

CENTRAL SUSSEX UNITED AREA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

CENTRAL SUSSEX UNITED AREA

CONTENTS

	Page
Trustees' report	1 - 5
Independent auditor's report	6-7
Statement of financial activities	9
Statement of financial position	10
Statement of cash flows	11
Notes to the financial statements	12 - 23

CENTRAL SUSSEX UNITED AREA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Alan Colgate	Deacon Vicky Welsh
	Andrew Feasey	Heather Johnson
	Andrew Ferris	Helen Abel
	Andy Melvin (Reverend)	Howard Riddall
	Angela Jenkins	Janet Walton
	Angela Simmons	Janice Crompton
	Ann Caffyn (Reverend)	Jennie Macfadyen
	Barbara Evans-Routley (Reverend)	Jenny Gandy
	Bernard Dignum	Jeremy Hallett
	Brenda Vance	John Lane
	Bridget Banks (Reverend)	Kathleen Shaw
	Carole Short	Keith Morrison (Reverend)
	Carolyn Auger	Memonah Shahaz (Reverend)
	Chris Hitchens	Neil Fisher
	Cochrane Young	Paul Tabraham (Reverend)
	Dan McQuillin	Rob Drake
	David Cumbers (Reverend)	Tom Foreman
	David Hinchcliffe (Reverend)	Will Fletcher (Reverend)
	Deacon Bryanell Rop	

Charity 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 Charities Aid Foundation
Central Finance Board of the Methodist Church
Trustees for Methodist Church Purposes

CENTRAL SUSSEX UNITED AREA

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's 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

Central Sussex United Area (CSUA) covers from Seaford to Eastbourne and inland to Haywards Heath & Crowborough. CSUA is an joint area combining Methodist and URC Churches. It is managed by a Methodist Superintendent and a URC Leader supported by the CSUA Treasurer. There are five paid Methodist ministers (including the Methodist Superintendent) and four URC Ministers (paid by URC) as well as a number of retired ministers who, together with Local Preachers, undertake the majority of services. In addition an Sunday evening service is broadcast via ZOOM.

At the start of the year there were 23 churches which reduced to 21 during the year. Hurstpierpoint Methodist Church ceased to hold services at December 2023 and the church buildings are being maintained by CSUA until sold.

CSUA is responsible for the maintenance of the seven Methodist Manses (two of which are rented out thus providing some income) as well as paying the Methodist ministers' stipend. To ensure all trustees are kept informed there are a number of meetings held (mainly via Zoom) for the Executive and Finance & Property sub-committees as well as for the Area (quarterly). The financial position is reported at each meeting.

CENTRAL SUSSEX UNITED AREA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

During the year, CSUA received total income of £645,756 (2022: £375,407) and incurred costs of £401,291 (2022: £384,647), leading to a surplus of £244,465, (2022: deficit of £9,240). After transfers between funds. This can be analysed as an increase in the general fund of £34,650 (2022: decrease of £9,240).

Income

The majority of income is drawn from the contributions paid by the Area churches. This amounted to £354,957 (2022: £324,082). Other income includes rental income £36,600 (2022: £49,315) from the rent of empty manse.

Expenditure

The most significant areas of expenditure are Stipends - £193,338 (2022: £179,698) and new Grants committed to Area churches: £9,262 (2022: £1,333)

The Area also made a contribution to the District and Connexion of £76,655 (2022: £72,314), 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 2023 the net unrestricted current assets of the Area amounted to £109,718 (2022: £75,068).

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 2023

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.

CENTRAL SUSSEX UNITED AREA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Area Ministers and Officers:

Active Area Ministers

Rev Barbara Evans-Routley
Deacon Bryanell Rop
Rev Paul Tabraham
Rev Andy Melvin
Rev William Fletcher
Deacon Vicky Welsh
Rev Bridget Banks
Rev David Hinchcliffe
Rev Andrew Mills
Rev David Cumbers
Rev Keith Morrison
Rev Memona Shahbaz
Rev Martin Miller

Area Co-Leaders

Rev Barbara Evans-Routley
Mr John Lane

Area Lay Workers

Mrs Jennifer Gandy
Mrs Carole Short

Area Officers

Mr John Gray
Mrs Carol Jewell
Mrs Carole Short
Mrs Heather Johnson
Ms Jennie Macfadyen
Dr Brenda Vance
Mr Chris Hitchins (CSUA Treasurer)
Mr John Lane (former CSUA Treasurer)

Area Secretary

Mrs Jennifer Gandy

Administrators

As Area Lay workers above

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.

CENTRAL SUSSEX UNITED AREA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Statement of Trustees' responsibilities

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).

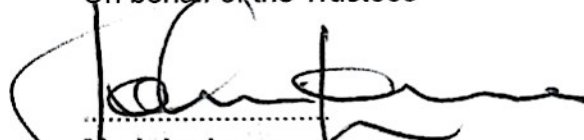
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

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.

On behalf of the Trustees



Mr John Lane
CSUA Co-Leader

Dated: 20th June 2024

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 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 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 the provisions available for small entities, in the circumstances set out in note 25 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with Trustees, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011 and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

CENTRAL SUSSEX UNITED AREA

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CENTRAL SUSSEX UNITED AREA

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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

24 June 2024

**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 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 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	3	20,631	-	20,631	263	-	263
Charitable activities	4	391,557	-	391,557	373,397	-	373,397
Investments	5	3,605	-	3,605	1,747	-	1,747
Other income	6	-	229,963	229,963	-	-	-
Total income		415,793	229,963	645,756	375,407	-	375,407
Expenditure on:							
Raising funds	7	6,269	-	6,269	6,914	-	6,914
Charitable activities	8	395,022	-	395,022	377,733	-	377,733
Total expenditure		401,291	-	401,291	384,647	-	384,647
Net income/(expenditure)		14,502	229,963	244,465	(9,240)	-	(9,240)
Transfers between funds	19	20,148	(20,148)	-	-	-	-
Net movement in funds		34,650	209,815	244,465	(9,240)	-	(9,240)
Reconciliation of funds:							
Fund balances at 1 September 2022		75,068	3,185,000	3,260,068	84,308	3,185,000	3,269,308
Fund balances at 31 August 2023		109,718	3,394,815	3,504,533	75,068	3,185,000	3,260,068

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

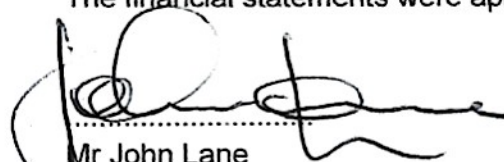
CENTRAL SUSSEX UNITED AREA

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Property, plant and equipment	14		3,394,815		3,185,000
Current assets					
Trade and other receivables	15	21,459		23,700	
Cash at bank and in hand		146,592		404,887	
		168,051		428,587	
Current liabilities	16	(58,333)		(353,519)	
Net current assets			109,718		75,068
Total assets less current liabilities			3,504,533		3,260,068
Income funds					
Restricted funds	19		3,394,815		3,185,000
Unrestricted funds			109,718		75,068
			3,504,533		3,260,068

The financial statements were approved by the Trustees on 20th June 2024


Mr John Lane
Trustee

CENTRAL SUSSEX UNITED AREA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	23		(282,048)		(4,677)
Investing activities					
Purchase of property, plant and equipment		(576,815)		-	
Proceeds from disposal of property, plant and equipment		596,963		-	
Investment income received		3,605		1,747	
Net cash generated from investing activities			23,753		1,747
Net decrease in cash and cash equivalents			(258,295)		(2,930)
Cash and cash equivalents at beginning of year			404,887		407,817
Cash and cash equivalents at end of year			146,592		404,887

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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 Going concern

In addition to holding unrestricted funds, the Trustees for Methodist Church Purposes are flexible in permitting proceeds from the sale of Area property to be used to support Area projects. Thus, whilst they are disclosed as restricted assets, the Trustees are confident they would be able to utilise these assets should future funding be required to continue the work of 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.

1.3 Charitable funds

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

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

1.4 Income

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

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

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

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

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

1.5 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.

1.6 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
--------------------	-----------------

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.

1.7 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).

1.8 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.

1.9 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.

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

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.

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

1.12 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 £1,960 (2022: £263) which were earmarked for office and administration.

CENTRAL SUSSEX UNITED AREA

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

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Grants receivable	20,606	263
Other	25	-
	<u>20,631</u>	<u>263</u>
Grants receivable for core activities		
Grants from URC churches	1,960	263
Grant arising on closure of Haven Church	18,646	-
	<u>20,606</u>	<u>263</u>

4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Charitable rental income	36,600	49,315
Contributions	354,957	324,082
	<u>391,557</u>	<u>373,397</u>

CENTRAL SUSSEX UNITED AREA

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

5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	3,605	1,747

6 Other income

	Restricted funds 2023 £	Restricted funds 2022 £
Net gain on disposal of tangible fixed assets	229,963	-

7 Expenditure on raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising and publicity		
Professional fees	4,349	4,349
Property repairs	1,920	2,565
	6,269	6,914

CENTRAL SUSSEX UNITED AREA

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

8 Expenditure on charitable activities

	Charitable activities	Charitable activities
	2023	2022
	£	£
Direct costs		
Staff costs	193,338	179,698
Contributions: Methodist Church fund	59,220	56,785
Contributions: South East District	17,435	15,529
Training and fellowship meetings	-	22
Telephone and broadband	2,506	1,907
Travel and expenses	6,445	3,720
Pulpit supplies	3,010	2,781
Office costs	3,668	6,216
	<u>285,622</u>	<u>266,658</u>
Grant funding of activities (see note 9)	9,262	1,433
Share of support and governance costs (see note 10)		
Support	91,062	100,644
Governance	9,076	8,998
	<u>395,022</u>	<u>377,733</u>
Analysis by fund		
Unrestricted funds	<u>395,022</u>	<u>377,733</u>

9 Grants payable

	Charitable activities	Charitable activities
	2023	2022
	£	£
Grants to institutions:		
Central Sussex Area Church Projects	9,262	1,333
Grants to individuals	-	100
	<u>-</u>	<u>100</u>

CENTRAL SUSSEX UNITED AREA

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

10 Support costs allocated to activities

	Charitable activities 2023 £	Total 2022 £
Staff costs	7,800	26,055
Area Advance fund levy and management	17,986	19,364
Rates and utilities	16,949	16,652
Property maintenance and refurbishment	39,283	26,879
Administration	304	2,641
Insurance	7,907	6,631
Apprenticeship levy	783	2,159
Sundry expenses	50	263
Governance	9,076	8,998
	<hr/> 100,138 <hr/>	<hr/> 109,642 <hr/>
	2023 £	2022 £
Governance costs comprise:		
Audit fees	4,520	4,000
Accountancy	1,990	3,800
Legal and professional	1,805	75
Payroll costs	701	1,002
Bank charges	60	121
	<hr/> 9,076 <hr/>	<hr/> 8,998 <hr/>

11 Trustees

In their capacities as Church Ministers, salaries of the Presbyters and Deacon, who are Trustees of the Charity, are funded by the Area. In addition to their salaries they are reimbursed for travel and other expenses and provided with living accommodation.

Salaries paid to the Presbyters and Deacon are set centrally by the Methodist Church and published on their website at <https://www.methodist.org.uk/for-churches/finance/stipends-and-payroll/stipends-and-lay-employment-rates/>. The total gross salaries paid to the Presbyters and Deacon amounted £143,213 (2022: £133,354) and the Area also contributed £36,218 (2022: £33,576) into a pension scheme for these staff.

One Trustee, Jennifer Gandy, was employed by the Area to undertake administrative work. During the year she received £7,800 (2022: £4,312) for her work.

None of the wages paid were for services rendered as a Trustee, and all payments were paid under the authority given in the governing document.

Other than stated above, none of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

CENTRAL SUSSEX UNITED AREA

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

12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Methodist Ministers	5	5
Administration	1	2
Total	6	7

Employment costs	2023 £	2022 £
Wages and salaries	151,013	157,302
Social security costs	13,907	14,350
Other pension costs	36,218	34,101
	201,138	205,753

The salaries of the 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 more than £60,000.

Remuneration of key management personnel

	2023 £	2022 £
Aggregate compensation	-	-

13 Taxation

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

CENTRAL SUSSEX UNITED AREA

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

14 Property, plant and equipment

	Land and buildings £
Cost	
At 1 September 2022	3,185,000
Additions	576,815
Disposals	(367,000)
At 31 August 2023	3,394,815
Carrying amount	
At 31 August 2023	3,394,815
At 31 August 2022	3,185,000

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 not possible to estimate their value.

15 Trade and other receivables

	2023 £	2022 £
Amounts falling due within one year:		
Stipends in advance	17,251	16,200
Other receivables	4,208	7,500
	21,459	23,700

16 Current liabilities

	Notes	2023 £	2022 £
Other taxation and social security		(479)	997
Deferred income	17	1,698	1,698
Assessments received in advance		32,013	34,857
Grant commitments		-	300,000
Other payables		972	3,319
Accruals and deferred income		24,129	12,648
		58,333	353,519

CENTRAL SUSSEX UNITED AREA

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

17 Deferred income

	2023 £	2022 £
Other deferred income	1,698	1,698

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	1,698	1,698

There were no movements in the year.

18 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 SOFA in respect of defined contribution schemes was £36,218 (2022 - £34,101).

19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2022 £	Incoming resources £	Transfers £	At 31 August 2023 £
Model Trust Fund - Properties	3,185,000	229,963	(20,148)	3,394,815
Previous year:	At 1 September 2021 £	Incoming resources £	Transfers £	At 31 August 2022 £
Model Trust Fund - Properties	3,185,000	-	-	3,185,000

Model Trust Fund - Properties

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

CENTRAL SUSSEX UNITED AREA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Unrestricted funds

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

	At 1 September 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 August 2023 £
General funds	75,068	415,793	(401,291)	20,148	109,718
Previous year:	At 1 September 2021 £	Incoming resources £	Resources expended £	Transfers £	At 31 August 2022 £
General funds	84,308	375,407	(384,647)	-	75,068

21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 August 2023 are represented by:			
Property, plant and equipment	-	3,394,815	3,394,815
Current assets/(liabilities)	109,718	-	109,718
	109,718	3,394,815	3,504,533
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 August 2022 are represented by:			
Property, plant and equipment	-	3,185,000	3,185,000
Current assets/(liabilities)	75,068	-	75,068
	75,068	3,185,000	3,260,068

22 Related party transactions

Other than those disclosed in note 11, there were no disclosable related party transactions during the year (2022 - none).

CENTRAL SUSSEX UNITED AREA

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

23	Cash generated from operations	2023 £	2022 £
	Surplus/(deficit) for the year	244,465	(9,240)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(3,605)	(1,747)
	Gain on disposal of property, plant and equipment	(229,963)	-
	Movements in working capital:		
	Decrease in trade and other receivables	2,241	224,954
	(Decrease) in trade and other payables	(295,186)	(218,644)
	Cash absorbed by operations	(282,048)	(4,677)

24 Analysis of changes in net funds

The Charity had no material debt during the year.

25 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements and payroll services.