

CENTRAL SUSSEX UNITED AREA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



Caladine
Chartered Certified Accountants

CENTRAL SUSSEX UNITED AREA

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CENTRAL SUSSEX UNITED AREA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Alan Crook	Alan Colgate
Amanda Roper (Reverend)	Andrew Feasey
Andrew Ferris	Andrew Melvin (Reverend)
Andrew Mills (Reverend)	Angela Jenkins
Angela Simmons	Ann Caffyn
Annette Walker	Irena Byron (Reverend)
Bernard Dignum	Brenda Vance
Nicola Furley-Smith (Reverend)	Bryanell Rop (Deacon)
Carol Jewell	Carolyn Auger
Cochrane Young	Dan McQuillin
Darryl Sinclair (Reverend)	David Hinchliffe (Reverend)
Heather Johnson	Helen Abel
Howard Riddall	Janet Walton
Janice Crompton	Jennifer Ann Gandy
Jennie Macfadyen	Jeremy Hallett
John Gray	John Lane
Kathleen Shaw	Keith Morrison (Reverend)
Margaret Taylor	Martin Miller (Reverend)
Memona Shahbaz (Reverend)	Neil Fisher
Paul Tabraham (Reverend)	Robert Drake
Susan Young	Will Fletcher (Reverend)

Charlty number 1134357

Principal address Hailsham Methodist Church
High Street
Hailsham
East Sussex
BN27 1AU

Auditor Caladine Limited
Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Bankers National Westminster Bank
Central Finance Board of the Methodist Church
Trustees for Methodist Church Purposes

CENTRAL SUSSEX UNITED AREA

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their report and financial statements for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Charities Act 2011 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

The purposes of the Methodist Church and United Reformed Church are and shall be deemed to have been since the date of formation :-

- (a) the advancement of the Christian Faith in accordance with the doctrinal standards and the discipline of the Methodist Church and United Reformed Church;
- (b) any Charitable purpose for the time being of any connexional, district, circuit, local or other organisation of the Methodist Church and United Reformed Church;
- (c) any Charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church and United Reformed Church;
- (d) any purpose for the time being of any Society being a Charity subsidiary or ancillary to the Methodist Church and United Reformed Church.

The strategies adopted for achieving these objectives are:

- The organisation and resourcing of regular public acts of worship open to members of the church and non members alike.
- The teaching of Christianity through sermons, courses and small groups.
- The resourcing of pastoral work including visiting the sick and bereaved.
- Taking religious assemblies in local schools.
- Promotion of Christianity through the staging of events and services.
- Provision of chaplaincy services to the local university and other institutions.

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

Achievements and performance

The Area has continued in its task of bringing the Good News of Jesus Christ to the people of the Area, in particular, those associated with the United Reformed and Methodist Churches in the Area. Difficulties in meeting together during the continuing Covid19 pandemic have been met with many innovations, often using Zoom online meetings

Financial review

During the year, CSUA received total income of £360,826 and incurred costs of £553,621, leading to a deficit of £192,795 (2019: surplus of £126,111). This can be analysed as a deficit after transfers on restricted funds of £2,740 and a deficit of £190,055 on unrestricted funds.

Although technically the unrestricted funds of the Area are in deficit at the balance sheet date, creditors includes £12,500 of grant commitments to member Churches to be paid in the next 12 months which could be cancelled in the event of financial difficulties.

CENTRAL SUSSEX UNITED AREA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Income

The majority of income is drawn from the contributions paid by the Area churches. This amounted to £339,746 (2019: £286,933). Other income includes rental income £15,187 (2019: £21,422) from the rent of empty manse.

Expenditure

The most significant areas of expenditure are Stipends - £208,162 and Grants to Area churches - £167,156.

The Area also made a contribution to the District and Connexion of £66,258, a significant part of which is used to fund the work of the wider Methodist Church.

Reserves policy

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

As at 31 August 2020 the net unrestricted current assets of the Circuit were in deficit by £12,785 (2019: surplus funds of £177,270). Clearly this does not cover between three and six months' expenditure as per the policy. The Trustees will be working to address the position over the next 12 months to ensure unrestricted expenditure is kept at such a level as to generate a surplus.

Safeguarding

The Central Sussex United Area commits itself to ensuring the implementation of Safeguarding policy as an integral part of its life and ministry. Safeguarding is about the action the Church takes to promote a safer culture. This means we will:

- promote the welfare of children, young people and adults
- work to prevent abuse from occurring
- seek to protect and respond well to those that have been abused.

We are committed to:

- The care, nurture of, and respectful pastoral ministry with, all children, young people and all adults;
- The safeguarding and protection of all children, young people and all adults
- The establishing of safe, caring communities which provide a loving environment where victims of abuse can report or disclose abuse and where they can find support and best practice that contributes to the prevention of abuse

To this end:

- We will carefully select, support and train all those with any responsibility within the Church, in line with the principles of Safer Recruitment.
- We will respond without delay to every complaint made, that any adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to offer informed pastoral care and support to anyone who has suffered abuse, developing with them an appropriate ministry that recognises the importance of understanding the needs of those who have been abused, including their feelings of alienation and/or isolation.
- We will seek to protect survivors of abuse from the possibility of further harm and abuse.
- We will seek to challenge any abuse of power, especially by anyone in a position of respect and responsibility, where they are trusted by others.
- We will seek to offer pastoral care and support, including supervision, and referral to the appropriate authorities, to any member of our church community known to have offended against a child, young person or adult who is vulnerable.

In all these principles we will follow legislation, guidance and recognised good practice.

CENTRAL SUSSEX UNITED AREA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management

The Central Sussex United Area is a registered charity number 1134357.

In accordance with resolutions of the meetings of Mid Sussex and Eastbourne Circuits of The Methodist Church and subsequently approved by Connexional authorities of The Methodist Church together with the approval of the Southern Synod of the United Reformed Church, the aforementioned bodies agreed that the Central Sussex United Area was to be formed as from 1st September 2007.

The United Area assumed responsibility for liabilities of the respective entities and took control of the assets previously mentioned (subject to Standing Orders of the United Reformed Church and The Methodist Church).

The governing document for the Area is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of The Methodist Church by order of the annual conference (CPD).

Day to day management of the Area is undertaken by the Area Meeting along with the Preachers & Worship Leaders Meeting and the Area Executive Committee.

The Area is responsible for funding the payment of Methodist clergy stipends and related expenses, the provision of manses, and the general oversight of various churches as detailed within these financial statements. Income is generated by assessments raised on Area Methodist Churches and Local Ecumenical Partnerships.

The Central Sussex United Area of the Methodist & United Reformed Churches was registered with the Charity Commission on the 17 February 2010.

The Central Sussex United Area is governed by the Area Meeting, which comprises the trustees named on the information page. Many functions are delegated to the Executive Committee and officers appointed by the Area Meeting.

Area Ministers and Officers:

Active Area Ministers	Rev Irena Byron Deacon Bryanell Rop Rev Amanda Roper Rev Paul Tabraham Rev Andy Melvin Rev William Fletcher Rev Andrew Mills Rev Keith Morrison Rev Darryl Sinclair Rev Memona Shahbaz Rev Martin Miller
Area Co-Leaders	Rev Irena Byron Mr John Lane
Area Lay Workers	Mrs Jennifer Gandy Mrs Carole Short

CENTRAL SUSSEX UNITED AREA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Area Officers	Mr John Gray Mrs Carol Jewell Mr Clem Frank (Methodist Treasurer) Mrs Heather Johnson Dr Brenda Vance Mrs Annette Walker Mr Cochrane Young (URC Treasurer)
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Area Secretary	Mrs Jennifer Gandy
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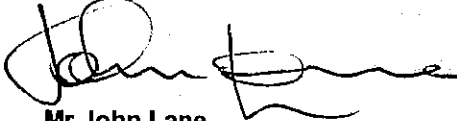
Administrators	As Area Lay workers above
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Trustee Training

Guidance produced by The Methodist Church and the United Reformed Church to support the effective running of the Area is provided online by the denominational websites and all new Area Meeting members are encouraged to access this material.

Area Officers are appointed by a majority vote by the members of the Area Meeting. Only candidates with suitable spiritual and business maturity are appointed.

On behalf of the Trustees



Mr John Lane
CSUA Co-Leader

Dated: 23 June 2021

CENTRAL SUSSEX UNITED AREA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

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

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

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CENTRAL SUSSEX UNITED AREA

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CENTRAL SUSSEX UNITED AREA

Opinion

We have audited the financial statements of Central Sussex United Area (the 'Charity') for the year ended 31 August 2020 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

CENTRAL SUSSEX UNITED AREA

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CENTRAL SUSSEX UNITED AREA

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 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.

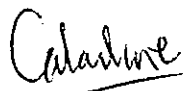
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.



Caladine Limited

25/06/2021

**Chartered Certified Accountants
Statutory Auditor**

Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Caladine Limited is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

CENTRAL SUSSEX UNITED AREA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020	Restricted funds 2020	Total Unrestricted funds 2020	Restricted funds 2019 as restated	Total 2019
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	3	1,000	-	1,000	800	800
Charitable activities	4	355,403	-	355,403	309,779	309,779
Investments	5	4,403	20	4,423	3,942	3,961
Other income	6	-	-	-	442,101	442,101
Total income		360,806	20	360,826	756,622	756,641
Expenditure on:						
Charitable activities	7	550,861	2,760	553,621	630,530	630,530
Net (expenditure)/income for the year/						
Net movement in funds		(190,055)	(2,740)	(192,795)	126,092	126,111
Fund balances at 1 September 2019		177,270	3,672,740	3,850,010	51,177	3,723,898
Fund balances at 31 August 2020		(12,785)	3,670,000	3,657,215	177,270	3,850,010

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

All income and expenditure derive from continuing activities.

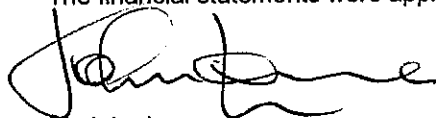
CENTRAL SUSSEX UNITED AREA

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Property, plant and equipment	12		3,670,000		3,670,000
Current assets					
Trade and other receivables	13	34,240		24,580	
Investments	14	471,430		542,568	
Cash at bank and in hand		65,168		62,926	
		570,838		630,074	
Current liabilities	15	(583,623)		(440,064)	
Net current (liabilities)/assets			(12,785)		190,010
Total assets less current liabilities			3,657,215		3,860,010
Non-current liabilities	16		-		(10,000)
Net assets			3,657,215		3,850,010
Income funds					
Restricted funds	18		3,670,000		3,672,740
Unrestricted funds			(12,785)		177,270
			3,657,215		3,850,010

The financial statements were approved by the Trustees on 23 June 2021



Mr John Lane
CSUA Co-Leader

CENTRAL SUSSEX UNITED AREA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(73,319)		(56,783)
Investing activities					
Proceeds on disposal of property, plant and equipment		-		442,101	
Transferred from/(to) investments		71,138		(400,114)	
Income from investments		4,423		3,961	
Net cash generated from investing activities			75,561		45,948
Net increase/(decrease) in cash and cash equivalents			2,242		(10,835)
Cash and cash equivalents at beginning of year			62,926		73,761
Cash and cash equivalents at end of year			65,168		62,926

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Charity information

Central Sussex United Area is a registered charity governed by its Deed of Union (1932) and the Methodist Church Act (1976).

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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. The principal accounting policies adopted are set out below.

1.2 Prior period error

Funds formerly known as the 'Area Advance Fund' had been treated as restricted due to constraints placed on their use by the Trustees for Methodist Church Purposes (TMCP). Historically this had been the correct classification, however advice from TMCP taken during 2019-20 established that Methodist Church rules had changed some years ago removing these restrictions and the fund had been renamed the Model Trust Fund.

In light of this advice, it was clear that these funds should not be treated as restricted and thus a prior period adjustment reflecting this change in treatment was necessary. The balance of the fund as at 1 September 2018 was moved to unrestricted funds and all movements in the comparative year have been reclassified as unrestricted. As at 31 August 2019 the fund had a balance of £188,052 which is now shown as part of Unrestricted Funds brought forward. See note 23 for details.

1.3 Going concern

As set out in the Trustees Report, the Central Sussex United Area can look to the Trustees for Methodist Church Purposes for appropriate grants to support the Area.

Therefore, 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.

1.4 Charitable funds

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

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

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.5 Income

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

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

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

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

1.6 Expenditure

Liabilities are recognised when a constructive obligation exists, the payment is probable and the obligation can be measured or estimated reliably.

Resources expended are allocated to the particular cost centre to which they relate and include irrecoverable VAT.

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

There is no record of the original cost of the Freehold Methodist church sites and due to their specialist nature these are notoriously difficult to value. For these reasons, no value is attributed to these properties in the accounts.

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 basis:

Land and buildings	No depreciation
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The freehold land and buildings belonging to CSUA were revalued as at the FRS102 transition date (1 September 2015). The charity has elected to use this revaluation as the deemed cost of those properties on the transition date in accordance with the transitional provision contained in section 35.10 (c) of FRS102.

No provision is made for depreciation of the freehold properties held as manses because:-

- It is the policy of the trustees to maintain them to a high standard
- Their estimated residual value exceeds their value stated in the accounts

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

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.8 Impairment of non-current 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 trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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 payables 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 payables 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.

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.12 Retirement benefits

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

1.13 United Reformed Church

a) Title to United Reformed Church sites vests in the URC Southern Synod Trust Ltd, as trustee with ownership reflected in the local Church Financial Statements. Responsibility for the costs of clergy residences applies as follows:-

(i) The URC Southern Synod Trust Ltd is responsible for capital expenditure on clergy residence(s). They also monitor the residences and will initiate necessary capital expenditure and once purchased beneficial ownership is vested with the local Church.

(ii) Local churches bear the costs of structural maintenance of clergy residences within its area. The local church members also bear the costs of local authority charges, insurance, and maintenance costs of these properties.

b) URC employed clergy receive stipends from their parent denomination.

c) Discussion between the denominations are held for the purpose of agreeing the allocation of Area costs where appropriate.

d) Grants were received in the year by the Area from the URC churches totaling £1,000 (2019: £800) which were earmarked for office and administration.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Grants receivable	1,000	800
	<u> </u>	<u> </u>
Grants receivable for core activities		
Grants from URC churches	1,000	800
	<u> </u>	<u> </u>
	1,000	800
	<u> </u>	<u> </u>

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Charitable activities

	2020 £	2019 £
Miscellaneous	470	1,424
Charitable rental income	15,187	21,422
Contributions	339,746	286,933
	<u>355,403</u>	<u>309,779</u>

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Interest receivable	<u>4,403</u>	<u>20</u>	<u>4,423</u>	<u>3,942</u>	<u>19</u>	<u>3,961</u>

6 Other income

	Total	Unrestricted funds
	2020 £	2019 £
Net gain on disposal of tangible fixed assets	<u>-</u>	<u>442,101</u>

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Charitable activities

	2020 £	2019 £
Staff costs	208,162	168,084
Contributions: Methodist Church fund	54,544	52,088
Contributions: South East District	11,714	9,938
Training and fellowship meetings	675	435
Telephone and broadband	2,943	3,173
Travel and expenses	11,481	19,595
Pulpit supplies	1,150	4,361
	<u>290,669</u>	<u>257,674</u>
Grant funding of activities (see note 8)	169,916	273,516
Share of support costs (see note 9)	86,994	93,184
Share of governance costs (see note 9)	6,042	6,156
	<u>553,621</u>	<u>630,530</u>
Analysis by fund		
Unrestricted funds	550,861	630,530
Restricted funds	2,760	-
	<u>553,621</u>	<u>630,530</u>

8 Grants payable

	2020 £	2019 £
Grants to institutions:		
Central Sussex Area Church Projects	167,156	273,516
Other	2,760	-
	<u>169,916</u>	<u>273,516</u>

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Support costs

	Support costs £	Governance costs £	Total 2020 £	Support costs £	Governance costs £	Total 2019 £
Staff costs	6,760	-	6,760	6,511	-	6,511
Area Advance fund levy and management	33,028	-	33,028	4,908	-	4,908
Rates and utilities	14,741	-	14,741	11,383	-	11,383
Property maintenance and refurbishment	19,488	-	19,488	56,439	-	56,439
Office rent	600	-	600	1,000	-	1,000
Subscriptions	-	-	-	36	-	36
Administration	4,897	-	4,897	3,794	-	3,794
Insurance	7,051	-	7,051	7,252	-	7,252
Sundry expenses	429	-	429	1,861	-	1,861
Audit fees	-	2,444	2,444	-	2,850	2,850
Accountancy	-	2,400	2,400	-	2,350	2,350
Payroll costs	-	1,058	1,058	-	704	704
Bank charges	-	140	140	-	252	252
	<u>86,994</u>	<u>6,042</u>	<u>93,036</u>	<u>93,184</u>	<u>6,156</u>	<u>99,340</u>
Analysed between Charitable activities	<u>86,994</u>	<u>6,042</u>	<u>93,036</u>	<u>93,184</u>	<u>6,156</u>	<u>99,340</u>

10 Trustees

The Presbyters and Deacon employed in the Area receive stipends and are also trustees of the Central Sussex United Area. They are also reimbursed travel and other expenses in their capacity as church Ministers.

11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Methodist Ministers	6	5
Administration	2	2
Total	<u>8</u>	<u>7</u>
Employment costs	2020 £	2019 £
Wages and salaries	160,748	130,327
Social security costs	14,063	11,529

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

11 Employees (Continued)

Other pension costs	40,111	32,739
	<u>214,922</u>	<u>174,595</u>

The salaries of three United Reformed ministers are paid by the United Reformed Church.

The pension contributions are paid into the Methodist Ministers Pension Scheme, which is a defined benefit scheme, for all the Methodist Presbyters and Deacon in the Area.

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

12 Property, plant and equipment

	Land and buildings £
Cost	
At 1 September 2019	3,670,000
At 31 August 2020	<u>3,670,000</u>
Carrying amount	
At 31 August 2020	<u>3,670,000</u>
At 31 August 2019	<u>3,670,000</u>

The freehold land and buildings included above consist of a number of residential manses belonging to CSUA. These properties were revalued as at the FRS102 transition date (1 September 2015). The charity has elected to use this revaluation as the deemed cost of those properties on the transition date in accordance with the transitional provision contained in section 35.10 (c) of FRS102.

CSUA also owns several Church sites, however, no record of their original cost is available and in the opinion of the trustees it is impossible to estimate the value of these.

13 Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Stipends in advance	17,687	18,436
Prepayments and accrued income	16,553	6,144
	<u>34,240</u>	<u>24,580</u>

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Current asset investments

	2020 £	2019 £
Trustees for Methodist Church Purposes (Model Trust Fund)	471,430	542,568

15 Current liabilities

	2020 £	2019 £
Assessments received in advance	39,127	34,532
Grant commitments	531,016	367,016
Other payables	8,432	33,272
Accruals and deferred income	5,048	5,244
	583,623	440,064

16 Non-current liabilities

	2020 £	2019 £
Grant commitments	-	10,000

17 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £40,111 (2019 - £32,739).

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18. Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds			
	Balance at 1 September 2018	Incoming resources	Balance at 1 September 2019	Incoming resources	Resources expended	Balance at 31 August 2020
	£	£	£	£	£	£
Model Trust Fund - Properties	3,670,000	-	3,670,000	-	-	3,670,000
The Haven Church Day School	2,721	19	2,740	20	(2,760)	-
	<u>3,672,721</u>	<u>19</u>	<u>3,672,740</u>	<u>20</u>	<u>(2,760)</u>	<u>3,670,000</u>

Model Trust Fund

This Fund represents balance sheet value of properties held by the Trustees for Methodist Church Purposes (TMCP).

The Haven Church Day School and Worship Centre

This is a partnership with the Church of England and local authorities to provide a Church day school and worship centre at the Haven, Atlantic Drive, Eastbourne. This money belong to the school and will be paid out in due course. A creditor equal to the balance was added to reflect the fact that the funds are only held by the Area on behalf of the school.

19 Analysis of net assets between funds

	Unrestricted funds 2020	Restricted funds 2020	Total 2020	Unrestricted funds 2019	Restricted funds 2019	Total 2019
	£	£	£	£	£	£
Fund balances are represented by:						
Property, plant and equipment	-	3,670,000	3,670,000	-	3,670,000	3,670,000
Current assets/ (liabilities)	(12,785)	-	(12,785)	187,270	2,740	190,010
Long term liabilities	-	-	-	(10,000)	-	(10,000)
	<u>(12,785)</u>	<u>3,670,000</u>	<u>3,657,215</u>	<u>177,270</u>	<u>3,672,740</u>	<u>3,850,010</u>

20 Related party transactions

Many of the Trustees are connected to Area churches who are subject to assessments by the Central Sussex United Area.

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

21	Cash generated from operations	2020 £	2019 £
	(Deficit)/surplus for the year	(192,795)	126,111
	Adjustments for:		
	Investment income recognised in statement of financial activities	(4,423)	(3,961)
	Gain on disposal of property, plant and equipment	-	(442,101)
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	(9,660)	6,681
	Increase in trade and other payables	133,559	256,487
	Cash absorbed by operations	(73,319)	(56,783)
22	Analysis of changes in net funds		
	The Charity had no debt during the year.		
23	Prior period adjustment		

Changes to the statement of financial position

	At 31 August 2019		
	As previously reported	Adjustment	As restated
	£	£	£
Income funds			
Restricted funds	3,860,792	(188,052)	3,672,740
Unrestricted funds	(10,782)	188,052	177,270
Total equity	3,850,010	-	3,850,010

Funds formerly known as the 'Area Advance Fund' had been treated as restricted due to constraints placed on their use by the Trustees for Methodist Church Purposes (TMCP). Historically this had been the correct classification, however advice from TMCP taken during 2019-20 established that Methodist Church rules had changed some years ago removing these restrictions and the fund had been renamed the Model Trust Fund.

In light of this advice, it was clear that these funds should not be treated as restricted and thus a prior period adjustment reflecting this change in treatment was necessary. The balance of the fund as at 1 September 2018 was moved to unrestricted funds and all movements in the comparative year have been reclassified as unrestricted. As at 31 August 2019 the fund had a balance of £188,052 which is now shown as part of Unrestricted Funds brought forward.