

Annual Report and Financial Statements
for the Year Ended 31 August 2021

Southern Cross Evangelical Church

Charity registration number: 1179391

Independent Examiners Ltd
2 Broadbridge Business Centre
Delling Lane
Bosham
Chichester
West Sussex
PO18 8NF

SOUTHERN CROSS EVANGELICAL CHURCH

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SOUTHERN CROSS EVANGELICAL CHURCH

Reference and Administrative Details

Trustees	Rev Stephen Packham (resigned 14 December 2020) Christina Ann Pepper Lorraine Mary Voak Christine Hayward Brenda Ann Gates Alison Tester
Principal Office	103 Trafalgar Road Portslade Brighton BN41 1GU
Charity Registration Number	1179391
Independent Examiner	Independent Examiners Ltd 2 Broadbridge Business Centre Delling Lane Bosham Chichester West Sussex PO18 8NF
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

SOUTHERN CROSS EVANGELICAL CHURCH

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 August 2021.

Structure, governance and management

Nature of governing document

Southern Cross Evangelical Church is a registered charity, number 1179391, and is constituted under a CIO constitution.

Recruitment and appointment of trustees

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the constitution.

Organisational structure

The day to day management of the charity is delegated by the trustees to the Pastor and other church employees.

Relationships with related parties

The Fellowship of Independent Evangelical Churches Limited (FIEC)

The charity has appointed The Fellowship of Independent Evangelical Churches Limited (FIEC) as its holding trustee and adheres to the Basis of Faith of FIEC.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Objectives and activities

Objects and aims

The principal object of the charity is the advancement of the Christian faith in accordance with the Basis of Faith primarily, but not exclusively, within Portslade and the surrounding neighbourhood.

Objectives, strategies and activities

The church is engaged in its fulfillment of its objects through gathering for worship services, preaching, teaching and prayer and working in the community to make known the gospel of Jesus Christ.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

SOUTHERN CROSS EVANGELICAL CHURCH

Trustees' Report

Achievements and performance

During lockdown periods due to Covid, Sunday morning services and Tuesday evening prayer meetings were held on zoom. In May the church opened up to have live services on a Sunday morning. The church continued to support the work in Dandora, Kenya. The pre-school is also doing well. The youth group has continued over the year, again during lockdown was held on zoom, but since March 2021 have met in person on a Friday evening.

Unfortunately, a temporary halt had to be called to other activities due to the coronavirus pandemic. We do not anticipate that our financial position will be adversely affected, as our members have been giving to the church faithfully despite the present situation.

Financial review

Income for the year amounted to £39,716 (2020 - £44,069) while expenditure was £29,143 (2020 - £51,109). The surplus of £10,573 (2020 - deficit £7,040) was added to funds brought forward resulting in unrestricted funds of £299,101 and restricted funds of £4,410 at the year end.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

SOUTHERN CROSS EVANGELICAL CHURCH

Trustees' Report

Statement of Trustees' Responsibilities

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

The law applicable to charities 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 period. 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 business.

The trustees are responsible for keeping proper 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

The annual report was approved by the trustees of the charity on 9 November 2021 and signed on its behalf by:

.....
Christina Ann Pepper
Trustee

.....
Alison Tester
Trustee

SOUTHERN CROSS EVANGELICAL CHURCH

Independent Examiner's Report to the trustees of Southern Cross Evangelical Church

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2021 which are set out on pages 6 to 17.

Respective responsibilities of trustees and examiner

As the charity's trustees of Southern Cross Evangelical Church you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Southern Cross Evangelical Church's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of Southern Cross Evangelical Church as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

.....
G W Schulz ACMA

Independent Examiners Ltd
2 Broadbridge Business Centre
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9 November 2021

SOUTHERN CROSS EVANGELICAL CHURCH

Statement of Financial Activities for the Year Ended 31 August 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations and legacies	2	15,206	3,937	19,143	23,706
Charitable activities	3	894	-	894	1,234
Investment income	4	19,679	-	19,679	19,129
Total income		<u>35,779</u>	<u>3,937</u>	<u>39,716</u>	<u>44,069</u>
Expenditure on:					
Charitable activities	5	<u>27,338</u>	<u>1,805</u>	<u>29,143</u>	<u>51,109</u>
Total expenditure		<u>27,338</u>	<u>1,805</u>	<u>29,143</u>	<u>51,109</u>
Net income/(expenditure)		<u>8,441</u>	<u>2,132</u>	<u>10,573</u>	<u>(7,040)</u>
Net movement in funds		8,441	2,132	10,573	(7,040)
Reconciliation of funds					
Total funds brought forward		<u>290,660</u>	<u>2,278</u>	<u>292,938</u>	<u>299,978</u>
Total funds carried forward	13	<u>299,101</u>	<u>4,410</u>	<u>303,511</u>	<u>292,938</u>

The notes on pages 8 to 17 form an integral part of these financial statements.

SOUTHERN CROSS EVANGELICAL CHURCH

Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	259,023	264,593
Current assets			
Debtors	10	2,023	1,890
Cash at bank and in hand		<u>43,295</u>	<u>27,285</u>
		45,318	29,175
Creditors: Amounts falling due within one year	11	<u>(830)</u>	<u>(830)</u>
Net current assets		<u>44,488</u>	<u>28,345</u>
Net assets		<u>303,511</u>	<u>292,938</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		4,410	2,278
Unrestricted income funds			
Unrestricted funds		<u>299,101</u>	<u>290,660</u>
Total funds	13	<u>303,511</u>	<u>292,938</u>

The financial statements on pages 6 to 17 were approved by the trustees, and authorised for issue on 9 November 2021 and signed on their behalf by:

.....
Christina Ann Pepper
Trustee

.....
Alison Tester
Trustee

SOUTHERN CROSS EVANGELICAL CHURCH

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Gift aid

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

SOUTHERN CROSS EVANGELICAL CHURCH

Notes to the Financial Statements for the Year Ended 31 August 2021

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	2% straight line
Furniture and equipment	25% straight line

Debtors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

SOUTHERN CROSS EVANGELICAL CHURCH

Notes to the Financial Statements for the Year Ended 31 August 2021

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

SOUTHERN CROSS EVANGELICAL CHURCH

Notes to the Financial Statements for the Year Ended 31 August 2021

2 Income from donations and legacies

	Unrestricted funds Designated £	General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and legacies;					
Donations	45	12,567	3,937	16,549	20,295
Gift aid reclaimed	-	2,594	-	2,594	3,411
	<u>45</u>	<u>15,161</u>	<u>3,937</u>	<u>19,143</u>	<u>23,706</u>

3 Income from charitable activities

	Unrestricted funds Designated £	General £	Total 2021 £	Total 2020 £
Youth activities	<u>609</u>	<u>285</u>	<u>894</u>	<u>1,234</u>

4 Investment income

	Unrestricted funds Designated £	General £	Total 2021 £	Total 2020 £
Interest receivable and similar income;				
Interest receivable on bank deposits	87	-	87	161
Income from rents	-	19,592	19,592	18,968
	<u>87</u>	<u>19,592</u>	<u>19,679</u>	<u>19,129</u>

SOUTHERN CROSS EVANGELICAL CHURCH

Notes to the Financial Statements for the Year Ended 31 August 2021

5 Expenditure on charitable activities

	Note	Unrestricted funds Designated £	General £	Restricted funds £	Total 2021 £	Total 2020 £
Visiting speakers		-	500	-	500	760
Minister's expenses		-	151	-	151	1,004
Books and resources		-	94	-	94	218
Youth activities		491	-	-	491	1,388
Subscriptions & fees		-	374	-	374	359
Light, heat & water		-	2,792	-	2,792	2,607
Repairs & maintenance		-	3,471	-	3,471	6,437
Post, print & stationery		-	611	-	611	600
Computer costs		-	662	-	662	447
Telephone		-	668	-	668	-
Insurance		-	1,584	-	1,584	1,503
Legal and professional fees		-	-	-	-	1,043
Letting agents fees		-	1,440	-	1,440	1,440
Sundry expenses		-	218	-	218	442
Bank charges		-	84	-	84	60
Independent examination		-	810	-	810	780
Depreciation, amortisation and other similar costs		-	5,570	-	5,570	5,570
Grant funding of activities	6	61	500	1,805	2,366	3,898
Staff costs	8	-	7,257	-	7,257	22,553
		<u>552</u>	<u>26,786</u>	<u>1,805</u>	<u>29,143</u>	<u>51,109</u>

SOUTHERN CROSS EVANGELICAL CHURCH

Notes to the Financial Statements for the Year Ended 31 August 2021

6 Grant-making

Analysis of grants

	Grants to institutions		Grants to individuals	
	2021	2020	2021	2020
	£	£	£	£
Grant funding of activities	61	189	500	878

7 Trustees remuneration and expenses

During the year, Rev Stephen Packham, a trustee, received remuneration of £6,973 (2020 - £20,849) as pastor of the church and benefits in the form of pension contributions amounting to £284 (2020 - £1,704).

8 Staff costs

The aggregate payroll costs were as follows:

	2021	2020
	£	£
Staff costs during the year were:		
Wages and salaries	6,973	20,849
Pension costs	284	1,704
	<u>7,257</u>	<u>22,553</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021	2020
	No	No
Staff	<u>1</u>	<u>1</u>

No employee received emoluments of more than £60,000 during the year

SOUTHERN CROSS EVANGELICAL CHURCH

Notes to the Financial Statements for the Year Ended 31 August 2021

9 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 September 2020	278,519	1,311	279,830
At 31 August 2021	278,519	1,311	279,830
Depreciation			
At 1 September 2020	13,926	1,311	15,237
Charge for the year	5,570	-	5,570
At 31 August 2021	19,496	1,311	20,807
Net book value			
At 31 August 2021	259,023	-	259,023
At 31 August 2020	264,593	-	264,593

10 Debtors

	2021 £	2020 £
Prepayments	1,303	1,350
Accrued income	720	540
	<u>2,023</u>	<u>1,890</u>

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	<u>830</u>	<u>830</u>

12 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £284 (2020 - £1,704).

SOUTHERN CROSS EVANGELICAL CHURCH

Notes to the Financial Statements for the Year Ended 31 August 2021

13 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2021 £
Unrestricted funds					
<i>General</i>					
General Funds	268,164	35,038	(26,786)	-	276,416
<i>Designated</i>					
Reserve fund	17,979	87	-	-	18,066
Crusaders fund	4,018	609	(552)	-	4,075
KidsCRU	151	-	-	-	151
Holiday clubs	348	45	-	-	393
	<u>22,496</u>	<u>741</u>	<u>(552)</u>	<u>-</u>	<u>22,685</u>
Total unrestricted funds	<u>290,660</u>	<u>35,779</u>	<u>(27,338)</u>	<u>-</u>	<u>299,101</u>
Restricted funds					
Mission fund	813	1,665	(1,405)	-	1,073
Dandora fund	1,465	2,272	(400)	-	3,337
	<u>2,278</u>	<u>3,937</u>	<u>(1,805)</u>	<u>-</u>	<u>4,410</u>
Total funds	<u><u>292,938</u></u>	<u><u>39,716</u></u>	<u><u>(29,143)</u></u>	<u><u>-</u></u>	<u><u>303,511</u></u>

SOUTHERN CROSS EVANGELICAL CHURCH

Notes to the Financial Statements for the Year Ended 31 August 2021

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2020 £
Unrestricted funds					
<i>General</i>					
General Funds	273,511	39,801	(46,701)	1,553	268,164
<i>Designated</i>					
Reserve fund	17,818	161	-	-	17,979
Crusaders fund	4,635	804	(1,421)	-	4,018
KidsCRU	183	66	(98)	-	151
Holiday clubs	406	-	(58)	-	348
	<u>23,042</u>	<u>1,031</u>	<u>(1,577)</u>	<u>-</u>	<u>22,496</u>
Total unrestricted funds	<u>296,553</u>	<u>40,832</u>	<u>(48,278)</u>	<u>1,553</u>	<u>290,660</u>
Restricted funds					
Mission fund	394	1,319	(900)	-	813
Dandora fund	3,031	1,918	(1,931)	(1,553)	1,465
	<u>3,425</u>	<u>3,237</u>	<u>(2,831)</u>	<u>(1,553)</u>	<u>2,278</u>
Total funds	<u>299,978</u>	<u>44,069</u>	<u>(51,109)</u>	<u>-</u>	<u>292,938</u>

SOUTHERN CROSS EVANGELICAL CHURCH

Notes to the Financial Statements for the Year Ended 31 August 2021

14 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 August 2021
	General	Designated		
	£	£	£	£
Tangible fixed assets	259,023	-	-	259,023
Current assets	18,223	22,685	4,410	45,318
Current liabilities	(830)	-	-	(830)
Total net assets	<u>276,416</u>	<u>22,685</u>	<u>4,410</u>	<u>303,511</u>

	Unrestricted funds		Restricted funds	Total funds at 31 August 2020
	General	Designated		
	£	£	£	£
Tangible fixed assets	264,593	-	-	264,593
Current assets	4,401	22,496	2,278	29,175
Current liabilities	(830)	-	-	(830)
Total net assets	<u>268,164</u>	<u>22,496</u>	<u>2,278</u>	<u>292,938</u>