

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 | |

RURAL MINISTRIES

CONTENTS

| | Page |
|-----------------------------------|---------|
| Trustees' report | 1 - 9 |
| Independent auditor's report | 10 - 12 |
| Statement of financial activities | 13 |
| Balance sheet | 14 - 15 |
| Notes to the financial statements | 16 - 27 |

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 £ |
|---------------------------------------|-------|---------------------------------|---------------------------------|
| <u>Income from:</u> | | | |
| 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 |
| <u>Expenditure on:</u> | | | |
| 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 | (7,261) | | (7,107) | |
| 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 £ | £ |
|--|-------|-----------|---|-----------|---|
|--|-------|-----------|---|-----------|---|

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 | - | 21,676 | 21,676 | - | 29,006 | 29,006 |
| | <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 |
| | <hr/> | <hr/> |
| Total | 4 | 4 |
| | <hr/> | <hr/> |

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 |
| | <hr/> | <hr/> |
| | 90,081 | 90,849 |
| | <hr/> | <hr/> |

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

11 Net gains/(losses) on investments

| | Unrestricted funds | Unrestricted funds |
|--|-----------------------|-----------------------|
| | 2021 £ | 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 |
| | <hr/> | <hr/> |
| | 69,986 | (102,900) |
| | <hr/> | <hr/> |

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 | 1,057,131 | 207,813 | 1,264,944 |
| Carrying amount | | | |
| At 31 March 2021 | 1,057,131 | 207,813 | 1,264,944 |
| At 31 March 2020 | 752,995 | 600,000 | 1,352,995 |

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 | 1,057,131 | 752,995 |

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> |
| 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 | <u>7,261</u> | <u>7,107</u> |

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.