

Charity Registration No. 1094905

Company Registration No. 03387617 (England and Wales)

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Aguilar G Amy J Bell L Cluskey J Cornish (Chair) H Macaulay (Treasurer) D Osborn I Sullivan S Williams
Chief Executive Officer	P Shimmin
Charity number	1094905
Company number	03387617
Principal address and registered office	Denton Island Community Centre Denton Island Newhaven East Sussex BN9 9BA
Auditors	TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN
Bankers	HSBC 3 Sutton Park Road Seaford East Sussex BN25 1QY

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SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and accounts for the year ended 31 March 2020, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102) effective 1 January 2019).

1. Structure, governance and management

SCDA is an independent registered charity (1094905), company (03387617) limited by guarantee and a development trust delivering a range of projects to meet the needs of the community across East Sussex.

SCDA is a membership organisation of voluntary and community groups— currently we have 75 member groups.

The Board of up to 12 volunteer trustees is elected from individuals nominated by the member groups or co-opted for specific skills to oversee our activities.

The Trustees have delegated the day-to-day management of the charity to the Chief Executive Officer. The work streams each have a Programme Manager who participate with the Finance and Infrastructure Director and HR Director in the Senior Management team. Projects also benefit from advisory 'Steering Groups' made up of local partner organisations and users.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Maria Aguilar

Graham Amy

John Bell

Leslie Cluskey (appointed 17 March 2020)

John Cornish (Chair)

Helen Macaulay (Treasurer)

Ken Mackenzie (resigned 11 December 2019)

Daniel Osborn (appointed 20 April 2019)

Ioni Sullivan

Sean Williams

None of the trustees has any beneficial interest in the company.

2. Risk

SCDA's Board of Trustees regularly reviews different aspects of the potential risks to the charity and take steps to minimise the likelihood of risk factors actually occurring and to minimise their effects should any occur.

Risk is managed through a Risk Management Policy, which includes the maintenance of a risk register which identifies and rates SCDA-wide and project specific risks and appropriate mitigation strategies. The risk register is reviewed by the Board annually.

The charity faces the following types of risk:

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2.1 Financial sustainability

SCDA receives funding from a variety of different sources. The grants and contracts are for varying periods and amounts and, like any charity, it requires constant work to maintain the required jigsaw of income to pursue SCDA's charitable aims. SCDA works to mitigate the risks of short term funding through social enterprise, the development of an income-generating asset base, the development of best practice models of service delivery, contracting, continuous cycle of fundraising and by avoidance of overdependence on any single funder. SCDA are aware of the need for contingency planning to ensure resilience in a period of economic constraint. However, having no expectation of statutory core funding has minimised the vulnerability of SCDA to statutory grant funding cuts. The Board, Finance, Audit and Risk Sub Committee, the Senior Management Team and Programme Management all address financial sustainability on a regular basis.

2.2 Compliance

2.2.1 Finance systems

SCDA has a very flat management structure with a small finance team, led by a Finance and Infrastructure Director. SCDA works to mitigate risks through the operation of effective finance and reporting systems to the Board; Finance, Audit and Risk Subcommittee, the Senior Management Team and Programme Managers; annual budgets in each project area and the involvement of Programme Managers in budgetary control. The basis of reporting is a rolling full year forecast that is updated on a regular basis with analysis of variances from the annual board approved budget. Contract outputs and the performance of Payment by Results contracts are monitored closely.

2.2.2 Health and Safety

SCDA is responsible for the operation of a broad range of projects, which require vigilance to meet the needs of staff and the predominantly vulnerable client group. A comprehensive overarching summary risk assessment across all activities is carried out annually with half yearly reviews. The Health and Safety risks of each project area are reviewed on a quarterly basis with additional risk assessments for all new activities, premises and workstations. Each project area has a Health and Safety representative, who is trained, conducts risk assessments and attends quarterly Health and Safety meetings. SCDA operates clear lone working policies, particularly important for outreach service delivery. There is a rolling programme of compliance training for all staff and volunteers, which includes First Aid and Safe Lifting & Handling. All project areas work to methods and procedures including dealing with critical incidents with appropriate procedures for each professional area.

2.2.3 Child protection and adult safeguarding

DBS checks are carried out for all staff, volunteers and trustees, where the role requires, with enhanced checks for staff undertaking regulated activities. All checks are kept on file. DBS checks are renewed every 3 years. All staff and volunteers are trained in safeguarding, child protection and working with vulnerable adults and in SCDA policies and procedures. Policies and procedures are regularly reviewed to ensure statutory compliance and best practice including Serious Incident reporting.

2.2.4 Data protection

SCDA policy and procedures address compliance with data protection requirements, including training for staff and regular staff briefings. All staff have been trained in the requirements of the General Data Protection Regulation (GDPR).

2.3 Human resource management

SCDA employs across a wide skill base and experiences fluctuations across that range in the potential to recruit appropriately experienced and qualified staff and volunteers. To mitigate this SCDA employs an MCIPD qualified HR Director with 24 years' experience supported by 2 qualified and experienced HR professionals and drawing on specialist HR expertise within the Board when appropriate. SCDA is a significant employer with a

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number of part time and sessional staff as well as a significant number of volunteers. There is an annual review of policies and procedures contained in the staff handbook and updates are approved by the Board. Line managers exercise a standard process of staff and volunteer supervision and appraisal, which additionally identifies training needs for personal development and for compliance. SCDA compliance and development training is coordinated by the HR Director. The HR & Governance sub committee meets regularly reporting to the full Board, working to the realisation of the SCDA People Plan. All staff are given induction and access to training. Succession planning is in place for all senior posts, particularly with the development of a robust Senior Management team and Programme Manager team. A rolling programme of review of all job descriptions ensures they accurately reflect job roles with benchmarking of salaries and systematic job evaluations. All posts are appointed within the SCDA established pay banding system. The risks attached to inability to recruit suitably skilled, qualified and experienced staff for specialist roles is mitigated by these measures.

2.4 Impact

2.4.1 Quality assurance

SCDA obtains appropriate external quality assurance for project areas. SCDA achieved IAG Matrix re-accreditation for all services in January 2019. The nursery and crèche provision is registered with and inspected by Ofsted with a Good judgement in July 2019. Counselling services are registered to BACP standards. The quarterly meeting of the Continuous Quality Improvement staff group coordinates quality assurance including actions to assess the impact of services.

2.4.2 Impact assessment

The SCDA Board receives regular reports on the impact of service delivery across all programme areas. SCDA works with a number of academic institutions on research to assess and validate the impact of services. A database is being rolled out to improve SCDA capacity to record impact measures within '7 Pillars' assessing community and individual impact.

2.5 Reputation

2.5.1 Community relations

SCDA works within local communities across the county and also across communities of interest. Each project area has a system for gathering user feedback and feeding that into project planning and delivery.

2.5.2 Partnership working

SCDA delivers a number of projects in partnership with other charitable, statutory and commercial organisations. Before partnering with any organisation SCDA ensures that the partner shares SCDA's commitment to quality and impact. An annual community impact survey reviews partner and community perceptions.

2.6 Governance

2.6.1 Board

SCDA Board builds on the skills available from within the membership nominations and co-opts to meet relevant skills. Clear recruitment procedures for new Board members, a comprehensive induction process, identification of skills gaps and the assessment and implementation of training for Board members has developed the Board skill base. Board members agree to a Code of Conduct to address potential conflicts of interest and loyalties and annual declarations of interest. Issues of governance are addressed through the HR and Governance Subcommittee and an annual review of Board effectiveness and audit of skills

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Board meetings are held at least four times a year with reports generated through 3 Subcommittees meeting additionally: Finance, Audit and Risk; HR and Governance; Impact and Project Development. The Chair and Chief Executive attend all 3 Subcommittees to ensure integration.

2.6.2 Strategy

The overall direction of SCDA's activities is set and managed through a 3-year strategic planning cycle. The Board reviews progress in delivering the strategy annually. The finalised strategy for the next cycle is being reviewed by the Board in January 2021 including addressing the implications of the Covid-19 pandemic.

2.7 Business continuity

2.7.1 Premises

SCDA operates from 10 sites and delivers services in a range of outreach locations across East Sussex. SCDA mitigates risk through the operation of a business continuity policy.

2.7.2 IT

SCDA has robust policies to minimise the risk of unauthorised access to or loss of data stored electronically. All data is stored centrally in encrypted form on duplicated servers and is backed up daily. Management of the charity's IT systems is outsourced to a reputable managed IT support provider.

3. Objectives and activities

The Charity's objects are to promote for the public benefit regeneration in an area of social and economic deprivation particularly in Sussex, by

- a) the relief of poverty;
- b) the relief of unemployment;
- c) the advancement of education, training or retraining, and the provision of work experience and the provision of work experience particularly among unemployed people and those who by reason of their financial, cultural social and health poverty are suffering from financial hardship or who are otherwise in charitable need;
- d) the provision of financial assistance, technical assistance, business advice or consultancy in order to provide or promote training and employment opportunities for unemployed people and those suffering from financial hardship;
- e) the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;
- f) the maintenance, improvement or provision of public amenities;
- g) the preservation of buildings or sites of historic or architectural importance;
- h) the provision and development of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;
- i) the protection or conservation of the environment;
- j) the provision of public health facilities and childcare; and
- k) the promotion of public safety and the prevention of crime.

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4. SCDA's aims in 2019/2020

Making a difference in your community through development of services which are:

- **Driven by need** - User and local community involvement to identify gaps in services; development of projects to meet community needs and meeting the needs of the most vulnerable in the community.
- **Person centred** - holistically meeting needs with integrated services.
- **SCDA as the 'glue'** - support effective partnerships between the voluntary, statutory and private sectors to address identified community needs.
- **Aiming high** - continuous quality improvement; evidencing individual and community impact; continuing innovation; and development of effective delivery models.
- **Building stronger, healthier and more inclusive communities** - developing community assets including volunteers; developing individual and community learning and skills to meet current and future needs and support current and future change with resilience; and sustainable community-based initiatives including social enterprise.

SCDA currently works through 4 key areas which address strategic priorities to improve Employability; Advice and Inclusion; Health and Well-being and Community Development. SCDA's social enterprise activities include charity shops in Newhaven and Lewes, a children's nursery in Newhaven, the affordable counselling service and a bike refurbishment workshop.

5. Achievements and performance

Employability

Delivering high quality information, advice and guidance to local people facing multiple barriers to employment. We support local businesses to recruit locally. We maintain best practice to the IAG/Matrix quality standard. Outreach work across Lewes District, Wealden, Eastbourne, Hastings and Rother demonstrating the effectiveness of delivery to meet the needs of people vulnerable in the labour market and access to work, learning and volunteering opportunities. Employment Navigators are supporting people to address the positive contribution of being in work to individual health and well-being. Funding lead for partner delivery in Kent.

Advice and Inclusion

Sompriti supports the needs of BME community members..

Safe from Harm supports high-risk victims of anti-social behaviour, targeted harassment and hate crime.

Advice and information coordinates services to ensure local and timely access to quality assured, free, independent information and advice across East Sussex, particularly addressing the impact of Welfare Reform and Debt and the links between poverty and health inequalities. Intensive support to access advice is delivered through Advice Navigators.

Health and Well-being

Healthy Lifestyles includes food security and healthy eating, increasing physical activity and running a community kitchen. SCDA coordinates the delivery of asset based community development to address health inequalities across East Sussex.

Supporting access to green and blue open spaces to all sections of the community. Encouraging community gardens. Research with academic partners into the health and wellbeing impacts of access to open spaces.

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Wellbeing services work to support individuals to create positive change to their mental well-being through activities and non-stigmatised access to therapeutic services including affordable counselling, self-help and support to survivors of suicide.

Community development

Denton Island Nursery continues to provide high quality childcare for children under 5 and supports parents in their child's early learning.

Family Inclusion engages families in the most deprived areas of East Sussex and supports a broad range of activities for parents and children under 8. We support parenting and encourage quality play and learning for children and their parents.

Work with Young People aged 8 to 18, delivering information and advice through Drop In and a range of youth activities across the Havens and Lewes.

SCDA maintains support for local community action and the development of community assets particularly working in Newhaven, Hailsham, Eastbourne and Bexhill.

We run a foodbank for the Havens.

In setting our objectives and planning our activities, SCDA trustees have given careful consideration to the Charity Commission general guidance on public benefit.

Further details of all SCDA projects and services are contained within the SCDA Annual Report 2019/2020.

6. Financial Review

As always, the SCDA Trustees, on behalf of the people who access SCDA services, are most grateful to the funders and contract clients who have supported SCDA's work during this last and previous years.

Operations

Total income for the year was £4,140,021 a decrease compared to the previous year of 12%. Total expenditure reduced by 26% to £3,593,871 resulting in a surplus for the year of £546,150.

Unrestricted income from charitable activities reduced by 42% to £1,566,414 (2018/19: £2,712,941). This decrease is principally the result of the cessation at 31 March 2019 of the Older People's Day care service, which accounted for £903,901 of the charity's income in 2018/19. This followed East Sussex County Council's decision to close the Charter Centre, Bexhill and the Isabel Blackman Older People's Day Care Centre, Hastings and to take the operation of the Phoenix Centre, Lewes, back in-house. Revenues were also impacted by a 50% reduction by the funder in the scope of the Welfare Benefits and Debt project and the cessation at 30th September 2019 of a number of Healthy Lifestyles and Green and Open Spaces projects. These decreases were partially offset by revenues from the significant new Making it Happen project and increased turnover from existing services, in particular the Newhaven Nursery. The 44% reduction in unrestricted expenditure reflects these service changes, the one off nature of the redundancy costs incurred in 2018/19 due to the closure of the Charter Centre and a continued focus on operational efficiency.

Restricted income from charitable activities, which increased by £559,402 to £2,444,508, included grants totalling £422,434 for the construction of a Young People's Centre in Newhaven, which was completed shortly after the year end. (2018/19: £74,300).

Donation income, the majority of which is unrestricted, decreased by 19% to £107,432 (2018/19: £132,082).

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Reserves

Restricted funds can only be spent in accordance with mutual agreements with funders. However, trustees can use the Charity's 'free reserves' as they see fit, as long as this is in furtherance of the charity's objects as registered with the Charity Commission. As a charity whose operations are focused on the more deprived parts of East Sussex, SCDA has little call on individual donations of cash, although a significant amount of support is given in the form of people's generous contribution as volunteers. As a result, the Trustees especially value the potential of free reserves to initiate or give on-going support to SCDA services in response to need, even when available funding is insufficient.

SCDA's free reserves are calculated as follows:

	31 March 2020	31 March 2019
Total unrestricted funds	£587,447	£585,784
Of which: Unrestricted operational fixed assets	<u>£557,575</u>	<u>£639,892</u>
Free reserves	£29,872	£(54,108)

The Trustees monitor closely the sustainability of the charity's operations and are committed to increasing the level of free reserves.

The charity was obliged to draw on its reserves in 2018/19 in order to fund the expenditure arising from the decision of East Sussex County Council (ESCC) to close the Isabel Blackman Centre Older People's Day Care Centre and to require SCDA to bear the resulting redundancy costs in spite of written assurances that the Board sought and received in October 2017 from ESCC that continued delivery of the contract would not expose SCDA to further financial risk. The redundancy costs totalled £241,882.

In determining that the charity is able to operate in the current reserves position, the trustees take account of the following:

- The nature of the charity's mode of operation is that it only undertakes projects if adequate funding of both direct and indirect costs has been secured. Funding is generally secured for specified periods and projects are staffed and operated in a manner that enables costs to be eliminated after funding has ceased.
- There is considerable unused borrowing capacity in the charity's unrestricted fixed assets. The charity currently has no borrowings.
- Social enterprise is used as a means of generating funds to support activities for which external grant or contract funding cannot be secured.

Covid-19

SCDA like all organisations has been impacted by the Covid-19 pandemic. We have however been fortunate that all our contract and grant funders have maintained their support and we have been able to find ways to continue the delivery of almost all our services in Covid secure ways. This includes our children's nursery which was the only nursery in Newhaven to remain open throughout the first lockdown and our foodbank, which has had to respond to a big increase in demand and to move to a home delivery model. Our charity shops have been required to close during periods of lockdown but retail sales are not a significant part of the charity's income and the lost sales were partly offset by grants from the Retail, Hospitality and Leisure Grant Fund. The charity has benefitted from the Coronavirus Job Retention Scheme and has also received Covid-19 specific funding from Power to Change. Overall the pandemic has not had a significant negative impact on the charity's financial position, nor is it expected to do so.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Plans for the future

The overall direction of SCDA's activities is set and managed through a 3-year strategic planning cycle. The Strategy is being reviewed by the Board in January 2021. The Board aims to contribute positively to the quality of life of local people, developing community assets and maintain and develop the delivery of services to create healthy and sustainable communities. They aim to develop the distinctive contribution of SCDA by developing emphasis on the quality of provision; community links and user involvement; sustainability through social enterprise and development of distinct delivery models; integrated working internally to address multiple issues; effective partnership working externally; assessment of impact and the difference SCDA services are making through the co-production of impact measures, individual action plans, community impact, independent evaluations and economic evaluation.

SCDA aims to develop and maintain its work in the four key priority programme areas and develop services to meet the needs of the most vulnerable in the community. This work is underpinned by strategic cross cutting themes:

- Social prescribing activities: access to the range of services, which address the wider determinants of individual and community health and well-being.
- Developing community assets: volunteering, developing community and individual skills and capacity to address future challenges with resilience.
- Project sustainability: development of models of effective practice, assessing impact and social enterprise.
- Measuring impact.
- Diversity and equalities.

SCDA is a development trust, a community-led and community-owned organisation, which works as a 'community anchor' – delivering services and facilities, finding solutions to local problems and helping other organisations and initiatives succeed. SCDA is independent but works with the public sector, private businesses and other community groups. SCDA aims to use self-help, trading for social purpose and development of individual and community assets to bring long-term social, economic and environmental benefits to the community.

8. Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

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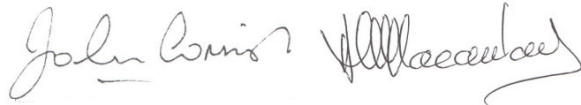
TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

9. Auditors

A resolution will be put to the Annual General meeting to appoint auditors for the year ending 31st March 2021.

Signed on behalf of the Board of Trustees by:

The image shows two handwritten signatures in black ink. The signature on the left is 'John Cornish' and the signature on the right is 'H Macaulay'. Both signatures are written in a cursive, flowing style.

J Cornish
Trustee (Chair)
7 November 2020

H Macaulay
Trustee (Treasurer)
7 November 2020

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors for the purposes of company law, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard in the UK and the Republic of Ireland'.

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities' SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

We have audited the financial statements of Sussex Community Development Association Ltd ('the charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the trustees' report, which includes the directors' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit,

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained during the audit, we have not identified material misstatements in the directors' included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 based on these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Cummins FCCA (Senior Statutory Auditor)
for and on behalf of TC Group

TC Group

Statutory Auditor
Office: Steyning, West Sussex

Dated: 1 December 2020

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<u>Income</u>					
Donations and legacies	4	107,268	164	107,432	132,082
Income from investments		176	-	176	48
Other Income	10	21,491	-	21,491	-
		<u>128,935</u>	<u>164</u>	<u>129,099</u>	<u>132,130</u>
Income from charitable activities					
Development of East Sussex	5	1,566,414	2,444,508	4,010,922	4,598,182
Total income		<u>1,695,349</u>	<u>2,444,672</u>	<u>4,140,021</u>	<u>4,730,312</u>
<u>Expenditure</u>					
Expenditure on charitable activities					
Development of East Sussex	6	1,693,686	1,900,185	3,593,871	4,882,596
Total expenditure		<u>1,693,686</u>	<u>1,900,185</u>	<u>3,593,871</u>	<u>4,882,596</u>
Net income/(expenditure) and net movement in funds for the year		<u>1,663</u>	<u>544,487</u>	<u>546,150</u>	<u>(152,284)</u>
Reconciliation of funds					
Fund balances brought forward at 1 April 2019		585,784	390,230	976,014	1,128,298
Fund balances carried forward at 31 March 2020	15	<u>587,447</u>	<u>934,717</u>	<u>1,522,164</u>	<u>976,014</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All activities of the charity are classed as continuing. There are no recognised gains or losses other than those reported on the Statement of Financial Activities.

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		1,341,457		1,293,388
Current assets					
Debtors	11	132,320		283,349	
Short term deposits, cash at bank and in hand		468,495		141,952	
		<u>600,815</u>		<u>425,301</u>	
Creditors: amounts falling due within one year	12	<u>(420,108)</u>		<u>(742,675)</u>	
Net current assets			<u>180,707</u>		<u>(317,374)</u>
Total assets less current liabilities			<u>1,522,164</u>		<u>976,014</u>
The funds of the charity:					
Restricted funds	14		934,717		390,230
Other charitable funds					
Unrestricted income funds	15		587,447		585,784
Total charity funds			<u>1,522,164</u>		<u>976,014</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies House 2006 and are for circulation to members of the Company.

The notes on pages 17 to 29 form part of these accounts.

The financial statements were approved by the Board on 7 November 2020 and signed on its behalf by



J Cornish
Trustee (Chair)

H Macaulay
Trustee (Treasurer)

Company Registration No. 03387617

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities:					
Net income/(expenditure) for the year		546,150		(152,284)	
Adjustments for:					
Depreciation charges	6	19,061		27,014	
Surplus on disposal of property		(19,792)		-	
Dividends, interest and rents from investments		(176)		(48)	
(Increase)/decrease in debtors	11	151,029		(6,941)	
Increase/(decrease) in creditors	12	(201,991)		1,569	
Net cash provided by/(used in) operating activities			494,281		(130,690)
Cash flows from investing activities:					
Dividends, interest and rents from investments		176		48	
Purchase of tangible assets	10	(418,988)		(55,771)	
Proceeds of disposal of tangible assets		371,650		-	
Net cash provided by/(used in) investing activities			(47,162)		(55,723)
Cash flows from financing activities:					
Repayments of borrowing		-		(10,702)	
Net cash used in financing activities					(10,702)
Change in cash and cash equivalents in year			447,119		(197,115)
Cash and cash equivalents at the beginning of the year			21,376		218,491
Cash and cash equivalents at the end of the year			468,495		21,376
Cash and cash equivalents above are represented by:					
Cash at bank and in hand			468,495		141,952
Overdraft facility repayable on demand			-		(120,576)
			468,495		21,376

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Statutory Information

The charity is a charitable company, limited by guarantee, registered in England and Wales. The registered office, company number and charity number are detailed in the Legal and Administrative Information.

2 Accounting policies

2.1 Basis of preparation

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 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sussex Community Development Association Ltd (“SCDA”) meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

After reviewing the charity’s forecasts and projections, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements

The financial statements are prepared in Pounds Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

2.2 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Funds received that do not meet these criteria are recorded as deferred income at the year end.

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Other income, including investment income, rental income, café income and nursery fee income is recorded on an accruals basis.

2.3 Expenditure

Expenditure is included on an accruals basis with the irrecoverable element of Value Added Tax included within the item of expense to which it relates. Costs relating specifically to a particular activity are allocated directly, others are apportioned on a basis deemed appropriate by the Trustees upon consideration of the use of the resource.

Governance costs comprise those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

2.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land and leasehold property are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold property	125 years straight line over the term of the lease
Solar panels	20 years straight line
Youth shelters, Newhaven	25 years straight line
Green gym, Hailsham	5 years straight line
Prospects House & 28 High St Hailsham	50 years from 2015
Fixtures, fittings & equipment	Between 20% and 100% straight line

Long leasehold property is held at fair value, which is based on formal independent valuations. Details of the most recent valuation can be found in the notes to these accounts. The directors review the valuation for impairment annually.

2.5 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

2.6 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term liquid investments. The trustees seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

2.7 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Basic financial instruments are recognised at amortised cost.

2.9 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

2.10 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

Certain employees who transferred to SCDA from East Sussex County Council (ESCC) under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) were members of the Local Government Pension Scheme (LGPS). On 31 March 2019 all these employees were either transferred back to ESCC under TUPE or made redundant.

In order to provide security for its obligations towards the LGPS SCDA entered into a bond guaranteed by its bankers, HSBC Bank Plc, for a maximum amount of £426,000. The bond, which was secured on SCDA's properties was cancelled in October 2019.

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

2.11 Employee benefits

Termination benefits are recognised as an expense when the charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the charity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

2.12 Legal status

Sussex Community Development Association Ltd is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is Ltd to £1 per member of the charity.

2.13 Accumulated funds

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

Unrestricted funds - these are funds, which are available for use at the trustees' discretion in furtherance of the objectives of the charity.

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors 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.

Judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Long leasehold valuation

The valuation of long leasehold property is based on a November 2015 ML Chartered Surveyors valuation report prepared in accordance with the Practice Statements of the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards. On the basis of a professional valuation carried out in August 2020 the directors are of the opinion that the valuation within this report is still appropriate at the balance sheet date.

Key sources of estimation uncertainty

The Trustees are of the opinion that there are no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

4 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donations and gifts	107,268	164	107,432	132,082

SCDA benefits greatly from the involvement and enthusiastic support of its many volunteers, details of whom are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

5 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Grants receivable	-	2,444,508	2,444,508	1,885,241
Contracted services	1,179,898	-	1,179,898	2,283,274
Social enterprise	324,163	-	324,163	307,124
Room hire	62,353	-	62,353	122,543
	1,566,414	2,444,508	4,010,922	4,598,182

Included within grants receivable are the following:

Alchemy Charitable Trust	800	-
Aspire Sussex	47,850	41,628
Big Lottery Fund – Food for All	-	9,949
Big Lottery Fund – Let’s Get Working 2.7	1,234,444	1,146,841
Big Lottery Fund – Strength in Numbers	210,720	143,736
Big Lottery Fund – Nurture by Nature	-	26,383
Big Lottery Fund – Youth Building Project	331,654	74,300
Big Lottery Fund – Awards for All Hailsham Allotment	10,000	-
Brighton and Sussex Medical School	-	600
Chalk Cliff Trust	-	5,000
Children in Need	12,364	24,606
Cook’s Charity	6,000	6,742
Co-operative Foundation	49,728	-
Eastbourne Borough Council	-	4,300
Eastbourne Borough Council – Safe From Harm	10,000	5,000
Ernest Kleinwort Charitable Trust	5,000	-
ESCC	5,909	-
Garfield Weston Foundation	30,000	-
Balance carried forward	1,954,469	1,489,085

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

Balance brought forward	1,954,469	1,489,085
Friends – C2C Recycle	31,939	29,974
Groundworks UK Tesco Bags of Help	3,960	-
Hastings Borough Council – Bexhill Hub	11,687	80,746
Landaid	66,000	-
Lewes District Council – Safe From Harm	10,000	2,500
Lewes District Council – Sompriti funding	10,000	10,000
Lewes District Council – Connected Youth	9,420	-
Newhaven Family Forum	-	245
Newhaven Town Council – Foodbank	6,000	6,000
Newhaven Town Council – Youth funding	12,000	12,000
Newhaven Town Council – Fish Festival	2,500	-
Newhaven Young Peoples Forum	-	9,679
Optivo – Safe from Harm	5,000	-
Peter Harrison Foundation	9,000	-
Porchlight – Aspirations Project	123,673	88,416
Rampion Offshore	-	6,013
RBLI Change Your Tomorrow	-	21,547
Rother District Council	7,500	-
Shaw Trust Ltd	7,100	-
Social Enterprise Kent – LMTO	13,743	31,233
Sussex Community Foundation		9,864
Sussex Mark Benevolent Fund	18,054	-
Sussex Police – Rural DVA	32,276	17,652
Sussex PCC – Safe From Harm	-	15,000
Sussex Police – Talking Point Project	9,884	-
The Pilgrims Trust	10,000	-
The Trees Community Association	40,451	30,042
University of Brighton	-	1,217
Veolia ES South Downs – Community Events	-	8,000
Waves Leisure	2,932	-
Wealden District Council – Safe From Harm	-	7,500
Wealden District Council – Sompriti	2,750	5,000
Masonic Charitable Foundation	25,000	-
29 th May 1961 Trust	5,000	-
Other grants	14,170	3,528
	2,444,508	1,885,241

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

6 Total expenditure

	Staff costs £	Depreciation £	Other costs £	Total 2020 £	Total 2019 £
Charitable activities					
<u>Development of East Sussex</u>					
Activities undertaken directly	1,660,169	19,061	1,628,960	3,308,190	4,613,041
Support and governance costs	249,617	-	36,064	285,681	269,555
Total Resources Expended	1,909,786	19,061	1,665,024	3,593,871	4,882,596

Governance costs include amounts due to the charity's auditors of £9,000 (2019: £9,782) for audit fees and £400 (2019: £nil) for non-audit fees.

Included within Activities undertaken directly is loan interest amounting to £nil (2019: £153).

7 Analysis of support and governance costs

	Total 2020 £	Total 2019 £
Staff costs	249,617	226,820
Other administration	16,485	16,851
Legal and professional Fees	10,179	16,102
Audit and accountancy	9,400	9,782
	285,681	269,555

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

8 Fund movements: Statement of Financial Activities – Year to 31 March 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £
<u>Income</u>				
Donations and legacies	4	131,857	225	132,082
Interest receivable		48	-	48
		<u>131,905</u>	<u>225</u>	<u>132,130</u>
Incoming resources from charitable activities:				
Development of East Sussex	5	2,712,941	1,885,241	4,598,182
Total income		<u>2,844,846</u>	<u>1,885,466</u>	<u>4,730,312</u>
<u>Expenditure</u>				
Charitable activities:				
Development of East Sussex	6	<u>3,042,598</u>	<u>1,839,998</u>	<u>4,882,596</u>
Total expenditure		<u>3,042,598</u>	<u>1,839,998</u>	<u>4,882,596</u>
Net movement in funds		(197,752)	45,468	(152,284)
Fund balances brought forward at 1 April 2018		783,536	344,762	1,128,298
Fund balances carried forward At 31 March 2019		<u>585,784</u>	<u>390,230</u>	<u>976,014</u>

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

9 Analysis of employee numbers and costs, trustee remuneration and expenses, and the cost of key management personnel

The charity's trustees were not paid nor did they receive any other benefits from employment with SCDA (2019: £nil) neither were they reimbursed expenses during the year (2019: £nil). Except as disclosed in note 17 Related Parties, no trustee received payment for professional or other services supplied to the charity (2019: £nil).

The key management personnel of the charity comprise the Chief Executive Officer, Finance Director and HR Director. The total employee benefits of the key management personnel of the charity were £174,027 (2019: £179,728).

Number of employees

The average monthly number of employees as full time equivalents during the year was:

	2020	2019
	Number	Number
Project workers	66	89
Administration and support	5	5
	71	94

The full time equivalent staff numbers are reported above. The total number of full and part-time staff employed at 31 March 2020 was 97 (2019: 125).

Employment costs

	2020	2019
	£	£
Wages and salaries	1,728,544	2,553,975
Social security costs	125,123	139,771
Other pension costs	56,119	106,079
	1,909,786	2,799,825

Employment costs include redundancy costs totalling £3,868 (2019: £241,882 paid to the staff of the Isabel Blackman Older People's Day Centre which closed following a decision by East Sussex County Council on 31 March 2019).

Number of employees whose emoluments for the year exceeded £60,000:

	2020	2019
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-

Contributions totalling £15,769 (2019: £2,250) were made during the year to a pension scheme on behalf of the above employee.

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

10 Tangible fixed assets

	Land and buildings	Youth shelters & Green Gym	Computer Equipment & Trishaw	Solar panels	Total
	£	£	£	£	£
Cost					
At 1 April 2019	1,281,902	24,649	10,929	107,273	1,424,753
Disposals	(372,700)	-	-	(9,968)	(382,668)
Additions	418,988	-	-	-	418,988
At 31 March 2020	1,328,190	24,649	10,929	97,305	1,461,073
Depreciation					
At 1 April 2019	61,725	15,985	4,009	49,646	131,365
Disposals	(29,814)	-	-	(996)	(30,810)
Charge for the year	8,501	2,782	2,913	4,865	19,061
	40,412	18,767	6,922	53,515	119,616
Net book value					
At 31 March 2020	1,287,778	5,882	4,007	43,790	1,341,457
At 31 March 2019	1,220,177	8,664	6,920	57,627	1,293,388

The net book value of land and buildings comprises:

	2020	2019
	£	£
Freeholds (Hailsham Properties 50 years from 2016)	71,150	415,617
Long leaseholds (over 50 years)	747,320	754,240
Youth Building (under construction)	469,308	50,320
	1,287,778	1,220,177

On the basis of a market value professional valuation (in accordance with the Royal Institution of Chartered Surveyors Valuation – Global Standards (the ‘Red Book’) carried out in August 2020 by Hunt Commercial Property Ltd the trustees have concluded that the above carrying value of the long leasehold land and buildings does not differ materially from its open market value.

The charity’s freehold interest in Prospects House in Hailsham was sold in July 2019. The resulting surplus on disposal of £19,794 is included in other income.

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

10 Tangible fixed assets, continued

Comparable historical cost for the land and buildings included at valuation:

	2020	2019
	£	£
Cost	972,139	1,022,459
Accumulated depreciation	124,434	137,916
At 31 March 2020	<u>847,705</u>	<u>884,543</u>

All other tangible fixed assets are stated at historical cost.

11 Debtors

	2020	2019
	£	£
Trade debtors	129,633	184,017
Prepayments and accrued income	2,687	99,332
	<u>132,320</u>	<u>283,349</u>

12 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank overdrafts	-	120,576
Trade creditors	242,679	318,255
Taxes and social security costs	89,822	121,405
Other creditors	37,528	36,637
Accruals	9,015	97,486
Deferred income	41,064	48,316
	<u>420,108</u>	<u>742,675</u>

Deferred income outstanding at the balance sheet date comprises of various income streams where the income recognition criteria outlined in the Statement of Recommended Practice (FRS 102) have not been met.

13 Pension and other post-retirement benefit commitments

The charity makes payments on behalf of the majority of its staff to individual defined contribution pension schemes. Amounts payable by the employer in the year were £56,119 (2019: £106,079) and £10,766 (2019: £26,699) was outstanding at the year end.

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

14 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			
	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£	£
Youth Shelters	6,423	-	540	5,883
Victim Support	-	64,776	64,776	-
Children and Family Centre Capital	231,550		6,920	224,630
Advice Hub	12,658	225,755	136,346	102,067
Sompriti	-	12,500	12,500	-
Solar Panels	48,655	-	4,865	43,790
Community Action	-	87,785	66,368	21,417
Employability	-	1,460,559	1,460,229	330
Youth projects	3,799	98,874	86,818	15,855
SCDA projects Youth Building	87,145	422,434	-	509,579
Family Learning	-	134	134	
Healthy Lifestyles	-	64,148	53,331	10,817
Victim Support	-	3,774	3,425	349
SCDA other	-	3,933	3,933	-
	390,230	2,444,672	1,900,185	934,717
	390,230	2,444,672	1,900,185	934,717

A portion of the remaining value of SCDA's 125 year lease on its Children and Family Centre (Denton Island Community Centre) is reported as a restricted fund. The Trustees recognise that their discretion over the use of this fund is restricted to the purpose agreed with each funder. In certain circumstances, where either the lease is sold or the use of the building is changed, or in some cases both of these, the funder's permission is required if the Charity is to retain the funds. In some cases the restriction is time limited. The Trustees are committed to running the Children and Family Centre for the benefit of Newhaven residents in the long term and therefore consider the possibility of either selling the lease or significantly changing its use to be remote.

Other restricted funds are as described in the Trustees' Report.

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

15 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total 2020
	£	£	£
Fund balances at 31 March 2020 are represented by:			
Tangible fixed assets	557,575	783,882	1,341,457
Current assets	449,980	150,835	600,815
Creditors: amounts falling due within one year	(420,108)	-	(420,108)
	<u>587,447</u>	<u>934,717</u>	<u>1,522,164</u>
	£	£	£
Fund balances at 31 March 2019 are represented by:			
Tangible fixed assets	1,006,760	286,628	1,293,388
Current assets	300,222	125,079	425,301
Creditors: amounts falling due within one year	(721,198)	(21,477)	(742,675)
	<u>585,784</u>	<u>390,230</u>	<u>976,014</u>

16 Commitments under operating leases

At 31 March 2020 the company had total commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Due within one year	25,665	48,644	10,080	16,372
Due between two and five years	-	8,384	21,430	36,252
	<u>25,665</u>	<u>57,028</u>	<u>31,510</u>	<u>52,624</u>

In addition to the above the company is committed to the payment of ground rent at a rate of £4,000 per annum in respect of a 125 year lease on the Denton Island Community Centre which commenced on 16 November 2003.

Lease payments recognised as an expense in the year amounted to £115,897 (2019: £75,828).

SUSSEX COMMUNITY DEVELOPMENT ASSOCIATION LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

17 Related parties

The following transactions with related parties had the potential to inhibit SCDA from pursuing its aims independently. SCDA is a community organisation making such relationships common and the Trustees are satisfied that SCDA's separate interests have been fully served in relation to these transactions.

SCDA contracted with Curved Thinking, of which Mr John Bell is a director, for monitoring and evaluation work at a total cost of £64,403 (2019: £54,605). Mr Bell was not a trustee at the point when the contract was entered into, having resigned on 31 July 2017. He was subsequently re-appointed on 17 March 2018.