



ARK COMMUNITY CHURCH SUTTON COLDFIELD

FINANCIAL STATEMENTS

31 MARCH 2023

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
Stephanie Jones
Chan Naraine
Neil Spencer
Helen Thomson
Chris Woods

CHURCH PASTOR

Stephen Eaves

ELDERS.

Roger Hughes
Lynn Jennings
Helen Thomson
John Walker

SECRETARY:

Stephanie Jones

TREASURER

Helen Thomson

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 2023. 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 and assistant 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

Ark Community Church continued to provide weekly worship services and live streaming was transferred from FaceBook to YouTube. Regular attendance continued to increase to the extent that the capacity of the hall was insufficient for everyone to meet together at the same time and the lounge could not hold all of the children in comfort. As a result, twin services were implemented from October effectively doubling the space to address this problem. With people joining the fellowship from Hong Kong, Honduras and Ukraine we have needed to provide translation for both adults and children, and we have seen these groups adding greatly to the life and culture of the church family.

The church has continued to offer a range of opportunities for people to pray together. Weekly prayer meetings took place in the church lounge, and there were special times of more prolonged prayer organized such as Pizza and Prayer nights.

The New Year saw an end to the lease held by Four Oaks Boys Club, for the property in Wilmcote Drive. The site was then vacated and left empty whilst the church waited for a suitable community lease to be drawn up. As a result, a few activities were stopped or relocated elsewhere. The Ark Youth group was discontinued following this process.

ARK COMMUNITY CHURCH SUTTON COLDFIELD

REPORT OF THE TRUSTEES

ACHIEVEMENTS AND PERFORMANCE (continued)

Children's work has been very busy and there has needed to be further expansion of the volunteer leaders' team. There have been several babies and toddlers making use of the creche, Adventurers (for Reception to year 6) and Illuminate (for years 7-13) have also seen numbers increasing. Activity days for children have taken place in school holidays and these have been very successful.

At the beginning of November, our part-time Community Engagement Leader, became a full-time Assistant Pastor. At the same time, the Worship and Tech Leader moved from part to full-time working as well. These developments were in response to the increasing demands of a larger congregation as well as a recognition of the need to invest in developing capability for the future. The positive impact of these changes was very quickly evident.

An Alpha course ran from January to March consisting of both an English and a Cantonese speaking group. More than 60 people were part of the course, which enabled many to understand and embrace the Gospel message for the very first time. The year saw more baptisms take place at Ark than at any previous time in its history, for which we are very thankful to God.

Several community events were organised both at the church and on the Dugdale Crescent Village Green. These events have continued to be successful in bringing members of the local community together to have fun and build friendships. Both interest and attendances have grown significantly, with animal fun days and the Queen's Platinum Jubilee being particularly successful.

The Grapevine, a weekly coffee morning open to anyone, has continued to provide a place to engage with others and offer something to eat and drink without charge. With increasing financial pressure and fears regarding fuel costs, these events have become increasingly popular, attracting in particular, a large contingent of newly migrated people from Hong Kong

Stepping Stones Projects has gone from strength to strength. Numbers have risen from around 8 post-COVID to around 15. The combination of weekly social interaction, craft activities and exercise sessions continues to meet an unmet need and relationships within the group are growing stronger over time.

The community dance group, Dance it Out!, part of the Kids UK charity have continued to work with Ark to provide powerful performances at church services. Numbers are growing to the extent that there are now two age groups meeting separately each week. The weekly martial Arts classes are also attracting more interest and there are now separate groups for different ages.

The fellowship has continued to benefit from its apostolic relationship with LifeSpring Church, Wolverhampton, with many shared events taking place. The Ark Pastor made a mission trip to India along with pastors from LifeSpring and Emmanuel New Life Church, Burntwood, teaching and preaching to many hundreds of people in rural villages. This further cemented partnership working between the churches. There have been regular LifeSpring Apostolic Family (LAF) Zoom meetings involving Ark leaders connecting with leaders from churches in Zambia, Zimbabwe, India, Nepal and South Africa.

ARK COMMUNITY CHURCH SUTTON COLDFIELD

REPORT OF THE TRUSTEES

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. Roger Hughes stood down as Trustee on 20 September 2022.

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.

There is a full time Pastor who in conjunction with the assistant pastor, manages the day-to-day administration 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 also oversees the staff team and volunteers.

FINANCIAL REVIEW

Financial performance

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

The income for the year was £138,157 an increase of 18% on the previous year following a resumption of full activities after Covid restrictions and an increase in fellowship numbers and visitors. Related expenditure was 31% higher at £145,102 due largely to increased staffing and activity costs.

Overall unrestricted funds increased by £6,088 whilst restricted funds decreased by £13,033 giving a net excess of expenditure over income of £6,945. Trustees have put in place measures to address the deficit going forward.

Reserves policy

The trustees seek to limit unrestricted funds and restricted funds in respect of its Stepping Stones projects to no more than two year's budgeted regular expenditure. They aim to apply mission and other restricted reserves to the specific activities within a twelve-month period.

ARK COMMUNITY CHURCH SUTTON COLDFIELD

REPORT OF THE TRUSTEES

FINANCIAL REVIEW (continued)

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 church's 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.

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 2nd August 2023

Helen Thomson 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 2023, 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 2nd August 2023

ARK COMMUNITY CHURCH SUTTON COLDFIELD

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2023

		Unrestricted funds	Restricted funds	Total funds	Total 2022
	Notes	£	£	£	£
Income					
Charitable activities					
Donations and gifts	2	93,562	75	93,637	79,835
Activities and events		7,543	17,309	24,852	15,195
Grants received		-	1,655	1,655	7,598
Investment & other income		18,004	9	18,013	14,715
Total		<u>119,109</u>	<u>19,048</u>	<u>138,157</u>	<u>117,343</u>
Expenditure					
Charitable activities					
Staff costs	3	68,003	9,959	77,962	60,361
Activities and events	4	43,992	19,124	63,116	47,779
Governance	5	4,024	-	4,024	1,809
Total		<u>116,019</u>	<u>29,083</u>	<u>145,102</u>	<u>109,949</u>
Net income/(expenditure)		<u>3,090</u>	<u>(10,035)</u>	<u>(6,945)</u>	<u>7,394</u>
Transfers between funds		<u>2,998</u>	<u>(2,998)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>6,088</u>	<u>(13,033)</u>	<u>(6,945)</u>	<u>7,394</u>
Reconciliation of funds:					
Total funds brought forward		<u>161,186</u>	<u>221,644</u>	<u>382,830</u>	<u>375,436</u>
Total funds carried forward		<u><u>167,274</u></u>	<u><u>208,611</u></u>	<u><u>375,885</u></u>	<u><u>382,830</u></u>

The statement of financial activities includes all gains and losses recognised in the period.
All income and expenditure derive from continuing activities.

ARK COMMUNITY CHURCH SUTTON COLDFIELD

BALANCE SHEET AT 31 MARCH 2023

	Notes	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	6		331,960		341,632
Current assets					
Debtors	7	6,841		6,534	
Cash at bank		27,811		32,333	
Bank deposit		16,000		10,000	
			<u>50,652</u>	<u>48,867</u>	
Creditors: amounts falling due within one year	8	<u>(6,727)</u>		<u>(7,669)</u>	
Net current assets			<u>43,925</u>	<u>41,198</u>	
Total net assets			<u><u>375,885</u></u>	<u><u>375,830</u></u>	
Funds of the charity:					
Unrestricted			167,274		161,186
Restricted	9		208,611		221,644
			<u>375,885</u>	<u>382,830</u>	

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

Signed by

Name HELEN THOMSON - Treasurer

Approved by the Trustees on 2nd August 2023

ARK COMMUNITY CHURCH SUTTON COLDFIELD

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities: (below)		
Net cash generated/(absorbed) by operating activities	1,438	11,537
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest from investments	40	365
Purchase of tangible fixed assets (net)	(-)	(89)
	<hr/>	<hr/>
Net cash generated by investing activities	40	276
	<hr/>	<hr/>
Cash flow from financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents	1,478	11,813
Cash and cash equivalents at the beginning of the year	42,333	30,520
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	43,811	42,333
	<hr/>	<hr/>
Reconciliation of net movement in funds to net cash flow from operating activities		
Net (expenditure)/income for the year	(6,945)	7,394
Adjustments for:		
Depreciation charges	9,672	9,671
Investment income	(40)	(365)
(Increase)/decrease in debtors	(307)	(2,629)
(Decrease)/increase in creditors	(942)	(2,535)
	<hr/>	<hr/>
Net cash generated/(absorbed) by operating activities	1,438	11,537
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023**

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	10 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 2023

2	Voluntary income	2023	2022
		£	£
	Donations and gifts	75,955	64,378
	Gift Aid	17,682	15,457
		<hr/>	<hr/>
		93,637	79,835
		<hr/>	<hr/>
3	Staff costs		
	Salaries (incl: £9,576, 2022 £12,014 restricted)	75,162	58,228
	Pension costs (incl: £383, 2022 £481 restricted)	2,800	2,133
		<hr/>	<hr/>
		77,962	60,361
		<hr/>	<hr/>
The average number of persons employed was 5 including 2 within Stepping Stones Projects.			
4	Activities and events expenditure		
	Premises costs	12,512	15,562
	Depreciation	9,672	9,671
	Ministry and outreach	4,216	2,308
	Youth & children	1,217	837
	Other activities and events	12,517	3,414
	Hospitality	2,369	1,405
	Mission and giving	13,945	10,063
	Office expenses	2,025	1,211
	Equipment	2,229	1,533
	Other costs	2,414	1,775
		<hr/>	<hr/>
		63,116	47,779
		<hr/>	<hr/>
5	Governance and support		
	Membership & compliance costs	773	932
	Insurance	997	877
	Legal costs	2,254	-
	Independent examiners fees	-	-
		<hr/>	<hr/>
		4,024	1,809
		<hr/>	<hr/>

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2023

6 Fixed assets

	Leasehold improvements & fixtures £	Equipment £	Total £
Cost			
At beginning of year	414,906	11,720	426,626
Additions	-	-	-
Disposals	(-)	(-)	(-)
	<u>414,906</u>	<u>11,720</u>	<u>426,626</u>
Depreciation			
At beginning of year	73,851	11,143	84,994
Charge for the year	9,382	290	9,672
On disposals	(-)	(-)	(-)
	<u>83,233</u>	<u>11,433</u>	<u>94,666</u>
Net Book Value -31 March 2023	<u>331,673</u>	<u>287</u>	<u>331,960</u>
Net Book Value – 31 March 2022	<u>341,054</u>	<u>578</u>	<u>341,632</u>

7 Debtors	2023 £	2022 £
Gift Aid receivable	4,693	3,772
Amounts due for activities	1,365	2,262
Other debtors	783	500
	<u>6,841</u>	<u>6,534</u>

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2023

8	Creditors	2023 £	2022 £
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Accruals & other creditors	6,727	7,669
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9 Restricted funds

	Stepping Stones £	Other £	Leasehold premises £	Total £
Income				
Voluntary income	-	718	-	718
Grants received	-	1,055	-	1,055
Activity income	13,180	4,086	-	17,266
Interest	9	-	-	9
Total	13,189	5,859	-	19,048
Expenditure				
Staff costs	9,959	-	-	9,959
Activity costs	724	9,018	9,382	19,124
Total	10,683	9,018	9,382	29,083
Net movement in funds	2,506	(3,159)	(9,382)	(10,035)
Transfers re internal charges	(2,570)	(428)	-	(2,998)
Total funds brought forward	22,132	7,922	191,590	221,644
Total funds carried forward	22,068	4,335	182,208	208,611

10 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Assets £
Fixed assets	144,356	187,604	331,960
Cash and bank balances and deposits	23,944	19,867	43,811
Other current assets less liabilities	(1,026)	1,140	114
	167,274	208,611	375,885

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2023

11 Statement of Financial Activities (previous year)

		Unrestricted funds	Restricted funds	Total funds	Total 2022
	Notes	£	£	£	£
Income					
Charitable activities					
Voluntary income		77,542	2,293	79,835	90,580
Activities and events		1,393	13,802	15,195	3,137
Grants received		-	7,598	7,598	19,916
Investment and other income		14,715	-	14,715	1,361
Total		<u>93,650</u>	<u>23,693</u>	<u>117,343</u>	<u>114,994</u>
Expenditure					
Charitable activities					
Staff costs		47,866	12,495	60,361	60,254
Activities and events		32,232	14,922	47,154	30,734
Governance		2,434	-	2,434	1,888
Total		<u>82,592</u>	<u>27,417</u>	<u>109,949</u>	<u>92,876</u>
Net gain on investments		-	-	-	2,980
Net income/(expenditure)		<u>11,118</u>	<u>(3,724)</u>	<u>7,394</u>	<u>22,118</u>
Transfers between funds		<u>2,400</u>	<u>(2,400)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>13,518</u>	<u>(6,124)</u>	<u>7,394</u>	<u>22,118</u>
Reconciliation of funds:					
Total funds brought forward		<u>147,668</u>	<u>227,768</u>	<u>375,436</u>	<u>353,318</u>
Total funds carried forward		<u>161,186</u>	<u>221,664</u>	<u>375,830</u>	<u>375,436</u>

ARK COMMUNITY CHURCH SUTTON COLDFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2023

12 Restricted funds (previous year)

	Stepping Stones	Other	Leasehold premises	Total
	£	£	£	£
Income				
Donations and gifts	-	2,293	-	2,293
Activity income	13,576	226	-	13,802
Grants received	5,298	2,300	-	7,598
	<hr/>	<hr/>	<hr/>	<hr/>
Total	18,874	4,819	-	23,693
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure				
Staff costs	12,495	-	-	12,495
Activity costs	808	4,733	9,381	14,922
	<hr/>	<hr/>	<hr/>	<hr/>
Total	13,303	4,733	9,381	27,417
	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	5,571	86	(9,381)	(3,724)
Transfers re internal charges	(2,400)	-	-	(2,400)
Total funds brought forward	18,961	7,836	200,971	227,768
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	22,132	7,922	191,590	221,644
	<hr/>	<hr/>	<hr/>	<hr/>

13 Related Party Transactions

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

Stephen Eaves (Pastor) salary £30,684 pension contributions £1,309.

Stephanie Jones (Support project leader) Salary £5,796 pension contributions £247.

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.