

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2024
for
ARCH INITIATIVES**

Advantage Accountancy & Advisory Ltd
Chartered Certified Accountants
and Statutory Auditors
Avalon House
5-7 Cathedral Road
Cardiff
CF11 9HA

ARCH INITIATIVES

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ARCH INITIATIVES

Report of the Trustees for the Year Ended 31 March 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

ARCH Initiatives was established to provide services for people whose lives have been affected by substance misuse. ARCH's objective of service provision, is to support individuals, communities, stakeholders and families to tackle substance misuse and to develop a range of innovative high quality services that transform futures and move individuals away from poor health and well-being, offending behaviour and unemployment. Our client range includes those who are dependant on illicit, legal and prescribed substance and those developing long term conditions or specific illness as a result of dependence.

The charity exists to provide public benefit by relieving poverty, sickness and distress amongst persons affected by addiction to alcohol or drugs of any kind. This includes those who are personally addicted and those families carers, and communities whose lives are impacted by substance misuse.

STRATEGIC REPORT

Achievement and performance

Charitable activities

In the year ended March 31, 2024 ARCH Initiatives had no service contracts although its properties were leased by charitable or statutory authorities who are directly involved in services consistent with the charity's objectives.

In Bolton the NHS are currently the property tenant whilst in the Wirral, Change Grow Live are the property tenant.

Financial review

Financial position

Income for the year 31 March 2024 is £75,074 (2023: £60,868) and this mainly comprises property rental income.

Total expenditure decreased to £42,379 (2023: £53,783). This resulted in an overall surplus of £25,769 compared to the prior years surplus of £7,085.

Principal funding sources

Principal funding sources during the period were from property rentals.

Reserves policy

It is the opinion of the directors that the charity should hold financial reserves;

- because it requires protection against financial risks, as identified by the annual financial risk review;
- to provide for expansion of the charity's business;
- to provide funds for investment in fixed assets; and
- to provide funds for unfunded 'board approved' special projects which enhance services and meet charitable objectives.

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Report of the Trustees for the Year Ended 31 March 2024

STRATEGIC REPORT

Financial review

The definition of financial reserves for this purpose is the amount of unrestricted reserves not invested in fixed or other long term assets (net current assets excluding long term debtors).

The charity conducts an annual financial risk review. This review has identified that the charity requires reserves to protect itself against the following principal risks:

- Delayed payment of property rentals causing unanticipated operational cash flow requirements.
- Loss of property rental contracts.
- Properties requiring urgent repairs or refurbishment

As at 31 March 2024 the charity had total funds of £349,545 of which comprises:

- An endowment fund of £77,500 representing assets that must be held permanently by the charitable company;
- An unrestricted funds surplus of £272,045.

Principal risks and uncertainties

The trustees have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Risk exists when there is uncertainty surrounding events and their outcomes that may have a significant impact on ARCH's ability to:

- achieve its aims
- satisfy the expectations of its stakeholders - operate efficiently

Future plans

Discussions are taking place regarding the potential disposal of the Arch section of the Mercer DB Master Trust (formerly known as the Federation plan). This will be progressed if the exit from the scheme is commercially attractive to the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

ARCH Initiatives is a company limited by guarantee governed by its Memorandum and Articles of Association dated 23rd April 1993 and constituted in accordance with this document.

The Charity is directed by a Management Committee made up of 4 members. Members are recruited from a range of backgrounds, including health and social care and commerce.

The Management Committee's decisions are focused on the approval and monitoring of any strategic business plans and the setting of the annual budget; the monitoring of progress in the achievement of plans and performance against the agreed budget are the typical activities undertaken by the Management Committee.

The Management Committee have delegated to the Chief Executive the responsibility for the management of the organisation.

On 25 July 2016 Kaleidoscope Project became the sole member of ARCH Initiatives. Kaleidoscope Project is a registered charity (number 1115017) and is also a company limited by guarantee (number 05480423) which was incorporated on 14 June 2005. Kaleidoscope Project's governing document is its memorandum and articles of association as amended by special resolution dated 5 April 2006. On the same date, the Trustees of ARCH resigned to be replaced by four of Kaleidoscope's Trustees. Consequently ARCH became part of the Kaleidoscope group on 25 July 2016.

ARCH INITIATIVES

Report of the Trustees for the Year Ended 31 March 2024

The charity has an independent Board of Trustees drawn from a variety of backgrounds thus ensuring a diverse Board with a strong mix of skills and experience to take the charity forward. When appropriate, vacancies on the Board are advertised through media outlets and interviews conducted, to ensure new appointments will add to the skills and experience of the existing Board.

All new trustees are provided with historical and current information to enable them to appreciate the work and ethos of the charity. The Board is currently developing an induction and training programme for trustees as part of its governance strategy.

The Board of Trustees aims to meet at least quarterly. The day-to day management of the Charity is delegated to the Group Chief Executive, who attends the Board of Trustee meetings.

Key management remuneration

Arch Initiatives currently have no paid employees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02812012 (England and Wales)

Registered Charity number

1024945

Registered office

1 Resolven House
Fortran Road
St Mellons
Cardiff
CF3 0EY

Trustees

Dr D L Antebi
Mr J M Q Knight
Mrs F Rutter (resigned 12.9.24)
Mr S Davison (resigned 22.12.23)
Dr A Procter (appointed 16.5.24)

Senior Statutory Auditor

Stephen John Bickerton

Auditors

Advantage Accountancy & Advisory Ltd
Chartered Certified Accountants
and Statutory Auditors
Avalon House
5-7 Cathedral Road
Cardiff
CF11 9HA

Chief Executive Officer

Martin Blakebrough

ARCH INITIATIVES

Report of the Trustees for the Year Ended 31 March 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Arch Initiatives for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of 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 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Advantage Accountancy & Advisory Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 20/12/2024 and signed on the board's behalf by:



Dr A Procter - Trustee

Report of the Independent Auditors to the Members of Arch Initiatives

Opinion

We have audited the financial statements of Arch Initiatives (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet 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 (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 2024 and of its incoming resources and application of resources, including its income and expenditure, 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 Auditors' 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Arch Initiatives

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We obtained understanding of the legal and regulatory frameworks applicable to the company and the sector in which they operate. We determined that the following laws and regulations were most significant: The Companies Act 2006, UK corporate taxation laws, employment legislation and health and safety legislation.
- We obtained an understanding of how the company are complying with those legal and regulatory frameworks by making inquiries to management. We corroborated our inquiries through our review of legal correspondence.
- We assessed the susceptibility of the company's financial statements to material misstatements, including how fraud might occur. Audit procedures performed by the engagement team included:

**Report of the Independent Auditors to the Members of
Arch Initiatives**

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- performing analytical procedures to identify any unusual or unexpected relationships;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- assessing the extent of compliance with relevant laws and regulations.

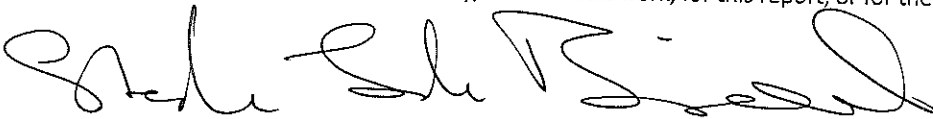
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Independent Auditors.

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 auditors' 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen John Bickerton (Senior Statutory Auditor)
for and on behalf of Advantage Accountancy & Advisory Ltd
Chartered Certified Accountants
and Statutory Auditors
Avalon House
5-7 Cathedral Road
Cardiff
CF11 9HA

Date: 20/12/24

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Statement of Financial Activities for the Year Ended 31 March 2024

	Notes	Unrestricted fund £	Endowment fund £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Other trading activities	2	-	-	-	1,869
Investment income	3	75,074	-	75,074	58,999
Total		<u>75,074</u>	<u>-</u>	<u>75,074</u>	<u>60,868</u>
EXPENDITURE ON					
Charitable activities	4				
Charitable Activities		<u>42,379</u>	<u>-</u>	<u>42,379</u>	<u>53,783</u>
Net gains/(losses) on investments		<u>(6,926)</u>	<u>-</u>	<u>(6,926)</u>	<u>-</u>
NET INCOME		25,769	-	25,769	7,085
Transfers between funds	16	<u>46,250</u>	<u>(46,250)</u>	<u>-</u>	<u>-</u>
Net movement in funds		72,019	(46,250)	25,769	7,085
RECONCILIATION OF FUNDS					
Total funds brought forward		200,026	123,750	323,776	316,691
TOTAL FUNDS CARRIED FORWARD		<u>272,045</u>	<u>77,500</u>	<u>349,545</u>	<u>323,776</u>

The notes form part of these financial statements

ARCH INITIATIVES

Balance Sheet 31 March 2024

	Notes	Unrestricted fund £	Endowment fund £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Investment property	11	457,500	77,500	535,000	541,926
CURRENT ASSETS					
Debtors	12	-	-	-	9,750
Cash at bank		256,648	-	256,648	789,670
		<u>256,648</u>	<u>-</u>	<u>256,648</u>	<u>799,420</u>
CREDITORS					
Amounts falling due within one year	13	(29,615)	-	(29,615)	(29,974)
NET CURRENT ASSETS		<u>227,033</u>	<u>-</u>	<u>227,033</u>	<u>769,446</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>684,533</u>	<u>77,500</u>	<u>762,033</u>	<u>1,311,372</u>
CREDITORS					
Amounts falling due after more than one year	14	(350,822)	-	(350,822)	(893,929)
PROVISIONS FOR LIABILITIES	15	(61,666)	-	(61,666)	(93,667)
NET ASSETS		<u>272,045</u>	<u>77,500</u>	<u>349,545</u>	<u>323,776</u>
FUNDS	16				
Unrestricted funds				272,045	200,026
Endowment funds				77,500	123,750
TOTAL FUNDS				<u>349,545</u>	<u>323,776</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 20/12/2024..... and were signed on its behalf by:



Dr A Procter - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

Going Concern

The charity has made a profit this year of £25,769 (2023: £7,085). The trustees believe that the combination of current assets and future resources will be sufficient to cover its liabilities; therefore the accounts should be prepared on a going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Rental income is recognised in the period to which it relates.

Income from other charitable activities includes amounts received under contract, and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on reducing balance
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Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

1. ACCOUNTING POLICIES - continued

Taxation

Arch Initiatives is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Restricted Funds

The restricted fund relates to the Public Health England grant. This grant was awarded to pay for building refurbishment and other fixed assets purchased. Expenditure has been capitalised and the grant has been amortised over the life of the respective assets.

Endowment Funds

The Wirral PCT endowment fund is a grant expressly for the purpose of purchasing and refurbishing the property known as 88-90 Argyle Street. In accordance with the grant agreement, these grants will be credited to the endowment fund and likewise restricted to the purpose of the development, of the property.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined benefits pension scheme. The scheme is a multi employer scheme and the details are shown in note 17.

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Miscellaneous income	-	1,869

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

3. INVESTMENT INCOME

	2024	2023
	£	£
Rents received	59,385	58,999
Deposit account interest	15,689	-
	<u>75,074</u>	<u>58,999</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Charitable Activities	<u>(2,509)</u>	<u>44,888</u>	<u>42,379</u>

5. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Charitable Activities	<u>19,520</u>	<u>21,368</u>	<u>4,000</u>	<u>44,888</u>

Support costs, included in the above, are as follows:

	2024 Charitable Activities £	2023 Total activities £
Audit & accountancy fees	1,262	2,924
Legal & professional fees	8,258	11,244
Management charges	10,000	10,000
Pension deficit	21,360	22,413
Bank charges	8	-
Auditors' remuneration	4,000	2,500
	<u>44,888</u>	<u>49,081</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024 £	2023 £
Auditors' remuneration	<u>4,000</u>	<u>2,500</u>

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

8. STAFF COSTS

There are no staff employed as the charity is administrated by Kaleidoscope Project.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Other trading activities	1,869	-	1,869
Investment income	58,999	-	58,999
Total	60,868	-	60,868
EXPENDITURE ON			
Charitable activities			
Charitable Activities	53,783	-	53,783
NET INCOME	7,085	-	7,085
Transfers between funds	11,250	(11,250)	-
Net movement in funds	18,335	(11,250)	7,085
RECONCILIATION OF FUNDS			
Total funds brought forward	181,691	135,000	316,691
TOTAL FUNDS CARRIED FORWARD	200,026	123,750	323,776

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 April 2023 and 31 March 2024	<u>284,764</u>
DEPRECIATION	
At 1 April 2023 and 31 March 2024	<u>284,764</u>
NET BOOK VALUE	
At 31 March 2024	<u>-</u>
At 31 March 2023	<u>-</u>

11. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 April 2023	541,926
Revaluation	<u>(6,926)</u>
At 31 March 2024	<u>535,000</u>
NET BOOK VALUE	
At 31 March 2024	<u>535,000</u>
At 31 March 2023	<u>541,926</u>

An independent valuation of the investment property was undertaken post year end on 19 September 2024. The trustees consider this to be an accurate reflection of fair value at 31 March 2024.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	<u>-</u>	<u>9,750</u>

ARCH INITIATIVES

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	10,000	14,974
Accruals and deferred income	19,615	15,000
	<u>29,615</u>	<u>29,974</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Amounts owed to group undertakings	350,822	893,929
	<u>350,822</u>	<u>893,929</u>

15. PROVISIONS FOR LIABILITIES

A provision of £61,666 is being carried for the amount due on the Charity's defined benefit pension scheme. The details of the scheme are disclosed in note 17.

At the end of the year the actuarial valuation indicated that the scheme was in an asset position of £201,000. This amount has not been recognised in the accounts as it is the Charity's intention to withdraw from the scheme should a reasonable buy out position be negotiated. Current discussions have highlighted that the amount would be in the region of £42,000 to £102,000. Due to this it is felt that the current liability held is a more accurate reflection of the Charity's position than the £201,000 asset.

16. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	200,026	25,769	46,250	272,045
Endowment funds				
Wirral PCT	123,750	-	(46,250)	77,500
TOTAL FUNDS	<u>323,776</u>	<u>25,769</u>	<u>-</u>	<u>349,545</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	75,074	(42,379)	(6,926)	25,769
TOTAL FUNDS	<u>75,074</u>	<u>(42,379)</u>	<u>(6,926)</u>	<u>25,769</u>

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	181,691	7,085	11,250	200,026
Endowment funds				
Wirral PCT	135,000	-	(11,250)	123,750
TOTAL FUNDS	<u>316,691</u>	<u>7,085</u>	<u>-</u>	<u>323,776</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	60,868	(53,783)	7,085
TOTAL FUNDS	<u>60,868</u>	<u>(53,783)</u>	<u>7,085</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	181,691	32,854	57,500	272,045
Endowment funds				
Wirral PCT	135,000	-	(57,500)	77,500
TOTAL FUNDS	<u>316,691</u>	<u>32,854</u>	<u>-</u>	<u>349,545</u>

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	135,942	(96,162)	(6,926)	32,854
TOTAL FUNDS	<u>135,942</u>	<u>(96,162)</u>	<u>(6,926)</u>	<u>32,854</u>

Unrestricted funds

The unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objectives.

Endowment funds

The Wirral PCT endowment fund is a grant expressly for the purpose of purchasing and refurbishing the property known as 88-90 Argyle Street. In accordance with the grant agreement these grants will be credited to the endowment fund and likewise restricted to the purpose of the development of the property.

17. EMPLOYEE BENEFIT OBLIGATIONS

Arch Initiatives participates in the Mercer DB Master Trust (the scheme) formerly known as The Federation Plan.

The scheme is a multi-employer defined benefit scheme. We are now reporting the results of the 2023 actuarial valuation.

Scheme Membership

Membership of the scheme is made up of 6 deferred pensioners and 2 retired pensioners, there are no active pensioners. The data attributable by type of member is as follows:

Member	Description	5 April 2023	5 April 2020
Deferred members	Total deferred pensions revalued to valuation date - (£ p.a.)	5,845	6,808
Deferred members	Average age weighted	47	44
Pensioners	Total pensions payable (£p.a.)	2,484	2,103
Pensioners	Average age weighted by pension	71	68

The breakdown of the liability is set out below:

Description	2023 Valuation £'000s	2020 Valuation £'000s
Assets	419	234
Liabilities - Pensioners	(42)	(54)
Liabilities - Deferred members	(176)	(332)
Overall position	201	(152)
Funding Level	192%	61%

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

Assets Summary

	5 April 2023 Allocation £'000	5 April 2023 Allocation %	Revised Investment strategy after 5 April 2023 %
Pooled Investments Vehicles	414	99	30
Bank	5	1	0
Tailored Credit	0	0	20
UK Inflation Linked Gifts	0	0	40
Sterling Inflation Linked LDI	0	0	10
Total	419	100	100

Analysis of Experience Since Last Valuation

	£'000
Shortfall on 5 April 2023	(152)
Interest	(2)
Contributions less expenses	58
Changes in market conditions (liability impact)	183
Excess investment returns	128
Inflation experience	(40)
Impact of changes to statement of funding principles	28
Miscellaneous	(2)
Surplus on 2023 assumptions	201
Expected 2023 shortfall	(96)
Estimated shortfall at 2023 on 2020 assumptions	175

Changes Since the Valuation Date

The return on the pension assets in the period April 1, 2023 to August 31, 2023 was estimated at - 4%. This does not take into account any contributions received or benefits paid out since the valuation date. Had the conditions at August 31, 2023 applied at the valuation date, it is estimated that the technical provision would have been 15% lower than the value in this report. Taken together the change in financial conditions would have led to an improvement in the overall funding position.

Financial Assumptions - Main Financial assumptions for Technical provisions

	2023 Valuation	2020 Valuation
Pre retirement discount rate	Gilt curve +1.4% p.a.	Gilt curve +1.5% p.a.
Post retirement discount rate	Gilt curve +0.5% p.a.	Gilt curve +0.5% p.a.
RPI Inflation	Inflation curve	Inflation curve
CPI Inflation	RPI-0.75% until 2030 RPI from that year	RPI-0.75% p.a. until 2030 RPI from that year
RPI pension increases	In line with RPI assumptions	In line RPI assumptions
CPI pension increases	In line with CPI assumptions	In line with CPI assumptions
Recovery plan return	Gilt curve +0.5% p.a.	Gilt curve +2.0% p.a.
Average Gilt Yield curve	3.65% p.a.	0.69% p.a.
Average inflation curve	3.35% p.a.	2.71% p.a.

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

Demographic assumptions - for Technical provisions

	2023 Valuation	2020 Valuation
Mortality - base table	115% of S3PxA	115% of S3PxA
Mortality - future improvements	CMI 2022[1.5%, S Core]	CMI 2019 [1.5%,S=7.5]
CPI inflation	RPI -0.75% until 2030 RPI from that year	RPI -0.75% until 2030 RPI from that year
Proportions married	90% married for both males and females	90% married for both males and females
Age of retirement	All members assumed to retire at normal retirement age. Members who are past their normal retirement are assumed to retire at the valuation date.	All members assumed to retire at normal retirement age. Members who are past their normal retirement are assumed to retire at the valuation date.
Commutation	No cash commutation where benefit formula includes cash. Where the benefit formula does not include cash, members are assumed to take 50% of their maximum cash entitlement, based on the current cash commutation factor. 50% of 3/80ths using current commutation factors for members without cash on top.	50% of 3/80ths using current commutation factors for members without cash on top
Expenses	No allowance (funded by separate) contributions by the employer.	No allowance (funded by separate) contributions by the employer.

Other Assumptions

	Assumed rate at last valuation p.a.	Assumed rate during inter valuation period p.a.
Investment returns - assumed for the purpose of the 2020 recovery plan	0.63%	15.73%
Revaluation up to retirement in line with RPI	2.57%	6.09%
in line with CPI	1.82%	4.49%
Pension increases in payment in line with RPI	2.57%	6.09%
in line with CPI	1.82%	4.49%

Global Pandemics and Climate Change

For the 2023 valuation the potential impacts of global pandemics and climate change have been considered. These included the following climate change shock scenarios:

	Potential Impact (2023 and) 2020 valuation
UK long dated interest date	-0.5%p.a.
Inflation	+0.5%p.a.

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

UK life expectancy -0.25 years	-0.25 years
Equity market re-pricing	-15%
Diversified growth fund re-pricing -7.5%	-7.5%
Investment grade credit spread widening	0.2%p.a.
Impact on high yield debt	-5%

Technical Provisions Sensitivity

	% Change in Liability
Pre retirement discount rate reduced by 0.25%p.a. at each term	+2.3%
Post retirement discount rate reduced by 0.25% p.a. at each term	+3.2%
Inflation assumption increased by 0.25% p.a. at each term	+5.5%
Members one year younger	+2.8%
	+less than
Cash commutation assumption increased by 10%	0.1%

Summary of Benefits

Main benefits of the two underlying schemes:

	NHSPS Scheme	LGPS Scheme
Normal retirement date	60th Birthday	65th Birthday
Normal retirement pension	1/80th of final pay for each complete year of service	1/60th of final pay for each complete year of service
Normal retirement cash	Up to 3 times the members pension	Part of pension can be exchanged for a cash free sum
Increase to pension	In line with rpi	In line with cpi
Early retirement pension	Available after the age of 55 or on ill health	From age 55 to 60
Death after retirement:		
* lump sum	On death within 5 years of commencement of pension	On death within 10 years of commencement of pension
* dependant's pension	One half of members pension	37.5% of members pension

18. ULTIMATE PARENT COMPANY

The charity's parent company at the balance sheet date was Kaleidoscope Project (company number 05480423, charity number 1115017), a charitable company incorporated in the UK. The parent's principal activities include the provision of holistic care and support services to those suffering due to poverty, age, infirmity, substance abuse or physical and mental hardship or distress.

Copies of group accounts are available from either Companies House or from the registered office at Resolven House, St Mellons Business Park, Fortran Road, St Mellons, Cardiff CF3 0EY.

The ultimate controlling party are the trustees of the parent company Kaleidoscope Project.

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

19. CONTINGENT LIABILITIES

The charity may be required to repay funding if it fails to comply with conditions laid down by the various funding providers.

Included in Investment properties is the purchase and refurbishment costs of a building on Argyle Street, Birkenhead. A grant of £500,000 was received from the Wirral Primary Care Trust (WPCT) towards these costs. WPCT hold a legal charge over the property dated 31 March 2009, the terms of which are that should the property be sold within 20 years a set percentage of the sales proceeds will revert back to WPCT. The percentage remittable is tapered down to 0% over 20 years. As at 31 March 2024 the amount repayable would be: £77,500 (2023 - £135,000)

20. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

REGISTERED COMPANY NUMBER: 02812012 (England and Wales)
REGISTERED CHARITY NUMBER: 1024945

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2024
for
ARCH INITIATIVES**

Advantage Accountancy & Advisory Ltd
Chartered Certified Accountants
and Statutory Auditors
Avalon House
5-7 Cathedral Road
Cardiff
CF11 9HA

ARCH INITIATIVES

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for the Year Ended 31 March 2024**

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ARCH INITIATIVES

Report of the Trustees for the Year Ended 31 March 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

ARCH Initiatives was established to provide services for people whose lives have been affected by substance misuse. ARCH's objective of service provision, is to support individuals, communities, stakeholders and families to tackle substance misuse and to develop a range of innovative high quality services that transform futures and move individuals away from poor health and well-being, offending behaviour and unemployment. Our client range includes those who are dependant on illicit, legal and prescribed substance and those developing long term conditions or specific illness as a result of dependence.

The charity exists to provide public benefit by relieving poverty, sickness and distress amongst persons affected by addiction to alcohol or drugs of any kind. This includes those who are personally addicted and those families carers, and communities whose lives are impacted by substance misuse.

STRATEGIC REPORT

Achievement and performance

Charitable activities

In the year ended March 31, 2024 ARCH Initiatives had no service contracts although its properties were leased by charitable or statutory authorities who are directly involved in services consistent with the charity's objectives.

In Bolton the NHS are currently the property tenant whilst in the Wirral, Change Grow Live are the property tenant.

Financial review

Financial position

Income for the year 31 March 2024 is £75,074 (2023: £60,868) and this mainly comprises property rental income.

Total expenditure decreased to £42,379 (2023: £53,783). This resulted in an overall surplus of £25,769 compared to the prior years surplus of £7,085.

Principal funding sources

Principal funding sources during the period were from property rentals.

Reserves policy

It is the opinion of the directors that the charity should hold financial reserves;

- because it requires protection against financial risks, as identified by the annual financial risk review;
- to provide for expansion of the charity's business;
- to provide funds for investment in fixed assets; and
- to provide funds for unfunded 'board approved' special projects which enhance services and meet charitable objectives.

ARCH INITIATIVES

Report of the Trustees for the Year Ended 31 March 2024

STRATEGIC REPORT

Financial review

The definition of financial reserves for this purpose is the amount of unrestricted reserves not invested in fixed or other long term assets (net current assets excluding long term debtors).

The charity conducts an annual financial risk review. This review has identified that the charity requires reserves to protect itself against the following principal risks:

- Delayed payment of property rentals causing unanticipated operational cash flow requirements.
- Loss of property rental contracts.
- Properties requiring urgent repairs or refurbishment

As at 31 March 2024 the charity had total funds of £349,545 of which comprises:

- An endowment fund of £77,500 representing assets that must be held permanently by the charitable company;
- An unrestricted funds surplus of £272,045.

Principal risks and uncertainties

The trustees have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Risk exists when there is uncertainty surrounding events and their outcomes that may have a significant impact on ARCH's ability to:

- achieve its aims
- satisfy the expectations of its stakeholders - operate efficiently

Future plans

Discussions are taking place regarding the potential disposal of the Arch section of the Mercer DB Master Trust (formerly known as the Federation plan). This will be progressed if the exit from the scheme is commercially attractive to the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

ARCH Initiatives is a company limited by guarantee governed by its Memorandum and Articles of Association dated 23rd April 1993 and constituted in accordance with this document.

The Charity is directed by a Management Committee made up of 4 members. Members are recruited from a range of backgrounds, including health and social care and commerce.

The Management Committee's decisions are focused on the approval and monitoring of any strategic business plans and the setting of the annual budget; the monitoring of progress in the achievement of plans and performance against the agreed budget are the typical activities undertaken by the Management Committee.

The Management Committee have delegated to the Chief Executive the responsibility for the management of the organisation.

On 25 July 2016 Kaleidoscope Project became the sole member of ARCH Initiatives. Kaleidoscope Project is a registered charity (number 1115017) and is also a company limited by guarantee (number 05480423) which was incorporated on 14 June 2005. Kaleidoscope Project's governing document is its memorandum and articles of association as amended by special resolution dated 5 April 2006. On the same date, the Trustees of ARCH resigned to be replaced by four of Kaleidoscope's Trustees. Consequently ARCH became part of the Kaleidoscope group on 25 July 2016.

ARCH INITIATIVES

Report of the Trustees for the Year Ended 31 March 2024

The charity has an independent Board of Trustees drawn from a variety of backgrounds thus ensuring a diverse Board with a strong mix of skills and experience to take the charity forward. When appropriate, vacancies on the Board are advertised through media outlets and interviews conducted, to ensure new appointments will add to the skills and experience of the existing Board.

All new trustees are provided with historical and current information to enable them to appreciate the work and ethos of the charity. The Board is currently developing an induction and training programme for trustees as part of its governance strategy.

The Board of Trustees aims to meet at least quarterly. The day-to day management of the Charity is delegated to the Group Chief Executive, who attends the Board of Trustee meetings.

Key management remuneration

Arch Initiatives currently have no paid employees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02812012 (England and Wales)

Registered Charity number

1024945

Registered office

1 Resolven House
Fortran Road
St Mellons
Cardiff
CF3 0EY

Trustees

Dr D L Antebi
Mr J M Q Knight
Mrs F Rutter (resigned 12.9.24)
Mr S Davison (resigned 22.12.23)
Dr A Procter (appointed 16.5.24)

Senior Statutory Auditor

Stephen John Bickerton

Auditors

Advantage Accountancy & Advisory Ltd
Chartered Certified Accountants
and Statutory Auditors
Avalon House
5-7 Cathedral Road
Cardiff
CF11 9HA

Chief Executive Officer

Martin Blakebrough

ARCH INITIATIVES

Report of the Trustees for the Year Ended 31 March 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Arch Initiatives for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of 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 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Advantage Accountancy & Advisory Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 20/12/2024..... and signed on the board's behalf by:



.....
Dr A Procter - Trustee

Report of the Independent Auditors to the Members of Arch Initiatives

Opinion

We have audited the financial statements of Arch Initiatives (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet 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 (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 2024 and of its incoming resources and application of resources, including its income and expenditure, 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 Auditors' 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Arch Initiatives

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We obtained understanding of the legal and regulatory frameworks applicable to the company and the sector in which they operate. We determined that the following laws and regulations were most significant: The Companies Act 2006 , UK corporate taxation laws, employment legislation and health and safety legislation.
- We obtained an understanding of how the company are complying with those legal and regulatory frameworks by making inquiries to management. We corroborated our inquiries through our review of legal correspondence.
- We assessed the susceptibility of the company's financial statements to material misstatements, including how fraud might occur. Audit procedures performed by the engagement team included:

**Report of the Independent Auditors to the Members of
Arch Initiatives**

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- performing analytical procedures to identify any unusual or unexpected relationships;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- assessing the extent of compliance with relevant laws and regulations.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Independent Auditors.

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 auditors' 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen John Bickerton (Senior Statutory Auditor)
for and on behalf of Advantage Accountancy & Advisory Ltd
Chartered Certified Accountants
and Statutory Auditors
Avalon House
5-7 Cathedral Road
Cardiff
CF11 9HA

Date:

ARCH INITIATIVES

Statement of Financial Activities for the Year Ended 31 March 2024

	Notes	Unrestricted fund £	Endowment fund £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Other trading activities	2	-	-	-	1,869
Investment income	3	75,074	-	75,074	58,999
Total		<u>75,074</u>	<u>-</u>	<u>75,074</u>	<u>60,868</u>
EXPENDITURE ON					
Charitable activities	4				
Charitable Activities		42,379	-	42,379	53,783
Net gains/(losses) on investments		(6,926)	-	(6,926)	-
NET INCOME		25,769	-	25,769	7,085
Transfers between funds	16	46,250	(46,250)	-	-
Net movement in funds		72,019	(46,250)	25,769	7,085
RECONCILIATION OF FUNDS					
Total funds brought forward		200,026	123,750	323,776	316,691
TOTAL FUNDS CARRIED FORWARD		<u>272,045</u>	<u>77,500</u>	<u>349,545</u>	<u>323,776</u>

The notes form part of these financial statements

ARCH INITIATIVES

Balance Sheet 31 March 2024

	Notes	Unrestricted fund £	Endowment fund £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Investment property	11	457,500	77,500	535,000	541,926
CURRENT ASSETS					
Debtors	12	-	-	-	9,750
Cash at bank		256,648	-	256,648	789,670
		<u>256,648</u>	<u>-</u>	<u>256,648</u>	<u>799,420</u>
CREDITORS					
Amounts falling due within one year	13	(29,615)	-	(29,615)	(29,974)
		<u>227,033</u>	<u>-</u>	<u>227,033</u>	<u>769,446</u>
NET CURRENT ASSETS					
		684,533	77,500	762,033	1,311,372
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	14	(350,822)	-	(350,822)	(893,929)
PROVISIONS FOR LIABILITIES	15	(61,666)	-	(61,666)	(93,667)
		<u>272,045</u>	<u>77,500</u>	<u>349,545</u>	<u>323,776</u>
NET ASSETS					
FUNDS	16				
Unrestricted funds				272,045	200,026
Endowment funds				77,500	123,750
TOTAL FUNDS				<u>349,545</u>	<u>323,776</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 20/12/2024 and were signed on its behalf by:

20/12/2024

Dr A Procter - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

Going Concern

The charity has made a profit this year of £25,769 (2023: £7,085). The trustees believe that the combination of current assets and future resources will be sufficient to cover its liabilities; therefore the accounts should be prepared on a going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Rental income is recognised in the period to which it relates.

Income from other charitable activities includes amounts received under contract, and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 20% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

1. ACCOUNTING POLICIES - continued

Taxation

Arch Initiatives is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Restricted Funds

The restricted fund relates to the Public Health England grant. This grant was awarded to pay for building refurbishment and other fixed assets purchased. Expenditure has been capitalised and the grant has been amortised over the life of the respective assets.

Endowment Funds

The Wirral PCT endowment fund is a grant expressly for the purpose of purchasing and refurbishing the property known as 88-90 Argyle Street. In accordance with the grant agreement, these grants will be credited to the endowment fund and likewise restricted to the purpose of the development, of the property.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined benefits pension scheme. The scheme is a multi employer scheme and the details are shown in note 17.

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Miscellaneous income	-	1,869
	<u> </u>	<u> </u>

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

3. INVESTMENT INCOME

	2024	2023
	£	£
Rents received	59,385	58,999
Deposit account interest	15,689	-
	<u>75,074</u>	<u>58,999</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Charitable Activities	<u>(2,509)</u>	<u>44,888</u>	<u>42,379</u>

5. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Charitable Activities	<u>19,520</u>	<u>21,368</u>	<u>4,000</u>	<u>44,888</u>

Support costs, included in the above, are as follows:

	2024 Charitable Activities £	2023 Total activities £
Audit & accountancy fees	1,262	2,924
Legal & professional fees	8,258	11,244
Management charges	10,000	10,000
Pension deficit	21,360	22,413
Bank charges	8	-
Auditors' remuneration	4,000	2,500
	<u>44,888</u>	<u>49,081</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024 £	2023 £
Auditors' remuneration	<u>4,000</u>	<u>2,500</u>

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

8. STAFF COSTS

There are no staff employed as the charity is administrated by Kaleidoscope Project.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Other trading activities	1,869	-	1,869
Investment income	58,999	-	58,999
Total	<u>60,868</u>	<u>-</u>	<u>60,868</u>
EXPENDITURE ON			
Charitable activities			
Charitable Activities	<u>53,783</u>	<u>-</u>	<u>53,783</u>
NET INCOME	7,085	-	7,085
Transfers between funds	<u>11,250</u>	<u>(11,250)</u>	<u>-</u>
Net movement in funds	18,335	(11,250)	7,085
RECONCILIATION OF FUNDS			
Total funds brought forward	181,691	135,000	316,691
TOTAL FUNDS CARRIED FORWARD	<u><u>200,026</u></u>	<u><u>123,750</u></u>	<u><u>323,776</u></u>

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 April 2023 and 31 March 2024	284,764
DEPRECIATION	
At 1 April 2023 and 31 March 2024	284,764
NET BOOK VALUE	
At 31 March 2024	-
At 31 March 2023	-

11. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 April 2023	541,926
Revaluation	(6,926)
At 31 March 2024	535,000
NET BOOK VALUE	
At 31 March 2024	535,000
At 31 March 2023	541,926

An independent valuation of the investment property was undertaken post year end on 19 September 2024. The trustees consider this to be an accurate reflection of fair value at 31 March 2024.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	-	9,750

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	10,000	14,974
Accruals and deferred income	19,615	15,000
	<u>29,615</u>	<u>29,974</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Amounts owed to group undertakings	<u>350,822</u>	<u>893,929</u>

15. PROVISIONS FOR LIABILITIES

A provision of £61,666 is being carried for the amount due on the Charity's defined benefit pension scheme. The details of the scheme are disclosed in note 17.

At the end of the year the actuarial valuation indicated that the scheme was in an asset position of £201,000. This amount has not been recognised in the accounts as it is the Charity's intention to withdraw from the scheme should a reasonable buy out position be negotiated. Current discussions have highlighted that the amount would be in the region of £42,000 to £102,000. Due to this it is felt that the current liability held is a more accurate reflection of the Charity's position than the £201,000 asset.

16. MOVEMENT IN FUNDS

	At 1.4.23	Net movement	Transfers	At
	£	in funds	between	31.3.24
	£	£	funds	£
Unrestricted funds				
General fund	200,026	25,769	46,250	272,045
Endowment funds				
Wirral PCT	123,750	-	(46,250)	77,500
TOTAL FUNDS	<u>323,776</u>	<u>25,769</u>	<u>-</u>	<u>349,545</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	75,074	(42,379)	(6,926)	25,769
TOTAL FUNDS	<u>75,074</u>	<u>(42,379)</u>	<u>(6,926)</u>	<u>25,769</u>

ARCH INITIATIVES

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	181,691	7,085	11,250	200,026
Endowment funds				
Wirral PCT	135,000	-	(11,250)	123,750
TOTAL FUNDS	<u>316,691</u>	<u>7,085</u>	<u>-</u>	<u>323,776</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	60,868	(53,783)	7,085
TOTAL FUNDS	<u>60,868</u>	<u>(53,783)</u>	<u>7,085</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	181,691	32,854	57,500	272,045
Endowment funds				
Wirral PCT	135,000	-	(57,500)	77,500
TOTAL FUNDS	<u>316,691</u>	<u>32,854</u>	<u>-</u>	<u>349,545</u>

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	135,942	(96,162)	(6,926)	32,854
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>135,942</u>	<u>(96,162)</u>	<u>(6,926)</u>	<u>32,854</u>

Unrestricted funds

The unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objectives.

Endowment funds

The Wirral PCT endowment fund is a grant expressly for the purpose of purchasing and refurbishing the property known as 88-90 Argyle Street. In accordance with the grant agreement these grants will be credited to the endowment fund and likewise restricted to the purpose of the development of the property.

17. EMPLOYEE BENEFIT OBLIGATIONS

Arch Initiatives participates in the Mercer DB Master Trust (the scheme) formerly known as The Federation Plan.

The scheme is a multi-employer defined benefit scheme. We are now reporting the results of the 2023 actuarial valuation.

Scheme Membership

Membership of the scheme is made up of 6 deferred pensioners and 2 retired pensioners, there are no active pensioners. The data attributable by type of member is as follows:

Member	Description	5 April 2023	5 April 2020
Deferred members	Total deferred pensions revalued to valuation date - (£ p.a.)	5,845	6,808
Deferred members	Average age weighted	47	44
Pensioners	Total pensions payable (£p.a.)	2,484	2,103
Pensioners	Average age weighted by pension	71	68

The breakdown of the liability is set out below:

	2023	2020
Description	Valuation	Valuation
	£'000s	£'000s
Assets	419	234
Liabilities - Pensioners	(42)	(54)
Liabilities - Deferred members	(176)	(332)
Overall position	201	(152)
Funding Level	192%	61%

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

Assets Summary

	5 April 2023 Allocation £'000	5 April 2023 Allocation %	Revised Investment strategy after 5 April 2023 %
Pooled Investments Vehicles	414	99	30
Bank	5	1	0
Tailored Credit	0	0	20
UK Inflation Linked Gifts	0	0	40
Sterling Inflation Linked LDI	0	0	10
Total	419	100	100

Analysis of Experience Since Last Valuation

	£'000
Shortfall on 5 April 2023	(152)
Interest	(2)
Contributions less expenses	58
Changes in market conditions (liability impact)	183
Excess investment returns	128
Inflation experience	(40)
Impact of changes to statement of funding principles	28
Miscellaneous	(2)
Surplus on 2023 assumptions	201
Expected 2023 shortfall	(96)
Estimated shortfall at 2023 on 2020 assumptions	175

Changes Since the Valuation Date

The return on the pension assets in the period April 1, 2023 to August 31, 2023 was estimated at - 4%. This does not take into account any contributions received or benefits paid out since the valuation date. Had the conditions at August 31, 2023 applied at the valuation date, it is estimated that the technical provision would have been 15% lower than the value in this report. Taken together the change in financial conditions would have led to an improvement in the overall funding position.

Financial Assumptions - Main Financial assumptions for Technical provisions

	2023 Valuation	2020 Valuation
Pre retirement discount rate	Gilt curve +1.4% p.a.	Gilt curve +1.5% p.a.
Post retirement discount rate	Gilt curve +0.5% p.a.	Gilt curve +0.5% p.a.
RPI Inflation	Inflation curve	Inflation curve
CPI Inflation	RPI-0.75% until 2030 RPI from that year	RPI-0.75% p.a. until 2030 RPI from that year
RPI pension increases	In line with RPI assumptions	In line RPI assumptions
CPI pension increases	In line with CPI assumptions	In line with CPI assumptions
Recovery plan return	Gilt curve +0.5% p.a.	Gilt curve +2.0% p.a.
Average Gilt Yield curve	3.65% p.a.	0.69% p.a.
Average inflation curve	3.35% p.a.	2.71% p.a.

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

Demographic assumptions - for Technical provisions

	2023 Valuation	2020 Valuation
Mortality - base table	115% of S3PxA	115% of S3PxA
Mortality - future improvements	CMI 2022[1.5%, S Core]	CMI 2019 [1.5%,S=7.5]
CPI inflation	RPI -0.75% until 2030 RPI from that year	RPI -0.75% until 2030 RPI from that year
Proportions married	90% married for both males and females	90% married for both males and females
Age of retirement	All members assumed to retire at normal retirement age. Members who are past their normal retirement are assumed to retire at the valuation date.	All members assumed to retire at normal retirement age. Members who are past their normal retirement are assumed to retire at the valuation date.
Commutation	No cash commutation where benefit formula includes cash. Where the benefit formula does not include cash, members are assumed to take 50% of their maximum cash entitlement, based on the current cash commutation factor. 50% of 3/80ths using current commutation factors for members without cash on top.	50% of 3/80ths using current commutation factors for members without cash on top
Expenses	No allowance (funded by separate contributions by the employer.)	No allowance (funded by separate contributions by the employer.)

Other Assumptions

	Assumed rate at last valuation p.a.	Assumed rate during inter valuation period p.a.
Investment returns - assumed for the purpose of the 2020 recovery plan	0.63%	15.73%
Revaluation up to retirement in line with RPI	2.57%	6.09%
in line with CPI	1.82%	4.49%
Pension increases in payment in line with RPI	2.57%	6.09%
in line with CPI	1.82%	4.49%

Global Pandemics and Climate Change

For the 2023 valuation the potential impacts of global pandemics and climate change have been considered. These included the following climate change shock scenarios:

	Potential Impact (2023 and) 2020 valuation
UK long dated interest rate	-0.5%p.a.
Inflation	+0.5%p.a.

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

UK life expectancy -0.25 years	-0.25 years
Equity market re-pricing	-15%
Diversified growth fund re-pricing -7.5%	-7.5%
Investment grade credit spread widening	0.2%p.a.
Impact on high yield debt	-5%

Technical Provisions Sensitivity

	% Change in Liability
Pre retirement discount rate reduced by 0.25%p.a. at each term	+2.3%
Post retirement discount rate reduced by 0.25% p.a. at each term	+3.2%
Inflation assumption increased by 0.25% p.a. at each term	+5.5%
Members one year younger	+2.8%
Cash commutation assumption increased by 10%	+less than 0.1%

Summary of Benefits

Main benefits of the two underlying schemes:

	NHSPS Scheme 60th Birthday	LGPS Scheme 65th Birthday
Normal retirement date		
Normal retirement pension	1/80th of final pay for each complete year of service	1/60th of final pay for each complete year of service
Normal retirement cash	Up to 3 times the members pension	Part of pension can be exchanged for a cash free sum
Increase to pension	In line with rpi	In line with cpi
Early retirement pension	Available after the age of 55 or on ill health	From age 55 to 60
Death after retirement:		
* lump sum	On death within 5 years of commencement of pension	On death within 10 years of commencement of pension
* dependant's pension	One half of members pension	37.5% of members pension

18. ULTIMATE PARENT COMPANY

The charity's parent company at the balance sheet date was Kaleidoscope Project (company number 05480423, charity number 1115017), a charitable company incorporated in the UK. The parent's principal activities include the provision of holistic care and support services to those suffering due to poverty, age, infirmity, substance abuse or physical and mental hardship or distress.

Copies of group accounts are available from either Companies House or from the registered office at Resolven House, St Mellons Business Park, Fortran Road, St Mellons, Cardiff CF3 0EY.

The ultimate controlling party are the trustees of the parent company Kaleidoscope Project.

ARCH INITIATIVES

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

19. CONTINGENT LIABILITIES

The charity may be required to repay funding if it fails to comply with conditions laid down by the various funding providers.

Included in Investment properties is the purchase and refurbishment costs of a building on Argyle Street, Birkenhead. A grant of £500,000 was received from the Wirral Primary Care Trust (WPCT) towards these costs. WPCT hold a legal charge over the property dated 31 March 2009, the terms of which are that should the property be sold within 20 years a set percentage of the sales proceeds will revert back to WPCT. The percentage remittable is tapered down to 0% over 20 years. As at 31 March 2024 the amount repayable would be: £77,500 (2023 - £135,000)

20. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

ARCH INITIATIVES

Detailed Statement of Financial Activities
for the Year Ended 31 March 2024

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Other trading activities		
Miscellaneous income	-	1,869
Investment income		
Rents received	59,385	58,999
Deposit account interest	15,689	-
	<u>75,074</u>	<u>58,999</u>
Total incoming resources	<u>75,074</u>	<u>60,868</u>
EXPENDITURE		
Charitable activities		
Premises costs	(2,509)	4,702
Support costs		
Management		
Audit & accountancy fees	1,262	2,924
Legal & professional fees	8,258	11,244
Management charges	10,000	10,000
	<u>19,520</u>	<u>24,168</u>
Finance		
Pension deficit	21,360	22,413
Bank charges	8	-
	<u>21,368</u>	<u>22,413</u>
Governance costs		
Auditors' remuneration	4,000	2,500
	<u>42,379</u>	<u>53,783</u>
Total resources expended	<u>42,379</u>	<u>53,783</u>
Net income before gains and losses	<u>32,695</u>	<u>7,085</u>
Realised recognised gains and losses		
Realised gains/(losses) on investment property	(6,926)	-
	<u>25,769</u>	<u>7,085</u>
Net income	<u>25,769</u>	<u>7,085</u>

This page does not form part of the statutory financial statements

