

**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

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### 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

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# **RURAL MINISTRIES**

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# **RURAL MINISTRIES**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

***FOR THE YEAR ENDED 31 MARCH 2023***

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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

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### 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

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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**

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#### **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**

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### **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

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#### 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***

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#### **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**

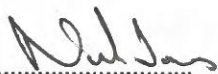
### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

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#### **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: .....18/11/23



# RURAL MINISTRIES

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

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### **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

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

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 £	£
<b>Fixed assets</b>					
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>	
<b>Current assets</b>					
Debtors	16	122,778		132,806	
Cash at bank and in hand		18,673		14,990	
		<u>141,451</u>		<u>147,796</u>	
<b>Creditors: amounts falling due within one year</b>	17	(7,814)		(8,662)	
Net current assets			133,637		139,134
<b>Total assets less current liabilities</b>			<u>2,250,696</u>		<u>2,024,499</u>
<b>Income funds</b>					
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

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#### 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

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### 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>
<b>Donations and gifts</b>		
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
	£	£	£
<b>Cost</b>			
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
<b>Depreciation and impairment</b>			
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
<b>Carrying amount</b>			
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 £
<b>Fair value</b>	
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 £
<b>Cost or valuation</b>			
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	1,123,475	60,000	1,183,475
<b>Carrying amount</b>			
At 31 March 2023	1,123,475	60,000	1,183,475
At 31 March 2022	995,033	110,000	1,105,033

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

## RURAL MINISTRIES

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

#### 16 Debtors (Continued)

	2023 £	2022 £
<b>Amounts falling due after more than one year:</b>		
Other debtors	103,203	113,823
<b>Total debtors</b>	<b>122,778</b>	<b>132,806</b>

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
	<b>7,814</b>	<b>8,662</b>

#### 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	
<b>Total</b>	<b>£104,467</b>	<b>£75,366.60</b>	<b>£32,163</b>	<b>£250</b>

# RURAL MINISTRIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 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.