



**ARK COMMUNITY CHURCH SUTTON COLDFIELD**

**FINANCIAL STATEMENTS**

**31 MARCH 2019**

# **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 2019. 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 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. The 'Place of Welcome' drop-in continues to provide fellowship and support to members of the local community and has now moved to a Wednesday morning.

Outdoor community engagement events took place during each school holidays on the local 'green' in conjunction with the local community which included sports activities, a BBQ, large inflatables plus a wide selection of craft activities.

Youth and children's teaching and activities has continued during the year although following the departure of our youth and children's leader in August the after-school drop-in for teenagers was discontinued. A team of committed volunteers has continued with the development of ministries for children and youth now coordinated by our newly appointed Kids and Community coordinator.

The twice weekly drop-in cafés in Sutton and Mere Green have continued, operated under supervision, by adults with learning difficulties, as has the weekly art and craft sessions.

In August the church formally acquired the premises of Mere Green Chapel (a registered charity) which we had previously been renting.

The church continues to support practically and financially, several mission partners working both in this country and abroad. Our links with the church in Brasov, Romania have grown closer with the church running a summer youth mission on the Black Sea as well as our annual support mission. Our pastor also undertook a mission visit to Uganda.

# **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  
Helen Thomson (appointed 29 April 2019)  
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**

All income for the church is given via voluntary donations from the church fellowship. The overall income including giving for restricted fund was 3% higher than in 2018 although the underlying income for the unrestricted fund, which is the main operating source for the church was 6% lower at £74,779. Corresponding expenditure was 13 % higher in 2019 at £69,745 as a result principally of higher mission giving which totaled £15,138 (2018 £8,320). Overall unrestricted reserves increased by £25,346 whilst funds totaling £7,734 were withdrawn from restricted reserves.

#### **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 2018-19 the church started receiving donations towards the enlargement of the church leasehold premises which has continued into 2019-20.

#### **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**

### **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 16<sup>th</sup> September 2019**

**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 2019, which are set out on pages 6 to 14.

#### **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 16<sup>th</sup> September 2019

# ARK COMMUNITY CHURCH SUTTON COLDFIELD

## STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2019

		Unrestricted funds	Restricted funds	Total funds	Total 2018
	Notes	£	£	£	£
<b>Income</b>					
Donations and gifts	2	68,577	11,478	80,055	82,057
Charitable activities		1,846	34,950	36,796	39,829
Grants received		-	7,925	7,925	1,706
Investment & other income		4,356	-	4,356	2,322
<b>Total</b>		<u>74,779</u>	<u>54,353</u>	<u>129,132</u>	<u>125,894</u>
<b>Expenditure</b>					
Staff costs	3	32,081	14,344	46,425	56,409
Activity expenditure	4	32,033	32,043	64,076	53,182
Governance and support	5	5,631	-	5,631	3,394
Grants paid		-	-	-	4,756
<b>Total</b>		<u>69,745</u>	<u>46,387</u>	<u>116,132</u>	<u>117,741</u>
<b>Net gain on investments</b>		<u>4,612</u>	<u>-</u>	<u>4,612</u>	<u>880</u>
<b>Net income/(expenditure)</b>		<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>
<b>Net movement in funds</b>		<u>25,346</u>	<u>(7,734)</u>	<u>17,612</u>	<u>9,033</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		87,938	92,848	180,786	97,402
Transfer of undertakings		-	-	-	74,351
<b>Total funds carried forward</b>		<u><u>113,284</u></u>	<u><u>85,114</u></u>	<u><u>198,398</u></u>	<u><u>180,786</u></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 2019

2018

	Notes	£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	6		59,863		71,558
Investments	7		63,772		59,160
			<u>123,635</u>		<u>130,718</u>
<b>Current assets</b>					
Debtors	8	6,585		6,354	
Cash at bank		12,570		19,454	
Bank deposit		59,000		27,000	
		<u>78,155</u>		<u>52,808</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(3,392)</u>		<u>(2,740)</u>	
<b>Net current assets</b>			<u>74,763</u>		<u>50,068</u>
<b>Total net assets</b>			<u>198,398</u>		<u>180,786</u>
<b>Funds of the charity:</b>					
Unrestricted			113,284		87,938
Restricted	10		85,114		92,848
			<u>198,398</u>		<u>180,786</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 16<sup>th</sup> September 2019

# ARK COMMUNITY CHURCH SUTTON COLDFIELD

## STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
<b>Cash flows from operating activities: (below)</b>		
Net cash generated/(used) by operating activities	22,933	15,611
	_____	_____
<b>Cash flows from investing activities:</b>		
Interest from investments	4,356	2,322
Purchase of tangible fixed assets	(2,173)	(5,367)
	_____	_____
<b>Net cash /generated/(used) by investing activities</b>	<b>2,183</b>	<b>(3,045)</b>
	_____	_____
<b>Cash flow from financing activities</b>	<b>( 0 )</b>	<b>( 0 )</b>
	_____	_____
<b>Change in cash and cash equivalents</b>	<b>25,116</b>	<b>12,566</b>
	_____	_____
<b>Cash and cash equivalents at the beginning of the year</b>	<b>46,454</b>	<b>33,888</b>
	_____	_____
<b>Cash and cash equivalents at the end of the year</b>	<b>71,570</b>	<b>46,454</b>
	_____	_____
<b>Reconciliation of net movement in funds to net cash flow in operating activities</b>		
<b>Net income/(expenditure) for the year</b>	<b>17,612</b>	<b>9,033</b>
<b>Adjustments for:</b>		
Depreciation charges	13,868	11,332
Unrealised gain on investments	( 4,612)	( 880)
Investment income	( 4,356)	(2,322)
(Increase)/decrease in debtors	(231)	94
Increase/(decrease) in creditors	652	(1,646)
	_____	_____
<b>Net cash generated/(used) by operating activities</b>	<b>22,933</b>	<b>15,611</b>
	_____	_____

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2019**

**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 of the purposes 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 2019

<b>2</b>	<b>Donations and gifts</b>	<b>2019</b>	<b>2018</b>
		£	£
	Donations and gifts from individuals (inc £11,478, 2018 £5,907 restricted funds)	65,760	67,018
	Gift Aid	14,295	15,019
		<u>80,055</u>	<u>82,037</u>
<b>3</b>	<b>Staff costs</b>		
	Salaries (inc £14,344 2018 £19,409 restricted)	44,709	55,093
	National insurance	-	197
	Pension costs (including £665, 2018 £709 restricted)	1,726	1,119
		<u>46,425</u>	<u>56,409</u>
The average number of persons employed was 5 including 3 within Stepping Stones Projects.			
<b>4</b>	<b>Activity expenditure</b>		
	Premises costs (inc £1,386, 2018 £3,555 restricted)	5,706	7,423
	Stepping Stones activity expenditure (restricted)	8,498	8,743
	Mission expenditure (inc £11,845, 2018 £9,923 restricted)	14,171	10,502
	Mission giving	15,138	8,320
	Ministry and outreach expenditure	9,045	8,050
	Equipment	1,206	357
	Depreciation (restricted)	10,312	9,787
		<u>64,076</u>	<u>53,182</u>
<b>5</b>	<b>Governance and support</b>		
	Membership & compliance costs	588	919
	Depreciation	3,556	1,546
	Office costs	190	602
	Training & other costs	469	-
	Insurance	828	327
	Independent examiners fees	-	-
	Trustees expenses	-	-
		<u>5,631</u>	<u>3,394</u>

# ARK COMMUNITY CHURCH SUTTON COLDFIELD

## NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2019

<b>6</b>	<b>Fixed assets</b>	Leasehold improvements & fixtures £	Equipment £	<b>2019</b> Total £
	<b>Cost</b>			
	At beginning of year	101,904	9,711	111,615
	Additions	1,216	957	2,173
	Disposals	-	-	-
	At end of year	103,120	10,668	113,788
	<b>Depreciation</b>			
	At beginning of year	33,538	6,519	40,057
	Charge for the year	10,312	3,556	13,868
	Disposal	-	-	-
	At end of year	43,850	10,075	53,925
	<b>Net Book Value -31 March 2019</b>	<b>59,270</b>	<b>593</b>	<b>59,83</b>
	<b>Net Book Value – 31 March 2018</b>	<b>68,366</b>	<b>3,192</b>	<b>71,558</b>
<b>7</b>	<b>Fixed assets - Investments</b>			£
	Market Value:			
	Quoted investments:-			
	27,212.37 Units COIF Charities Investment Ethical Fund			63,772
	Cost:			
	Quoted investments:-			
	27,212.37 Units COIF Charities Investment Ethical Fund			50,000
<b>8</b>	<b>Debtors</b>	<b>2019</b> £		<b>2018</b> £
	Gift Aid receivable	3,670		3,261
	Amounts due for activities	2,063		2,834
	Other debtors	852		259
		6,585		6,354

# ARK COMMUNITY CHURCH SUTTON COLDFIELD

## NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2019

9	Creditors		2019 £	2018 £	
	Accruals & other creditors		3,392	2,740	
10	Restricted funds				
		Stepping Stones	Mission & other	Leasehold premises	Total
	Income	£	£	£	£
	Donations and gifts	489	10,619	370	11,478
	Grants received	3,925	4,000	-	7,925
	Activity income	34,229	721	-	34,950
	Total	38,643	15,340	370	54,353
	Expenditure				
	Activity expenditure	9,886	11,845	10,312	32,043
	Staff costs	14,344	-	-	14,344
	Grants paid	-	-	-	-
	Total	24,230	11,845	10,312	46 387
	Net movement in funds	14,413	3,495	(9,942)	7,966
	Total funds brought forward	27,151	3,187	62,510	92,848
	Transfer of undertakings	-	-	-	-
	Transfers re internal charges	(15,700)	-	-	(15,700)
	Total funds carried forward	25,864	6,682	52,568	85,114
11	Analysis of net assets between funds				
			Unrestricted Funds	Restricted Funds	Total Assets
			£	£	£
	Fixed assets		44,325	79,300	123,625
	Cash and bank balances and deposits		66,219	5,351	71,570
	Other current assets less liabilities		2,740	463	3,203
			113,284	85,114	198,398

# ARK COMMUNITY CHURCH SUTTON COLDFIELD

## NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2019

### 12 Statement of Financial Activities (previous year)

		Unrestricted funds	Restricted funds	Total funds	Total 2017
	Notes	£	£	£	£
<b>Income</b>					
Donations and gifts		76,130	5,907	82,037	75,602
Charitable activities		1,127	38,702	39,829	46,737
Grants received		-	1,706	1,706	-
Investment income		2,322	-	2,322	847
<b>Total</b>		<u>79,579</u>	<u>46,315</u>	<u>125,894</u>	<u>126,342</u>
<b>Expenditure</b>					
Staff costs		37,000	19,409	56,409	68,351
Activity expenditure		21,174	32,008	53,182	47,274
Governance and support		3,394	-	3,394	4,053
Grant paid re new premises		-	4,756	4,756	8,500
<b>Total</b>		<u>61,568</u>	<u>56,173</u>	<u>117,741</u>	<u>128,178</u>
<b>Net gain on investments</b>		<u>880</u>	<u>-</u>	<u>880</u>	<u>7,439</u>
<b>Net income/(expenditure)</b>		<u>18,891</u>	<u>(9,858)</u>	<u>9,033</u>	<u>5,603</u>
Transfers between funds		<u>2,667</u>	<u>(2,667)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<u>21,558</u>	<u>(12,525)</u>	<u>9,033</u>	<u>5,603</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		64,326	33,076	97,402	91,799
Transfer of undertakings		2,054	72,297	74,351	-
<b>Total funds carried forward</b>		<u><u>87,938</u></u>	<u><u>92,848</u></u>	<u><u>180,786</u></u>	<u><u>97,402</u></u>

# ARK COMMUNITY CHURCH SUTTON COLDFIELD

## NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2019

### 13 Restricted funds (previous year)

	Stepping Stones £	Mission & other £	Leasehold premises £	Total £
<b>Income</b>				
Donations and gifts	150	5,757	-	5,907
Activity income	33,325	5,377	-	38,702
Grants received	1,500	206	-	1,706
	<hr/>	<hr/>	<hr/>	<hr/>
Total	34,975	11,340	-	46,315
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure</b>				
Activity expenditure	12,298	9,923	9,787	32,008
Staff costs	19,409	-	-	19,409
Grants paid	-	4,756	-	4,756
	<hr/>	<hr/>	<hr/>	<hr/>
Total	31,707	14,629	9,787	56,173
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>	<b>3,268</b>	<b>(3,339)</b>	<b>(9,787)</b>	<b>9,395</b>
Total funds brought forward	29,283	3,793	-	33,076
Transfer of undertakings	-	-	72,297	72,297
Transfers re internal charges	(5,400)	2,733	-	(2,667)
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	27,151	3,187	62,510	92,848
	<hr/>	<hr/>	<hr/>	<hr/>