

Annual Report and Financial Statements
for the Year Ended 31 August 2022

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

CONTENTS (CONTINUED)

Reference and Administrative Details	1
Trustees' Report	2 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 to 17

SOUTHERN CROSS EVANGELICAL CHURCH
REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Christina Ann Pepper Lorraine Mary Voak Christine Hayward Brenda Ann Gates Alison Tester
Charity Registration Number	1179391
Principal Office	103 Trafalgar Road Portslade Brighton BN41 1GU
Independent Examiner	G W Schulz ACMA 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 2022.

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 (CONTINUED)

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 £33,371 (2021: £39,716) while expenditure was £28,489 (2021: £29,143). The surplus of £4,882 (2021: £10,573) was added to funds brought forward resulting in unrestricted funds of £304,358 and restricted funds of £4,035 at the year end.

Policy on reserves

In line with the trustees' belief that God provides for the work to which the church is called, reserves are not maintained.

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 (CONTINUED)

Statement of 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 Charities (Accounts and Reports) Regulations 2008, 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 10 November 2022 and signed on its behalf by:

.....
Christine Hayward
Trustee

.....
Alison Tester
Trustee

SOUTHERN CROSS EVANGELICAL CHURCH

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOUTHERN CROSS EVANGELICAL CHURCH

I report to the trustees on my examination of the accounts of Southern Cross Evangelical Church for the year ended 31 August 2022.

Responsibilities and basis of report

As the charity 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
Delling Lane
Bosham
Chichester
West Sussex
PO18 8NF

10 November 2022

SOUTHERN CROSS EVANGELICAL CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income and Endowments from:					
Donations and legacies	2	10,056	2,049	12,105	19,143
Charitable activities	3	1,626	-	1,626	894
Investment income	4	<u>19,640</u>	<u>-</u>	<u>19,640</u>	<u>19,679</u>
Total income		<u>31,322</u>	<u>2,049</u>	<u>33,371</u>	<u>39,716</u>
Expenditure on:					
Charitable activities	5	<u>26,065</u>	<u>2,424</u>	<u>28,489</u>	<u>29,143</u>
Total expenditure		<u>26,065</u>	<u>2,424</u>	<u>28,489</u>	<u>29,143</u>
Net income/(expenditure)		<u>5,257</u>	<u>(375)</u>	<u>4,882</u>	<u>10,573</u>
Net movement in funds		5,257	(375)	4,882	10,573
Reconciliation of funds					
Total funds brought forward		<u>299,101</u>	<u>4,410</u>	<u>303,511</u>	<u>292,938</u>
Total funds carried forward	13	<u><u>304,358</u></u>	<u><u>4,035</u></u>	<u><u>308,393</u></u>	<u><u>303,511</u></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 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	<u>253,453</u>	<u>259,023</u>
		<u>253,453</u>	<u>259,023</u>
Current assets			
Debtors	10	2,122	2,023
Cash at bank and in hand		<u>53,628</u>	<u>43,295</u>
		55,750	45,318
Creditors: Amounts falling due within one year	11	<u>(810)</u>	<u>(830)</u>
Net current assets		<u>54,940</u>	<u>44,488</u>
Net assets		<u>308,393</u>	<u>303,511</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		4,035	4,410
Unrestricted income funds			
Unrestricted funds		<u>304,358</u>	<u>299,101</u>
Total funds	13	<u>308,393</u>	<u>303,511</u>

The financial statements on pages 6 to 17 were approved by the trustees, and authorised for issue on 10 November 2022 and signed on their behalf by:

.....
Christine Hayward
Trustee

.....
Alison Tester
Trustee

SOUTHERN CROSS EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

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.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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 2022 (CONTINUED)

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.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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.

SOUTHERN CROSS EVANGELICAL CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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 charity 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.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees 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 2022 (CONTINUED)

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies;				
Donations	7,981	2,049	10,030	16,549
Gift aid reclaimed	2,075	-	2,075	2,594
	<u>10,056</u>	<u>2,049</u>	<u>12,105</u>	<u>19,143</u>

3 Income from charitable activities

	Unrestricted funds Designated £	General £	Total 2022 £	Total 2021 £
Youth activities	1,535	-	1,535	609
Other activities	-	91	91	285
	<u>1,535</u>	<u>91</u>	<u>1,626</u>	<u>894</u>

4 Investment income

	Unrestricted funds Designated £	General £	Total 2022 £	Total 2021 £
Interest receivable and similar income;				
Interest receivable on bank deposits	46	2	48	87
Income from rents	-	19,592	19,592	19,592
	<u>46</u>	<u>19,594</u>	<u>19,640</u>	<u>19,679</u>

SOUTHERN CROSS EVANGELICAL CHURCH

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

5 Expenditure on charitable activities

	Note	Unrestricted funds Designated £	General £	Restricted funds £	Total 2022 £	Total 2021 £
Visiting speakers		-	6,754	-	6,754	500
Minister's expenses		-	-	-	-	151
Books and resources		-	109	-	109	94
Youth activities		1,249	-	-	1,249	491
Subscriptions & fees		-	1,301	-	1,301	374
Light, heat & water		-	2,609	-	2,609	2,792
Repairs & maintenance		-	2,672	-	2,672	3,471
Post, print & stationery		-	672	-	672	611
Computer costs		-	319	-	319	662
Telephone		-	805	-	805	668
Insurance		-	1,543	-	1,543	1,584
Letting agents fees		-	1,440	-	1,440	1,440
Sundry expenses		-	119	-	119	218
Bank charges		-	93	-	93	84
Independent examination		-	810	-	810	810
Depreciation, amortisation and other similar costs		-	5,570	-	5,570	5,570
Grant funding of activities	6	-	-	2,424	2,424	2,366
Staff costs	8	-	-	-	-	7,257
		<u>1,249</u>	<u>24,816</u>	<u>2,424</u>	<u>28,489</u>	<u>29,143</u>

SOUTHERN CROSS EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

6 Grant-making

Analysis of grants

	Grants to institutions		Grants to individuals	
	2022	2021	2022	2021
	£	£	£	£
Grants	<u>2,424</u>	<u>1,866</u>	<u>-</u>	<u>500</u>

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

The only payments made to the trustees, or any person connected with them, consisted of reimbursements of expenditure incurred on behalf of the charity in furthering the charity's objects.

8 Staff costs

The aggregate payroll costs were as follows:

	2022	2021
	£	£
Staff costs during the year were:		
Wages and salaries	-	6,973
Pension costs	<u>-</u>	<u>284</u>
	<u>-</u>	<u>7,257</u>

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

	2022	2021
	No	No
Staff	<u>-</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 2022 (CONTINUED)

9 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 September 2021	<u>278,519</u>	<u>1,311</u>	<u>279,830</u>
At 31 August 2022	<u>278,519</u>	<u>1,311</u>	<u>279,830</u>
Depreciation			
At 1 September 2021	19,496	1,311	20,807
Charge for the year	<u>5,570</u>	<u>-</u>	<u>5,570</u>
At 31 August 2022	<u>25,066</u>	<u>1,311</u>	<u>26,377</u>
Net book value			
At 31 August 2022	<u>253,453</u>	<u>-</u>	<u>253,453</u>
At 31 August 2021	<u>259,023</u>	<u>-</u>	<u>259,023</u>

10 Debtors

	2022 £	2021 £
Prepayments	1,452	1,303
Accrued income	<u>670</u>	<u>720</u>
	<u>2,122</u>	<u>2,023</u>

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	<u>810</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 £Nil (2021 - £284).

SOUTHERN CROSS EVANGELICAL CHURCH

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

13 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Balance at 31 August 2022 £
Unrestricted funds				
<i>General</i>				
General Funds	276,416	29,741	(24,816)	281,341
<i>Designated</i>				
Reserve fund	18,066	46	-	18,112
Crusaders fund	4,075	1,535	(1,249)	4,361
KidsCRU	151	-	-	151
Holiday clubs	393	-	-	393
	<u>22,685</u>	<u>1,581</u>	<u>(1,249)</u>	<u>23,017</u>
Total unrestricted funds	<u>299,101</u>	<u>31,322</u>	<u>(26,065)</u>	<u>304,358</u>
Restricted funds				
Mission fund	1,073	1,431	(2,200)	304
Dandora fund	3,337	618	(224)	3,731
	<u>4,410</u>	<u>2,049</u>	<u>(2,424)</u>	<u>4,035</u>
Total funds	<u><u>303,511</u></u>	<u><u>33,371</u></u>	<u><u>(28,489)</u></u>	<u><u>308,393</u></u>

SOUTHERN CROSS EVANGELICAL CHURCH

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

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	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>22,685</u>
Total unrestricted funds	<u>290,660</u>	<u>35,779</u>	<u>(27,338)</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>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>303,511</u></u>

SOUTHERN CROSS EVANGELICAL CHURCH

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

14 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 August 2022
	General	Designated		
	£	£	£	£
Tangible fixed assets	253,453	-	-	253,453
Current assets	28,699	23,016	4,035	55,750
Current liabilities	(810)	-	-	(810)
Total net assets	<u>281,342</u>	<u>23,016</u>	<u>4,035</u>	<u>308,393</u>

	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>