

**EMMANUEL CHURCH, EASTBOURNE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**



**Caladine**

Chartered Certified Accountants

# EMMANUEL CHURCH, EASTBOURNE

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

C Auger  
T Bacon  
R Caffyn  
P Chamberlain  
C Coules  
P Easton  
J Gray  
M Howarth  
C Jewell  
P Plowman  
A Reid  
M Richards (Appointed 2 March 2022)  
A Sharp  
Rev M Shahbaz (ex-officio)  
J Stirney  
Rev P Tabraham (ex-officio)

### Charity number

1177439

### Principal address

Emmanuel Church  
Greenfield Road  
Eastbourne  
BN21 1JJ

### Auditor

John Caladine FCCA CTA FCIE  
Caladine Limited  
Chantry House  
22 Upperton Road  
Eastbourne  
East Sussex  
BN21 1BF

### Bankers

Trustees for Methodist Church Purposes  
  
Central Finance Board of the Methodist Church  
  
CAF Bank Limited  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ  
  
HSBC  
94 Terminus Road  
Eastbourne  
East Sussex  
BN21 3ND

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# EMMANUEL CHURCH, EASTBOURNE

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# EMMANUEL CHURCH, EASTBOURNE

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

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The Trustees present their annual report and financial statements for the year ended 31 August 2022.

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 Church's Constitution, 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 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.

In achieving its purpose, the Charity will engage in a range of activities, either on its own or with others, including (but not restricted to):

- i) the celebration of public worship
- ii) the teaching of the Christian Faith
- iii) mission and evangelism
- iv) pastoral work, including visiting the sick and the bereaved
- v) the provision of facilities with a Christian ethos for the local community, including (but not restricted to) the elderly, the young and other groups with special needs
- vi) the support of other charities in the UK and overseas

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

#### Achievements and performance

Emmanuel Church, Eastbourne, is a church and charity that came into being in January 2018 as a partnership between four Methodist and United Reformed Churches in Eastbourne. We are a Single-Congregation Local Ecumenical Partnership, formed from four constituent churches: Central and Greenfield Methodist Churches, St. Andrews and Upperton United Reformed Churches. We have adopted the model Constitution and Sharing Agreement required by both denominations.

Emmanuel Church exists to celebrate worship, fellowship, and ensure the pastoral care of all of its members and adherents, and seeks to live out its calling as a church by a ministry of care and compassion to the community it serves. Consequently, a great deal of our activity as a church involves various groups locally. For example, our children and families work includes running our Jenny Wren Nursery, Little Wrens Toddlers, Footprints Junior Church and various events throughout the year. We engage with people who may be vulnerable through reasons of poverty, isolation or homelessness, supporting them through our activities with the Eastbourne Winter Night Shelter, Eastbourne Foodbank, and Street Pastors among others. We raise considerable funds for a number of charitable resources locally and nationally, and we are an active partner in Churches Together for Eastbourne.



# **EMMANUEL CHURCH, EASTBOURNE**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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The last twelve months have seen significant progress in the new build scheme which has been a dominant feature of church strategy, planning, finance and fundraising for some years. At the time of writing, the expectation is that Emmanuel Church will move into the new premises in the Summer of 2023. Having sold Central Methodist Church's premises in 2018 and St. Andrews United Reformed Church in 2019, our last building to sell – Greenfield Methodist Church – is currently on the open market and we hope to achieve sale in 2023.

There is no doubt that, while acknowledging the progress made in the preceding twelve months and the proximity to the conclusion of the building scheme, Emmanuel Church has had to endure some significant setbacks in this time. Work on the building site has been affected by a variety of external factors in recent years including pandemic, consequences of Brexit both affecting the availability and cost of materials and labour. In addition, inflationary pressures in the construction sector – which had been high single figures since the start of our scheme, have only been exacerbated by wider trends affecting the UK economy. The Trustees have been forced to respond accordingly, for example by sanctioning purchase of materials ahead of schedule to offset inflationary pressures. Value engineering on the new building has also continued throughout, with the professional team tasked with making further economies and savings through adjustments to design and material as are possible. The affordability of the scheme has been an ongoing pressure for the Trustees to bear, and the support of the wider Methodist and United Reformed Churches has been invaluable. The underwriting of the scheme by Methodist funds from the Central Sussex United Area and the Southern Synod of the United Reformed Church has enabled us to be confident in completing the scheme. In addition, we have continued to fundraise locally and continued to make many applications to external sources. As Chair of the Trustees, I can testify to the remarkable support we have received from our church family, our wider community, grant-making bodies both local and national, and the wider Church.

As the scheme draws to a close, Emmanuel will continue to use Greenfield Methodist Church premises until sale is completed, enabling us to transition church life to the new premises on Upperton Road. A bridging loan has been approved in principle by Methodist Chapel Aid, and Emmanuel will apply formally to draw this down when required in early 2023. All Methodist legal and ecclesiastical processes are being followed in this; obviously it is intended that the bridging loan will be repaid promptly, on completion of sale of the Greenfield Road site.

The next twelve months will see the long-awaited completion of the new premises and Emmanuel beginning life in a new home. We are expecting some church worship, life and activities to simply continue and transfer, we are also expecting and planning for new possibilities that will inevitably come. To mark the new beginning, 2023 will see a whole range of acts of worship, celebrations, open days, concerts and events – of which one of the highlights will be the hosting of the renowned Methodist Modern Art Collection in the summer, an opportunity to open to community, schools, creative arts groups and faith groups.

By God's grace and the courage, persistence, and vision of the Trustees and members of Emmanuel, we are embarking on a new phase of church life which will be characterized by our living out our calling: to share the good news of Jesus Christ by sharing the love of God in the community to which we belong, and which we humbly serve.

#### **Financial review**

The church recorded a surplus of £7,560 in the year ended 31 August 2022 as it continued work on the new church building project (2021: deficit of £165,938). At the end of the year the church had funds of £780,157 (2021: £772,597) of which £669,577 were unrestricted (2021: £707,835).

#### **Reserves policy**

It is the policy of the Church that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to twelve month's worth of ministerial costs (£120,000) plus the likely cost of staff redundancy payments (£8,000) to a total of £128,000. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Church's current activities while consideration is given to ways in which additional funds may be raised.

The Church is currently in the process of construction of a new church building which significantly affects reserves held.

#### **Risk assessment**

The Trustees has assessed the major risks to which the Church is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

# EMMANUEL CHURCH, EASTBOURNE

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Structure, governance and management**

The Church is governed by its constitution for a Single Congregation Local Ecumenical Partnership (SCLEP) adopted 7 January 2018 and registered with the Charity Commission on the 6 March 2018.

The Trustees who served during the year and up to the date of signature of the financial statements were:

C Auger	
T Bacon	
R Caffyn	
P Chamberlain	
C Coules	
P Easton	
S Freeman	(Deceased 17 June 2022)
J Gray	
M Howarth	
C Jewell	
P Plowman	
A Reid	
M Richards	(Appointed 2 March 2022)
A Sharp	
Rev M Shahbaz (ex-officio)	
M Staplehurst	(Resigned 31 December 2022)
J Stirney	
Rev P Tabraham (ex-officio)	

Ex-officio Trustees are the ministers of the LEP.

There can be a maximum of 16 elected Trustees and 12 co-opted Trustees.

Trustees are elected after being nominated and voted at a Congregational Meeting.

None of the Trustees has any beneficial interest in the LEP.

The day to day operation of the church is lead by Rev P Tabraham and Rev M Shahbaz together with support, pastoral and administrative staff subject to the oversight of the Trustees.

### **Trustee training**

Specific support training and guidance is given to the Trustees by the Methodist and United Reformed Churches.

The Trustees' report was approved by the Board of Trustees.



Rev P Tabraham (ex-officio)  
**Chairman of Trustees**

26 April 2023

# **EMMANUEL CHURCH, EASTBOURNE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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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 Church and of the incoming resources and application of resources of the Church 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 Church 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 Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# EMMANUEL CHURCH, EASTBOURNE

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF EMMANUEL CHURCH, EASTBOURNE

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#### Opinion

We have audited the financial statements of Emmanuel Church, Eastbourne (the 'Church') for the year ended 31 August 2022 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 2022 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 Church in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Church'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.

# EMMANUEL CHURCH, EASTBOURNE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF EMMANUEL CHURCH, EASTBOURNE

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#### **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 Church'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.

#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

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 Church 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 Church, 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 Church'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.



# EMMANUEL CHURCH, EASTBOURNE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EMMANUEL CHURCH, EASTBOURNE

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### 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; and
- enquiring of management as to actual and potential litigation and claims;

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

The corresponding figures are unaudited.

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.



**John Caladine FCCA CTA FCIE**

16 May 2023

**Chartered Certified Accountants  
Statutory Auditor**

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

John Caladine FCCA CTA FCIE is eligible for appointment as auditor of the Church by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# EMMANUEL CHURCH, EASTBOURNE

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
<b>Income from:</b>									
Donations and legacies	3	99,807	1,770,406	-	1,870,213	323,165	531,301	-	854,466
Charitable activities	4	-	44,888	-	44,888	-	43,196	-	43,196
Other trading activities	5	4,821	-	-	4,821	1,901	-	-	1,901
Investments	6	529	-	-	529	1,029	277	-	1,306
Other income	7	-	2,213	-	2,213	-	49	-	49
<b>Total income</b>		105,157	1,817,507	-	1,922,664	326,095	574,823	-	900,918
<b>Expenditure on:</b>									
Charitable activities	8	142,831	48,971	-	191,802	127,573	44,382	-	171,955
Other costs for the Emmanuel Church new building project	13	-	1,723,106	-	1,723,106	-	894,978	-	894,978
<b>Total resources expended</b>		142,831	1,772,077	-	1,914,908	127,573	939,360	-	1,066,933
Net gains/(losses) on investments	14	-	-	(196)	(196)	-	-	77	77

# **EMMANUEL CHURCH, EASTBOURNE**

## **STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2022**

<b>Net (outgoing)/incoming resources before transfers</b>	(37,674)	45,430	(196)	7,560	198,522	(364,537)	77	(165,938)
Gross transfers between funds	(584)	584	-	-	-	-	-	-
<b>Net movement in funds</b>	(38,258)	46,014	(196)	7,560	198,522	(364,537)	77	(165,938)
Fund balances at 1 September 2021	707,835	63,078	1,684	772,597	509,313	427,615	1,607	938,535
<b>Fund balances at 31 August 2022</b>	<u>669,577</u>	<u>109,092</u>	<u>1,488</u>	<u>780,157</u>	<u>707,835</u>	<u>63,078</u>	<u>1,684</u>	<u>772,597</u>

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



# EMMANUEL CHURCH, EASTBOURNE

## STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Property, plant and equipment	16		1,000		2,000
Investments	17		1,488		1,684
			<u>2,488</u>		<u>3,684</u>
<b>Current assets</b>					
Trade and other receivables	18	315,851		9,046	
Cash at bank and in hand	19	481,547		772,852	
		<u>797,398</u>		<u>781,898</u>	
<b>Current liabilities</b>	20	(19,729)		(12,985)	
Net current assets			<u>777,669</u>		<u>768,913</u>
<b>Total assets less current liabilities</b>			<u>780,157</u>		<u>772,597</u>
<b>Capital funds</b>					
Endowment funds - general			1,488		1,684
<b>Income funds</b>					
Restricted funds	22	109,092		63,078	
Unrestricted funds		669,577		707,835	
			<u>780,157</u>		<u>772,597</u>

The financial statements were approved by the Trustees on 26 April 2023



Rev P Tabraham (ex-officio)  
Chairman of Trustees



A Reid  
Treasurer

# EMMANUEL CHURCH, EASTBOURNE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	27		(291,834)		(162,424)
<b>Investing activities</b>					
Investment income received		529		1,306	
<b>Net cash generated from investing activities</b>			529		1,306
<b>Net decrease in cash and cash equivalents</b>			(291,305)		(161,118)
Cash and cash equivalents at beginning of year			772,852		933,970
<b>Cash and cash equivalents at end of year</b>			481,547		772,852

# EMMANUEL CHURCH, EASTBOURNE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

##### Charity information

Emmanuel Church, Eastbourne is a charitable Local Ecumenical Partnership (LEP) trust governed by its Constitution adopted 7 January 2018.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Church's Constitution, 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 Church 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 Church. 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

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Church has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Church.

#### 1.4 Income

Income is recognised when the Church 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 Church has been notified of the donation, unless performance conditions require deferral of the amount.

Tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. It is the policy that these sums are credited to the General fund then disbursed accordingly.

Legacies are recognised on receipt or otherwise if the Church 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.

# EMMANUEL CHURCH, EASTBOURNE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Fixtures and equipment	20% on a straight line basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

##### Properties

Emmanuel Church is responsible for fundraising and construction of the new Church building at Upperton Road, Eastbourne, although beneficial ownership will rest with The United Reformed Church (Southern Synod). The beneficial ownership of the Greenfield Road Methodist Church site is held by Central Sussex United Area.

Emmanuel Church are responsible for the running of the United Reformed Manse in Kings Avenue. The manse running costs of the Methodist Property in Decoy Drive are the responsibility of the Central Sussex United Area. Beneficial ownership of both properties is either with The United Reformed Church Southern Synod Trust or Trustees for Methodist Church Purposes (TMCP), administered via the Methodist Central Sussex United Area.

##### 1.7 Non-current investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

##### 1.8 Impairment of non-current assets

At each reporting end date, the Church 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.

# EMMANUEL CHURCH, EASTBOURNE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies (Continued)

##### 1.10 Financial instruments

The Church 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 Church's balance sheet when the Church 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.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Church'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 Church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.12 Retirement benefits

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

##### 1.13 Taxation

In the opinion of the Trustees the charity's incoming resources are not subject to Corporation Tax.

#### 2 Critical accounting estimates and judgements

In the application of the Church'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.

# **EMMANUEL CHURCH, EASTBOURNE**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2022**

### **3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	99,807	1,770,406	1,870,213	323,165	531,301	854,466
<b>Donations and gifts</b>						
Grants re sale of property	-	-	-	-	208,693	208,693
Church offerings and gifts	64,250	117,581	181,831	150,373	38,893	189,266
Gift aid recoverable	35,557	-	35,557	31,715	-	31,715
Legacies	-	10,796	10,796	138,077	12,500	150,577
Grants	-	1,637,549	1,637,549	3,000	264,000	267,000
Benevolent fund gifts	-	2,665	2,665	-	2,165	2,165
Jenny Wren gifts	-	1,815	1,815	-	5,050	5,050
	99,807	1,770,406	1,870,213	323,165	531,301	854,466

# EMMANUEL CHURCH, EASTBOURNE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 4 Charitable activities

	2022 £	2021 £
Jenny Wren Nursery School (Fees)	44,888	43,196

### 5 Other trading activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Letting and licensing arrangements	4,821	1,901

### 6 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Interest receivable	529	1,029	277	1,306

### 7 Other income

	Restricted funds 2022 £	Restricted funds 2021 £
Sundry product sales and event income	2,213	49

# EMMANUEL CHURCH, EASTBOURNE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Charitable activities

	2022 £	2021 £
Staff costs for Jenny Wren	41,016	37,790
Depreciation and impairment	1,000	1,000
Little Wrens other costs	2,766	2,091
Jenny Wren other costs	4,289	3,136
Cleaning	4,395	3,795
Manse and ministry costs	4,331	7,436
Building repairs and maintenance	1,579	2,002
Utility costs	6,827	2,938
Worship costs	1,101	84
Assessments Methodist Church	89,447	74,539
Assessments United Reformed Church	18,274	20,390
Utilities and insurance costs	2,694	2,487
Small equipment and maintenance	974	315
Youth work	-	1,017
Sundries	405	562
	<u>179,098</u>	<u>159,582</u>
Grant funding of activities (see note 9)	3,545	5,319
Share of support costs (see note 10)	1,288	2,461
Share of governance costs (see note 10)	7,871	4,593
	<u>191,802</u>	<u>171,955</u>
<b>Analysis by fund</b>		
Unrestricted funds	142,831	127,573
Restricted funds	48,971	44,382
	<u>191,802</u>	<u>171,955</u>

### 9 Grants payable

	2022 £	2021 £
Other	3,165	4,173
Grants to individuals	380	1,146
	<u>3,545</u>	<u>5,319</u>



# EMMANUEL CHURCH, EASTBOURNE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 10 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Administration	1,288	-	1,288	2,461	-	2,461
Audit fees	-	3,840	3,840	-	-	-
Accountancy	-	3,840	3,840	-	3,020	3,020
Independent examination	-	-	-	-	1,420	1,420
Finance costs and bank charges	-	191	191	-	153	153
	<u>1,288</u>	<u>7,871</u>	<u>9,159</u>	<u>2,461</u>	<u>4,593</u>	<u>7,054</u>
<u>Analysed between</u>						
Charitable activities	<u>1,288</u>	<u>7,871</u>	<u>9,159</u>	<u>2,461</u>	<u>4,593</u>	<u>7,054</u>

### 11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Church during the year.

The ministers (who are ex-officio Trustees) Rev Paul Tabraham and Rev Memona Shahbaz receive a stipend directly from the Methodist Church / United Reformed Church.

Donations from the Trustees and their related parties amounted to £39,288 (2021: £67,718). This figure includes the separately identifiable donations and excludes amounts given as part of offerings, where the individuals concerned cannot be separately identified.

### 12 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Little Wrens playgroup supervisor	1	1
Jenny Wren Nursery School staff	4	4
Total	<u>5</u>	<u>5</u>

# EMMANUEL CHURCH, EASTBOURNE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 12 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	40,494	34,894
Social security costs	-	1,848
Other pension costs	522	1,048
	<u>41,016</u>	<u>37,790</u>

Consultancy fees paid to the Little Wrens playgroup supervisor are included in Little Wrens other costs in Note 8 - Charitable activities.

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

### 13 Other costs for the Emmanuel Church new building project

	Restricted funds	Restricted funds
	2022 £	2021 £
New building - construction works	1,620,224	793,664
New building - professional fees	102,882	101,314
	<u>1,723,106</u>	<u>894,978</u>

### 14 Net gains/(losses) on investments

	Endowment funds general	Endowment funds general
	2022 £	2021 £
Revaluation of investments	(196)	77

### 15 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# EMMANUEL CHURCH, EASTBOURNE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 16 Property, plant and equipment

	Fixtures and equipment £
<b>Cost</b>	
At 1 September 2021	5,000
At 31 August 2022	5,000
<b>Depreciation and impairment</b>	
At 1 September 2021	3,000
Depreciation charged in the year	1,000
At 31 August 2022	4,000
<b>Carrying amount</b>	
At 31 August 2022	1,000
At 31 August 2021	2,000

### 17 Fixed asset investments

	Trust Permanent Endowment £
<b>Cost or valuation</b>	
At 1 September 2021	1,684
Valuation changes	(196)
At 31 August 2022	1,488
<b>Carrying amount</b>	
At 31 August 2022	1,488
At 31 August 2021	1,684

### 18 Trade and other receivables

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade receivables	277	6
Other receivables	315,574	9,040
	315,851	9,046

# EMMANUEL CHURCH, EASTBOURNE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 19 Cash at bank

	2022 £	2021 £
Charities Aid Foundation Bank	385,309	194,127
Central Finance Board of the Methodist Church	74,286	558,286
Trustees Methodist Church Purposes	10	10
Jenny Wren HSBC	21,942	20,429
	<u>481,547</u>	<u>772,852</u>

### 20 Current liabilities

	2022 £	2021 £
Other taxation and social security	745	632
Other payables	11,424	8,513
Accruals and deferred income	7,560	3,840
	<u>19,729</u>	<u>12,985</u>

### 21 Retirement benefit schemes

#### Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £522 (2021 - £1,048).

# EMMANUEL CHURCH, EASTBOURNE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 22 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			Transfers	Balance at 31 August 2022 £
	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Balance at 1 September 2021 £	Incoming resources £	Resources expended £		
Jenny Wren	9,102	48,245	(40,927)	16,420	46,702	(45,305)	-	17,817
New Building	418,453	522,876	(895,088)	46,241	1,768,140	(1,723,106)	-	91,275
Benevolent and Appeals Fund	60	3,702	(3,345)	417	2,665	(3,666)	584	-
	427,615	574,823	(939,360)	63,078	1,817,507	(1,772,077)	584	109,092

#### Notes

1. The Jenny Wren fund is a Nursery School not registered as a charity but owned and ultimately governed by Emmanuel Church (formerly Greenfield Methodist Church). Separate accounting records are maintained by the fund and separate financial statements prepared which are consolidated into this report. The separate restricted funds of Jenny Wren are shown as creditors due to the immaterial figures involved.
2. The New Building fund originally represented monies from the original 4 churches together with further grants and donations received towards the new building project.
3. The Benevolent and Appeals Fund represents gifts given for specific projects and then distributed by the church.
4. A transfer was made from general funds into the Appeals fund to cover the deficit this year.

# **EMMANUEL CHURCH, EASTBOURNE**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2022**

### **23 Analysis of net assets between funds**

Fund balances are represented by:

	2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £
Property, plant and equipment	1,000	-	-	1,000	2,000	-	-	2,000
Investments	-	-	1,488	1,488	-	-	1,684	1,684
Current assets/(liabilities)	668,577	109,092	-	777,669	705,835	63,078	-	768,913
	<u>669,577</u>	<u>109,092</u>	<u>1,488</u>	<u>780,157</u>	<u>707,835</u>	<u>63,078</u>	<u>1,684</u>	<u>772,597</u>

# EMMANUEL CHURCH, EASTBOURNE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 24 Financial commitments, guarantees and contingent liabilities

The Church is committed to the fundraising and oversight of the construction of the new place of Worship on the site of the old Upperton United Reformed Church. The contract and ownership of the building is in the name of the United Reformed Church (Southern Synod) Trust Ltd.

To date some £3,340,586 has been expended towards the cost of this project with a further anticipated sum of £1,299,577 due to enable completion of the project

The Church are expecting further financial support from the Central Sussex United Area and the United Reformed Church (Southern Synod) Trust Ltd as well as raising funds from other sources.

#### 25 Events after the reporting date

In 2020 the Southern Province of the United Reformed Church agreed to provide £300,000 bridging finance towards the cost of building the new church. The agreement of the bridging finance was to permit the signing of building contracts and to be used, if necessary, should the Church be unable to raise sufficient funds themselves to meet construction costs as the new building progressed. In September 2022 it was agreed by the Southern Province of the United Reformed Church that these funds would be paid to Emmanuel Church, and funds were paid over in September and October 2022 to the total of £300,000. Once the building work has been completed and the final cost is known, a decision will be made by the Southern Province of the United Reformed Church as to whether the bridging finance will be converted to either a grant or a long-term loan.

#### 26 Related party transactions

A substantial number of the Trustees were officers of the four Churches referenced in the review of activities and connected to the incoming transfer of fund in the last two years.

There were no disclosable related party transactions during the year.

27 Cash generated from operations	2022 £	2021 £
Surplus/(deficit) for the year	7,560	(165,938)
Adjustments for:		
Investment income recognised in statement of financial activities	(529)	(1,306)
Fair value gains and losses on investments	196	(77)
Depreciation and impairment of property, plant and equipment	1,000	1,000
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(306,805)	1,586
Increase in trade and other payables	6,744	2,311
<b>Cash absorbed by operations</b>	<b>(291,834)</b>	<b>(162,424)</b>
28 Analysis of changes in net funds		
The Church had no debt during the year.		