

ARK COMMUNITY CHURCH SUTTON COLDFIELD

FINANCIAL STATEMENTS

31 MARCH 2017

ARK COMMUNITY CHURCH SUTTON COLDFIELD

INDEX

	Page
CHARITY INFORMATION	1
REPORT OF THE TRUSTEES	2 - 4
INDEPENDENT EXAMINERS REPORT	5
STATEMENT OF FINANCIAL ACTIVITIES	6
BALANCE SHEET	7
STATEMENT OF CASHFLOWS	8
NOTES TO THE ACCOUNTS	9 -12

ARK COMMUNITY CHURCH SUTTON COLDFIELD

CHARITY INFORMATION

TRUSTEES:

Derek Halpin
Michael 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 year ended 31 March 2017. 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 year 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 approaching 50. The 'Place of Welcome' continues to provide fellowship and support to members of the local community and several outreach events have taken place to build links between the church and the wider community and these have been well received

Outreach to youth in the community has continued with fellowship, and discipleship meetings taking place regularly. We have also continued to provide a weekly after -school drop-in during school term time. A large group attended Soul Survivor & Momentum and three local youth celebrations were organized with other churches from the area culminating with a mission week held in local schools in conjunction with the Message Trust. Children's activities have also continued during the period and are now held weekly.

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 art and craft have continued to operate successfully.

The church continues to support several mission partners working both in this country and abroad. Our links with the church in Brasov, Romania have continued with two mission visits undertaken during the year.

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
Mike Hew
Roger Hughes
Trevor Jones
Chan Naraine
Ella Quarrell
John Walker

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

Unrestricted income for the church for the year was up 8% compared with the previous year. Expenditure was up 9%. Overall there was a small surplus after transfers and unrealised gains on investments. The church also achieved a small surplus on its Stepping Stones activities. Overall funds of £97,402 are being carried forward of which £33,076 relate to restricted funds.

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 other restricted reserves to the specific activities within a twelve-month period.

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 related to ensuring robust governance policies and practices are maintained and in its financial activities. The trustees regularly review these areas.

ARK COMMUNITY CHURCH SUTTON COLDFIELD

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 10th October 2017

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 2017, 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 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 in order to enable a proper understanding of the accounts to be reached.

Name: Richard Morton

Address: 41 Cremorne Road, Sutton Coldfield.

Date 10th October 2017

ARK COMMUNITY CHURCH SUTTON COLDFIELD

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Total funds £	Total 2016 (6 months) £
Income					
Donations and gifts	2	67,605	10,046	77,651	40,146
Charitable activities		4,779	41,958	46,737	26,446
Investment income		1,954	-	1,954	847
Total		<u>74,338</u>	<u>52,004</u>	<u>126,342</u>	<u>67,439</u>
Expenditure					
Staff costs	3	48,960	19,391	68,351	36,209
Activity expenditure	4	27,074	20,200	47,274	23,525
Governance and support	5	4,035	-	4,053	1,634
Grant paid re new premises		5,500	3,000	8,500	45,000
Total		<u>85,569</u>	<u>42,609</u>	<u>128,178</u>	<u>106,368</u>
Net gain on investments		<u>7,439</u>	<u>-</u>	<u>7,439</u>	<u>1,211</u>
Net income/(expenditure)		<u>(3,792)</u>	<u>9,395</u>	<u>5,603</u>	<u>(37,718)</u>
Transfers between funds		<u>4,800</u>	<u>(4,800)</u>	<u>-</u>	<u>7,500</u>
Net movement in funds		<u>1,008</u>	<u>4,595</u>	<u>5,603</u>	<u>(30,218)</u>
Reconciliation of funds:					
Total funds brought forward		63,318	28,841	91,799	-
Transfer of undertakings		-	-	-	122,017
Total funds carried forward		<u>64,326</u>	<u>33,076</u>	<u>97,402</u>	<u>91,799</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 2017

	Notes	£	£	£	£
Fixed assets:					
Tangible assets	6		1,279		2,546
Investments	7		58,280		50,841
			<u>59,559</u>		<u>53,387</u>
Current assets					
Debtors	8	8,341		6,715	
Cash at bank		13,888		15,242	
Bank deposit		20,000		20,000	
		<u>42,229</u>		<u>41,957</u>	
Creditors: amounts falling due within one year	9	<u>(4,386)</u>		<u>(3,545)</u>	
Net current assets			<u>37,843</u>		<u>38,412</u>
Total net assets			<u>97,402</u>		<u>91,799</u>
Funds of the charity:					
Unrestricted			64,326		63,318
Designated	10		-		-
Restricted	11		33,076		28,481
			<u>97,402</u>		<u>91,799</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 10th October 2017

ARK COMMUNITY CHURCH SUTTON COLDFIELD

STATEMENT OF CASH FLOWS

	2017 £	2016 £
Cash flows from operating activities: (below)		
Net cash used by operating activities	(3,308)	(41,180)
	_____	_____
Cash flows from investing activities:		
Interest from investments	1,954	847
Purchase of tangible fixed assets	(-)	(1,495)
	_____	_____
Net cash generated/(used)by investing activities	1,954	(648)
	_____	_____
Cash flow from financing activities	(0)	(0)
	_____	_____
Change in cash and cash equivalents	(1,354)	(41,828)
	_____	_____
Cash and cash equivalents at the beginning of the year (2016 arising from transfer of undertakings)	35,242	77,070
	_____	_____
Cash and cash equivalents at the end of the year	33,888	35,242
	_____	_____
Reconciliation of net movement in funds to net cash flow in operating activities		
Net income/(expenditure) for the period	5,603	(38,066)
Adjustments for:		
Depreciation charges	1,267	849
Unrealised gain on investments	(7,439)	(1,211)
Investment income	(1,954)	(847)
(Increase)/Decrease in debtors	(1,626)	1,683
Increase/(Decrease) in creditors	841	(3,588)
	_____	_____
Net cash used by operating activities	(3,308)	(41,180)
	_____	_____

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

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 (continued) YEAR ENDED 31 MARCH 2017

2	Donations and gifts	2017	2016
			6 months
		£	£
	Donations and gifts from individuals (inc £7,306 2016 £2,112 restricted funds)	62,924	28,862
	Gift Aid	12,678	6,473
	Restricted funds: - Grants received	2,049	4,811
		<u>77,651</u>	<u>40,146</u>
3	Staff costs		
	Salaries (including £18,692, 2016 £10,833 restricted)	65,600	34,168
	National insurance	914	1,371
	Pension costs (including £699, 2016 nil restricted)	1,837	670
		<u>68,351</u>	<u>36,209</u>
The average number of persons employed was 6 including 3 within Stepping Stones Projects.			
4	Activity expenditure		
	Room hire (inc £5,033, 2016 £3,053 restricted)	9,233	5,033
	Youth and childrens activities	8,256	2,711
	Stepping Stones activity expenditure	8,960	4,534
	Restricted - Romania & other mission expenditure	5,694	4,164
	Mission giving	5,978	2,160
	Ministry and outreach expenditure	7,700	3,773
	Equipment including £549, 2016 £183 restricted)	1,453	1,150
		<u>47,274</u>	<u>23,525</u>
5	Governance and support		
	Membership & compliance costs	815	447
	Depreciation	1,267	849
	Training	1,500	198
	Office costs	453	140
	Independent examiners fees	-	-
	Trustees expenses	-	-
		<u>4,035</u>	<u>1,634</u>

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2017

6	Fixed assets		2017
			£
	Cost		
	At beginning of year		3,800
	Additions		-
			<hr/>
	At end of period		3,800
			<hr/>
	Depreciation		
	At beginning of year		1,254
	Charge for the year		1,267
			<hr/>
	31 March 2017		2,521
			<hr/>
	Net Book Value – 31 March 2017		1,279
			<hr/> <hr/>
7	Fixed assets - Investments		£
	Market Value:		
	Quoted investments:-		
	27,212.37 Units COIF Charities Investment Ethical Fund		58,820
			<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	2017	2016
		£	£
	Gift Aid receivable	3,679	3,522
	Amounts due for activities	2,746	2,385
	Interest receivable & other debtors	1,916	808
		<hr/>	<hr/>
		8,341	6,715
		<hr/> <hr/>	<hr/> <hr/>
9	Creditors		
	Accruals & other creditors	4,386	3,545
		<hr/> <hr/>	<hr/> <hr/>

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2017

			2017	2016
			£	£
10 Designated reserves				
At beginning of period			-	0
Transfer of undertakings			-	7,500
Transfer to unrestricted funds			-	(7,500)
			<hr/>	<hr/>
At end of period			-	-
			<hr/>	<hr/>
11 Restricted funds				
	Stepping Stones	Romania & other	Total	Total
	£	£	£	£
Income				
Donations and gifts	400	9,646	10,046	2,112
Grants received	1,500	549	2,049	4,811
Activity income	39,416	493	39,909	24,961
	<hr/>	<hr/>	<hr/>	<hr/>
Total	41,316	10,688	52,004	31,884
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure				
Activity expenditure	-	5,694	5,694	4,164
Staff costs	19,391	-	19,391	10,833
Project costs	13,975	-	13,975	7,587
Equipment	-	549	549	183
Governance and support	-	-	-	338
Grant re new facilities	-	3,000	3,000	20,617
	<hr/>	<hr/>	<hr/>	<hr/>
Total	33,366	9,243	42,609	43,722
	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	7,950	1,445	9,395	(11,838)
Total funds brought forward	26,133	2,348	28,481	-
Transfer of undertakings	-	-	-	42,419
Transfers re internal charges	(4,800)	-	(4,800)	(2,100)
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	29,283	3,793	33,076	28,481
	<hr/>	<hr/>	<hr/>	<hr/>

12 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 £8,500 (2016 £45,000) during the year to enable the property to be refurbished and paid a total of £4,200 (2016 £3,700) towards running costs.

The total amount of Trustees donations was £19,514, (2016 6 months £10,115.)