



ARK COMMUNITY CHURCH SUTTON COLDFIELD

FINANCIAL STATEMENTS

31 MARCH 2020

ARK COMMUNITY CHURCH SUTTON COLDFIELD

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ARK COMMUNITY CHURCH SUTTON COLDFIELD

CHARITY INFORMATION

TRUSTEES:

Derek Halpin
Michael Hew
Roger Hughes
Trevor Jones
Chan Naraine
Ella Quarrell
Helen Thomson
John Walker

CHURCH PASTOR

Stephen Eaves

ELDERS

David Floy
Roger Hughes
John Walker

SECRETARY:

Ella Quarrell

TREASURER

Trevor Jones

CHARITY REGISTRATION NUMBER:

1161799

BANKERS:

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

ENQUIRIES:

Stephen Eaves
5a Longmeadow Close
Sutton Coldfield
B75 7SQ

ARK COMMUNITY CHURCH SUTTON COLDFIELD

REPORT OF THE TRUSTEES

The Trustees present their annual report and financial statements for the year ended 31 March 2020. The financial statements comply with the Charities Act 2011, 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.

OBJECTIVES AND ACTIVITIES

The church was constituted as an incorporated charitable organization on 22 May 2015 and from September 2015, assumed, by way of transfer, the assets and undertakings carried out by a charitable trust also known as Ark Community Church Sutton Coldfield.

The objectives of the organisation are to advance the Christian faith in accordance with the Evangelical Alliance statement of beliefs. The church may also fulfil such other purposes which are exclusively charitable and relate to the charitable work of the church. During the period the objects of the Charity were put into effect by the Pastor in conjunction with members of a leadership group appointed to hold responsibility for ministries within the church, namely community engagement, children and youth, worship, hospitality, pastoral support and facilities and administration,

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and activities.

ACHIEVEMENTS AND PERFORMANCE

The church has continued to offer worship and fellowship gatherings throughout the year on Sunday mornings and has also continued to hold weekly house groups for prayer, bible study and fellowship. In addition, a monthly program of social, gathering and ministry events has taken place throughout the year to help connect people within the church as well as create opportunities to welcome visitors to the church. These included men's and woman's events, family events and seasonal activities such as Easter services, Christmas events and Summer and Autumn socials.

The Wednesday 'Place of Welcome' continued to provide a wide range of activities fellowship and support to members of the wider community and provide an environment for building support and fellowship. House groups continue to offer fellowship, support, and care at various times and various locations. Several community lunches helped visitors connect and explore the vision of the church.

Outdoor community events took place during each school holidays on the local 'green' in conjunction with the local community which included family games activities, BBQ's, and craft activities. Children's and young people's teaching and activities has continued during the year led by a team of committed volunteers.

Stepping Stones projects have continued to provide purposeful activity for vulnerable adults. Twice weekly community cafés in Sutton town centre and in Mere Green have continued, operated under supervision, by adults with learning difficulties, as has the weekly art and craft sessions.

ARK COMMUNITY CHURCH SUTTON COLDFIELD

REPORT OF THE TRUSTEES (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

The church continues to support practically and financially, several mission partners working both in this country and abroad that help address a range concerns such as discipleship, training, outreach, and compassion ministry both nationally and internationally. A support mission to Brasov, Romania took place in the summer as well as financial support for their foodbank. We continued to support practically and financially 'the Gap', a local youth project and financially Acacia Family Support, a local Christian charity for families experiencing prenatal or postnatal depression and a church leader in China through Gospel for Asia. Financial support has also continued for a project training and outreach leader for YWAM Africa and directly to two local church leaders in Uganda & Tanzania.

In November work began on the expansion of the existing church and community hall and the construction of an annexe to provide more flexible usage to accommodate the provision of more community support activities. This necessitated relocating church activities to nearby, vacant facilities previously used by Four Oaks Boy's Club. With the impact of Government lockdown restrictions as a result of Covid-19 in March 2020 the church has continued to provide Sunday worship, prayer, teaching and fellowship, as well as Trustee and elders meetings through the use of technology.

In January 2020, the church became affiliated to LifeSpring Apostolic Family, part of LifeSpring Global, in order to benefit from participation in a community of churches and ministries relating together and passionately committed to extending God's kingdom and impacting the world through community transformation, church development and mass healing evangelism.

STRUCTURE, GOVERNANCE AND ORGANISATIONAL MANAGEMENT

The church is structured as a charitable incorporated organization, incorporated on 22 May 2015. Names of the Trustees who served during the year and since the period end are shown on page 1. Helen Thomson was appointed on 29 April 2019 and two trustees, Derek Halpin & John Walker stood down on 14 September 2020.

The charity is organized so that the Trustees who are also the management committee meet regularly to manage its affairs and are responsible for overall governance of the organization and keep under review its policies and practices. Trustees are sought, approved, and appointed in conjunction with the Elders accordance with the provisions in the constitution and they keep their skill requirements under review and provide induction procedures and training relevant to the individuals' knowledge and understanding.

There is a full time Pastor who manages the day to day administration assisted by a community engagement leader and in conjunction with members of a leadership group appointed to hold responsibility for ministries within the church, namely community engagement, children and youth, worship, hospitality, pastoral support and facilities and administration the Pastor oversees the staff team and voluntary staff.

ARK COMMUNITY CHURCH SUTTON COLDFIELD

REPORT OF THE TRUSTEES (continued)

FINANCIAL REVIEW

Financial performance

The principle funding sources is voluntary donations from the fellowship and visitors to the church with other income from grants and donations in support of specific activities.

The underlying income for the unrestricted fund, which is the main operating source for the church was 3% higher at £77,289 with corresponding expenditure 4% higher at £72,626 as a result principally of higher church staff costs. Restricted fund income was substantially higher at £181,640 (2019 £54,353 entirely resulting from grants, donations & gifts towards the enlargement of the church facilities which is in progress. Overall unrestricted reserves increased by £18,043 whilst restricted funds increased by £136,877.

Reserves policy

The trustees seek to limit unrestricted reserves and restricted reserves in respect of its Stepping Stones projects to no more than one year's budgeted regular expenditure. They aim to apply mission and other restricted reserves to the specific activities within a twelve-month period. During the year, the church started receiving of donations, grants, and other income towards the enlargement of the church leasehold premises which was applied against the cost of works carried out to date.

Risk policy

The Trustees have identified certain risks to which the charity was exposed as part of their responsibilities in running the church. The main risks relate to ensuring robust governance policies and practices are maintained and in its financial activities. The Church has established risk management, investment, safeguarding vulnerable beneficiaries, complaints, and data protection policies which are reviewed by the trustees regularly.

Specifically, the Trustees and all adults who are involved with children and vulnerable beneficiaries are screened by an independent body (31-8) and follow the churches guidelines with appropriate training provided. The church maintains Public and Employees liability insurance with a charity specialist insurer. Financial management is managed by quarterly reporting and scrutiny by Trustees.

The risk to the Church from COVID-19 is a reduction in donation income resulting from compliance with Government restrictions on meetings with a consequent reduction in donations however these have reduced by less than 10%. The church has continued to provide Sunday worship, prayer, fellowship and Trustee and elders meetings through the use of technology and has made use of the Job Retention Scheme in respect of employees in our Stepping Stones projects whose job roles could not be fulfilled as a result of regulations.

ARK COMMUNITY CHURCH SUTTON COLDFIELD

REPORT OF THE TRUSTEES (continued)

RESPONSIBILITIES OF TRUSTEES

The trustees are responsible for the preparation of the trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Charity law requires the trustees to prepare financial statements for each 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 for that period. In preparing those 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.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the charity will continue in business.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed On behalf of the Trustees on 14th September 2020

Trevor Jones Trustee

ARK COMMUNITY CHURCH SUTTON COLDFIELD

Independent examiner's report to the trustees of Ark Community Church Sutton Coldfield

I report on the accounts of Ark Community Church Sutton Coldfield for the year ended 31 March 2020, which are set out on pages 6 to 15.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this period under section 144 of the Charities Act 2011 (the Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011.
- to follow the procedures laid down in the General Directions of the Charity Commission under section 145(5)(b) of the Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's unqualified statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Act

have not been met; or

(2) to which, in my opinion, attention should be drawn to enable a proper understanding of the accounts to be reached.

Name: Richard Morton

Address: 41 Cremorne Road, Sutton Coldfield

Date 14th September 2020

ARK COMMUNITY CHURCH SUTTON COLDFIELD

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2020

		Unrestricted funds	Restricted funds	Total funds	Total 2019
	Notes	£	£	£	£
Income					
Donations and gifts	2	73,622	91,503	165,125	80,055
Charitable activities		2,017	29,105	31,122	36,796
Grants received		-	61,032	61,032	7,925
Investment & other income		1,650	-	1,650	4,356
Total		<u>77,289</u>	<u>181,640</u>	<u>258,929</u>	<u>129,132</u>
Expenditure					
Staff costs	3	45,325	12,030	57,355	46,425
Activity expenditure	4	23,372	22,333	45,705	64,076
Governance and support	5	3,929	-	3,929	5,631
Total		<u>72,626</u>	<u>34,363</u>	<u>106,989</u>	<u>116,132</u>
Net gain on investments		<u>2,980</u>	<u>-</u>	<u>2,980</u>	<u>4,612</u>
Net income/(expenditure)		<u>7,643</u>	<u>147,277</u>	<u>154,920</u>	<u>17,612</u>
Transfers between funds		<u>10,400</u>	<u>(10,400)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>18,043</u>	<u>136,877</u>	<u>154,920</u>	<u>17,612</u>
Reconciliation of funds:					
Total funds brought forward		<u>113,284</u>	<u>85,114</u>	<u>198,398</u>	<u>180,786</u>
Total funds carried forward		<u>131,327</u>	<u>221,991</u>	<u>353,318</u>	<u>198,398</u>

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

ARK COMMUNITY CHURCH SUTTON COLDFIELD

BALANCE SHEET AT 31 MARCH 2020

	Notes	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	6		245,989		59,863
Investments	7		-		63,772
			<u>245,989</u>		<u>123,635</u>
Current assets					
Debtors	8	12,471		6,585	
Cash at bank		44,779		12,570	
Bank deposit		102,179		59,000	
		<u>159,429</u>		<u>78,155</u>	
Creditors: amounts falling due within one year	9	(52,100)		(3,392)	
Net current assets			<u>107,329</u>		<u>74,763</u>
Total net assets			<u><u>353,318</u></u>		<u><u>198,398</u></u>
Funds of the charity:					
Unrestricted			131,327		113,284
Restricted	10		221,991		85,114
			<u><u>353,318</u></u>		<u><u>198,398</u></u>

The notes on pages 9 to 12 form part of these accounts.

Signed by

Name TREVOR L JONES - Treasurer

Approved by the Trustees on 14th September 2020

ARK COMMUNITY CHURCH SUTTON COLDFIELD

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities: (below)		
Net cash generated by operating activities	204,017	22,933
	_____	_____
Cash flows from investing activities:		
Interest from investments	1,650	4,356
Purchase of tangible fixed assets	(197,041)	(2,163)
	_____	_____
Net cash (used)/generated by investing activities	(195,391)	2,183
	_____	_____
Cash flow from financing activities		
Proceeds of sale of investments	66,742	(0)
	_____	_____
Change in cash and cash equivalents	75,368	25,116
	_____	_____
Cash and cash equivalents at the beginning of the year	71,570	46,454
	_____	_____
Cash and cash equivalents at the end of the year	146,958	71,570
	_____	_____
Reconciliation of net movement in funds to net cash flow from operating activities		
Net income for the year	154,920	17,612
Adjustments for:		
Depreciation charges	10,905	13,868
Gain on investments	(2,980)	(4,612)
Investment income	(1,650)	(4,356)
(Increase)/decrease in debtors	(5,886)	(231)
Increase/(decrease) in creditors	48,708	652
	_____	_____
Net cash generated by operating activities	204,017	22,933
	_____	_____

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP) (FRS 102) and with the Charities Act 2011.

(b) Going Concern

The financial statements have been prepared on the going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income has been met, it is probable that the income will be received, and the amount can be measured reliably.

(d) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

(e) Fund accounting

Unrestricted funds are available to spend on activities that further any purpose of the charity. Restricted funds are donations which the donor has specified to be solely used for a particular purpose.

(f) Tangible fixed assets

The church premises are included at cost as ascertaining a market value would incur significant costs which would be onerous compared with the additional benefits to the reader. Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follow;

Improvements to leasehold premises	10 years
Fixtures and fittings	3 years
Equipment	3 years

(g) Pensions

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2020

2	Donations and gifts	2020	2019
		£	£
	Donations and gifts from individuals (inc: £78,902, 2019 £11,478 restricted funds)	138,773	65,760
	Gift Aid	27,352	14,295
		<u>165,125</u>	<u>80,055</u>
3	Staff costs		
	Salaries (inc: £11,405, 2019 £14,344 restricted)	55,310	44,709
	National insurance	15	-
	Pension costs (including £625, 2018 £709 restricted)	2,030	1,726
		<u>57,355</u>	<u>46,425</u>
The average number of persons employed was 5 including 3 within Stepping Stones Projects.			
4	Activity expenditure		
	Premises costs (inc: £1,050, 2019 £1,386 restricted)	9,090	5,706
	Stepping Stones activity expenditure (restricted)	7,454	8,498
	Mission expenditure (inc: £nil, 2019 £11,845 restricted)	448	14,171
	Mission giving (inc: £2,250, 2019 £nil restricted)	8,335	15,138
	Ministry and outreach expenditure	9,733	9,045
	Equipment	333	1,206
	Depreciation (restricted)	10,312	10,312
		<u>45,705</u>	<u>64,076</u>
5	Governance and support		
	Membership & compliance costs	849	588
	Depreciation	593	3,556
	Office costs	-	190
	Training & other costs	909	469
	Insurance	1,578	828
	Independent examiners fees	-	-
	Trustees expenses	-	-
		<u>3,929</u>	<u>5,631</u>

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2020

6 Fixed assets

	Leasehold improvements & fixtures £	Equipment £	Total £
Cost			
At beginning of year	103,110	10,668	113,778
Additions	197,041	-	197,041
Disposals	-	-	-
At end of year	300,151	10,668	310,819
Depreciation			
At beginning of year	43,850	10,075	53,925
Charge for the year	10,312	593	10,905
Disposal	-	-	-
At end of year	54,162	10,668	64,830
Net Book Value -31 March 2020	245,989	-	245,989
Net Book Value – 31 March 2019	59,260	593	59,853

7 Fixed assets - Investments

Market Value:	£
Quoted investments:-	
27,212.37 Units COIF Charities Investment Ethical Fund	-
Cost:	
Quoted investments:-	
27,212.37 Units COIF Charities Investment Ethical Fund	-

The investments were sold during the year.

8 Debtors

	2020 £	2019 £
Gift Aid receivable	9,426	3,670
Amounts due for activities	1,131	2,063
Other debtors	1,914	852
	12,471	6,585

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2020

9	Creditors			2020 £	2019 £
	Accruals & other creditors			52,100	3,392
10	Restricted funds				
		Stepping Stones	Mission & other	Leasehold premises	Total
	Income	£	£	£	£
	Donations and gifts	-	1,405	90,098	91,503
	Grants received	525	-	60,507	61,032
	Activity income	29,105	-	-	29,105
	Total	29,630	1,405	150,605	181,640
	Expenditure				
	Activity expenditure	8,554	3,467	10,312	22,333
	Staff costs	12,030	-	-	12,030
	Total	20,584	3,467	10,312	34,363
	Net movement in funds	9,046	(2,062)	140,293	147,277
	Transfers re internal charges	(10,400)	-	-	(10,400)
	Total funds brought forward	25,864	6,682	52,568	85,114
	Total funds carried forward	24,510	4,620	192,861	221,991
11	Analysis of net assets between funds				
			Unrestricted Funds	Restricted Funds	Total Assets
			£	£	£
	Fixed assets		-	245,989	245,989
	Cash and bank balances and deposits		121,789	25,169	146,958
	Other current assets less liabilities		9,538	(49,167)	(39,629)
			131,327	221,991	353,318

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2020

12 Statement of Financial Activities (previous year)

		Unrestricted funds	Restricted funds	Total funds	Total 2018
	Notes	£	£	£	£
Income					
Donations and gifts		68,577	11,478	80,055	82,037
Charitable activities		1,846	34,950	36,796	39,829
Grants received		-	7,925	7,925	1,706
Investment income		4,356	-	4,356	2,322
Total		<u>74,779</u>	<u>54,353</u>	<u>129,132</u>	<u>125,894</u>
Expenditure					
Staff costs		32,081	14,344	46,425	56,409
Activity expenditure		32,033	32,043	64,076	53,182
Governance and support		5,631	-	5,631	3,394
Grant paid		-	-	-	4,756
Total		<u>69,745</u>	<u>46,387</u>	<u>116,132</u>	<u>117,741</u>
Net gain on investments		<u>4,612</u>	<u>-</u>	<u>4,612</u>	<u>880</u>
Net income/(expenditure)		<u>9,646</u>	<u>7,966</u>	<u>17,612</u>	<u>9,033</u>
Transfers between funds		<u>15,700</u>	<u>(15,700)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>25,346</u>	<u>(7,734)</u>	<u>17,612</u>	<u>9,033</u>
Reconciliation of funds:					
Total funds brought forward		87,938	92,848	180,786	97,402
Transfer of undertakings		-	-	-	74,351
Total funds carried forward		<u><u>113,284</u></u>	<u><u>85,114</u></u>	<u><u>198,398</u></u>	<u><u>180,786</u></u>

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2020

13 Restricted funds (previous year)

	Stepping Stones	Mission & other	Leasehold premises	Total
	£	£	£	£
Income				
Donations and gifts	489	10,619	370	11,478
Activity income	34,229	721	-	34,950
Grants received	3,925	4,000	-	7,925
	<hr/>	<hr/>	<hr/>	<hr/>
Total	38,643	15,340	370	54,353
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure				
Activity expenditure	9,886	11,845	10,312	32,043
Staff costs	14,344	-	-	14,344
Grants paid	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	24,230	11,845	10,312	46,387
	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	14,413	3,495	(9,942)	7,966
Transfers re internal charges	(15,700)	-	-	(15,700)
Total funds brought forward	27,151	3,187	62,510	92,848
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	<u>25,864</u>	<u>6,682</u>	<u>52,568</u>	<u>85,114</u>

14 Related Party Transactions

There were no transactions with related parties. None of the Trustees received any remuneration or expenses.