



ARK COMMUNITY CHURCH SUTTON COLDFIELD

FINANCIAL STATEMENTS

31 MARCH 2021

ARK COMMUNITY CHURCH SUTTON COLDFIELD

INDEX

	Page
CHARITY INFORMATION	1
REPORT OF THE TRUSTEES	2 - 5
INDEPENDENT EXAMINERS REPORT	6
STATEMENT OF FINANCIAL ACTIVITIES	7
BALANCE SHEET	8
STATEMENT OF CASHFLOWS	9
NOTES TO THE ACCOUNTS	10 -15

ARK COMMUNITY CHURCH SUTTON COLDFIELD

CHARITY INFORMATION

TRUSTEES:

Stephen Eaves
Michael Hew
Roger Hughes
Stephanie Jones
Trevor Jones
Chan Naraine
Chris Philips
Ella Quarrell
Neil Spencer
Helen Thomson
Chris Woods

CHURCH PASTOR

Stephen Eaves

ELDERS.

Roger Hughes
Lynn Jennings
Helen Thomson
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 2021. The financial statements comply with the Charities Act 2011, Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015.

OBJECTIVES AND ACTIVITIES

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

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

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

ACHIEVEMENTS AND PERFORMANCE

The year in question witnessed one of the greatest challenges the world has faced in a generation with the spread of COVID-19. This affected many churches and charities including Ark Community Church. Notwithstanding this unprecedented time, the finances remained robust. Income from giving by members of the fellowship continued, despite the impacts of multiple lockdowns, which enabled the church to continue not only to support its vulnerable members, and those in need locally, but also to continue to help needy overseas partners and friends as well with support for a project training and outreach leader for YWAM Africa and directly to two local church leaders in Uganda & Tanzania.

Although the church was unable to meet physically for much of the financial year, connections and relationships were maintained. Each Sunday from the very beginning of lockdown, services were live streamed, Zoom was used to allow prayer groups, home groups and training to take place. Some of these proved so successful that they have continued after restrictions were lifted. Some public services were held outside, and as soon as the building works were completed, the church met for Sunday services, while abiding by social distancing, mask wearing and all other safety measures.

During this time, some staff that were unable to carry out their roles were furloughed, and many activities and ministries had to stop. Despite this, the work and ministry of the church continued, and the reach of worship, preaching and teaching expanded enormously through the internet and social media.

ARK COMMUNITY CHURCH SUTTON COLDFIELD

REPORT OF THE TRUSTEES (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

The church has seen many newcomers and people inquisitive about the Christian faith. We are preparing for significant growth in the days ahead as the nation as a whole adapts to new ways of functioning, and people seek to come together again and to meet with and worship God.

The work of the part-time Community Engagement Leader has been extremely valuable throughout this year. Her time has been spent providing both practical and spiritual support to members of the community, helping families on low income and with childcare problems, as well as encouraging others to do the same. "Care Connect" was able to co-ordinate and provide care packages as well as offer pastoral support by telephone.

Families with children within the church were supported by the Kids Work team. Every week throughout lockdown, recorded broadcasts were offered via social media to help keep children connected. This was so successful that many children from outside of the church joined in. Activities were carried out together live, with resources dropped off to each home in advance of each session. This approach provided emotional support and encouragement to both children and their parents.

The connection with LifeSpring Church Wolverhampton has continued throughout the year with the provision of regular live teaching broadcasts, Zoom meetings and face to face gatherings as and when possible. Support was also given towards LifeSpring Global's outreach mission.

STRUCTURE, GOVERNANCE AND ORGANISATIONAL MANAGEMENT

The church is structured as a charitable incorporated organization, incorporated on 22 May 2015. Names of the Trustees who served during the year and since the period end are shown on page 1. Derek Halpin and John Walker stood down as Trustees on 14 September 2020 and on 12 January 2021 Stephen Eaves, Stephanie Jones, Chris Philips, Neil Spencer and Chris Woods were appointed.

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

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

ARK COMMUNITY CHURCH SUTTON COLDFIELD

FINANCIAL REVIEW

Financial performance

The church's principal funding sources are voluntary donations from fellowship and visitors with other income from grants and donations in support of specific activities.

The underlying income for the unrestricted fund, which is the main operating source for the church was 4% higher at £80,482 with corresponding expenditure 12 % lower at £64,141 as a result of reduced church staffing costs. Restricted fund income was lower at £34,512 (2020 £181,640) as a result of the suspension of our Stepping Stones activities due to Covid and lower building fund appeal income, which was completed during the year. Corresponding expenditure was £28,735 (2020 £34,363). Overall unrestricted funds increased by £16,341 whilst restricted funds increased by £5,777.

Reserves policy

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

Risk policy

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

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

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

ARK COMMUNITY CHURCH SUTTON COLDFIELD

REPORT OF THE TRUSTEES (continued)

RESPONSIBILITIES OF TRUSTEES

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

Charity law requires the trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the charity will continue in business.

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

Signed On behalf of the Trustees on 15th September 2021

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 2021, which are set out on pages 7 to 15.

Respective responsibilities of trustees and examiner

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

It is my responsibility to:

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

Basis of independent examiner's report

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

Independent examiner's unqualified statement

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

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

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

have not been met; or

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

Name: Richard Morton

Address: 41 Cremorne Road, Sutton Coldfield

Date 15th September 2021

ARK COMMUNITY CHURCH SUTTON COLDFIELD

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2021

		Unrestricted funds	Restricted funds	Total funds	Total 2020
	Notes	£	£	£	£
Income					
Donations and gifts	2	75,984	14,596	90,580	165,125
Charitable activities		3,137	-	3,137	31,122
Grants received		-	19,916	19,916	61,032
Investment & other income		1,361	-	1,361	1,650
Total		<u>80,482</u>	<u>34,512</u>	<u>114,994</u>	<u>258,929</u>
Expenditure					
Staff costs	3	45,199	15,055	60,254	57,355
Activity expenditure	4	17,054	13,680	30,734	45,705
Governance and support	5	1,888	-	1,888	3,929
Total		<u>64,141</u>	<u>28,735</u>	<u>92,876</u>	<u>106,989</u>
Net gain on investments		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,980</u>
Net income/(expenditure)		<u>16,341</u>	<u>5,777</u>	<u>22,118</u>	<u>154,920</u>
Transfers between funds		<u>-</u>	<u>(-)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>16,341</u>	<u>5,777</u>	<u>22,118</u>	<u>154,920</u>
Reconciliation of funds:					
Total funds brought forward		<u>131,327</u>	<u>221,991</u>	<u>353,318</u>	<u>198,398</u>
Total funds carried forward		<u>147,668</u>	<u>227,768</u>	<u>375,436</u>	<u>353,318</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 2021

	Notes	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	6		351,215		245,989
Current assets					
Debtors	7	3,905		12,471	
Cash at bank		20,437		44,779	
Bank deposit		10,083		102,179	
			<u>34,425</u>	<u>159,429</u>	
Creditors: amounts falling due within one year	8	(10,204)		(52,100)	
Net current assets			<u>24,221</u>	<u>107,329</u>	
Total net assets			<u><u>375,436</u></u>	<u><u>353,318</u></u>	
Funds of the charity:					
Unrestricted			147,668		131,327
Restricted	9		227,768		221,991
			<u>375,436</u>		<u>353,318</u>

The notes on pages 9 to 15 form part of these accounts.

Signed by

Name TREVOR L JONES - Treasurer

Approved by the Trustees on 15th September 2021

ARK COMMUNITY CHURCH SUTTON COLDFIELD

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities: (below)		
Net cash (absorbed)/generated by operating activities	(2,081)	204,017
	_____	_____
Cash flows from investing activities:		
Interest from investments	1,361	1,650
Purchase of tangible fixed assets	(115,718)	(197,041)
	_____	_____
Net cash (used)/generated by investing activities	(114,357)	(195,391)
	_____	_____
Cash flow from financing activities		
Proceeds of sale of investments	-	66,742
	_____	_____
Change in cash and cash equivalents	(116,438)	75,368
	_____	_____
Cash and cash equivalents at the beginning of the year	146,958	71,570
	_____	_____
Cash and cash equivalents at the end of the year	30,520	146,958
	_____	_____
Reconciliation of net movement in funds to net cash flow from operating activities		
Net income for the year	22,118	154,920
Adjustments for:		
Depreciation charges	10,492	10,905
Gain on investments	(-)	(2,980)
Investment income	(1,361)	(1,650)
Decrease/(increase) in debtors	8,566	(5,886)
(Decrease)/increase in creditors	(41,896)	48,708
	_____	_____
Net cash (absorbed)/generated by operating activities	(2,081)	204,017
	_____	_____

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1 Accounting Policies

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

(a) Basis of preparation

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

(b) Going Concern

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

(c) Income

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

(d) Expenditure

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

(e) Fund accounting

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

(f) Tangible fixed assets

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

Improvements to leasehold premises	Length of the lease
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 2021

2	Donations and gifts	2021	2020
		£	£
	Donations and gifts from individuals (incl: £14,596 2020 £78,902 restricted funds)	72,806	138,773
	Gift Aid	17,774	27,352
		<u>90,580</u>	<u>165,125</u>
3	Staff costs		
	Salaries (incl: £14,400, 2020 £11,405 restricted)	58,074	55,310
	National insurance	-	15
	Pension costs (incl: £655, 2020 £625 restricted)	2,180	2,030
		<u>60,254</u>	<u>57,355</u>
The average number of persons employed was 5 including 3 within Stepping Stones Projects.			
4	Activity expenditure		
	Premises costs (incl: £0, 2020 £1,050 restricted)	5,554	9,090
	Stepping Stones activity expenditure (restricted)	410	7,454
	Mission expenditure (incl: £nil, 2020 £nil restricted)	-	448
	Mission giving (incl: £2508, 2020 £2,250 restricted)	7,758	8,335
	Ministry and outreach (incl: £454, 2020 £1,267 restricted)	5,936	9,733
	Equipment	768	333
	Depreciation (restricted)	10,308	10,312
		<u>30,734</u>	<u>45,705</u>
5	Governance and support		
	Membership & compliance costs	749	849
	Depreciation	184	593
	Training & other costs	90	909
	Insurance	865	1,578
	Independent examiners fees	-	-
	Trustees expenses	-	-
		<u>1,888</u>	<u>3,929</u>

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2021

6 Fixed assets

	Leasehold improvements & fixtures £	Equipment £	Total £
Cost			
At beginning of year	300,151	10,668	310,819
Additions	115,166	552	115,718
Disposals	(-)	(-)	(-)
	<u>415,317</u>	<u>11,220</u>	<u>426,537</u>
Depreciation			
At beginning of year	54,162	10,668	64,830
Charge for the year	10,308	184	10,492
On disposals	(-)	(-)	(-)
	<u>64,470</u>	<u>10,852</u>	<u>75,322</u>
Net Book Value -31 March 2021	<u>350,847</u>	<u>368</u>	<u>351,215</u>
Net Book Value – 31 March 2020	<u>245,989</u>	<u>-</u>	<u>245,989</u>

7 Debtors	2021 £	2020 £
Gift Aid receivable	3,537	9,426
Amounts due for activities	-	1,131
Other debtors	368	1,914
	<u>3,905</u>	<u>12,471</u>

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2021

8	Creditors	2021			2020
		£			£
	Accruals & other creditors	10,204			52,100
		<u><u> </u></u>			<u><u> </u></u>
9	Restricted funds				
		Stepping Stones	Mission & other	Leasehold premises	Total
		£	£	£	£
	Income				
	Donations and gifts	-	6,178	8,418	14,596
	Grants received	14,916	-	5,000	19,916
	Activity income	-	-	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total	14,916	6,178	13,418	34,512
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Expenditure				
	Activity expenditure	410	2,962	10,308	13,680
	Staff costs	15,055	-	-	15,055
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total	15,465	2,962	10,308	28,735
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Net movement in funds	(549)	3,216	3,110	5,777
	Transfers re internal charges	(5,000)	-	5,000	()
	Total funds brought forward	24,510	4,620	192,861	221,991
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total funds carried forward	18,961	7,836	200,971	227,768
		<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
10	Analysis of net assets between funds				
		Unrestricted Funds	Restricted Funds	Total Assets	
		£	£	£	
	Fixed assets	115,947	235,268	351,215	
	Cash and bank balances and deposits	30,520	-	30,520	
	Other current assets less liabilities	1,201	(7,500)	(6,299)	
		<u> </u>	<u> </u>	<u> </u>	
		147,668	227,768	375,436	
		<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2021

11 Statement of Financial Activities (previous year)

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

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2021

12 Restricted funds (previous year)

	Stepping Stones	Mission & other	Leasehold premises	Total
	£	£	£	£
Income				
Donations and gifts	-	1,405	90,098	91,503
Activity income	29,105	-	-	29,105
Grants received	525	-	60,507	61,032
	<hr/>	<hr/>	<hr/>	<hr/>
Total	29,630	1,405	150,605	181,640
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure				
Activity expenditure	8,554	3,467	10,312	22,333
Staff costs	12,030	-	-	12,030
	<hr/>	<hr/>	<hr/>	<hr/>
Total	20,584	3,467	10,312	34,363
	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	9,046	(2,062)	140,293	147,277
Transfers re internal charges	(10,400)	-	-	(10,400)
Total funds brought forward	25,864	6,682	52,568	85,114
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	24,510	4,620	192,861	221,991
	<hr/>	<hr/>	<hr/>	<hr/>

13 Related Party Transactions

Two employees were appointed Trustees during the year and details of their remuneration and expenses under their contracts of employment are as follows;

Stephen Eaves (Pastor) salary £27,990, pension contributions £896. Expenses reimbursed £1,748

Stephanie Jones (Support project leader) Salary £10,557, pension contributions £338. Expenses reimbursed £nil

None of the Trustees received any remuneration or expenses in respect of their office of trustee and there were no other transactions with related parties.