assessed the significant risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

At the end of each financial year, the trustees of Rural Ministries and the staff review our activities. In 2023, we reviewed, as a trust board and staff team, areas of expenditure and investment and agreed upon the following priorities:

1. Prayer, Rural Mission Hubs across the UK, improving the quality and reach of MOSAIC and our weekly reflections.
2. Strengthening the staff team in their ability to share what God is saying about the wider state of the church and Mission. Further utilising consultants for specific projects and regional expertise.
3. To offer, through the staff team, learning and training opportunities across the network.
4. To actively collaborate with other mission agencies and denominational bodies around the areas of mission, utilise fixed assets, and proactively signpost to one another.
5. One of our key roles, which we want to continue to develop, is being a 'permission-giving body', who, through grants and encouragement, enables others to follow the call of God.

Promotion

Through our website, weekly reflections, and printed material, we continue to promote the work of Rural Ministries. Our triannual magazine serves our supporters with prayer news and stories of mission, and articles to inspire. In compliance with GDPR legislation, we maintain strict control over the data we hold to ensure that it is relevant for us to use for promotion. Our website is regularly reviewed and updated to ensure it reflects who we are and what we do. This is managed in-house.

Resources and Expenditure

The Trust Board and staff team are aware that fulfilling our objectives throughout the United Kingdom continues to be costly, and the effective use of all resources is a priority. We have sought ways to reduce our expenditure internally and externally and are continually mindful of costs. We continue to explore strategic alliances and partnerships with other organisations both in the UK and abroad that share our values and vision and leverage the input of RM. Our aim is to enable the continued support, encouragement and resourcing of rural churches that are working towards pioneering methods of mission and community engagement. Requests to help assess independent rural churches' current and future needs continue to receive attention; however, there is a conscious move away from Rural Ministries being the sole financial provider. The Trustees and CEO have reviewed the grant request process, making it much more robust and placing a higher expectation of match funding, and also a requirement for qualitative research and assessment of results where appropriate.

Staffing

During the year one member of staff was appointed as Director (South West) and another appointed as Director (Scotland and Northern England) to replace a the previous incumbent who resigned during the year. This left RM with a team of four at the year end. Using technology, we can meet up every other week via Zoom, although we also meet physically once a quarter to plan, pray and strategize.

Structure, governance and management

Governing document

The charity is controlled by its governing document, the Articles of Association, which were comprehensively reviewed and updated during the year and adopted on the 18th November 2023. Rural Ministries constitutes a limited company (Reg. No. 00688281), limited by guarantee and not having a share capital, as defined by the Companies Act 2006. The charity is registered with the Charities Commission (Reg. No. 200027).

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs E Fisher

Mr C Hughes

Mr T Lea

Mr P Susans

Mrs H Taylor

Rev Y Dubreuil

Mr K Gladwell

Mr S Spurgeon

Recruitment and appointment of trustees

The sole right of admission as a trustee is vested in the Trust Board. Trustees may, from time to time, elect individuals to the Trust Board (as per the criteria set out in the Articles of Association. Nominations for election follow an initial meeting with the Chairman or Chief Executive for orientation and briefing on their legal obligations, the content of the memorandum and articles of association, the decision-making process, and the recent performance of the charity.

Organisational structure

The Trust Board, which meets quarterly, administer the charity. The Trust Board appoints a Chief Executive to manage all charity activities. The Trust Board decide on development, strategy, policy and finance. Written reports from the Chief Executive and pastoral and administration staff are provided to Trust Board members before meetings to inform them of their activities and decisions. Regular updates are provided between meetings where appropriate.

Staff

Chief Executive Officer: Rev Simon Mattholie

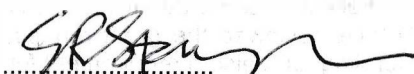
Operations Manager: Mr Nick Jones

Director (South West): Rev Joanna Allen - Appointed 1st June 2023

Director (Scotland and Northern England): Mr Alistair Birkett - Resigned 31st September 2023

Director (Scotland and Northern England): Mr Jonathan Timms – Appointed 1st December 2023

The trustees' report was approved by the Board of Trustees.



Mr S Spurgeon

Trustee

Date: 07.12.24

RURAL MINISTRIES

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF RURAL MINISTRIES

I report to the trustees on my examination of the financial statements of Rural Ministries (the charity) for the year ended 31 March 2024.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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



F J Wilde FCCA MBA DChA

Warner Wilde
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Dated: 10th December 2024

RURAL MINISTRIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income and endowments from:			
Donations and legacies	3	726,210	155,477
Charitable activities	4	2,293	2,533
Investments	5	71,993	77,569
Other income	6	880	-
Total income		<u>801,376</u>	<u>235,579</u>
Expenditure on:			
Raising funds	7	7,096	4,676
Charitable activities	8	332,786	235,283
Total expenditure		<u>339,882</u>	<u>239,959</u>
Net gains/(losses) on investments	13	<u>126,617</u>	<u>230,577</u>
Net income and movement in funds		588,111	226,197
Reconciliation of funds:			
Fund balances at 1 April 2023		<u>2,250,696</u>	<u>2,024,499</u>
Fund balances at 31 March 2024		<u>2,838,807</u>	<u>2,250,696</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

RURAL MINISTRIES

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	15		110,923		113,584
Investment property	16		965,000		820,000
Investments	17		1,001,770		1,183,475
			<u>2,077,693</u>		<u>2,117,059</u>
Current assets					
Debtors	18	741,677		122,778	
Cash at bank and in hand		30,731		18,673	
		<u>772,408</u>		<u>141,451</u>	
Creditors: amounts falling due within one year	19	(11,294)		(7,814)	
			<u>761,114</u>		<u>133,637</u>
Net current assets			<u>761,114</u>		<u>133,637</u>
Total assets less current liabilities			<u>2,838,807</u>		<u>2,250,696</u>
The funds of the charity					
Unrestricted funds	21		2,838,807		2,250,696
			<u>2,838,807</u>		<u>2,250,696</u>


The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2024.

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

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

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

The financial statements were approved by the trustees on 7th December 2024.



Mr S Spurgeon
Trustee

Company registration number 00688281 (England and Wales)

RURAL MINISTRIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	23		(263,090)		(107,886)
Investing activities					
Proceeds from disposal of investment property		-		186,000	
Repayment of loans		39,833		-	
Purchase of other investments		(1,324,994)		(242,000)	
Proceeds from disposal of other investments		1,507,850		90,000	
Investment income received		52,459		77,569	
		<hr/>		<hr/>	
Net cash generated from investing activities			275,148		111,569
Net cash used in financing activities			-		-
			<hr/>		<hr/>
Net increase in cash and cash equivalents			12,058		3,683
Cash and cash equivalents at beginning of year			18,673		14,990
			<hr/>		<hr/>
Cash and cash equivalents at end of year			30,731		18,673
			<hr/> <hr/>		<hr/> <hr/>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Rural Ministries is a private company limited by guarantee incorporated in England and Wales. The registered office is 4 Marigold Drive, Bisley, Woking, Surrey, GU24 9SF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% Straight line over 50 years
Fixtures and fittings	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

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

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.11 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	17,633	38,477
Legacies	708,577	117,000
	<u>726,210</u>	<u>155,477</u>

During the year Rural Ministries were notified that they were entitled to a large legacy, which was received after the year end. It is therefore included as income in the year, and as an amount due to the charity at the year end.

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Charitable activities		
Services provided under contract	2,293	1,252
Other income	-	1,281
	<u>2,293</u>	<u>2,533</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	22,997	30,832
Income from listed investments	42,100	41,293
Interest receivable	6,896	5,444
	<u>71,993</u>	<u>77,569</u>

Managed investment income represents dividends and interest earned on the company's investment portfolio of listed securities and related cash balances. At the start of the year Rural Ministries had an investment portfolio managed by Investec Wealth & Investment Ltd and a separate investment held in a fund for charities managed by EdenTree Investment Management. During the year EdenTree closed their fund for charities and the trustees reinvested the proceeds in the Investec portfolio.

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	880	-
	<u>880</u>	<u>-</u>

7 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Investment management	7,096	4,676
	<u>7,096</u>	<u>4,676</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

8 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Staff costs	95,149	77,883
Depreciation and impairment	2,661	-
Ministry Support	106,403	68,995
Motor, travel and expenses	8,250	11,930
Publications, publicity and websites	20,152	18,692
Rental commission and fees	2,477	4,775
Property sales costs	-	4,934
Consultancy costs	4,177	4,476
Venue Costs	4,446	-
Staff development costs	365	-
	<u>244,080</u>	<u>191,685</u>
Share of support and governance costs (see note 9)		
Support	76,969	27,805
Governance	11,737	15,793
	<u>332,786</u>	<u>235,283</u>
Analysis by fund		
Unrestricted funds	<u>332,786</u>	<u>235,283</u>

9 Support costs allocated to activities

	Charitable activities 2024 £	Total 2023 £
Staff costs	17,232	15,100
Insurance	3,787	3,382
Telephone	-	732
Office and general expenses	10,293	6,785
Motor, travel and expenses	4,170	88
Property maintenance and costs	41,427	1,646
Bank charges	60	72
Governance	11,737	15,793
	<u>88,706</u>	<u>43,598</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

10 Net movement in funds	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	1,764	5,100
Depreciation of owned tangible fixed assets	2,661	-
	<u> </u>	<u> </u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

12 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Chief Executive	1	1
Operations Manager/Administrator	1	1
Other staff (including part time)	2	2
	<u> </u>	<u> </u>
Total	4	4
	<u> </u>	<u> </u>

Employment costs	2024	2023
	£	£
Wages and salaries	102,796	82,627
Social security costs	2,767	2,064
Other pension costs	6,818	8,292
	<u> </u>	<u> </u>
	112,381	92,983
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was £56,908 including all additional costs such as employer's NIC and Employer's pension contributions and before deducting employment allowance.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

13 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	126,617	230,577

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

15 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2023	133,066	11,875	144,941
Disposals	-	(11,875)	(11,875)
At 31 March 2024	133,066	-	133,066
Depreciation and impairment			
At 1 April 2023	19,482	11,875	31,357
Depreciation charged in the year	2,661	-	2,661
Eliminated in respect of disposals	-	(11,875)	(11,875)
At 31 March 2024	22,143	-	22,143
Carrying amount			
At 31 March 2024	110,923	-	110,923
At 31 March 2023	113,584	-	113,584

16 Investment property

	2024 £
Fair value	
At 1 April 2023	820,000
Net gains or losses through fair value adjustments	145,000
At 31 March 2024	965,000

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

16 Investment property

(Continued)

Investment property comprises:

- 1 Beck Brow, Bootle, Cumbria
- 32 Dartmouth Park Road, Camden, London,
- The Manse, Great Moulton, Norfolk
- Datchet House, Marsh Crescent, Rowhedge, Essex

The fair value of the investment property has been arrived at on the basis of a valuation carried out during the year by RICS surveyors with the exception of 1 Beck Brow which was valued by an estate agent prior to being marketed for sale. The surveyors and estate agent are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

17 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2023	1,123,475	60,000	1,183,475
Additions	1,324,994	-	1,324,994
Valuation changes	(18,323)	-	(18,323)
Movement in cash in portfolio	(1,349)	-	(1,349)
Disposals	(1,462,027)	(25,000)	(1,487,027)
At 31 March 2024	966,770	35,000	1,001,770
Carrying amount			
At 31 March 2024	966,770	35,000	1,001,770
At 31 March 2023	1,123,475	60,000	1,183,475

Unlisted Investments

Disposals and additions includes those movements resulting from EdenTree's closure of their charity fund and the subsequent reinvestment with Investec (see also note 5)

Unlisted investments relate to the outstanding capital element of the original B&R Finance Limited bond which was issued in 2017. After B&R Finance Limited defaulted on payments during 2019, the trustees put measures in place to ensure the recovery of approximately 90% of the capital of the original bond, minimising the loss to Rural Ministries. This included a repayment agreement with a former director of B&R Finance Limited. During the year the former director defaulted on the final payment of £35,000 due under the agreement and immediately became liable for the full original debt including interest accruing on the original investment. The trustees successfully petitioned the former director for bankruptcy and continue to seek to recover assets through the bankruptcy process. At the date of the statutory demand the debt, including the £35,000 unpaid under the agreement, was £212,520.27.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

18 Debtors

	2024	2023
Amounts falling due within one year:	£	£
Other debtors	741,677	115,662
Prepayments and accrued income	-	7,116
	<u>741,677</u>	<u>122,778</u>

19 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	2,265	-
Other creditors	901	-
Accruals and deferred income	8,128	7,814
	<u>11,294</u>	<u>7,814</u>

20 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	6,818	8,292
	<u>6,818</u>	<u>8,292</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023	Incoming resources	Resources expended	Gains and losses	At 31 March 2024
	£	£	£	£	£
General funds	2,250,696	801,376	(339,882)	126,617	2,838,807
	<u>2,250,696</u>	<u>801,376</u>	<u>(339,882)</u>	<u>126,617</u>	<u>2,838,807</u>
Previous year:	At 1 April 2022	Incoming resources	Resources expended	Gains and losses	At 31 March 2023
	£	£	£	£	£
General funds	2,024,499	235,579	(239,959)	230,577	2,250,696
	<u>2,024,499</u>	<u>235,579</u>	<u>(239,959)</u>	<u>230,577</u>	<u>2,250,696</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

22 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

23 Cash generated from operations	2024	2023
	£	£
Surplus for the year	588,111	226,197
Adjustments for:		
Investment income recognised in statement of financial activities	(71,993)	(77,569)
Fair value gains and losses on investments	(126,617)	(265,694)
Depreciation and impairment of tangible fixed assets	2,661	-
Movements in working capital:		
(Increase)/decrease in debtors	(658,732)	10,028
Increase/(decrease) in creditors	3,480	(848)
Cash absorbed by operations	(263,090)	(107,886)

24 Analysis of changes in net funds

The charity had no material debt during the year.

RURAL MINISTRIES

England & Wales - Charity number 200027

Accounts

Charity registration number 200027

Company registration number 00688281 (England and Wales)

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

RURAL MINISTRIES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs E Fisher Mr C Hughes Mr T Lea Mr S Spurgeon Mr P Susans Mrs H Taylor Rev Y Dubreuil Mr K Gladwell	(Appointed 10 September 2022)
Secretary	Mr N Jones	
Charity number	200027	
Company number	00688281	
Registered office	Brynford House 21 Brynford Street Holywell Flintshire United Kingdom CH8 7RD	
Auditor	Azets Audit Services Brynford House 21 Brynford Street Flintshire United Kingdom CH8 7RD	
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
Solicitors	Anthony Collins LLP 134 Edmund Street Birmingham United Kingdom B3 2ES	
Investment advisors	Investec Wealth & Investment Limited 2 GRESHAM STREET London EC2V 7QP United Kingdom	

RURAL MINISTRIES

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RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

Rural Ministries exists to encourage Christian mission and discipleship in the countryside throughout the UK, by enabling those seeking to pioneer new forms of church and mission, and resourcing existing rural churches and their leaders in terms of their growth, development, and missional engagement with their local context. Rural Ministries seeks to act as a support structure for both pioneers and churches, facilitating them either directly, or through existing denominational links, to provide a network to share ideas and best practice, help identify potential funding and practical assistance as well as encouraging prayer support. A secondary, but equally important, goal is to inspire, educate, and encourage those who are already in the rural context to be more missionally effective by utilising their existing resources. Rural Ministries will continue to develop meaningful working relationships with other mission agencies, denominations, and organisations that share our faith and vision in order to achieve these goals and objectives. The Chief Executive, regional staff, and trustees review such relationships on a regular basis.

Public Benefit

Each year the trustees review the objectives and activities of the charity to ensure they continue to reflect the organisation's aims. In this review, the trustees have considered the Charity Commission's general guidance on public benefit and continue to adopt the guiding principles.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Overview of charity's operations

The impacts from COVID-19 continued to be felt across the rural church with many questioning their viability if the continued patterns of worship and witness were maintained. The staff team sought to help churches navigate this changed and changing context. Throughout the year the staff team have sought to identify further challenges as well as opportunities and enable preparation and response by finding new methods to support and encourage rural churches, denominations, charities, and mission initiatives from a broad spectrum of Christian traditions and experiences across the UK. We continue to promote the importance of listening to the context, to God, and one another, so that we might enable a rethinking of mission and a reimagining of church within the rural context.

The rural context accounts for 95 percent of the United Kingdom's landmass and 16 percent of its population. Since the pandemic, there has been a noticeable shift from the urban to rural context, dubbed "the race for space" by some. Unfortunately, it is clear that many mainline denominations still do not fully understand, strategize, or provide resources to those worshipping, working, and witnessing in rural areas; in fact, a policy of church closure and withdrawal in rural areas appears to have been implemented. As a result, it is becoming increasingly important to support, encourage, and network pioneers, rural mission initiatives, rural churches, and their communities. Rural churches and mission initiatives frequently provide critical services that would not be able to function in their communities otherwise. Youth clubs, food banks, pastoral and practical support for the elderly, cafés, substance abuse recovery, parenting classes, and debt management are examples of such services. Several of these would not be sustainable without the resources and support of Rural Ministries, nor would the churches that support them.

Many of the mainline denominations' focus and resourcing have a distinct urban bias, meaning that those in the rural context are rarely the beneficiaries of any forward planning or strategizing. The result is that the rural context can feel like it has few champions and advocates regarding church innovation and mission. Rural Ministries continually seeks to fill this gap by investing in, supporting and resourcing our growing network through a blend of online events, retreats and meeting up. The circulation of the triannual magazine 'MOSAIC' has continued to increase, and our weekly reflections sent via email continue to inspire comment and sharing on social media with a wider audience as our circulation list grows.

Throughout the year we have continued to settle into the network structure comprising of churches, people and organisations in the rural context and passionate about Jesus. Being a network affords us greater freedom to operate and inspire a significant number of individuals as well as churches. Together we are rethinking mission and reimagining what church needs to look like to make disciples who make disciples, who in turn make disciples. We believe the future will favour a well-connected network of pioneers, practitioners, and permission givers.

We are not seeking to be a brand or a dominant voice. We are simply seeking to respond to, and join in with, what God is already doing. This means we link with like-minded mission agencies, church funding organisations, denominations, theological colleges, and other networks, helping them in what they are called to do. Connectivity has never been more important to us. Whether in person or virtually over Zoom, together, we can learn, share, support, pray and grow as a network. In addition to working with our network, Rural Ministries works closely with a range of complementary organisations to the mutual benefit of those in our network. These strategic alliances allow us to offer resources and skills to more rural churches than we could provide on our own. Rural Ministries continues to be one the few non-conformist voices offering teaching and input into the nuances of mission in the rural context to theological students.

We have intentionally continued our strategy of identifying, investing in and resourcing rural pioneers and further developing the 'Missional Listening' project beyond individual workers to embracing a geographic region. Missional Listening continues to be one of the qualifying offices for ordained Baptist ministry.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Our support of rural leaders and pioneers continues through learning communities and rural hubs. This model provides indigenous support and accountability that is nuanced for specific rural locations and regions, and we seek to develop it further. We have maintained our connections and involvement with Fresh Expressions over the past year and find that we are frequently sought out for advice and insight regarding mission and leadership in a rural setting. We have also developed links with, and invested in, Crucible, a training course to enable people to operate as cross-cultural missionaries. We brought our rural expertise and were able to shape the content to appeal to those ministering on the rural and urban fringes.

As part of an ongoing effort to effectively and efficiently manage our administrative and operating costs, we maintained our strategy for delivering a UK-wide conference programme via a combination of video conferencing and regional discussions. As a result, these events have continued to be successful and a cost-effective strategy for connecting with and providing resources to those who had never encountered our work before.

The Trust Board of Rural Ministries consists of experienced people intentionally selected from a wide range of church backgrounds and practices. We are constantly vigilant for any who could serve as an additional trustee to ensure that the breadth of expertise is maintained and that the trust board accurately represents the diversity of churches and mission initiatives we support and resource. Together with the staff, Chief Executive and Operations Manager, the Trust Board seeks to provide effective governance, determine policy, and support the ongoing work of Rural Ministries. The Trust Board has undertaken a full review of existing and future commitments at the end of the financial year, recognising the continuing gap between income and expenditure, and remains committed to Rural Ministries' charitable purposes of encouraging mission, enabling pioneers, and equipping the rural church. To this end, we continue to work hard to ensure that all partners are moving towards sustainability, exploring strategic alliances with other like-minded organisations, and raising visibility and financial support for partner organisations and others outside our existing partnership base.

Achievements and performance

Overall, charitable expenditures continued at a slightly lower level compared to the previous year in real terms, primarily as a result of a reduction in Ministry Support expenditures caused by external delays in the commencement of some projects. Although working practises have evolved since the pandemic, the staff team continues to be the primary way we show our support and commitment to our growing network. Without a realistic staffing level or grants, the charity would not be able to meet its charitable goals for the growing number of partner churches and mission partners in the United Kingdom.

We continue to invest in the remaining properties held by Rural Ministries. However, with the ending of Rural Ministries interest in Hitcham Free Church we disposed of our remaining bungalow on the site, leading to a drop in rental income, but receiving a larger than expected sale price. No significant work was required to any other properties in the year, and all properties were fully occupied. Ongoing budgets continue to allow for repair, servicing, or replacement of any unexpected items.

The Trustees continue to uphold the policy of ensuring the sustainability and self-sufficiency of pioneer-founded churches and projects. Our grant application process has been modified to reflect the significance of such considerations, and we regularly assist churches with resource management planning.

Rural Ministries operated at a deficit of just £4,380 for the year, mainly due to a very substantial legacy, together with some other generous gifts from our network increasing our income for the year by 126%. The trustees of Rural Ministries are aware that such gifts cannot be relied on and that the charity normally runs at a greater annual loss. Regular reviews of assets, suitability and budgets occur, with quarterly updates and variance reports provided for Council members. The trustees have reviewed the resources to hand and concluded that while they are adequate for the current work of Rural Ministries in meeting its aims and objectives, they will eventually lead to closure unless these funds are replenished.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

The trustees have reviewed the charity's reserves requirements, considering the company's main risks and have set appropriate budgets to maintain sufficient funds in the future. The trustees discuss the level of reserves at their meetings, which have continued without interruption by video conferencing during the pandemic, based on reports produced by the Administrator and Chief Executive, which allows them to monitor and manage the budgets closely considering commitments already made and any future decisions of financial support.

The primary sources of income for Rural Ministries in the year came from donations and legacies representing 66% of total income compared to 22% in 21/22, although this increase is largely explained by the legacy income, and as such is not expected to continue at such a rate. Investment income barely changed in absolute terms and made up 33% of all income (2022: 74%) and comprised of managed investment income 53% (2022: 51%) and rental income 40% (2022: 46%). In 2017/18 we invested in a fund managed by EdenTree; this initially showed promising performance but has been intermittent in the last few years even allowing for market volatility. The continued sale of assets to meet the running costs of Rural Ministries means both figures are likely to decline over the coming years.

We continue to recover the losses incurred from the default on our investment in Christian Property Development company B&R. Upon receipt of the final payment (which remains outstanding at present) 91% of the overall debt will have been recovered. This process is closely monitored by the Chief Executive and Trustees of Rural Ministries.

Other (non-investment) income was skewed by two large donations from closing churches. Stripping these out, gifts from the network was relatively unchanged on the previous year. Non Gift- Aid giving declined by over 50% year on year.

Accounting standards treat investment properties differently, so as churches have released properties, these have been reclassified as investment properties. Another residential property was reclassified this way during the year and all properties are now investment properties. Our final property at Hitcham was sold during the year. Any sizeable excess income generated from property sales, debt repayment or legacies is being reinvested in our income growth fund managed by Investec.

The increase in the value of our fixed assets was largely attributable to the gains on investments (£230k), which are largely accounted for by the impact of reclassifying Rowhedge Manse as an investment property.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Future plans

At the end of each financial year, the trustees of Rural Ministries and the staff review our activities. We continue to outwork our vision of seeing the Countryside served by missional communities that are grace-filled, God empowered and contextually relevant. Primarily this is delivered through encouraging mission, enabling pioneers, and equipping the rural church through our growing network. We continue to identify and resource those called to pioneer a new work, providing them with accountability and support, as well as giving them permission to fail. Reviewing some of the sizeable projects we initiated, the trustees have recognised the value and uniqueness of the 'Missional listening' project. As such, we seek to promote the values and methods to others, building a network of 'Missional listeners' across the rural context. Our network continues to grow, and we continue to pursue growing links with the Anglican community. The continued growth has presented us with a unique opportunity to facilitate a national conversation with rural churches, rural mission agencies and pioneers as to what strategic changes will be needed to enable a profound Gospel impact to be made across the rural context. To this end, we have engaged the services of a consultant who has expertise in this area to help work up an affordable yet bold strategy. Through this consultant's work, we have launched a strategy of 'rural mission hubs' based at retreat centres across the UK. We now have three up and running at Scargill House, Launde Abbey and Lee Abbey, and we plan to launch similar hubs at Ashburnham Place, plus venues in Scotland and Somerset.

Promotion

Through our website, weekly reflections, and printed material, we continue to promote the work of Rural Ministries. Our triannual magazine serves our supporters with prayer news and stories of mission, and articles to inspire. In compliance with GDPR legislation, we maintain strict control over the data we hold to ensure that it is relevant for us to use for promotion. An update to our website has been implemented, which provides more clarity about who we are and what we do, as well as more straightforward navigation around the site. This is managed in-house.

Resources and Expenditure

The Council and staff team are aware that fulfilling our objectives throughout the United Kingdom continues to be costly, and the effective use of all resources is a priority. With this in mind, we are working on ways to reduce our expenditure both internally and externally. Internal examples would include delivering our conference programme in a hybrid form, which has significantly reduced our costs, and the online leadership development conference which was so popular that we exceeded capacity and had a waiting list. We continue to develop this hybrid model of delivering input to our growing network; however, we are mindful that people miss face-to-face interaction. Externally we continue to explore strategic alliances with other organisations that share our values and vision. Our aim is to enable the continued support, encouragement and resourcing of rural churches that are working towards pioneering methods of mission and community engagement. Requests to help assess independent rural churches' current and future needs continue to receive attention; however, there is a conscious move away from Rural Ministries being the sole financial provider. The Trustees and CEO have reviewed the grant request process, making it much more robust and placing a higher expectation of match funding, and also a requirement for qualitative research and assessment of results.

Staffing

Towards the end of the year one member of staff left RM leaving us with a team of three at the year end. Using technology, we can meet up every other week via Zoom, although we also meet physically once a quarter to plan, pray and strategize.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and its memorandum of association. Rural Ministries constitutes a limited company (Reg. No. 00688281), limited by guarantee and not having a share capital, as defined by the Companies Act 2006. The charity is registered with the Charities Commission (Reg. No. 200027).

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs E Fisher

Mr C Hughes

Mr T Lea

Mr S Spurgeon

Mr P Susans

Mrs H Taylor

Rev J Witts

(Resigned 27 November 2022)

Rev Y Dubreuil

Mr K Gladwell

(Appointed 10 September 2022)

Recruitment and appointment of new trustees

The sole right of admission as a trustee is vested in the Council. Trustees may, from time to time, elect approved individuals to the Governing Council (as per the criteria set out in the governing document). Nominations for election follow an initial meeting with the Chairman or Chief Executive for orientation and briefing on their legal obligations, the content of the memorandum and articles of association, the decision-making process, and the recent performance of the charity.

Induction and training of new trustees

New trustees are presented with information packs containing documents such as the Memorandum and Articles of Association, the latest Annual Accounts, minutes of recent meetings of the trustees and the most recent Business Plan and Strategy documents.

Opportunities are provided to meet on a personal basis with the permanent staff to explain in more detail how the trust works and explain in more detail the various papers.

Organisational structure

The Council, which meets quarterly, administer the charity. The Council appoints a Chief Executive to manage all charity activities. The Council decide on development, strategy, policy and finance. Written reports from the Chief Executive and pastoral and administration staff are provided to Council members before meetings to inform them of their activities and decisions. Regular updates are provided between meetings where appropriate.

Staff

Chief Executive Officer: Rev Simon Mattholie

Operations Manager: Mr Nick Jones

Director (Wales and South West England): Rev Alison Griffiths - Resigned 31 January 2023

Director (South West): Rev Joanna Allen - Appointed 1 June 2023

Director (Scotland and Northern England): Mr Alistair Birkett - Resigned 30 September 2023

Those referred to as CEO/directors are not officially officers of the company, the title refers to the position the individual holds in the management structure of Rural Ministries.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Wider network

Rural Ministries is a member of the Evangelical Alliance and is involved with the Churches Rural Group, Rural Evangelism Network, is part of the leadership of Rural Fresh Expressions, and coordinates the 'Rural Collaborations', a grouping of like-minded agencies working in the rural context. Rural Ministries also resource various church denominations with a specific interest in ministry in the Countryside.

Funds held as custodian trustee

A bank account existed for the old Brettenham Church Fund that was managed by Hitcham Free Church. This bank account was held with Shawbrook Bank in the name of Rural Ministries, as required by the Charities Commission. The balance of this account was £11,042 (2022: £11,042). Following a resolution by the members of Hitcham Free Church, the church has closed, and the Managing Trustees of Hitcham Free Church have sold the site. The charity formally closed on the 22nd of April, 2022. As part of the closure, the Managing Trustees of Hitcham Free Church gifted the contents of the Brettenham Fund to Rural Ministries without restriction and is included within gifts from partners in the financial statements.

Trustee Powers and restrictions

1. The trustees may invest the monies of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.
2. The objects of the Charity shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.
3. Nothing in the Charity's Memorandum shall be deemed to authorise the Charity to carry on either directly or indirectly, any trading activities of a permanent nature.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Auditor

The auditors, Azets Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The trustees' report was approved by the Board of Trustees.



.....
Mr N Jones

Secretary

Dated:15/11/23

RURAL MINISTRIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF RURAL MINISTRIES

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

RURAL MINISTRIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF RURAL MINISTRIES

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Ward (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

11/12/2023

Chartered Accountants
Statutory Auditor



Brynford House
21 Brynford Street
Holywell
Flintshire
United Kingdom
CH8 7RD

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

RURAL MINISTRIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from:			
Donations and legacies	3	155,477	23,307
Charitable activities	4	2,533	3,365
Investment income	5	77,569	77,739
Total income		<u>235,579</u>	<u>104,411</u>
Expenditure on:			
Investing costs	6	4,676	2,967
Charitable activities	7	235,283	256,537
Total expenditure		<u>239,959</u>	<u>259,504</u>
Net gains/(losses) on investments	11	230,577	147,590
Net movement in funds		226,197	(7,503)
Fund balances at 1 April 2022		<u>2,024,499</u>	<u>2,032,002</u>
Fund balances at 31 March 2023		<u><u>2,250,696</u></u>	<u><u>2,024,499</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

RURAL MINISTRIES

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	13		113,584		154,332
Investment properties	14		820,000		626,000
Investments	15		1,183,475		1,105,033
			<u>2,117,059</u>		<u>1,885,365</u>
Current assets					
Debtors	16	122,778		132,806	
Cash at bank and in hand		18,673		14,990	
		<u>141,451</u>		<u>147,796</u>	
Creditors: amounts falling due within one year	17	(7,814)		(8,662)	
Net current assets			133,637		139,134
Total assets less current liabilities			<u>2,250,696</u>		<u>2,024,499</u>
Income funds					
Unrestricted funds			2,250,696		2,024,499
			<u>2,250,696</u>		<u>2,024,499</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 18/11/23



Mr S Spurgeon
Trustee

Company Registration No. 00688281

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Rural Ministries is a private company limited by guarantee incorporated in England and Wales. The registered office is Brynford House, 21 Brynford Street, Holywell, Flintshire, CH8 7RD, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income and expenditure

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

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

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

Freehold land and buildings	2% Straight line over 50 years
Fixtures and fittings	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment Properties

Investment properties included within the financial statements with a value of £820,000 (2022 - £626,000). These values have been estimated by third party companies post year end and provide the best and most accurate estimate to the property values.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	38,477	23,307
Legacies receivable	117,000	-
	<u>155,477</u>	<u>23,307</u>
Donations and gifts		
Gifts from Partners	28,280	10,781
General donations	2,572	5,126
Gift Aid donations	7,625	7,400
	<u>38,477</u>	<u>23,307</u>

4 Charitable activities

	Charitable Income	Charitable Income
	2023	2022
	£	£
Preaching fees and consultancy	1,252	2,149
Other income	1,281	1,216
	<u>2,533</u>	<u>3,365</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Investment income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Rental income	30,832	35,777
Managed investment income	41,293	39,324
Interest receivable	5,444	2,638
	<u>77,569</u>	<u>77,739</u>

Managed investment income represents dividends and interest earned on the company's investment portfolio of listed securities and related cash balances. Rural Ministries has an investment portfolio managed by Investec Wealth & Investment Ltd and a separate investment held in a fund for charities managed by EdenTree Investment Management.

6 Investing costs

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Investment management fees	4,676	2,967
	<u>4,676</u>	<u>2,967</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities

	2023 £	2022 £
Staff costs	77,883	69,635
Ministry support	68,995	97,589
Conferences	-	560
Motor, travel and expenses	11,930	10,745
Publications, publicity and websites	18,692	26,193
Rental commission and fees	4,775	4,600
Property sales costs	4,934	-
Consultancy costs	4,476	3,490
	<u>191,685</u>	<u>212,812</u>
Share of support costs (see note 8)	27,805	30,801
Share of governance costs (see note 8)	15,793	12,924
	<u>235,283</u>	<u>256,537</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	15,100	-	15,100	14,998	-	14,998
Insurance	3,382	-	3,382	1,515	-	1,515
Telephone	732	-	732	698	-	698
Office and general expenses	6,785	-	6,785	7,236	-	7,236
Motor, travel and expenses	88	-	88	80	-	80
Property maintenance and costs	1,646	-	1,646	6,178	-	6,178
Bank charges	72	-	72	96	-	96
Audit fees	-	5,100	5,100	-	4,038	4,038
Accountancy	-	1,866	1,866	-	2,280	2,280
Legal and professional	-	5,530	5,530	-	4,419	4,419
Trustees expenses	-	3,297	3,297	-	2,187	2,187
	<u>27,805</u>	<u>15,793</u>	<u>43,598</u>	<u>30,801</u>	<u>12,924</u>	<u>43,725</u>
Analysed between Charitable activities	<u>27,805</u>	<u>15,793</u>	<u>43,598</u>	<u>30,801</u>	<u>12,924</u>	<u>43,725</u>

Governance costs includes payments to the auditors of £5,100 (2022- £4,038) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Trustees' expenses

During the year, Trustees received a total of £666 in expenses (2022: £765). Expenses payments are for travel to attend meetings

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Chief Executive	1	1
Operations Manager/Administrator	1	1
Other staff (including part-time)	2	2
Total	<u>4</u>	<u>4</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Employees	(Continued)	
Employment costs	2023	2022
	£	£
Wages and salaries	82,627	74,908
Social security costs	2,064	1,464
Other pension costs	8,292	8,261
	<u>92,983</u>	<u>84,633</u>

There were no employees whose annual remuneration was more than £60,000.

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Revaluation of investments	(101,584)	(23,866)
Gain/(loss) on sale of investments	(7,091)	603
Revaluation of investment properties	339,252	170,853
	<u>230,577</u>	<u>147,590</u>

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2022	183,586	11,875	195,461
Transfer to investment property	(50,520)	-	(50,520)
At 31 March 2023	133,066	11,875	144,941
Depreciation and impairment			
At 1 April 2022	29,254	11,875	41,129
Transfer to investment property	(9,772)	-	(9,772)
At 31 March 2023	19,482	11,875	31,357
Carrying amount			
At 31 March 2023	113,584	-	113,584
At 31 March 2022	154,332	-	154,332

During the year one of the properties held in tangible fixed assets was transferred to investment properties as Rural Ministries have started to rent the premises out and is receiving rental income from the property.

14 Investment property

	2023 £
Fair value	
At 1 April 2022	626,000
Transfers from Freehold land and buildings	40,748
Disposals	(186,000)
Net gains or losses through fair value adjustments	339,252
At 31 March 2023	820,000

At the beginning of the financial year there were three properties which were classified as investment properties. One property, Hitcham - Bungalow 4 was sold on 16 September 2022. During this period a further property was transferred from Freehold Properties at the depreciated value of £40,748. In accordance with the requirements of the Financial Reporting Standard 102, these properties were revalued to fair value resulting in the reversal of accumulated depreciation of £9,772 and a revaluation adjustment of £339,252.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2022	995,033	110,000	1,105,033
Additions	242,000	-	242,000
Valuation changes	(73,558)	-	(73,558)
Disposals	(40,000)	(50,000)	(90,000)
At 31 March 2023	<u>1,123,475</u>	<u>60,000</u>	<u>1,183,475</u>
Carrying amount			
At 31 March 2023	<u>1,123,475</u>	<u>60,000</u>	<u>1,183,475</u>
At 31 March 2022	<u>995,033</u>	<u>110,000</u>	<u>1,105,033</u>

Listed Investments

Rural Ministries holds listed securities and stocks that are professionally managed by Investec Wealth & Investment Limited within the ethical constraints imposed by the Trustees. Investec Wealth & Investment Ltd is a member firm of the London Stock Exchange and is authorised and regulated by the Financial Conduct Authority.

Rural Ministries also holds funds in an investment fund for charities managed by EdenTree Investment Management.

Unlisted Investments

Unlisted investments relate to the outstanding capital element of the original B&R Finance Limited bond which was issued in 2017. After B&R Finance Limited defaulted on payments during 2019, the trustees put measures in place to ensure the recovery of 90% of the capital of the original bond, minimising the loss to Rural Ministries. As at the audit signing date the amount outstanding from B&R Finance Ltd is £35,000 which is due imminently.

16 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	12,459	13,364
Prepayments and accrued income	7,116	5,619
	<u>19,575</u>	<u>18,983</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Debtors	(Continued)	
Amounts falling due after more than one year:	2023	2022
	£	£
Other debtors	103,203	113,823
	<u>103,203</u>	<u>113,823</u>
Total debtors	122,778	132,806
	<u>122,778</u>	<u>132,806</u>

A loan was made to Broad Grace Church (Charity registration number 1136670) during 2016 for £260,000 repayable over 15 years at an interest rate of 1% over the Bank of England base rate. The loan has been secured by way of a legal charge over Salvation Army Hall, Church Close, Coltishall, Norwich.

An interest free loan was made to B Lucas during 2017 which is in support of a project aligned with the charitable objectives. The loan is repayable when the project comes to an end.

17 Creditors: amounts falling due within one year	2023	2022
	£	£
Other creditors	-	839
Accruals and deferred income	7,814	7,823
	<u>7,814</u>	<u>7,823</u>
	<u>7,814</u>	<u>8,662</u>

18 Related party transactions

Hitcham Free Church (Brettenham Chapel Fund)

A bank account existed for the old Brettenham Church Fund that was managed by Hitcham Free Church. This bank account was held with Shawbrook Bank in the name of Rural Ministries, as required by the Charities Commission. The balance of this account was £11,042 (2022: £11,042). Following a resolution by the members of Hitcham Free Church, the church has closed, and the Managing Trustees of Hitcham Free Church have sold the site. The charity formally closed on the 22nd of April, 2022. As part of the closure, the Managing Trustees of Hitcham Free Church gifted the contents of the Brettenham Fund to Rural Ministries without restriction and is included within gifts from partners in the financial statements.

Kevin Gladwell

Kevin Gladwell was appointed trustee at Rural Ministries on the 10th September 2022 and is also the Pastor at Parkview Chapel, Botesdale. There was a total of £1,206 donated for ministry support during the 22/23 financial year from Rural Ministries to Parkview Chapel.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Financial commitments

It is the practice of the Trustees to budget for anticipated financial commitments for the following two years. At the balance sheet date the Trustees had approved and budgeted for the following financial commitments:

Name	2023/24	2024/25	2025/26	2026/27
Botesdale (2020-2023)	£419			
Village Church Oldmeldrum	£3,664	£1,000		
Jonathan & Rachel Oatridge, Missingham	£7,504	£2,498		
Ben & Ez Lucas Phase 2	£13,380	£8,369	£3,369	£250
Rural Mission Hubs	£10,000	£15,000		
Joy Dimond, Stow phase 2	£7,000	£7,000	£2,918	
Crucible Course (Urban Expression)	£3,500	£3,500	£875	
Waypoint Church	£15,000	£10,000	£5,000	
Sam & Suzie Abramian, Hunstanton Phase 2	£7,000	£6,999.60	£7,001	
Dorset YFC School Life Pastor	£ 12,000	£6,000	£3,000	
The Life Centre	£ 25,000	£15,000	£10,000	
Total	£104,467	£75,366.60	£32,163	£250

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Contingent assets

Interests in Properties

Interests in properties are where Rural Ministries have retained an interest in ultimate disposal proceeds through declarations of trust in respect of chapels transferred to local ownership.

The transfer of properties to local ownership, where a charge is held for a proportion of the ultimate disposal proceeds, meets the definition of a contingent asset. Since the inflow of economic benefit is not certain, an asset should not be recognised in the balance sheet. Thus, the NBV of properties transferred to local ownership are recognised in the income and expenditure account in full during the year of transfer.

The contingent assets held at 31 March 2023 were:

Artillery Street Chapel	2005/06	80.00% interest = £1,463 (NBV at time of transfer £1,829)
Lilbourne Chapel	2007/08	33.33% interest = £1,288 (NBV at time of transfer £3,864)

Rural Ministries also has a 50% interest in the ultimate disposal proceeds of Tydd Gote Manse and Chapel. Legal title to these properties has not been transferred, therefore they remain on Rural Ministries' balance sheet.

The split is agreed by the trustees based on the proportion of costs that Rural Ministries has contributed to the property.

The charity has stated that it would review the percentage retained in the event of material alterations or improvements to the properties.

Rural Ministries manages the properties for Wychwood Baptist Church property charities and will become the sole beneficiary in the event of the church closure. The properties at Wychwood include the church, the manse and schoolroom. The value of the properties is in excess of £1,000,000.

21 Legal status of charity

The charitable company is limited by guarantee, being £1 per Trustee. The guarantees at the year end amounted to £8 (2021: £8).

The Trustees are also the company Directors and hold ultimate control over the company.

The liability of the members is limited to £1 in the event of being wound up.

RURAL MINISTRIES

England & Wales - Charity number 200027

Accounts

Charity registration number 200027

Company registration number 00688281 (England and Wales)

RURAL MINISTRIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

RURAL MINISTRIES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs E Fisher Mr C Hughes Mr T Lea Mr S Spurgeon Mr P Susans Mrs H Taylor Rev J Witts Rev Y Dubreuil
Secretary	Mr N Jones
Charity number	200027
Company number	00688281
Registered office	Brynford House 21 Brynford Street Holywell Flintshire United Kingdom CH8 7RD
Auditor	Azets Audit Services Brynford House 21 Brynford Street Holywell Flintshire United Kingdom CH8 7RD
Solicitors	Anthony Collins LLP 134 Edmund Street Birmingham United Kingdom B3 2ES
Investment advisors	Investec Wealth & Investment Limited 2 GRESHAM STREET London EC2V 7QP United Kingdom

RURAL MINISTRIES

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RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

Rural Ministries exists to encourage Christian mission and discipleship in the countryside throughout the UK, by enabling those seeking to pioneer new forms of church and mission, and resourcing existing rural churches and their leaders in terms of their growth, development, and missional engagement with their local context. Rural Ministries seeks to act as a support structure for both pioneers and churches, facilitating them either directly, or through existing denominational links, to provide a network to share ideas and best practice, help identify potential funding and practical assistance as well as encouraging prayer support. A secondary, but nonetheless important objective is to inspire, educate and encourage those who are already within the rural context as to how they might be more effective for mission, utilising their existing resources. To achieve these aims and objectives, Rural Ministries continue to develop meaningful working relationships with other mission agencies, denominations and organisations who share our basis of faith and vision. The Chief Executive, pastoral staff and trustees regularly review such relationships.

Each year the trustees review the objectives and activities of the charity to ensure they continue to reflect the organisation's aims. In this review, the trustees have considered the Charity Commission's general guidance on public benefit and continue to adopt the guiding principles.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Overview of charity's operations

The year from April 2021 has been dominated by the recovery from the Covid-19 Pandemic, which has continued to impact RM's operations and the churches and mission initiatives within our network. Throughout the year, the Trustees, through the staff team, have sought to respond to the challenging situations and find new ways to support and encourage rural churches, denominations, charities, and mission initiatives from a broad spectrum of Christian traditions and experiences across the UK. We invest time in listening to the context, to God and people so that we might best come alongside others to encourage innovation, enable collaboration, and increase the expectation that there is still hope for the rural church. We think differently; where others see problems, we see opportunities.

The rural context geographically equates to 95% of the landmass of the United Kingdom and 16% of the population. There has been a noticeable shift from the urban to the rural context since the pandemic, labelled by some as 'the race for space'. Unfortunately, it is evident that many mainline denominations still do not fully understand, strategise, and resource help to those worshipping, working and witnessing in the rural context; in fact, a policy of church closure and withdrawal in the rural context has been seemingly adopted. This makes supporting, encouraging and networking pioneers, rural mission initiatives, rural churches, and their communities increasingly important. Rural churches and mission initiatives frequently provide essential services which would otherwise struggle to function in their communities. These can include services as diverse as youth clubs, food banks, pastoral and practical support for the elderly, cafés, substance abuse recovery, parenting courses and managing personal debt. Without resourcing and support from Rural Ministries, several of these would no longer be sustainable, nor the churches behind them.

The pandemic, especially during the two lockdowns, highlighted isolation issues for those living in rural communities, leading rural churches, and mission initiatives. As such, external support, training, and networking opportunities are essential. Many of the mainline denominations' focus and resourcing have a distinct urban bias, meaning that those in the rural context are rarely the beneficiaries. The result is that the rural context has few champions and advocates regarding church innovation and mission. Rural Ministries continually seeks to fill this gap by investing in, supporting and resourcing our growing network through a blend of online events, retreats and meeting up. The circulation of the triannual magazine 'MOSAIC' has continued to increase, and our weekly reflections sent via email continue to inspire comment and sharing on social media with a wider audience.

In 2021 we intentionally decided to move away from a membership-based engagement. Instead, we moved to a network of churches, people and organisations in the rural context and passionate about Jesus. Being a network grants us greater freedom to operate and inspire a more significant number of individuals as well as churches. Together we are rethinking mission and reimaging what church needs to look like to make disciples who make disciples, who in turn make disciples. We believe the future will favour a well-connected network of pioneers, practitioners, and permission givers.

We are not seeking to be a brand or a dominant voice. We are simply seeking to join in with what God is already doing. This means we link with like-minded mission agencies, church funding organisations, denominations, theological colleges, and other networks, helping them in what they are called to do. Connectivity has never been more important to us. Whether in person or virtually over Zoom, together, we can learn, share, support, pray and grow as a network. In addition to working with our network, Rural Ministries works closely with a range of complementary organisations to the mutual benefit of those in our network. These strategic alliances allow us to offer resources and skills to more rural churches than we could provide on our own. Rural Ministries continues to be one the few non-conformist voices offering teaching and input into the nuances of mission in the rural context to theological students.

We have intentionally continued our strategy of identifying, investing in and resourcing rural pioneers and further developing the 'Missional Listening' project beyond individual workers to embracing a geographic region. Missional Listening continues to be one of the qualifying offices for ordained Baptist ministry.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Our continued support of rural leaders and pioneers through learning communities has led to the development of a new group of leaders based in the Southwest and enabled the ongoing support of pioneers and practitioners in the Northeast. We are looking to develop this model further as it provides indigenous support and accountability, which is nuanced to specific rural locations and regions. We have maintained our links and engagement with Fresh Expressions over the past year and find that we are frequently sought out for advice and insight into mission and leadership within a rural context. We have also developed links and invested in Crucible, a training course to enable people to operate as cross-cultural missionaries. We have brought our rural expertise and have been able to shape the content to engage with those ministering on the margins of rural and urban communities.

As part of a continued effort to manage effectively and efficiently manage our administrative and running costs effectively and efficiently, we maintained our strategy for delivering a conference programme across the UK through a mix of video conferencing and regional conversations. As such, these events have continued to be successful and a cost-effective tactic for connecting with and resourcing those who had not previously encountered our work.

The Trust Board of Rural Ministries consists of experienced people intentionally selected from a wide range of church backgrounds and practices. We are constantly vigilant for any who could serve as an additional trustee to ensure that the breadth of expertise is maintained and that the trust board accurately represents the diversity of churches and mission initiatives we support and resource. Together with the staff, Chief Executive and Administrator, the Trust Board seeks to provide effective governance, determine policy, and support the ongoing work of Rural Ministries. The Trust Board has undertaken a full review of existing and future commitments at the end of the financial year, recognising the continuing gap between income and expenditure, and remains committed to Rural Ministries' charitable purposes of encouraging mission, enabling pioneers, and equipping the rural church. To this end, we continue to work hard to ensure that all partners are moving towards sustainability, exploring strategic alliances with other like-minded organisations, and raising visibility and financial support for partner organisations and others outside our existing partnership base.

Achievements and performance

Overall, expenditure on charitable activities continued at a similarly low level to the previous year in real terms as the continued effect of the pandemic held back expenditure on conference venues, travel, and meeting costs. Although working practices have evolved since the pandemic, the team continues to be the primary way we show our support and commitment to our growing network. It is imperative to state that without a realistic staffing level or grants, the charity would not be able to fulfil its charitable objectives to its growing number of partner churches and mission partners within the UK.

We continue to invest in the properties held by Rural Ministries. However, no significant work was required, and all properties were fully occupied, leading to an increase in rental income. Ongoing budgets continue to allow for repair, servicing, or replacement of any unexpected items.

The Trustees continue to uphold the policy of ensuring that churches become responsible for all costs concerning properties and supporting pastors. Any grants awarded for these costs by Rural Ministries are on a tapering basis to encourage churches to become self-sustaining.

Rural Ministries operated at a loss of £144,815 for the year. Although our total funds show only a small drop of £7,503 this is mainly due to a change in the accounting treatment of some properties. In reality, our investments were affected by world events and especially the Russian invasion of Ukraine. The trustees of Rural Ministries are aware that the charity runs at an annual loss; however, this figure represents a significant improvement on the previous year primarily due to the 'bounce back' in the value of investments following their dramatic drop in March 2020. Regular reviews of assets, suitability and budgets occur, with quarterly updates and variance reports provided for Council members. The trustees have reviewed the resources to hand and concluded that while they are adequate for the current work of Rural Ministries in meeting its aims and objectives, they will eventually lead to closure unless these funds are replenished.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Financial review

The trustees have reviewed the charity's reserves requirements, considering the company's main risks and have set appropriate budgets to maintain sufficient funds in the future. The trustees discuss the level of reserves at their meetings, which have continued without interruption by video conferencing during the pandemic, based on reports produced by the Administrator and Chief Executive, which allows them to monitor and manage the budgets closely considering commitments already made and any future decisions of financial support.

The primary sources of income for Rural Ministries come from our managed investments and rented properties, with managed investment income being 51% of total investment income (2021: 50%) and rental income growing to 46% of total investment income (2021: 41%). The continued sale of assets to meet the running costs of Rural Ministries means both figures are likely to decline over the coming years. A default event further impacted investment income on the Capacity Growth Bonds issued by Christian Property Development company B&R. Steps have been taken to recover the invested funds by calling in the initial guarantees. A total of £444,000 has been recovered against a debt of £600,000. Further scheduled payments will recover 91% of the overall debt. This process is closely monitored by the Chief Executive and Trustees of Rural Ministries. Rural Ministries maintains a policy of charging market rates for residential properties let to churches but offsetting this where necessary by providing a 'rental support grant'. Such grants are provided on a decreasing basis to ensure that recipient churches will fully fund the rental value of properties within five years.

The pandemic continued to impact preaching fees and consultancy. Other (non-investment) income showed a slight increase over the previous year, with a 10% increase in gifts from those in our network and a 35% increase in general donations against 2021. The capital growth fund, managed by EdenTree and opened in the 2017/18 financial year, showed signs of recovery during the financial year as the FTSE improved; however, because of volatility, we continue to take a long-term view of this investment holding.

Accounting standards treat investment properties differently, so as churches have released properties, these have been reclassified as investment properties. Several properties were revalued during the financial year, given the sizeable gains in the housing market, leading to a notable appreciation in our fixed assets; these transfers are purely on paper and not realised. Any sizeable excess income generated from property sales, debt repayment or legacies is being reinvested in our income growth fund managed by Investec.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Future plans

At the end of each financial year, the trustees of Rural Ministries and the staff review our activities. We continue to outwork our vision of seeing the Countryside served by missional communities that are grace-filled, God empowered and contextually relevant. Primarily this is delivered through encouraging mission, enabling pioneers, and equipping the rural church through our growing network. We continue to identify and resource those called to pioneer a new work, providing them with accountability and support, as well as giving them permission to fail. Reviewing some of the sizeable projects we initiated, the trustees have recognised the value and uniqueness of the 'Missional listening' project. As such, we seek to promote the values and methods to others, building a network of 'Missional listeners' across the rural context. Our network continues to grow, and we continue to pursue growing links with the Anglican community from our strategic partnership with two Dioceses. This growth has presented us with a unique opportunity to facilitate a national conversation with rural churches, rural mission agencies and pioneers as to what strategic changes will be needed to enable a profound Gospel impact to be made across the rural context. To this end, we have engaged the services of a consultant who has expertise in this area to help work up an affordable yet bold strategy. Through this consultant's work, we have launched a strategy of 'rural mission hubs' based at retreat centres across the UK. We have two up and running at Scargill House and Lee Abbey, and we plan to launch similar hubs at Ashburnham Place, Launde Abbey, plus venues in Scotland and Wales.

Promotion

Through our website, E-news, and printed material, we continue to promote the work of Rural Ministries. Our triannual magazine serves our supporters with prayer news and stories of mission, and articles to inspire. In compliance with GDPR legislation, we maintain strict control over the data we hold to ensure that it is relevant for us to use for promotion. An update to our website has been implemented, which provides more clarity about who we are and what we do, as well as more straightforward navigation around the site. Management of this is looked after in-house

Resources and Expenditure

The Council and staff team are aware that fulfilling our objectives throughout the United Kingdom continues to be costly, and the effective use of all resources is a priority. With this in mind, we are working on ways to reduce our expenditure both internally and externally. Internal examples would include delivering our conference programme in a hybrid form, which has significantly reduced our costs, and the online leadership development conference which was so popular that we exceeded capacity and had a waiting list. We continue to develop this hybrid model of delivering input to our growing network; however, we are mindful that people miss face-to-face interaction. Externally we continue to explore strategic alliances with other organisations that share our values and vision. Our aim is to enable the continued support, encouragement and resourcing of rural churches that are working towards pioneering methods of mission and community engagement. Requests to help assess independent rural churches' current and future needs continue to receive attention; however, there is a conscious move away from Rural Ministries being the sole financial provider. The Trustees and CEO have reviewed the grant request process, making it much more robust and placing a higher expectation of match funding, and also a requirement for qualitative research and assessment of results.

Staffing

We have a staff team of four, all of whom were part-time during the reporting period. This enables us to split the UK into geographic regions to oversee and work more effectively as a team. Using technology, we can meet up every other week via Zoom, although we also meet physically once a quarter to plan, pray and strategise.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and its memorandum of association. Rural Ministries constitutes a limited company (Reg. No. 00688281), limited by guarantee and not having a share capital, as defined by the Companies Act 2006. The charity is registered with the Charities Commission (Reg. No. 200027).

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs E Fisher
Mr C Hughes
Mr T Lea
Mr S Spurgeon
Mr P Susans
Mrs H Taylor
Rev J Witts
Rev Y Dubreuil

Recruitment and appointment of new trustees

The sole right of admission as a trustee is vested in the Council. Trustees may, from time to time, elect approved individuals to the Governing Council (as per the criteria set out in the governing document). Nominations for election follow an initial meeting with the Chairman or Chief Executive for orientation and briefing on their legal obligations, the content of the memorandum and articles of association, the decision-making process, and the recent performance of the charity.

Organisational structure

The Council, which meets quarterly, administer the charity. The Council appoints a Chief Executive to manage all charity activities. The Council decide on development, strategy, policy and finance. Written reports from the Chief Executive and pastoral and administration staff are provided to Council members before meetings to inform them of their activities and decisions. Regular updates are provided between meetings where appropriate.

Staff

Chief Executive Officer: Rev Simon Mattholie

Office Administrator: Mr Nick Jones

Director (Wales and South West England):
Rev Alison Griffiths

Director (Scotland and Northern England):
Mr Alistair Birkett

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Wider network

Rural Ministries is a member of the Evangelical Alliance and is involved with the Churches Rural Group, Rural Evangelism Network, is part of the leadership of Rural Fresh Expressions, and coordinates the 'Rural Collaborations', a grouping of like-minded agencies working in the rural context. Rural Ministries also resource various church denominations with a specific interest in ministry in the Countryside.

Funds held as custodian trustee

A bank account existed for the old Brettenham Church Fund that was managed by Hitcham Free Church. This bank account was held with Shawbrook Bank in the name of Rural Ministries, as required by the Charities Commission. The balance of this account at the year-end was £11,042 (2021: £11,042) but is not recognised as an asset in these financial statements to reflect the substance over form, whereby the bank account operated for the benefit of Hitcham Free Church, and not Rural Ministries. Following a resolution by the members of Hitcham Free Church, the church has closed, and the Managing Trustees of Hitcham Free Church have sold the site. The charity formally closed on the 22nd of April, 2022. As part of the closure, the Managing Trustees of Hitcham Free Church gifted the contents of the Brettenham Fund to Rural Ministries without restriction.

Trustee Powers and restrictions

1. The trustees may invest the monies of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.
2. The objects of the Charity shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.
3. Nothing in the Charity's Memorandum shall be deemed to authorise the Charity to carry on either directly or indirectly, any trading activities of a permanent nature.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Auditor

The auditors, Azets Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The trustees' report was approved by the Board of Trustees.



Mr N Jones

Secretary

Dated: 25 October 2022

RURAL MINISTRIES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of Rural Ministries for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RURAL MINISTRIES

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF RURAL MINISTRIES

Opinion

We have audited the financial statements of Rural Ministries (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

RURAL MINISTRIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF RURAL MINISTRIES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

RURAL MINISTRIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF RURAL MINISTRIES

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Melanie Langton-Davies ACA FCCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

26 October 2022

Chartered Accountants
Statutory Auditor

Brynford House
21 Brynford Street
Holywell
Flintshire
United Kingdom
CH8 7RD

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

RURAL MINISTRIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from:			
Donations and legacies	3	23,307	25,278
Charitable activities	4	3,365	7,300
Investments	5	77,739	60,495
Total income		104,411	93,073
Expenditure on:			
Raising funds	6	2,967	2,309
Charitable activities	7	246,259	261,710
Total expenditure		249,226	264,019
Net gains/(losses) on investments	11	137,312	69,986
Net movement in funds		(7,503)	(100,960)
Fund balances at 1 April 2021		2,032,002	2,132,962
Fund balances at 31 March 2022		2,024,499	2,032,002

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

RURAL MINISTRIES

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12	154,332		234,479	
Investment properties	13	626,000		375,000	
Investments	14	1,105,033		1,264,944	
		<u>1,885,365</u>		<u>1,874,423</u>	
Current assets					
Debtors	16	132,806		147,055	
Cash at bank and in hand		14,990		17,785	
		<u>147,796</u>		<u>164,840</u>	
Creditors: amounts falling due within one year	17	(8,662)		(7,261)	
Net current assets		139,134		157,579	
Total assets less current liabilities		<u>2,024,499</u>		<u>2,032,002</u>	
Income funds					
Unrestricted funds		2,024,499		2,032,002	
		<u>2,024,499</u>		<u>2,032,002</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 25 October 2022

Mr
Trustee



C. Hughes

Company Registration No. 00688281

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Rural Ministries is a private company limited by guarantee incorporated in England and Wales. The registered office is Brynford House, 21 Brynford Street, Holywell, Flintshire, CH8 7RD, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

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

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

Freehold land and buildings	not depreciated
Fixtures and fittings	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	23,307	21,278
Legacies receivable	-	4,000
	<u>23,307</u>	<u>25,278</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies (Continued)

Donations and gifts

Gifts from Partners	10,781	9,798
General donations	5,126	3,788
Gift Aid donations	7,400	7,692
	<u>23,307</u>	<u>21,278</u>

4 Charitable activities

	Charitable Income 2022 £	Charitable Income 2021 £
Sales within charitable activities	2,149	110
Other income	1,216	7,190
	<u>3,365</u>	<u>7,300</u>

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Rental income	35,777	24,740
Managed investment income	39,324	29,998
Interest receivable	2,638	5,757
	<u>77,739</u>	<u>60,495</u>

Managed investment income represents dividends and interest earned on the company's investment portfolio of listed securities and related cash balances. Rural Ministries has an investment portfolio managed by Investec Wealth & Investment Ltd and a separate investment held in a fund for charities managed by EdenTree Investment Management.

Interest receivable includes income received from an outstanding debt which is being repaid in instalments.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Investment management</u>	2,967	2,309
	<u>2,967</u>	<u>2,309</u>

7 Charitable activities

	2022	2021
	£	£
Staff costs	84,632	90,081
Depreciation and impairment	(10,278)	-
Insurance	1,516	716
Telephone	698	855
Trustees expenses	2,187	176
Ministry support	97,589	101,764
Office and general expenses	7,236	6,580
Conferences	560	339
Motor, travel and expenses	10,825	5,402
Property maintenance and costs	6,178	11,811
Publications, publicity and websites	26,193	19,515
Rental commission and fees	4,600	2,726
Bank charges	96	69
Consultancy costs	3,490	-
	<u>235,522</u>	<u>240,034</u>
Share of governance costs (see note 8)	10,737	21,676
	<u>246,259</u>	<u>261,710</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Audit fees	-	4,038	4,038	-	3,654	3,654
Accountancy	-	2,280	2,280	-	1,890	1,890
Legal and professional	-	4,419	4,419	-	16,132	16,132
	-	10,737	10,737	-	21,676	21,676

Governance costs includes payments to the auditors of £4,038 (2021- £3,645) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Trustees' expenses

During the year, Trustees received a total of £765 in expenses (2021: £0.00). Expenses payments are for travel to attend meetings

10 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Chief Executive	1	1
Operations Manager/Administrator	1	1
Other staff (including part-time)	2	2
Total	4	4

Employment costs

	2022	2021
	£	£
Wages and salaries	74,907	79,489
Social security costs	1,464	2,113
Other pension costs	8,261	8,479
	84,632	90,081

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	(23,866)	124,087
Gain/(loss) on sale of investments	603	(54,101)
Revaluation of investment properties	160,575	-
	<u>137,312</u>	<u>69,986</u>

12 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2021	274,011	11,875	285,886
Transfer to investment property	(90,425)	-	(90,425)
At 31 March 2022	<u>183,586</u>	<u>11,875</u>	<u>195,461</u>
Depreciation and impairment			
At 1 April 2021	39,532	11,875	51,407
Transfer to investment property	(10,278)	-	(10,278)
At 31 March 2022	<u>29,254</u>	<u>11,875</u>	<u>41,129</u>
Carrying amount			
At 31 March 2022	<u>154,332</u>	<u>-</u>	<u>154,332</u>
At 31 March 2021	<u>234,479</u>	<u>-</u>	<u>234,479</u>

13 Investment property

	2022
	£
Fair value	
At 1 April 2021	375,000
Transfers from Freehold land and buildings	90,425
Net gains or losses through fair value adjustments	160,575
At 31 March 2022	<u>626,000</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13 Investment property

(Continued)

At the beginning of the financial year there were 2 properties which were classified as investment properties. These properties were revalued during the period under review which resulted in a revaluation adjustment of £66,000. During this period a further property was transferred from Freehold Properties at the depreciated value of £80,147. In accordance with the requirements of the Financial Reporting Standard 102, this property was revalued to fair value resulting in the reversal of accumulated depreciation of £10,278 and a revaluation adjustment of £94,575.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2021	1,057,131	207,813	1,264,944
Repayments	-	(97,813)	(97,813)
Disposals	(62,098)	-	(62,098)
At 31 March 2022	995,033	110,000	1,105,033
Carrying amount			
At 31 March 2022	995,033	110,000	1,105,033
At 31 March 2021	1,057,131	207,813	1,264,944

Listed Investments

Rural Ministries holds listed securities and stocks that are professionally managed by Investec Wealth & Investment Limited within the ethical constraints imposed by the Trustees. Investec Wealth & Investment Ltd is a member firm of the London Stock Exchange and is authorised and regulated by the Financial Conduct Authority.

Rural Ministries also holds funds in an investment fund for charities managed by EdenTree Investment Management.

Unlisted Investments

Unlisted investments relate to the outstanding capital element of the original B&R Finance Limited bond which was issued in 2017. After B&R Finance Limited defaulted on payments during 2019, the trustees put measures in place to ensure the recovery of 90% of the capital of the original bond, minimising the loss to Rural Ministries.

15 Financial instruments	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	995,033	1,057,131
16 Debtors	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	13,364	13,307
Prepayments and accrued income	5,619	5,426
	18,983	18,733

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

16 Debtors	(Continued)	
	2022	2021
	£	£
Amounts falling due after more than one year:		
Other debtors	113,823	128,322
	<u>113,823</u>	<u>128,322</u>
Total debtors	132,806	147,055
	<u>132,806</u>	<u>147,055</u>

A loan was made to Broad Grace Church (Charity registration number 1136670) during 2016 for £260,000 repayable over 15 years at an interest rate of 1% over the Bank of England base rate. The loan has been secured by way of a legal charge over Salvation Army Hall, Church Close, Coltishall, Norwich.

An interest free loan was made to B Lucas during 2017 which is in support of a project aligned with the charitable objectives. The loan is repayable when the project comes to an end.

17 Creditors: amounts falling due within one year	2022	2021
	£	£
Other creditors	839	-
Accruals and deferred income	7,823	7,261
	<u>8,662</u>	<u>7,261</u>

18 Related party transactions

Hitcham Free Church (Brettenham Chapel Fund)

A bank account has existed for the old Brettenham Church Fund that was managed by Hitcham Free Church. This bank account was held with Shawbrook Bank in the name of Rural Ministries, as required by the Charities Commission. The balance of this account at the year end was £11,042 (2021: £11,042) but is not recognised as an asset in these financial statements to reflect the substance over form, whereby the bank account operated for the benefit of Hitcham Free Church, and not Rural Ministries. Following a resolution by the members of Hitcham Free Church, the church has closed and the Managing Trustees of Hitcham Free Church have sold the site. The charity formally closed on the 22nd April 2022. As part of the closure the Managing Trustees of Hitcham Free Church gifted the contents of the Brettenham Fund to Rural Ministries without restriction.

With exception to this note, no financial information relating to Hitcham Free Church is included in these financial statements.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Financial commitments

It is the practice of the Trustees to budget for anticipated financial commitments for the following two years. At the balance sheet date the Trustees had approved and budgeted for the following financial commitments:

	2022/23	2023/24	2024/25	2025/26	2026/27
Wychwood BC Deed transfer	£3,899				
Discovery Church Dunbar	£347				
Bitesize Church app	£2,000				
Dorset YFC	£2,911				
Joy Dimond, Stow phase 1	£2,500				
Fenlands Thorney	£1,773				
Sam & Suzie Abramian, Hunstanton	£7,001				
Botesdale (2020-2023)	£1,206	£419			
Village Church Oldmeldrum	£5,000	£3,664	£1,000		
Jonathan & Rachel Oatridge, Missingham	£12,498	£7,504	£2,498		
Ben & Ez Lucas Phase 2	£18,956	£13,380	£8,369	£3,369	£250
Rural Mission Hubs	£15,000	£15,000	£15,000		
Joy Dimond, Stow phase 2	£4,083	£7,000	£7,000	£2,918	
Crucible Course (Urban Expression)	£2,625	£3,500	£3,500	£875	
Totals	£79,799	£50,466	£37,366	£7,161	£250

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Contingent assets

Interests in Properties

Interests in properties are where Rural Ministries have retained an interest in ultimate disposal proceeds through declarations of trust in respect of chapels transferred to local ownership.

The transfer of properties to local ownership, where a charge is held for a proportion of the ultimate disposal proceeds, meets the definition of a contingent asset. Since the inflow of economic benefit is not certain, an asset should not be recognised in the balance sheet. Thus, the NBV of properties transferred to local ownership are recognised in the income and expenditure account in full during the year of transfer.

The contingent assets held at 31 March 2022 were:

Artillery Street Chapel	2005/06	80.00% interest	NBV at time of transfer £1,829.29
Lilbourne Chapel	2007/08	33.33% interest	NBV at time of transfer £3,864.34

Rural Ministries also has a 50% interest in the ultimate disposal proceeds of Tydd Gote Manse and Chapel. Legal title to these properties has not been transferred, therefore they remain on Rural Ministries' balance sheet.

The split is agreed by the trustees based on the proportion of costs that Rural Ministries has contributed to the property.

The charity has stated that it would review the percentage retained in the event of material alterations or improvements to the properties.

After the year end Rural Ministries became the sole beneficiary of another church in the event of the church closure and the legal title transferred. Wychwood Baptist Church will be included in the 2022/23 financial statements with 100% interest. The value of the church is yet to be determined.

21 Legal status of charity

The charitable company is limited by guarantee, being £1 per Trustee. The guarantees at the year end amounted to £8 (2021: £8).

The Trustees are also the company Directors and hold ultimate control over the company.

The liability of the members is limited to £1 in the event of being wound up.



RURAL MINISTRIES

England & Wales - Charity number 200027

Accounts

Charity Registration No. 200027

Company Registration No. 00688281 (England and Wales)

RURAL MINISTRIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
PAGES FOR FILING WITH REGISTRAR

RURAL MINISTRIES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs E Fisher Mr C Hughes Mr T Lea Mr S Spurgeon Mr P Susans Mrs H Taylor Rev J Witts Rev Y Dubreuil (Appointed 10 December 2020)
Secretary	Mr N Jones
Charity number	200027
Company number	00688281
Registered office	Brynford House 21 Brynford Street Holywell Clwyd United Kingdom CH8 7RD
Auditor	Azets Audit Services Brynford House 21 Brynford Street Holywell Clwyd United Kingdom CH8 7RD
Solicitors	Anthony Collins LLP 134 Edmund Street Birmingham United Kingdom B3 2ES
Investment advisors	Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QP United Kingdom

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RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

Rural Ministries exists to encourage Christian mission and discipleship in the countryside throughout the UK, by enabling those seeking to pioneer new forms of church and mission, and resourcing existing rural churches and their leaders in terms of their growth, development, and missional engagement with their local context. Rural Ministries seeks to act as a support structure for both pioneers and churches, facilitating them either directly, or through existing denominational links, to provide a network to share ideas and best practice, help identify potential funding and practical assistance as well as encouraging prayer support. A secondary, but nonetheless important objective is to inspire, educate and encourage those who are already within the rural context as to how they might be more effective for mission, utilising their existing resources. To achieve these aims and objectives, Rural Ministries continue to develop meaningful working relationships with other mission agencies, denominations and organisations who share our basis of faith and vision. The Chief Executive, pastoral staff and trustees regularly review such relationships.

Each year the trustees review the objectives and activities of the charity to ensure they continue to reflect the aims of the organisation. In carrying out this review, the trustees have considered the Charity Commission's general guidance on public benefit and continue to adopt the principals of the guidance.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Overview of charity's operations

The year from April 2020 has been dominated by the Covid-19 Pandemic, which has impacted RM's operations and the churches and mission partners we support. Throughout the year, the Trustees, through the staff team, have sought to respond to the changing situations finding new ways to work in partnership with rural churches, denominations, charities and mission initiatives from a broad spectrum of Christian traditions and experience across the UK, who share our basis of faith, vision and values

Some of these partnerships have existed for many years, while others are more recent and continue to express the innovative nature of mission and witness within the UK. The rural context geographically equates to 95% of the landmass of the United Kingdom and 16% of the population. There has been a noticeable shift from the urban to the rural context since the onset of the pandemic, labelled by some as 'the race for space'. Unfortunately, it is noticeable that many mainline denominations still do not fully understand, strategize, and resource help to those worshipping, working, and witnessing in the rural context, in fact, a policy of church closure in the rural context has been adopted by some. This makes the task of supporting pioneers, rural mission initiatives, rural churches, and their communities increasingly important. Rural churches and mission initiatives frequently provide essential services, which would otherwise struggle to function in their communities. These can include services as diverse as youth clubs, food banks, pastoral and practical support for the elderly, cafés, to substance abuse recovery, parenting courses and managing personal debt. Without resourcing and support from Rural Ministries, several of these would no longer be sustainable, nor the churches that are behind them.

The pandemic, especially during the two lockdowns, highlighted and increased issues of isolation for those living in rural communities, leading rural churches and mission initiatives. As such, external support, training and networking opportunities are essential; however, many of the mainline denominations' focus and resourcing has an urban bias. The result of this is that the rural context has few champions and advocates when it comes to church innovation and mission. Rural Ministries continually seeks to fill this gap by investing in, supporting and resourcing our growing network through online events, phone calls and, where restrictions allowed, physically meeting up. The utilising of video conferencing enabled staff to maintain contact with our network; production of our magazine, providing information via our website and regular electronic newsletter were largely unaffected by the pandemic. However, we did furlough two members of staff during the initial lockdown, taking advantage of the government support scheme. Our primary way of relating to churches and individuals is through partnership and association, under the headings of 'mission partners' and 'church partners', recognising that those engaging in church planting and pioneering mission work may not have a recognised church structure in the early stages of their life cycle. Video conferencing has also allowed us to continue to offer input and teaching in various theological colleges, denominational gatherings, and conferences, seeking to inspire those called to ministry in the rural setting. Rural Ministries continues to be one of the few non-conformist voices offering teaching and input into the nuances of mission in the rural context to theological students. Considering our existing and growing commitments.

We have intentionally continued with our strategy of identifying, investing in and resourcing rural pioneers and further developing the 'Missional Listening' project. Missional Listening is now viewed as a qualifying office for ordained Baptist ministry as a result of our work with a number of Baptist Associations and the ministry department of the Baptist Union.

Our continued support of rural leaders and pioneers through learning communities has led to the development of an increased number of lay leaders within the South West and enabled the support of a church planting initiative in the North East. We are continually looking to develop this model as it provides indigenous support and accountability which is nuanced to specific rural locations and regions. We have grown our links and engagement with Fresh Expressions over the past year and find that we are frequently sought out for advice and insight into mission and leadership within a rural context. We have also developed links and invested in Crucible, a training course to enable people to operate as cross-cultural missionaries. We have brought our rural expertise and have been able to shape the content so that it engages with those ministering on the margins of rural as well as urban communities.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

As part of a continued effort to manage effectively and efficiently manage our administrative and running costs, we maintained our strategy for delivering a conference programme across the UK, increasingly utilising video conferencing. As such these events have continued to be successful and a cost-effective tactic for connecting with and resourcing those who had not previously encountered our work. Our magazine MOSAIC serves as an effective medium to stimulate our partner base and share information for prayer and articles to inspire our partners in mission, and we receive regular favourable reviews for its content. The print run is currently 1600 copies per edition. We increased the frequency of e-news to weekly, and have sought to integrate the content better into our social media, and have maintained a circulation list of nearly 700 despite the increase in frequency. Content is often shared or commented on by others on social media.

The Trust Board of Rural Ministries consists of experienced people intentionally selected from a wide range of church backgrounds and practice. We are constantly vigilant for any who could potentially serve as an additional trustee to ensure that the breadth of expertise is maintained and that the trust board accurately represents the diversity of churches and mission initiatives that we support and resource. Together with the staff, Chief Executive and Administrator, the Trust Board seeks to provide effective governance, determine policy and support the ongoing work of Rural Ministries. The Trust Board has undertaken a full review of existing and future commitments at the end of the financial year, recognising the continuing gap between income and expenditure, and remains committed to Rural Ministries' charitable purposes of encouraging mission, enabling pioneers, and equipping the rural church. To this end, we continue to work hard to ensure that all partners are moving towards sustainability, alongside exploring strategic alliances with other like-minded organisations, and raising visibility as well as financial support both partners organisations and others outside our existing partnership base.

Achievements and performance

Overall, expenditure on charitable activities dropped as the successive lockdowns cut expenditure on conference venues, travel and meeting costs. The pandemic also caused a hiatus in financial support applications resulting in a drop in expenditure of 12% over the previous year. We retained the full complement of staff during the year although two members were furloughed briefly for four months when most of our partners had stopped all activities. However, although working practices have changed the team continue to be the primary way in which we show our support and commitment to our growing network. It is imperative to state that without a realistic level of staffing, or grants made, the charity would not be able to fulfil its charitable objectives to its growing number of partner churches and mission partners within the UK.

We continue to invest in the properties held by Rural Ministries, although the lockdown delayed some significant work to one vacant property leading to a loss of rental income. Ongoing budgets continue to allow for repair, servicing, or replacement of any unexpected items.

The Trustees continue to uphold the policy of ensuring that churches become responsible for all costs concerning properties and supporting pastors, and any grants awarded for these costs by Rural Ministries are on a tapering basis to encourage churches to become self-sustaining.

Rural Ministries operated at a loss of £170,946 for the year although the recovery in investments throughout the period means that there was only a net reduction in funds of £100,960. Total funds showed a decline of £100,960 which is a less than recent years and was assisted by the recovery in our investments throughout the year. The trustees of Rural Ministries are aware that the charity runs at an annual loss; however, this figure represents a significant improvement on the previous year largely due to the 'bounce back' in the value of investments following their dramatic drop in March 2020. Regular reviews of assets, their suitability and budgets take place, with updates and variance reports provided for Council members each quarter. The trustees have reviewed the resources to hand, and they have concluded that while they are adequate for the current work of Rural Ministries in meeting its aims and objectives, they will eventually lead to closure unless these funds are replenished.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Financial review

The trustees have reviewed the charity's requirements for reserves, considering the main risks to the company and have set appropriate budgets to maintain sufficient reserves in the future. The trustees discuss the level of reserves at their meetings, which have continued without interruption by video conferencing during the pandemic, based on reports produced by the Administrator and Chief Executive, which allows them to closely monitor and manage the budgets considering commitments already made and any future decisions of financial support.

The primary sources of income for Rural Ministries come from our managed investments and properties rented, with managed investment income being 50% of investment income (2020: 43%) and rental income being 41% of investment income (2020: 40%). The continued sale of assets to meet the running costs of Rural Ministries means both figures are likely to decline over the coming years. Investment income was further impacted by a default event on the Capacity Growth Bonds issued by Christian Property Development company B&R. Steps are being taken to recover the invested funds by calling in the guarantees initially provided. A total of £347,000 has been recovered to date against a debt of £600,000. This process is being closely managed by the Chief Executive and Trustees of Rural Ministries through insolvency and recovery specialists, 'Thrings', and a repayment agreement is in place to recover further monies. Rural Ministries maintains a policy of charging market rates for residential properties let to churches but offsetting this by the provision of a 'rental support grant'. Such grants are provided on a decreasing terms basis, to ensure that recipient churches will be fully funding the rental value of properties within five years.

The capital growth fund, managed by EdenTree and opened in the 2017/18 financial year, was adversely impacted by the market revaluation at the onset of the pandemic. We continue to take a long-term view on this investment fund which has recovered well over the year, and the dividend outlook, important to supporting total returns, remains robust.

Other (non-investment) income showed a decline over the previous year although it should be noted that 2020 included a £45,000 legacy and a one-off donation worth £12,500 (inc Gift Aid). Predictably lockdown had a major impact on preaching fees, consultancy, and conference income. Despite successive lockdowns gifts from partners only dropped by 10% from a year earlier, and general donations remained steady once the generous one-off donation in 2020 is accounted for.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Future plans

At the end of each financial year, the trustees of Rural Ministries together with the staff review our activities. We continue to outwork our vision of seeing the Countryside served by missional communities who are grace-filled, God empowered and contextually relevant. Primarily this is delivered through the encouraging of mission, enabling of pioneers, and equipping of the rural church, through our growing network of mission and church partners. We continue to identify and resource those called to pioneer a new work, providing them with accountability and support, as well as giving them permission to fail. Through reviewing some of the sizeable projects that we initiated, the trustees have recognised the value and uniqueness of the 'Missional listening' project. As such, we are seeking to promote the values and methods to others, building a network of 'Missional listeners' across the rural context. Our partner network continues to grow, and we continue to pursue growing links with the Anglican community off the back of our strategic partnership with two Dioceses. This growth has presented us with a unique opportunity to facilitate a national conversation with rural churches, rural mission agencies and pioneers as to what strategic changes will be needed to enable a profound Gospel impact to be made across the rural context. To this end, we have engaged the services of a consultant, who has expertise in this area to help work up an affordable yet bold strategy.

Promotion

Through our website, E-news, and printed material, we continue to promote the work of Rural Ministries. Our magazine serves our supporters with prayer news and stories of mission and articles to inspire. It is published and widely circulated three times a year. In compliance with GDPR legislation, we maintain strict control on the data we hold to ensure that it is relevant for us to use for promotion. Plans to update our website have been revised, with the costs of this spread across the next two financial years.

Expenditure

The Council and staff team are very much aware of expenditure and remain vigilant to opportunities for further efficiencies. The regional conference programme significantly reduced our costs, and as these grew in popularity; we have found that the webinars and conferences we have been able to offer since the pandemic, are proving equally if not more popular. The leadership development conference, which was delivered online over three days, saw our highest attendance for any event and brought with it a modest amount of income. We will seek to further develop a hybrid model of delivering input to our growing network, utilising video conferencing as well as regional physical gatherings.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Staffing

In line with our objectives and growth, we have recruited a second part-time member of staff, enabling us to split the UK into geographic regions to oversee and work more effectively as a team. Using technology, we are able to meet up every other week as a team, although we also meet physically once a quarter to plan, pray and strategise

Resources

The Council is aware that fulfilling our objectives throughout the United Kingdom continues to be a costly exercise, and the effective use of all resources a priority. With this in mind, we are exploring strategic alliances with other organisations who share our values and vision to enable the continued support, encouragement and resourcing for rural churches who have a bias towards pioneering methods of mission and community engagement. Requests to help assess independent rural churches' current and future needs continue to receive attention; however, there is a conscious move away from Rural Ministries being the sole financial provider. The Trustees and CEO have reviewed the grant request process, making it much more robust, and placing a higher expectation of match funding, and also a requirement of qualitative research and assessment of results.

The Council continue to review all assets held; however, they recognise that meeting our charitable objectives may lead to the intentional end of Rural Ministries in the coming years, as expenditure outweighs income. The Council is exploring alternative ways of using the remaining financial resources, that might enable the fulfilling of our charitable objectives in ways other than providing financial grants, to preserve the remaining assets for as long as possible.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and its memorandum of association. Rural Ministries constitutes a limited company (Reg. No. 00688281), limited by guarantee and not having a share capital, as defined by the Companies Act 2006. The charity is registered with the Charities Commission (Reg. No. 200027).

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs E Fisher

Mr C Hughes

Mr T Lea

Mr S Spurgeon

Mr P Susans

Mrs H Taylor

Rev J Witts

Rev Y Dubreuil

(Appointed 10 December 2020)

Recruitment and appointment of new trustees

The sole right of admission as a trustee is vested in the Council. Trustees may from time to time, elect approved individuals to the Governing Council (as per the criteria set out in the governing document). Nominations for election follow an initial meeting with the Chairman or Chief Executive, for orientation and briefing on their legal obligations, the content of the memorandum and articles of association, the decision-making process, and recent performance of the charity.

Organisational structure

The Council, who meet quarterly, administer the charity. A Chief Executive is appointed by the Council to manage all activities of the charity. The Council decide on development, strategy, policy and finance. Written reports from the Chief Executive, pastoral and administration staff are provided to Council members prior to meetings, to inform them of their activities and decisions made. Regular updates are provided between meetings where appropriate.

Staff

Chief Executive Officer: Rev Simon Mattholie

Office Administrator: Mr Nick Jones

Director (Wales and South West England):
Rev Alison Griffiths

Director (Scotland and Northern England):
Mr Alistair Birkett

Wider network

Rural Ministries is a member of the Evangelical Alliance and is involved with the Churches Rural Group, Rural Evangelism Network, is part of the leadership of Rural Fresh Expressions and coordinates the 'Rural Collaborations', a grouping of like-minded agencies working in the rural context. Rural Ministries also resource various church denominations, who have a specific interest in ministry in the countryside.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Funds held as custodian trustee

A bank account exists for the old Brettenham Church Fund that is now managed by the Hitcham Free Church. This bank account is held with Shawbrook Bank in the name of Rural Ministries, as required by the Charities Commission. The balance in this account at the year-end was £11,042 (2020: £11,042) but is not recognised as an asset in these financial statements to reflect the substance over form, whereby the bank account is operated by the Hitcham Free Church, and not by Rural Ministries' Trustees.

Trustee Powers and restrictions

1. The trustees may invest the monies of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.
2. The objects of the Charity shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.
3. Nothing in the Charity's Memorandum shall be deemed to authorise the Charity to carry on either directly or indirectly, any trading activities of a permanent nature.

Statement of trustees' responsibilities

The trustees, who are also the directors of Rural Ministries for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RURAL MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Auditor

The auditors, Azets Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The trustees' report was approved by the Board of Trustees.



Mr N Jones

Secretary

Dated: 25 November 2021

RURAL MINISTRIES

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF RURAL MINISTRIES

Opinion

We have audited the financial statements of Rural Ministries (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

RURAL MINISTRIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF RURAL MINISTRIES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

RURAL MINISTRIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF RURAL MINISTRIES

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Melanie Langton-Davies ACA FCCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

25 November 2021

**Chartered Accountants
Statutory Auditor**

Brynford House
21 Brynford Street
Holywell
Clwyd
United Kingdom
CH8 7RD

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

RURAL MINISTRIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from:			
Donations and legacies	3	25,278	83,359
Charitable activities	4	7,300	7,315
Investments	5	60,495	85,180
Total income		93,073	175,854
Expenditure on:			
Raising funds	6	2,309	2,062
Charitable activities	7	261,710	300,403
Total resources expended		264,019	302,465
Net gains/(losses) on investments	11	69,986	(102,900)
Net movement in funds		(100,960)	(229,511)
Fund balances at 1 April 2020		2,132,962	2,362,473
Fund balances at 31 March 2021		2,032,002	2,132,962

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

RURAL MINISTRIES

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	234,479		234,479	
Investment properties	13	375,000		375,000	
Investments	14	1,264,944		1,352,995	
		<u>1,874,423</u>		<u>1,962,474</u>	
Current assets					
Debtors	16	147,055		163,322	
Cash at bank and in hand		17,785		14,273	
		<u>164,840</u>		<u>177,595</u>	
Creditors: amounts falling due within one year	17	<u>(7,261)</u>		<u>(7,107)</u>	
Net current assets			157,579		170,488
Total assets less current liabilities			<u>2,032,002</u>		<u>2,132,962</u>
Income funds					
Unrestricted funds			2,032,002		2,132,962
			<u>2,032,002</u>		<u>2,132,962</u>

RURAL MINISTRIES

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 25 November 2021


Mr S Spurgeon
Trustee

Company Registration No. 00688281

RURAL MINISTRIES

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

1 Accounting policies

Charity information

Rural Ministries is a private company limited by guarantee incorporated in England and Wales. The registered office is Brynford House, 21 Brynford Street, Holywell, Clwyd, CH8 7RD, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

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

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

Freehold land and buildings	not depreciated
Fixtures and fittings	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

[Property rented to a group entity is accounted for as tangible fixed assets.]

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	21,278	38,359
Legacies receivable	4,000	45,000
	<u>25,278</u>	<u>83,359</u>
Donations and gifts		
Gifts from Partners	9,798	10,830
General donations	3,788	8,786
Gift Aid donations	7,692	18,743
	<u>21,278</u>	<u>38,359</u>

4 Charitable activities

	Charitable Income	Charitable Income
	2021	2020
	£	£
Sales within charitable activities	110	6,645
Other income	7,190	670
	<u>7,300</u>	<u>7,315</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental income	24,740	33,738
Managed investment income	29,998	36,279
Interest receivable	5,757	15,163
	<u>60,495</u>	<u>85,180</u>

Managed investment income represents dividends and interest earned on the company's investment portfolio of listed securities and related cash balances. Rural Ministries has an investment portfolio managed by Investec Wealth & Investment Ltd and a separate investment held in a fund for charities managed by EdenTree Investment Management.

Interest receivable on bonds relates to income from an investment in B&R Finance Limited

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Investment management</u>	<u>2,309</u>	<u>2,062</u>
	<u>2,309</u>	<u>2,062</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

	2021 £	2020 £
Staff costs	90,081	90,849
Insurance	716	1,194
Telephone	855	867
Trustees expenses	176	3,597
Ministry support	101,764	115,163
Office and general expenses	6,580	11,922
Conferences	339	10,165
Motor, travel and expenses	5,402	18,669
Property maintenance and costs	11,811	815
Publications, publicity and websites	19,515	15,628
Rental commission and fees	2,726	2,440
Bank charges	69	88
	<u>240,034</u>	<u>271,397</u>
Share of governance costs (see note 8)	21,676	29,006
	<u>261,710</u>	<u>300,403</u>

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	3,654	3,654	-	3,000	3,000
Accountancy	-	1,890	1,890	-	1,740	1,740
Legal and professional	-	16,132	16,132	-	24,266	24,266
	<u>-</u>	<u>21,676</u>	<u>21,676</u>	<u>-</u>	<u>29,006</u>	<u>29,006</u>
Analysed between						
Charitable activities	<u>-</u>	<u>21,676</u>	<u>21,676</u>	<u>-</u>	<u>29,006</u>	<u>29,006</u>

Governance costs includes payments to the auditors of £3,645 (2020- £3,000) for audit fees.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Trustees' expenses

During the year, Trustees received a total of £0.00 in expenses (2020: £2,130). Expenses payments are for travel to attend meetings

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Chief Executive	1	1
Operations Manager/Administrator	1	1
Other staff (including part-time)	2	2
	<u>4</u>	<u>4</u>

Employment costs

	2021 £	2020 £
Wages and salaries	79,489	79,317
Social security costs	2,113	3,194
Other pension costs	8,479	8,338
	<u>90,081</u>	<u>90,849</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Revaluation of investments	124,087	(110,391)
Gain/(loss) on sale of investments	(54,101)	4,491
Gain/(loss) on sale of investment properties	-	3,000
	<u>69,986</u>	<u>(102,900)</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2020	274,011	11,875	285,886
At 31 March 2021	274,011	11,875	285,886
Depreciation and impairment			
At 1 April 2020	39,532	11,875	51,407
At 31 March 2021	39,532	11,875	51,407
Carrying amount			
At 31 March 2021	234,479	-	234,479
At 31 March 2020	234,479	-	234,479

13 Investment property

	2021 £
Fair value	
At 1 April 2020 and 31 March 2021	375,000

Four properties were classified as investment properties in 2017, i.e., they are let on a commercial basis to third parties that are unrelated to the charitable purpose. They were transferred from Freehold Properties at their depreciated value of £44,447 in 2017. In accordance with the requirements of Financial Reporting Standard 102, these properties were revalued to fair value resulting in the reversal of accumulated depreciation of £20,747 and a revaluation adjustment of £654,806.

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

14 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2020	752,995	600,000	1,352,995
Additions	304,136	-	304,136
Investment write off	-	(52,187)	(52,187)
Repayments	-	(340,000)	(340,000)
At 31 March 2021	<u>1,057,131</u>	<u>207,813</u>	<u>1,264,944</u>
Carrying amount			
At 31 March 2021	<u>1,057,131</u>	<u>207,813</u>	<u>1,264,944</u>
At 31 March 2020	<u>752,995</u>	<u>600,000</u>	<u>1,352,995</u>

Listed Investments

Rural Ministries holds listed securities and stocks that are professionally managed by Investec Wealth & Investment Limited within the ethical constraints imposed by the Trustees. Investec Wealth & Investment Ltd is a member firm of the London Stock Exchange and is authorised and regulated by the Financial Conduct Authority.

Rural Ministries also holds funds in an investment fund for charities managed by EdenTree Investment Management.

Unlisted Investments

During October 2017 Rural Ministries invested £600,000 into a Bond issued by B&R Finance Limited. The Bonds were secured by a legal mortgage registered at HM Land Registry over the land B&R Finance Limited acquired with the funds, and personal guarantees from two directors. In 2019 B&R Finance Limited defaulted on repayments. The trustees of Rural Ministries are actively seeking to recover the capital and outstanding interest through the sale of the land and enforcement of the Directors guarantees. Monies were received in August and September 2020 following the completion of the sale of land which resulted in some £310,000 being recovered, and the trustees have taken further action to recover the remaining monies outstanding.

The trustees have put into place measures to recover a further sum of £237,812.70, with £30,000 received on the 23/12/2020 and a further £67,812.70 received in early 2021/22. These measures mean that the trustees will have secured the repayment of 90% of the capital of the original bond, minimising the loss to Rural Ministries. The trustees agreed to forego the outstanding interest that had accrued in relation to the bond focusing on the recovery of the capital element.

15 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>1,057,131</u>	<u>752,995</u>

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	13,307	15,618
Prepayments and accrued income	5,426	8,700
	<u>18,733</u>	<u>24,318</u>
	2021	2020
	£	£
Amounts falling due after more than one year:		
Other debtors	128,322	139,004
	<u>147,055</u>	<u>163,322</u>

A loan was made to Broad Grace Church (Charity registration number 1136670) during 2016 for £260,000 repayable over 15 years at an interest rate of 1% over the Bank of England base rate. The loan has been secured by way of a legal charge over Salvation Army Hall, Church Close, Coltishall, Norwich.

An interest free loan was made to B Lucas during 2017 which is in support of a project aligned with the charitable objectives. The loan is repayable within five years when the project comes to an end.

17 Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	7,261	7,107

18 Audit report information

The auditor's report was unqualified.

Melanie Langton-Davies ACA FCCA (Senior Statutory Auditor)
Azets Audit Services
Chartered Accountants
Statutory Auditor

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

19 Related party transactions

Hitcham Free Church (Brettenham Chapel Fund)

A bank account exists for the old Brettenham Church Fund that is now managed by the Hitcham Free Church. This bank account is held with Shawbrook Bank in the name of Rural Ministries, as required by the Charities Commission. The balance in this account at the year end was £11,042 (2020: £11,042) but is not recognised as an asset in these financial statements to reflect the substance over form, whereby the bank account operated for the benefit of Hitcham Free Church, and not Rural Ministries. Following a resolution by the members of Hitcham Free Church, the church has closed and the Managing Trustees of Hitcham Free Church are in the process of disposing of the site, and closing the charity, Hitcham Free Church, which incorporates the Brettenham Chapel Fund. As Custodian Trustees Rural Ministries is responsible for ensuring that the process is carried out correctly but do not have any involvement in any decision making. The Managing Trustees are responsible for the distribution of the site sale proceeds and the monies held in the Brettenham Chapel Fund.

With exception to this note, no financial information relating to Hitcham Free Church is included in these financial statements.

20 Financial commitments

It is the practice of the Trustees to budget for anticipated financial commitments for the following two years. At the balance sheet date the Trustees had approved and budgeted for the following financial commitments:

	2021/22	2022/23	2023/24	2024/25
Specific Budget Commitments				
Discovery Church Dunbar	£3,120			
Millom Baptist Church	£2,917			
Ben & Ez Lucas Ph1	£24,325			
Hereford Diocese	£10,746			
Love Looe	£12,000			
Crucible/UE	£4,304			
Wychwood BC Deed transfer	£2,000			
Hunstanton Sam & Suzie Abramian	£6,999	£7,000		
Bishopstoke support	£500			
Stow missional listener	£6,000	£2,500		
Fenlands Thorney	£898	£875		
Botesdale (2020-2023)	£1,919	£1,206	£419	
Village Church Oldmeldrum	£6,336	£5,000	£1,000	
Ben & Ez Lucas Phase 2	£5,675	£18,956	£13,380	£8,369
Total	£87,739	£35,537	£14,799	£8,639

RURAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

21 Contingent assets

Interests in Properties

Interests in properties are where Rural Ministries have retained an interest in ultimate disposal proceeds through declarations of trust in respect of chapels transferred to local ownership.

The transfer of properties to local ownership, where a charge is held for a proportion of the ultimate disposal proceeds, meets the definition of a contingent asset. Since the inflow of economic benefit is not certain, an asset should not be recognised in the balance sheet. Thus, the NBV of properties transferred to local ownership are recognised in the income and expenditure account in full during the year of transfer.

The contingent assets held at 31 March 2020 were:

Artillery Street Chapel	2006/07	80.00% interest	NBV at time of transfer £1,829.29
Lilbourne Chapel	2007/08	33.33% interest	NBV at time of transfer £3,864.34

Rural Ministries also has a 50% interest in the ultimate disposal proceeds of Tydd Gote Manse and Chapel. Legal title to these properties has not been transferred, therefore they remain on Rural Ministries' balance sheet.

The split is agreed by the trustees based on the proportion of costs that Rural Ministries has contributed to the property.

The charity has stated that it would review the percentage retained in the event of material alterations or improvements to the properties.

22 Legal status of charity

The charitable company is limited by guarantee, being £1 per Trustee. The guarantees at the year end amounted to £8 (2020: £7).

The Trustees are also the company Directors and hold ultimate control over the company.

The liability of the members is limited to £1 in the event of being wound up.