

**ARK COMMUNITY CHURCH SUTTON COLDFIELD**

**FINANCIAL STATEMENTS**

**31 MARCH 2016**

# **ARK COMMUNITY CHURCH SUTTON COLDFIELD**

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# **ARK COMMUNITY CHURCH SUTTON COLDFIELD**

## **CHARITY INFORMATION**

### **TRUSTEES:**

Derek Halpin  
Mike Hew  
Roger Hughes  
Trevor Jones  
Chan Naraine  
Ella Quarrell  
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 period from incorporation to 31 March 2016. 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 with effect from 30 September 2015, assumed, by way of transfer, the assets and undertakings carried out by a charitable trust (registered number 1140846) 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.

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.

## **ACHIEVEMENTS AND PERFORMANCE**

The church has continued to meet weekly for worship and fellowship throughout the period on a Sunday morning and has also continued to hold weekly house groups for prayer, bible study and fellowship. Regular attendance has increased and is now averaging over 40. Throughout the period the churches regular meetings were at Mere Green Chapel which had been refurbished for our use, the cost to which the church contributed. Following this move new outreach activities have been planned and established and some existing activities relocated into the Chapel. The church has joined the 'Place of Welcome' network as it offers a place where the local community can come and talk and be befriended. Several special events have taken place to build links between the church and the wider community and these have been well attended.

Outreach to youth in the community has continued with fellowship, and discipleship meetings taking place regularly. Our youth activities have continued throughout the period with the after -school drop-in continuing together with regular meetings and activities including attendance at Soul Survivor & Momentum. Children's activities have also commenced during the period and are now held on a regular basis.

The Stepping Stones projects aimed at helping adults with learning difficulties and which comprise two café's run for the public and weekly sessions on independent living skills and art and craft have continued to operate successfully.

The church has continued to support several mission partners both in this country and abroad. The church has also forged links with a church in Brasov, Romania and during the period undertook a mission to help support this church.

# **ARK COMMUNITY CHURCH SUTTON COLDFIELD**

## **REPORT OF THE TRUSTEES (continued)**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The church is a charitable incorporated organization incorporated on 22 May 2015. The Trustees who served during the period and since the period end are as follows;

|               |                            |
|---------------|----------------------------|
| Derek Halpin  | (appointed 22 May 2015)    |
| Mike Hew      | (appointed 1 January 2016) |
| Roger Hughes  | (appointed 22 May 2015)    |
| Trevor Jones  | (appointed 22 May 2015)    |
| Chan Naraine  | (appointed 1 January 2016) |
| Ella Quarrell | (appointed 22 May 2015)    |
| John Walker   | (appointed 22 May 2015)    |

Trustees meet at least four times a year and are responsible for overall governance of the organization and keep under review its policies and practices. The Trustees have the power to appoint and remove Trustees in accordance with the provisions in the constitution and they keep their skill requirements under review and provide induction procedures relevant to the individuals' knowledge and understanding.

### **FINANCIAL REVIEW**

#### **Financial performance**

All income of the church is given via voluntary donations from the congregation or from activities run. The underlining income (unrestricted income) was £35,555 for the six months with regular expenditure totalling £38,263. However, the church made exceptional donations totalling £45,000 to Mere Green Chapel (a registered charity) towards the refurbishment of premises the church now uses. £20,617 resulted from an appeal and the balance of £24,383 was granted from unrestricted funds. Overall there was a net expenditure on unrestricted funds of £16,280 after transfers which has been offset against reserves brought forward. In addition, there was net expenditure on restricted funds in respect of the building fund offset by net income from the Stepping Stones projects.

#### **Reserves policy**

The church took over on the transfer of engagements, reserves accumulated for the purposes of supporting a church pastor and towards the provision of church premises and use has been made of these reserves during the period. Further expenditure is anticipated on these and reserves are also needed to support ongoing running costs.

During the period the remaining balance of the designated reserves established of £7,500 has been released to offset planned deficits resulting from the appointment of the full-time pastor.

#### **Risk policy**

The Trustees regularly review risks to which the church is exposed to, to ensure that our policies comply with current legislation. The Trustees do not feel there are any significant risks to the stability of the charity at this time.

## **ARK COMMUNITY CHURCH SUTTON COLDFIELD**

### **REPORT OF THE TRUSTEES (continued)**

#### **TRUSTEES RESPONSIBILITIES**

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 20<sup>th</sup> September 2016**

**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 six months ended 31<sup>st</sup> March 2016, which are set out on pages 6 to 12.

#### **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(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the commission under section 145(5)(b) of the 2011 Act
- 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 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

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

Name: Richard Morton

Address: 41 Cremorne Road, Sutton Coldfield.

Date: 9 January 2017

# ARK COMMUNITY CHURCH SUTTON COLDFIELD

## STATEMENT OF FINANCIAL ACTIVITIES SIX MONTHS ENDED 31 MARCH 2016

|                                 | Notes | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>£ |
|---------------------------------|-------|----------------------------|--------------------------|---------------------|
| <b>Income</b>                   |       |                            |                          |                     |
| Donations and gifts             | 2     | 33,223                     | 6,923                    | 40,146              |
| Charitable activities           |       | 1,485                      | 24,961                   | 26,446              |
| Investment income               |       | 847                        | -                        | 847                 |
| <b>Total</b>                    |       | <b>35,555</b>              | <b>31,884</b>            | <b>67,439</b>       |
| <b>Expenditure</b>              |       |                            |                          |                     |
| Staff costs                     | 3     | 25,376                     | 10,833                   | 36,209              |
| Activity expenditure            | 4     | 11,591                     | 11,934                   | 23,525              |
| Governance and support          | 5     | 1,296                      | 338                      | 1,634               |
| Grants paid                     |       | 24,383                     | 20,617                   | 45,000              |
| <b>Total</b>                    |       | <b>62,646</b>              | <b>43,722</b>            | <b>106,368</b>      |
| <b>Net gain on investments</b>  |       | <b>1,211</b>               | <b>-</b>                 | <b>1,211</b>        |
| <b>Net income/(expenditure)</b> |       | <b>(25,880)</b>            | <b>(11,838)</b>          | <b>(37,718)</b>     |
| Transfers between funds         |       | 9,600                      | (2,100)                  | 7,500               |
| <b>Net movement in funds</b>    |       | <b>(16,280)</b>            | <b>(13,938)</b>          | <b>(30,218)</b>     |
| <b>Reconciliation of funds:</b> |       |                            |                          |                     |
| Transfer of undertakings        |       | 79,598                     | 42,419                   | 122,017             |
| Total funds carried forward     |       | <b>63,318</b>              | <b>28,481</b>            | <b>91,799</b>       |

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 2016

|   | Notes | £       | £           |
|---|-------|---------|-------------|
| <b>Fixed assets:</b>                                  |       |         |             |
| Tangible assets                                       | 6     |         | 2,546       |
| Investments   | 7     |         | 50,841      |
|   |       |         | <hr/>       |
| <b>Total fixed assets</b>                             |       |         | 53,387      |
| <b>Current assets</b>                                 |       |         |             |
| Debtors   | 8     | 6,715   |             |
| Cash at bank  |       | 15,242  |             |
| Bank deposit  |       | 20,000  |             |
|   |       | <hr/>   |             |
|   |       | 41,957  |             |
| <b>Creditors: amounts falling due within one year</b> | 9     | (3,545) |             |
|   |       | <hr/>   |             |
| <b>Net current assets</b>                             |       |         | 38,412      |
|   |       |         | <hr/>       |
| <b>Total net assets</b>                               |       |         | 91,799      |
|   |       |         | <hr/> <hr/> |
| <b>Funds of the charity:</b>                          |       |         |             |
| Unrestricted  |       |         | 63,318      |
| Designated  | 10    |         | -           |
| Restricted  | 12    |         | 28,481      |
|   |       |         | <hr/>       |
|   |       |         | 91,799      |
|   |       |         | <hr/> <hr/> |

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

Signed by

Name TREVOR L JONES – Treasurer

Approved by the Trustees on 20<sup>th</sup> September 2016

# ARK COMMUNITY CHURCH SUTTON COLDFIELD

## STATEMENT OF CASH FLOWS

|   | 2016<br>£       |
|---|-----------------|
| <b>Cash flows from operating activities: (below)</b>                                    |                 |
| Net cash used by operating activities   | (41,180)        |
|   | _____           |
| <b>Cash flows from investing activities:</b>  |                 |
| Interest from investments   | 847             |
| Purchase of tangible fixed assets   | (1,495)         |
|   | _____           |
| <b>Net cash used by investing activities</b>  | <b>(648)</b>    |
|   | _____           |
| <b>Cash flow from financing activities</b>  | <b>(0)</b>      |
|   | _____           |
| <b>Change in cash and cash equivalents</b>  | <b>(41,828)</b> |
| <b>Cash and cash equivalents arising from transfer of undertakings</b>                  | <b>77,070</b>   |
|   | _____           |
| <b>Cash and cash equivalents at the end of the year</b>                                 | <b>35,242</b>   |
|   | _____           |
| <b>Reconciliation of net movement in funds to net cash flow in operating activities</b> |                 |
| <b>Net expenditure for the period</b>   | <b>(38,066)</b> |
| <b>Adjustments for:</b>   |                 |
| Depreciation charges  | 849             |
| Unrealised gain on investments  | (1,211)         |
| Investment income   | (847)           |
| Decrease in debtors   | 1,683           |
| Decrease in creditors   | (3,588)         |
|   | _____           |
| <b>Net cash used by operating activities</b>  | <b>(41,180)</b> |
|   | _____           |

**NOTES TO THE FINANCIAL STATEMENTS  
PERIOD ENDED 31 MARCH 2016**

**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 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).

(b) 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.

(c) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third part, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified as on charitable activities, costs of raising funds or other costs.

(d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

Restricted funds are donations which the donor has specified to be solely used for a particular purpose.

(e) Tangible fixed assets

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;

Equipment      3 years

# ARK COMMUNITY CHURCH SUTTON COLDFIELD

## NOTES TO THE FINANCIAL STATEMENTS SIX MONTHS ENDED 31 MARCH 2016 (continued)

|          |   |               |
|----------|---|---------------|
| <b>2</b> | <b>Donations and gifts</b>  | 6 months<br>£ |
|          | Donations and gifts from individuals (including £2,112 restricted funds)                  | 28,862        |
|          | Gift Aid  | 6,473         |
|          | Restricted funds: - Grants received   | 4,811         |
|          |   | <hr/>         |
|          |   | 40,146        |
|          |   | <hr/>         |
| <b>3</b> | <b>Staff costs</b>  |               |
|          | Salaries (including £10,833 re Stepping Stones)   | 34,168        |
|          | National Insurance  | 1,371         |
|          | Pension costs   | 670           |
|          |   | <hr/>         |
|          |   | 36,209        |
|          |   | <hr/>         |
|          | The average number of persons employed was 8 including 5 within Stepping Stones Projects. |               |
| <b>4</b> | <b>Activity expenditure</b>   |               |
|          | Room hire (including £3,053 re Stepping Stones)   | 5,033         |
|          | Youth & children's activities   | 2,711         |
|          | Stepping Stones activity expenditure  | 4,534         |
|          | Romania mission   | 4,164         |
|          | Mission giving  | 2,160         |
|          | Ministry and outreach expenditure   | 3,773         |
|          | Equipment (including £183 re Stepping Stones)   | 1,150         |
|          |   | <hr/>         |
|          |   | 23,525        |
|          |   | <hr/>         |
| <b>5</b> | <b>Governance and support</b>   |               |
|          | Membership & compliance costs   | 447           |
|          | Depreciation  | 849           |
|          | Training  | 198           |
|          | Office costs  | 140           |
|          | Independent examiners fees  | -             |
|          | Trustees expenses   | -             |
|          |   | <hr/>         |
|          |   | 1,634         |
|          |   | <hr/>         |

# ARK COMMUNITY CHURCH SUTTON COLDFIELD

## NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2016 (continued)

### 6 Fixed assets - Equipment

|                                       | £            |
|---------------------------------------|--------------|
| <b>Cost</b>                           |              |
| Transfer of undertakings              | 2,305        |
| Additions                             | 1,495        |
|                                       | <hr/>        |
| At end of period                      | 3,800        |
|                                       | <hr/>        |
| <b>Depreciation</b>                   |              |
| Transfer of undertakings              | 405          |
| Charge for the period                 | 849          |
|                                       | <hr/>        |
| At end of period                      | 1,254        |
|                                       | <hr/>        |
| <b>Net Book Value – 31 March 2016</b> | <b>2,546</b> |
|                                       | <hr/> <hr/>  |

### 7 Fixed assets - Investments

|  |             |
|--|-------------|
| Market Value:  |             |
| Quoted investments: -                                  |             |
| 27,212.37 Units COIF Charities Investment Ethical Fund | 50,841      |
|  | <hr/> <hr/> |
| Cost:  |             |
| Quoted investments:-                                   |             |
| 27,212.37 Units COIF Charities Investment Ethical Fund | 50,000      |
|  | <hr/> <hr/> |

The quoted investments were acquired by transfer from Ark Community Church (charitable trust) with effect from 30 September 2015 together with the other assets and liabilities.

### 8 Debtors

|                                     |             |
|-------------------------------------|-------------|
| Gift Aid receivable                 | 3,522       |
| Amounts due for activities          | 2,385       |
| Interest receivable & other debtors | 808         |
|                                     | <hr/>       |
|                                     | 6,715       |
|                                     | <hr/> <hr/> |

### 9 Creditors

|                            |             |
|----------------------------|-------------|
| Accruals & other creditors | 3,545       |
|                            | <hr/> <hr/> |

# ARK COMMUNITY CHURCH SUTTON COLDFIELD

## NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2016 (continued)

### 10 Designated funds

|                                |             |
|--------------------------------|-------------|
| Transfer of undertakings       | 7,500       |
| Transfer to unrestricted funds | (7,500)     |
|                                | <hr/>       |
| Balance at end of period       | -           |
|                                | <hr/> <hr/> |

The designated fund was established to support the expected shortfall in income following the appointment of a full-time Pastor. £7,500 has transferred back in respect of the current period.

### 11 Related party transactions

The charity enjoys a close working relationship with Mere Green Chapel, a registered charity that owns the premises from which the church operates. Ark provided funding of £45,000 during the period to enable the property to be refurbished and paid a total of £3,700 towards running costs. The total amount of Trustees donations made without condition was £10,115.

| 12 Restricted funds             | Stepping<br>Stones | Building<br>Fund | Romania<br>& other | Total<br>(6 months) |
|---------------------------------|--------------------|------------------|--------------------|---------------------|
|                                 | £                  | £                | £                  | £                   |
| <b>Income</b>                   |                    |                  |                    |                     |
| Donations & gifts               | -                  | -                | 2,112              | 2,112               |
| Grants received                 | 4,811              | -                | -                  | 4,811               |
| Activity income                 | 22,561             | -                | 2,400              | 24,961              |
|                                 | <hr/>              | <hr/>            | <hr/>              | <hr/>               |
| <b>Total</b>                    | 27,372             | -                | 4,512              | 31,884              |
|                                 | <hr/>              | <hr/>            | <hr/>              | <hr/>               |
| <b>Expenditure</b>              |                    |                  |                    |                     |
| Mission expenditure             | -                  | -                | 4,164              | 4,164               |
| Staff costs                     | 10,833             | -                | -                  | 10,833              |
| Project costs                   | 7,587              | -                | -                  | 7,587               |
| Equipment                       | 183                | -                | -                  | 183                 |
| Governance and support          | 338                | -                | -                  | 338                 |
| Grants paid                     | -                  | 19,771           | 846                | 20,617              |
|                                 | <hr/>              | <hr/>            | <hr/>              | <hr/>               |
| <b>Total</b>                    | 18,941             | 19,771           | 5,010              | 43,722              |
|                                 | <hr/>              | <hr/>            | <hr/>              | <hr/>               |
| <b>Net movement in funds</b>    | 8,431              | (19,771)         | (498)              | (11,838)            |
| <b>Reconciliation of funds:</b> |                    |                  |                    |                     |
| Transfer of undertakings        | 19,802             | 19,771           | 2,846              | 42,419              |
| Transfers re internal charges   | (2,100)            | -                | -                  | (2,100)             |
|                                 | <hr/>              | <hr/>            | <hr/>              | <hr/>               |
| Total funds carried forward     | 26,133             | -                | 2,348              | 28,481              |
|                                 | <hr/> <hr/>        | <hr/> <hr/>      | <hr/> <hr/>        | <hr/> <hr/>         |