

Company no. 02732325
Charity no. 1041335

Rural Media Charity
Report and Unaudited Financial
Statements
31 March 2019

Rural Media Charity

Reference and administrative details

For the year ended 31 March 2019

Company number	02732325
Charity number	1041335
Registered office and operational address	Packers House 25 West Street Hereford HR4 0BX
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Trudy Aspinwall John Bateman Matthew Hayes Elonka Soros Andrew Thorman Justine Wheatley (resigned 9 November 2018)
Chief executive officer	Nic Millington
Company secretary	Richard Deane
Bankers	Barclays Bank Plc 1 - 3 Broad Street Hereford HR4 9BA
Independent examiners	Godfrey Wilson Limited Chartered accountants and statutory auditors Fifth Floor Mariner House 62 Prince Street Bristol BS1 4QD

Rural Media Charity

Report of the Trustees

For the year ended 31 March 2019

The Trustees present their report and financial statements for the year ended 31 March 2019.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2015).

Objectives and activities

The objects of the charity are to promote, maintain, improve and advance education particularly by the encouragement of the Arts and Media including the arts of film, video, photography, music, drama and literature.

In support of its objects Rural Media Charity's mission statement is:

To empower people in rural communities, particularly the most disadvantaged, to develop understanding, self-confidence and skills to enable self-expression through participation in digital arts and media activities.

Rural Media Charity's business plan for the four financial years 2018/19 to 2021/22 contains the following five strategic objectives:

1. Celebrating place

Rural Media Charity will work with local communities to enable celebration and sharing of histories, heritage, and what makes them special. We will inspire and encourage communities to develop creative enterprises that breathe new life into redundant or underused public buildings and shared spaces. Through creative media and powerful storytelling, we will enable residents and visitors to capture then share the heart of their locality. More diverse and younger residents will be included in arts, heritage and cultural activity. Through creation and distribution of high-quality digital content, and better understanding of how to use data, communities will create more jobs, creative workspaces, and attract more visitors, thereby increasing their sustainability.

2. Participation and voice

We will engage with 'equality groups', as defined in the 2010 Equality Act on the basis of their protected characteristic - including ethnicity, gender, disability, religion or belief, sexual orientation, and age – for whom Arts Council England evidence (2018) shows that participation in film and digital arts in rural areas is especially low. We will enable rural communities, including those most disadvantaged and excluded, to access the power of digital arts, film and publishing to lower social barriers and improve the quality of lives.

3. Talent and skills/careers

In November 2017 the Government launched its flagship Industrial Strategy with an emphasis on digital education and training. In the same month the British Film institute launched its 5-year strategy BFI2022 again with an emphasis on 'Future Learning and Skills'. We will support talented young people, professional artists and arts organisations to push the boundaries between digital arts and creative practice, giving them access to inspirational industry professionals, digital facilities, creative spaces, training, and employment opportunities.

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For the year ended 31 March 2019

4. Audience and exhibition

As an established, award-winning creative production organisation, it is essential during the lifetime of this business plan that Rural Media Charity significantly increases its reach and understanding of our audiences so we can strengthen relationships with our priority communities. With improved insight into their habits and preferences, we will develop marketing and communications strategies, and distribution and exhibition partnerships that increase demand for our work.

5. Sustainability and growth

Rural Media Charity's less visible but important work at local and regional level involves building relationships, advocating for culture, leading or supporting local cultural planning, and investing via our delegated funding schemes to create new creative partnerships or training for cultural leaders. Our in-depth local knowledge and understanding of rural communities and their needs feeds into our own programming as well as national social and cultural policy. To sustain and grow this work, we will continue to seek new partnerships, develop cutting edge projects, and attract investment from diverse sources. Our support for cultural enterprise development, especially within the 'creative tech' sector contributes significantly towards rural regeneration and economic growth.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the charity's aims and objectives. Rural Media Charity provides public benefit through its work with communities, schools, groups and individuals to create issue-driven films, heritage and digital arts projects that raise awareness, influence change and celebrate rural life. The charity's work with young people is designed to foster confidence and equip them with the flexible skillset to work in today's digital industries. The charity's education programme for young people includes the provision of a British Film Institute Film Academy course and the co-running of a BA course in Short Filmmaking with Hereford College of Arts. Rural Media Charity's work with marginalised communities is nationally recognised. The charity publishes Travellers' Times, a bi-annual print magazine and daily website (www.Travellerstimes.org.uk), that also delivers media skills, news-writing courses and events to train and support Gypsies and Travellers to tell their stories, educate people and advocate for their communities.

Achievements and performance

In 2018/19 Rural Media Charity worked directly with 2,240 people, many of whom are from diverse and disadvantaged backgrounds, delivering training, developing young talent, building community cohesion and strengthening intergenerational relationships. In doing so we created a portfolio of innovative creative media including films, moving image, animations, audio and oral histories, booklets, photography collections, websites and printed media. Through our broadcast and digital channels we estimate our audience reach to be in excess of one million over the course of the year. Project highlights were:

Travellers' Times

Building on the learning and success of the previous 17 years, the National Lottery Community Fund funded project focused on our youth voice platform #YTT. We worked with more than 100 young Gypsies and Travellers on a range of creative media training programmes and published their stories on #YTT platforms, improving well-being and challenging negative media. We formed our Youth Advisory Group that helped us co-produce the project.

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For the year ended 31 March 2019

We continue to provide access to health and well-being information, support, advice and employment opportunities for all our beneficiaries through our rich media platform. We created a series of downloadable media and campaign tool kits for use by organisations, campaigners, activists and individuals. With additional support from Esmée Fairbairn Foundation we were able to extend the reach of the project in to Scotland, Wales and Northern Ireland. The positive content we have produced has reached audiences of over 1 million people in 2018/19.

YTT Arts Awards

Through a series of workshops and a two week intensive training programme we worked with eight young Gypsies and Travellers on a creative visual arts project to gain Bronze Arts Awards, thereby raising aspirations and improving lives.

British Film Institute - Film Academy

In the sixth year of our BFI Film Academy we trained 21 young people from diverse backgrounds. Through a bespoke training package of hands on practical workshops and masterclasses the young people created three short films which premiered at Borderlines Film Festival. The young people have also had the opportunity to gain an industry recognised NCFE qualification in Preparing to Work in The Film Industry.

Arts Council England – New Creatives

New Creatives is an exciting talent development scheme offering commissioning opportunities for Midlands based emerging creatives aged 16 to 30 to make new artistic works in film, audio or interactive media designed for BBC channels and platforms. In the last quarter of 2018/19 we recruited for and commissioned 11 audio artists and 8 filmmakers who were selected from more than 170 applicants. Successful artists will benefit from professional development, production and self-distribution expertise.

Herefordshire's a Great Place

This cultural development and place-making project, part of the national Great Place Scheme, is co-funded by Arts Council England and National Lottery Heritage Fund with support from Historic England and local partners including Herefordshire Council, the Elmley Foundation, REHAU, E F Bulmer Benevolent Fund, Becket Bulmer Fund and the Friends of Herefordshire Museums and Arts.

Between 2017 and 2020 Herefordshire's a Great Place is working to strengthen and support the role arts and heritage play in a rural county's social and economic future. The project is doing this through four strands of work: supporting new ideas, building new partnerships, talking to people, and creating new tools.

Herefordshire's a Great Place is running three delegated grant schemes, including the Hidden Gems scheme which directly funds a total of nine creative projects in Herefordshire all of which use community participation, the arts, and creative digital technology to raise the profile of heritage sites and stories. Another strand of work is capacity building and resilience for the cultural sector locally, both at community level and by influencing strategic plans and policies. It is around the latter objective that Herefordshire's a Great Place has supported Herefordshire Cultural Partnership and dissemination of the Herefordshire Cultural Strategy 2019-2029.

The project is also working with Hereford based Brightspace Foundation and The Audience Agency to explore the use of data in the local cultural and creative sector, and with Herefordshire Council to support greater community involvement in shaping the cultural use of public buildings and open spaces.

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Report of the Trustees

For the year ended 31 March 2019

Partnership working

While the quality and volume of Rural Media Charity's creative programme and output during 2018/19 has significantly raised charity's profile locally, regionally and nationally, our emphasis on partnership working contributes critically to the generation of new work for Rural Media Charity and to local and regional cultural, social and economic development.

Rural Media Charity continued to provide back office support to Herefordshire Cultural Partnership in its lead up to registering as an independent not-for-profit company. The charity also played a leading role in consulting, managing and drafting the Herefordshire Cultural Strategy 2019-29 that was launched in July 2019. Through this work and delivery of a range of innovative projects in Herefordshire, not least Herefordshire's a Great Place, Rural Media Charity developed over the course of the year a strong and positive working relationship with Herefordshire Council at Member and senior officer levels.

At regional level Rural Media Charity strengthened its relationships with a range of Midlands-based universities including Universities of Worcester, Wolverhampton, Nottingham, Birmingham, Birmingham City University (BCU) and Herefordshire College of Arts leading to practical collaborative work on the ground and a range of international development initiatives and funding bids (Europe, Africa, China). Rural Media Charity also played a proactive role in consultations with regard to establishing a regional industry screen board, and advocating strongly for region-wide support through Local Enterprise Partnerships for creative micro-businesses and SMEs.

At national level in addition to investing time and resources in presenting Rural Media Charity's work and methodology at national conferences and meetings, the charity continued to play a proactive role as a member of Arts Council England's (ACE) Rural Stakeholder Panel, contributing models of good practice as well as data to the final consultation on ACE's 2020-30 Strategy due to be published in December 2020.

Financial review

The consolidated financial statements for the year to 31 March 2019 are for Rural Media Charity and its wholly owned trading subsidiary, Rural Media Productions Ltd, which commenced trading on 13 May 2016. The financial statements have been prepared according to the requirements of the Statement of Recommended Practice – Accounting by Charities (effective from January 2015) and have been prepared on the basis of funds accounting, rather than on an income and expenditure basis.

For the year to 31 March 2019 total restricted income was £428,749 (2018: £687,605) and total unrestricted income was £352,590 (2018: £62,131). The deficit in restricted funds was £76,766 (2018: deficit of £116,089) and the surplus on unrestricted funds was £9,220 (2018: £3,943). The charity's strategic business plan for the four years to 2021/22 forecasts continued growth in income and surplus on unrestricted funds.

At 31 March 2019 restricted reserves were £20,661 (2018: £97,427) of which £26,778 (2018: £53,556) was held in the capital asset fund and a net deficit of £6,117 (2018: surplus £43,871) was held against restricted reserves relating to ongoing projects. The net deficit on restricted reserves relating to ongoing projects was due to the Herefordshire is a Great Place project being £33,481 in deficit (2018: nil). Despite being in deficit at the year-end the charity has a total of £75,000 in confirmed future funding for the project as further explained in note 17 to these financial statements.

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Report of the Trustees

For the year ended 31 March 2019

The Trustees recognise the importance of maintaining a realistic level of reserves in order to ensure that Rural Media Charity continues to be in a position to discharge its obligations to its beneficiaries, partners, creditors and staff. The reserves policy is reviewed annually by Trustees to take into account risk and sustainability of the organisation. At 31 March 2019 the Trustees reaffirmed the charity's target of holding unrestricted reserves sufficient to provide working capital for a minimum of three months' unrestricted activities. At 31 March 2019 the charity's unrestricted reserves target was £70,000 and actual unrestricted reserves were £74,566 (2018: unrestricted reserves target £30,000, unrestricted reserves £65,336). Although the charity therefore met its unrestricted reserves target the Trustees recognise that as only £3,445 of this amount was represented by cash at bank it is important to increase this element of the total. Since the year-end the cash position of the charity has improved significantly and Trustees have resolved to further strengthen this by progressively building an unrestricted cash reserve year on year.

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

The major risks are currently identified as:

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

To mitigate these risks the charity:

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

Plans for the future

On 1 April 2018 Rural Media Charity attained National Portfolio Organisation (NPO) status with Arts Council England. With NPO status comes a total grant income of £986,000 over the four years 2018/19 to 2021/22, providing Rural Media Charity with secured funding to develop its digital arts portfolio. NPO status is the foundation upon which Rural Media Charity will build a more secure and sustainable financial position. As part of its business plan, Rural Media Charity's trading subsidiary, Rural Media Productions Ltd, will grow its income and surplus.

Employees

At Rural Media Charity we rely heavily on the excellence of our staff to help achieve and maintain the highest standards of our creative outputs. We support our staff through regular performance reviews and through training and development programmes that are tailored to the individual. During 2018/19 all staff and Trustees received training in Diversity and Inclusion to ensure that we follow best practice through our internal processes and in the generation of our creative work.

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Report of the Trustees

For the year ended 31 March 2019

Structure, governance and management

Rural Media Charity is a charitable company limited by guarantee, incorporated on 17 July 1992 and registered as a charity on 7 October 1994. The organisation is constituted under a Memorandum of Association which sets out the objects and powers of the charitable organisation and governed under the Articles of Association.

Rural Media Charity wholly owns a subsidiary company, Rural Media Productions Ltd, that commenced trading on 13 May 2016.

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

The selection and recruitment of new Trustees is the responsibility of the full Board, who appoint by invitation of the Board. New Trustees are proactively recruited to meet any skills gaps as identified by Trustees. All new Trustees are invited to attend one full Board meeting, and activities associated to that meeting, before being formally nominated. Each new Trustee receives an induction pack prior to nomination setting out their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, and minutes which capture the recent financial performance of the charity. Regular Board development sessions are held and each session following appointment of new Trustees incorporates induction and orientation information for the newly appointed Trustees.

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

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the Trustees are required to:

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Report of the Trustees

For the year ended 31 March 2019

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Independent Examiners

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

Approved by the Trustees on 6 September 2019 and signed on their behalf by



Andrew Thorman - Chair

Independent examiner's report

To the Trustees of

Rural Media Charity

I report to the Trustees on my examination of the accounts of Rural Media Charity (the consolidated charitable company) for the year ended 31 March 2019, which are set out on pages 10 to 26.

Responsibilities and basis of report

As the Trustees of the consolidated charitable company (and also its Directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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


Independent examiner's statement

Since the consolidated charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

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

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



Date: 6 September 2019

Rob Wilson FCA

Member of the ICAEW

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Rural Media Charity

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

For the year ended 31 March 2019

	Note	Restricted £	Unrestricted £	2019 Total £	2018 Total £
Income from:					
Donations and legacies	3	12,000	-	12,000	12,000
Charitable activities	4	416,749	352,518	769,267	737,647
Investments		-	72	72	89
Total income		428,749	352,590	781,339	749,736
Expenditure on:					
Raising funds		-	45,510	45,510	37,931
Charitable activities		505,515	297,860	803,375	823,951
Total expenditure	6	505,515	343,370	848,885	861,882
Net income / (expenditure)		(76,766)	9,220	(67,546)	(112,146)
Transfers between funds		-	-	-	-
Net movement in funds	7	(76,766)	9,220	(67,546)	(112,146)
Reconciliation of funds:					
Total funds brought forward		97,427	65,336	162,763	274,909
Total funds carried forward		20,661	74,556	95,217	162,763

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 17 to the accounts.

Rural Media Charity

Consolidated balance sheet

As at 31 March 2019

		The group		The charity	
		2019	2018	2019	2018
	Note	£	£	£	£
Fixed assets					
Fixed assets	10	50,701	67,734	50,701	67,734
Investments	11	-	-	2	2
		<u>50,701</u>	<u>67,734</u>	<u>50,703</u>	<u>67,736</u>
Current assets					
Debtors	13	102,303	172,216	97,961	177,844
Cash at bank and in hand		<u>3,445</u>	<u>25,445</u>	<u>2,936</u>	<u>17,434</u>
		105,748	197,661	100,897	195,278
Liabilities					
Creditors: amounts falling due within 1 year	14	<u>(59,634)</u>	<u>(101,197)</u>	<u>(54,787)</u>	<u>(98,818)</u>
Net current assets		46,114	96,464	46,110	96,460
Provisions for liabilities	15	<u>(1,598)</u>	<u>(1,435)</u>	<u>(1,598)</u>	<u>(1,435)</u>
Net assets	16	<u>95,217</u>	<u>162,763</u>	<u>95,215</u>	<u>162,761</u>
Funds	17				
Restricted income funds		20,661	97,427	20,661	97,427
Unrestricted funds		<u>74,556</u>	<u>65,336</u>	<u>74,554</u>	<u>65,334</u>
Total charity funds		<u>95,217</u>	<u>162,763</u>	<u>95,215</u>	<u>162,761</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- ensuring that the Company keeps proper accounting records which comply with section 386 of the Act; and
- 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 profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

Approved by the trustees on 6 September 2019 and signed on their behalf by


 Andrew Thorman - Chair


 John Bateman - Trustee

Rural Media Charity

Consolidated statement of cash flows

For the year ended 31 March 2019

	Note	2019 £	2018 £
Cash used in operating activities:			
Net movement in funds		(67,546)	(112,146)
<i>Adjustments for:</i>			
Depreciation charges		37,632	39,726
Dividends, interest and rents from investments		(72)	(89)
Decrease / (increase) in debtors		69,913	(118,164)
Increase / (decrease) in creditors		(41,563)	71,342
Increase / (decrease) in provisions		163	(181)
Net cash provided used in operating activities		(1,473)	(119,512)
Cash flows from investing activities			
Payments for plant, property and equipment		(20,599)	(11,067)
Net cash used in investing activities		(20,599)	(11,067)
Cash flows from financing activities:			
Dividends and interest from investments		72	89
Net cash provided by financing activities		72	89
Decrease in cash and cash equivalents in the year		(22,000)	(130,490)
Cash and cash equivalents at the beginning of the year		25,445	155,935
Cash and cash equivalents at the end of the year		3,445	25,445

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Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charitable company is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charitable company's ability to continue as a going concern.

c) Income

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

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

d) Interest receivable

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

e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charitable company. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charitable company's work or for specific projects being undertaken by the charitable company. Capital grants are recognised and matched to the depreciation charge of the asset they are funded to purchase.

f) Expenditure and irrecoverable VAT

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

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

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies (continued)

g) Allocation of support costs

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

h) Tangible fixed assets

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

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

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

i) Debtors

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

j) Cash at bank and in hand

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

k) Creditors

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

l) Financial instruments

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

m) Pension costs

Pension costs are payments to employee's personal pensions.

The charitable company also participates in a defined benefit contribution scheme. The scheme is a multi-employer scheme. In 2005 the scheme was closed to new and existing members. The charitable company is currently paying contributions of £185 a year to contribute to the deficit, the contributions are recognised in the statement of financial activities when paid. Provision has been made for the charitable company's share of the deficit, based on the most recent actuarial valuation. The present value of the provision at 31 March 2019 was £1,598.

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies (continued)

n) Accounting estimates and key judgements

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

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1h to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

2. Prior period comparatives

	Restricted £	Unrestricted £	2018 Total £
Income from:			
Donations and legacies	12,000	-	12,000
Charitable activities	675,605	62,042	737,647
Investments	-	89	89
Total income	687,605	62,131	749,736
Expenditure on:			
Raising funds	-	37,931	37,931
Charitable activities	803,694	20,257	823,951
Total expenditure	803,694	58,188	861,882
Net income / (expenditure)	(116,089)	3,943	(112,146)
Transfers between funds	-	-	-
Net movement in funds	(116,089)	3,943	(112,146)

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

3. Donations

	Restricted £	Unrestricted £	2019 Total £	2018 Total
Grants				
Elmley Foundation	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>

All donations income in the prior year was restricted.

4. Charitable activities

	Restricted £	Unrestricted £	2019 Total £
Grants and service level agreements			
Arts Council England	33,000	246,500	279,500
National Lottery Community Fund	159,883	-	159,883
The British Film Institute	16,613	-	16,613
Esmee Fairbairn Foundation	10,150	-	10,150
Herefordshire Council	13,000	-	13,000
National Lottery Heritage Fund	195,314	-	195,314
Other <£5k	3,000	-	3,000
Accrued income written back	(14,686)	-	(14,686)
Earned income	<u>475</u>	<u>106,018</u>	<u>106,493</u>
	<u>416,749</u>	<u>352,518</u>	<u>769,267</u>

Prior period comparative:

	Restricted £	Unrestricted £	2018 Total £
Grants and service level agreements			
Arts Council England	329,431	-	329,431
National Lottery Community Fund	173,532	-	173,532
The British Film Institute	15,953	-	15,953
Esmee Fairbairn Foundation	27,627	-	27,627
National Lottery Heritage Fund	129,062	-	129,062
Earned income	<u>-</u>	<u>62,042</u>	<u>62,042</u>
	<u>675,605</u>	<u>62,042</u>	<u>737,647</u>

5. Government grants

The charity receives government grants, deemed to be Arts Council England, National Lottery Community Fund, National Lottery Heritage Fund, The British Film Institute and Herefordshire Council, to fund core services and charitable activities. The total value of such grants in the period ended 31 March 2019 was £664,310 (2018: £647,978). There are no unfulfilled conditions or contingencies attaching to these grants.

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

6. Total resources expended

	Raising funds £	Charitable activities £	Governance & support £	2019 £
Staff costs (Note 8)	45,510	388,734	24,177	458,421
Training	-	2,940	-	2,940
Production costs	-	243,759	-	243,759
Travel & subsistence	-	3,000	-	3,000
Equipment hire	-	17,715	-	17,715
Rent and rates	-	30,973	-	30,973
Insurance	-	7,657	254	7,911
Heat, light and power	-	7,210	-	7,210
Motor expenses	-	2,062	-	2,062
Printing and stationery	-	3,894	-	3,894
Telephone and computer	-	16,452	-	16,452
Memberships and subscriptions	-	10,808	-	10,808
Marketing	-	742	-	742
Bank charges and interest	-	353	-	353
Depreciation	-	37,632	-	37,632
Professional fees	-	1,400	3,613	5,013
Sub-total	45,510	775,331	28,044	848,885
Allocation of governance and support costs	-	28,044	(28,044)	-
Total resources expended	45,510	803,375	-	848,885

Total governance costs were £3,867 (2018: £2,942)

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

6. Total resources expended (continued)

Prior period comparative	Raising funds £	Charitable activities £	Governance & support £	2018 £
Staff costs (Note 8)	37,931	391,415	23,003	452,349
Training	-	3,311	-	3,311
Production costs	-	292,499	-	292,499
Travel & subsistence	-	4,391	-	4,391
Equipment hire	-	3,430	-	3,430
Rent and rates	-	16,761	-	16,761
Insurance	-	5,889	254	6,143
Heat, light and power	-	6,800	-	6,800
Motor expenses	-	7,192	-	7,192
Printing and stationery	-	7,704	-	7,704
Telephone and computer	-	11,301	-	11,301
Memberships and subscriptions	-	4,254	-	4,254
Marketing	-	840	-	840
Bank charges and interest	-	416	-	416
Depreciation	-	39,726	-	39,726
Professional fees	-	2,077	2,688	4,765
Sub-total	37,931	798,006	25,945	861,882
Allocation of governance and support costs	-	25,945	(25,945)	-
Total resources expended	<u>37,931</u>	<u>823,951</u>	<u>-</u>	<u>861,882</u>

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

7. Net movement in funds

This is stated after charging:

	2019 £	2018 £
Operating lease payments	25,313	1,699
Trustees' indemnity insurance	254	254
Trustees' reimbursed expenses	Nil	Nil
Depreciation	37,632	39,726
Independent examiner's fees	<u>1,920</u>	<u>1,800</u>

8. Staff costs and numbers

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	410,031	410,243
Social security costs	37,653	35,906
Pension costs	<u>10,737</u>	<u>6,200</u>
	<u>458,421</u>	<u>452,349</u>

No employee earned more than £60,000 during the current and prior year.

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer, the Finance Director, the Creative Director and the Development Director. The total employee benefits of the key management personnel of the charity were £199,502 (2018: £182,799).

	2019 No.	2018 No.
Average head count	<u>12.2</u>	<u>13.0</u>

9. Taxation

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

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

10. Tangible fixed assets

The charity and group	Motor vehicles	Technical equipment	Fixtures and fittings	Total
Cost				
At 1 April 2018	27,270	163,427	1,631	192,328
Additions	-	19,682	917	20,599
At 31 March 2019	<u>27,270</u>	<u>183,109</u>	<u>2,548</u>	<u>212,927</u>
Depreciation				
At 1 April 2018	13,636	109,496	1,462	124,594
Charge for year	<u>6,818</u>	<u>30,501</u>	<u>313</u>	<u>37,632</u>
At 31 March 2019	<u>20,454</u>	<u>139,997</u>	<u>1,775</u>	<u>162,226</u>
Net book value				
At 31 March 2019	<u>6,816</u>	<u>43,112</u>	<u>773</u>	<u>50,701</u>
At 31 March 2018	<u>13,634</u>	<u>53,931</u>	<u>169</u>	<u>67,734</u>

11. Investments

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

	2019 £	2018 £
Turnover	105,191	55,781
Costs of sales	<u>(24,937)</u>	<u>(6,660)</u>
Gross profit	80,254	49,121
Administrative expenses	<u>(26,185)</u>	<u>(6,385)</u>
Profit for the financial year	54,069	42,736
<i>Changes in equity:</i>		
Total comprehensive income for the year	54,069	42,736
Gift aid distribution to parent undertaking	<u>(54,069)</u>	<u>(42,736)</u>
Retained profit carried forward	<u><u>-</u></u>	<u><u>-</u></u>

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

12. Parent charity

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

	2019 £	2018 £
Gross income	750,218	736,689
Results for the year	<u>(67,545)</u>	<u>(112,147)</u>

13. Debtors

	The group		The charity	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	5,923	9,005	450	5,276
Grants receivable and accrued income	89,382	157,971	62,344	142,808
Rural Media Productions Limited	-	-	28,169	24,520
Prepayments	4,094	5,240	4,094	5,240
Other debtors	<u>2,904</u>	<u>-</u>	<u>2,904</u>	<u>-</u>
	<u>102,303</u>	<u>172,216</u>	<u>97,961</u>	<u>177,844</u>

14. Creditors : amounts due within 1 year

	The group		The charity	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	11,649	54,527	11,099	54,389
Taxation and social security	10,656	11,783	10,656	11,783
VAT	347	1,366	-	-
Accruals	18,932	33,451	18,032	32,576
Deferred income	3,050	70	-	70
Other creditors*	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
	<u>59,634</u>	<u>101,197</u>	<u>54,787</u>	<u>98,818</u>

*This represents an interest free, unsecured loan from an individual. The loan was repaid in May 2019.

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

15. Provisions for liabilities

	2019 £	2018 £
Defined benefit pension scheme	<u>1,598</u>	<u>1,435</u>

The charitable company participated in The Pensions Trust - The Growth Plan defined benefit multi-employer scheme. The present value of deficit of the scheme is £1,598.

16. Analysis of net assets between funds

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Fixed assets	26,778	23,923	50,701
Current assets	5,995	99,753	105,748
Current liabilities	(12,112)	(47,522)	(59,634)
Provisions	-	(1,598)	(1,598)
Net assets at 31 March 2019	<u>20,661</u>	<u>74,556</u>	<u>95,217</u>

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Prior period comparative			
Fixed assets	53,556	14,178	67,734
Current assets	138,808	58,853	197,661
Current liabilities	(94,937)	(6,260)	(101,197)
Provisions	-	(1,435)	(1,435)
Net assets at 31 March 2018	<u>97,427</u>	<u>65,336</u>	<u>162,763</u>

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

17. Movements in funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers	At 31 March 2019 £
Restricted funds					
<i>Project funds</i>					
The Elmley Foundation	-	12,000	(12,000)	-	-
Esmée Fairbairn Foundation	25,435	10,150	(35,585)	-	-
National Lottery Community Fund - Travellers' Times 2017-20	18,436	159,883	(152,669)	-	25,650
YTT Arts Award	-	3,000	(3,000)	-	-
British Film Institute - Film Academy	-	17,088	(17,088)	-	-
New Creatives	-	33,000	(31,286)	-	1,714
Herefordshire is a Great Place	-	193,628	(227,109)	-	(33,481)
	<u>43,871</u>	<u>428,749</u>	<u>(478,737)</u>	<u>-</u>	<u>(6,117)</u>
Capital asset funds	<u>53,556</u>	<u>-</u>	<u>(26,778)</u>	<u>-</u>	<u>26,778</u>
Total restricted funds	<u>97,427</u>	<u>428,749</u>	<u>(505,515)</u>	<u>-</u>	<u>20,661</u>
Unrestricted Funds					
General funds	<u>65,336</u>	<u>352,590</u>	<u>(343,370)</u>	<u>-</u>	<u>74,556</u>
Total unrestricted funds	<u>65,336</u>	<u>352,590</u>	<u>(343,370)</u>	<u>-</u>	<u>74,556</u>
Total funds	<u><u>162,763</u></u>	<u><u>781,339</u></u>	<u><u>(848,885)</u></u>	<u><u>-</u></u>	<u><u>95,217</u></u>

Purposes of restricted funds

The Elmley Foundation

Core and creative programme development.

Esmée Fairbairn Foundation

To extend the reach and enhance the impact of Travellers' Times whose mission is to challenge negative media stereotypes and strengthen the voice of Gypsy, Roma and Traveller people.

National Lottery Community Fund - Travellers' Times 2017-20

For nearly 20 years Travellers' Times has improved the life of Gypsy, Roma and Traveller people by challenging negative media stereotypes and provided information, training and opportunities to unheard community voices.

YTT Arts Award

Funded by Arts Connect through the University of Wolverhampton (£2,000) and Rooftop Housing Group (£1,000) Rural Media Charity provided a series of creative workshops to inspire, educate and empower young Travellers whilst gaining a bronze arts award.

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

17. Movements in funds (continued)

Purposes of restricted funds (continued)

British Film Institute - Film Academy

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

New Creatives

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

Herefordshire is a Great Place

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

The Herefordshire is a Great Place fund is currently in deficit however the charity has a total of £75,000 in confirmed future funding from The Elmley Foundation (£34,500), Herefordshire Council (£26,000), E F Bulmer Benevolent Fund (£10,000), Becket Bulmer Fund (£3,000), REHAU (£1,000) and Friends of Herefordshire Museums and Arts (£500).

Capital assets funds

Funding received by the charity to purchase fixed assets. The annual depreciation on the assets acquired is shown as expenditure. Assets acquired with these grants cannot be disposed of without the permission of the funders and if a disposal does occur the funder may be entitled to a share of the disposal proceeds.

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

17. Movements in funds (continued)

Prior period comparative	At 1 April 2017 £	Income £	Expenditure £	Transfers	At 31 March 2018 £
Restricted funds					
<i>Project funds</i>					
Arts Council England - Random Acts	-	222,953	(222,953)	-	-
Arts Council England - Random Acts Talent Progression	45,543	86,074	(131,617)	-	-
Arts Council England - Herefordshire Cultural Strategy	6,946	1,500	(8,446)	-	-
Arts Council England - Digital Roots	15,636	18,904	(34,540)	-	-
Heritage Lottery Fund - Travelling People 2017	10,052	24,150	(34,202)	-	-
Elmley Foundation	-	12,000	(12,000)	-	-
Esmée Fairbairn Foundation	47,096	27,627	(49,288)	-	25,435
Big Lottery Fund - Travellers' Times 2017-20	7,099	173,532	(162,195)	-	18,436
British Film Institute - Film Academy	-	15,953	(15,953)	-	-
Heritage Lottery Fund - Herefordshire is a Great Place	-	104,912	(104,912)	-	-
	<u>132,372</u>	<u>687,605</u>	<u>(776,106)</u>	<u>-</u>	<u>43,871</u>
Capital asset funds	<u>81,144</u>	<u>-</u>	<u>(27,588)</u>	<u>-</u>	<u>53,556</u>
Total restricted funds	<u>213,516</u>	<u>687,605</u>	<u>(803,694)</u>	<u>-</u>	<u>97,427</u>
Unrestricted Funds					
General funds	<u>61,393</u>	<u>62,131</u>	<u>(58,188)</u>	<u>-</u>	<u>65,336</u>
Total unrestricted funds	<u>61,393</u>	<u>62,131</u>	<u>(58,188)</u>	<u>-</u>	<u>65,336</u>
Total funds	<u>274,909</u>	<u>749,736</u>	<u>(861,882)</u>	<u>-</u>	<u>162,763</u>

18. Financial instruments

	The group		The charity	
	2019 £	2018 £	2019 £	2018 £
Financial assets measured at amortised cost	101,653	192,421	96,806	190,040
Financial liabilities measured at amortised cost	(45,581)	(87,978)	(44,131)	(86,965)

Financial assets measured at amortised cost comprise cash and cash equivalents, investments in subsidiaries (charity only), trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, provisions for liabilities and other creditors.

Rural Media Charity

Notes to the financial statements

For the year ended 31 March 2019

19. Operating lease disclosure

The group and charity had operating leases at the year end with total future minimum lease payments as follows:

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Amount falling due:				
Within 1 year	30,370	1,699	30,370	1,699
Within 1 - 5 years	63,348	2,548	63,348	2,548
	93,718	4,247	93,718	4,247

20. Related parties

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

	2019	2018
	£	£
Contribution to production costs, overheads and wages	20,000	-
Gift aid donation to parent	54,069	42,736
	74,069	42,736

At 31 March 2019 the subsidiary company owed the parent charity £28,169 (2018: £24,520).

M Hayes, a trustee, is a partner in the firm Harrison Clark Rickerbys ("the firm"). During the year Rural Media Charity paid the firm £1,184 (2018: £nil) for legal advice regarding renewal of the property rental lease and £780 for legal advice regarding amendments to the charity's articles of association. The transactions were carried out at arms length.