

Charity Registration No. 1079070

Company Registration No. 3896833 (England and Wales)

WIRRAL CHURCHES' ARK PROJECT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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COMPANIES HOUSE



McLINTOCKS

CHARTERED ACCOUNTANTS
AND BUSINESS ADVISORS

WIRRAL CHURCHES' ARK PROJECT

LEGAL AND ADMINISTRATIVE INFORMATION

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|--------------------------|--|
| Trustees | Dr I J Cubbin Mr N L Jones Mr P Ashley-Mudie Mr M Godfrey Ms G A Ferris Mr A D Roberts Mr I L Roughley |
| Secretary | M Grundy |
| Charity number | 1079070 |
| Company number | 3896833 |
| Registered office | 7 Sidney Street Birkenhead Merseyside CH41 1BF |
| Auditor | McLintocks (NW) Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR |

WIRRAL CHURCHES' ARK PROJECT

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WIRRAL CHURCHES' ARK PROJECT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and the consolidated financial statements of the charity and its trading subsidiary for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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

The main objective is to continue to provide accommodation services in the broadest sense to homeless or potentially homeless people.

Wirral Churches' Ark Project's mission is:

- to provide high quality supportive accommodation to people aged 18 and over who are homeless or at risk of homelessness;
- to offer support, guidance and opportunity to all service users to enable them to reach their full potential;
- to facilitate, promote and improve the health and wellbeing of all service users, including addressing substance misuse issues.

The organisation aspires to:

- Be an innovator in approaches to the provision of homeless services and support for homeless people that is non-discriminatory, respectful of individual needs and human rights and provides homeless people with a sense of community, enabling them to develop a sense of belonging
- Inspire decision-makers and attract resources to support its vision.

Strategy for achieving objectives

Wirral Churches' Ark Project's strategy for achieving its aims and objectives are to:

- Provide an effective introduction to relevant specialist services for clients
- Maintain strong relationships with housing providers and other partner agencies in order to give clients best support and opportunities
- Ensure staff are well trained, motivated and skilled in the work they undertake
- Manage effectively all resources to optimise achievements
- Ensure opportunities are provided to all clients to take part in social and educational activities.

The values that guide the actions and decisions of Wirral Churches' Ark Project in applying the strategy include:

- Real Outcomes
 - We are committed to housing the homeless and not rejecting people regarded as "hard to house" or "high risk"
 - We will provide housing that service users can be proud to call home
- Equity, Fairness and Respect
 - We will treat all people with warmth, respect their rights as individuals and make them aware of their rights
 - We will ensure fair, non-discriminatory treatment and access to services
 - We will have courage to challenge things we see as wrong and stand up for things we believe in
 - We will work with people in ways that encourage them to take responsibility for and control over their own lives

WIRRAL CHURCHES' ARK PROJECT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Good Governance:

- We will maintain high professional standards, accountability and ethical behaviour in governance, management and service delivery

Responsive Services

- We will provide high quality services based on sound research and prevailing professional standards
- We will involve and consult service users, staff and key stakeholders in decision-making
- We will employ skilled and compassionate staff and provide rewarding jobs and a safe work environment
- We will collaborate and share information with other agencies to improve and develop services

Community

- We will develop the community's understanding of homelessness
- We will encourage the local community and its businesses to share in the responsibility for tackling the causes of homelessness

Public benefit

Wirral Churches' Ark Project exists for the benefit of the public and its aims are stated under 'Objectives and Aims' above

Significant activities

The activities undertaken to achieve the charity's objectives are:

- The provision of accommodation in the form of a 27 bed hostel which includes the provision of meals, laundry and washing facilities; 7 move on houses (2 bed roomed shared accommodation); 6 move on studio flats in Birkenhead; 15 move on studio flats in Prenton; and a 6 bedroom women's only project;
- The provision of day and night shelters for rough sleepers;
- The provision of suitably qualified and trained staff in all areas of its work;
- Assistance and support with all aspects of homelessness - emotional, addictive behaviour, relational, moving to independence, education and training;
- The provision of meaningful occupation, designed to stimulate, motivate and educate;
- The signposting to appropriate external services;
- The provision of a first point of contact for homeless, or near homeless people, providing advice, expertise and practical and emotional support.
- The use of the Irene Kennedy Centre as a learning and activities hub, in conjunction with Crisis.

Employees and volunteers

Employees

Wirral Churches' Ark Project is committed to employing well managed, well informed and highly skilled staff. At the end of 2020 there were 36 employees (headcount) of which 21 were full-time. All recruitment is done in a transparent manner to ensure fairness and the selection of the best candidate. All new staff are required to have a DBS check and are given a full induction to ensure they are ready to take on their new role.

Regular training is undertaken to cover both statutory requirements and the needs of the business / employees.

Volunteers

Wirral Churches' Ark Project is appreciative of the valuable contribution of all the volunteers. Some stay with us for many years, for others we are a stepping stone to employment - but whatever the reason people join and for however long they stay, they are an important part of the organisation. Volunteers are required to have a DBS check if appropriate and are given training to ensure they are ready to undertake their role.

WIRRAL CHURCHES' ARK PROJECT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

The year 2020 will be remembered by many people as the year of Covid 19. Wirral Ark had begun the year like most with optimism and plans for growth, but as March arrived with the first lockdown the emphasis changed dramatically with a new focus on safety of both clients and staff and helping the wider community as much as possible.

For the hostel, Covid 19 restrictions required careful interpretation and implementation; the closure of communal areas including dining; encouragement of hand washing / gel and wearing of masks in communal spaces; restrictions on visitors; extra cleaning; less face to face interaction between staff and clients; external services not being able to be run (eg Crisis courses). Processes were devised to support any clients who tested positive stay safe in their room with food being delivered to them on disposable plates etc.

Clients in the houses and flats were supported through the Arklight Client Support Scheme that swung into operation early in April. Money was raised to purchase and deliver much needed food and other provisions for clients who were isolated due to lockdown. This continued for many weeks and was vital to our clients keeping safe.

Even through the lockdowns and restrictions, our building work on our new 15 bedroom accommodation continued and in October we opened our latest property – Hilltops in Prenton. There are 15 self-contained studio flats in the building with space for staff to meet clients. We are grateful to the many supporters who helped fund the building.

The nationwide 'Everybody In' campaign was a great success but required organisations such as Wirral Ark to step in and provide support to those being housed in the temporary accommodation, which in this area was through a number of Bed and Breakfast facilities in Liverpool. Wirral Ark set up a Floating Support service funded by Wirral Council to support these clients through a very difficult period and help move them on to more permanent accommodation.

Our Arklight night shelter project that had operated through the winter of 2019 and into January and February of 2020 with the wonderful help of local churches and volunteers, was not allowed to take place in the winter of 2020 due to national Covid 19 restrictions on shared accommodation spaces. Whether this project will be allowed in the future remains to be seen but we were grateful to all those that helped with the project early in the year and the shelter this provided.

Head Office staff moved to mainly home working from March 2020 and adapted to the changes this required. Zoom became the norm for meetings and scanning post and sending emails were the order of the day for communication.

WIRRAL CHURCHES' ARK PROJECT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Performance Review

Mary Cole House

Mary Cole House remains our busiest project. In 2020 we housed 75 different guests in the 27 unit property. This was much lower than normal in terms of number of clients in and out because of the move on restrictions placed on us due to Covid 19 so that clients remained with us much longer. Occupancy rate was 98%..

Ark Angel

In the Ark Angel project, we had 39 different guests across the 14 units. Again, the restrictions for moving people on was noticeable compared to previous years and this was also affected by the lack of places to move on to. Occupancy of the project was 88%

The Grand Trunk

At the Grand Trunk we had 10 different guests across our 6 units. Occupancy of the project was 92%. Plans were drawn up for the conversion of the ground floor of the property from offices into 3 flats and planning consent was obtained with the building work starting in March 2021.

Waterview

The women's only house is a 6 bedroom HMO and had an occupancy rate of 81%. 11 different clients were housed during the year.

Hilltops

This 15 bedroom facility opened late in the year following major refurbishment and only became fully operational in 2021.

Financial review

In 2020 our principle funding sources remained our Supporting People contracts with Wirral Borough Council for the hostel and 14 move on units and Housing Benefit for all the accommodation units. These represent the majority of our income. In addition, we charge a Service Charge to clients. Together these can be considered as our core income:

The restrictions that Covid 19 placed on the organisation were more considerable than would have been thought initially. Although our core income streams were unaffected, our ability to bring in the additional donations or to fundraise were hampered. Our skilled fundraising and grant application team quickly swung into action and made sure we applied for and were successful at accessing a number of specific grants to offset the lack of income from some normal channels and cover the extra costs that Covid 19 placed on the organisation.

The Statement of Financial Activities shows a positive contribution to reserves for the year of £32,525. Given all the uncertainty of the year, it is felt that this is a great achievement by all those associated with the organisation.

Points to note:

Salary costs continue to be a major expense for the charity, but this is a necessity given the nature of the business.

All income and expenditure is fully recorded and accounted for to the trustees. Sage 50 Accounts and Sage Payroll are used to record all the transactions and are the basis for the monthly management accounts that are submitted to the Board and the statutory accounts process.

WIRRAL CHURCHES' ARK PROJECT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Reserves policy

The aim of the reserves policy is to ensure that Wirral Churches' Ark Project's ongoing activities are reasonably protected from unexpected variances in income and give the charity the ability to take up opportunities as they arise. The level of unrestricted reserves is reviewed each year by the Board in the context of the financial risks associated with the various income streams, expenditure categories and balance sheet items together with the charities ability to meet them from realisable/liquid reserves. The Board are satisfied the Wirral Churches' Ark Project's current level of reserves meets that need.

As a charity limited by guarantee, no dividends are paid.

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have a risk management strategy that comprises:

- A dedicated Risk Management Sub-Committee that meets quarterly, assesses new risks and tracks previously agreed actions to mitigate risk.
- A risk Register that is managed by the Risk Management Sub-Committee and is reviewed by the Full Board periodically
- A Risk Management Officer, who is a staff member tasked with updating and handling the risk register, and who can offer a whistleblowing route direct to the Board.

Structure, governance and management

Wirral Churches' Ark Project exists to aid the relief of poverty, in particular by the provision of accommodation and support for homeless persons or those facing homelessness. The company (Company Registration number 3896833) is governed by its Memorandum and Articles of Association, is limited by guarantee, and is registered as a charity under the Charities Act 1960 (Charity registration number 1079070).

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr I J Cubbin

Mr N L Jones

Mr P Ashley-Mudie

Mr M Godfrey

Ms G A Ferris

Mr A D Roberts

Mr I L Roughley

Recruitment and appointment of new trustees

Trustee directors are elected by a majority vote at a Trustee Meeting. Each Trustee has a term of three years, with a maximum of three terms in a row, ie nine years total. Upon standing down, no Trustee may stand as a Trustee again until a whole term has passed, ie three years.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The board of Trustees can have a minimum of 6 members. The board meets quarterly to discuss the plans for the charity, funding developments and current important issues affecting the business. In addition, there are three sub-committees - Finance and Business Planning, Risk Management and Service Delivery. These groups have delegated powers from the full Board. A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the charity.

WIRRAL CHURCHES' ARK PROJECT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Induction and training of new trustees

New Trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

Wholly owned subsidiaries

Wirral Ark opened a wholly owned trading subsidiary in October 2019. Known as Wirral Ark Trading CIC (Company number 12280787), this will be the vehicle through which the Ark Lettings project is delivered. The CIC currently has three directors all of whom are Wirral Ark directors. The CIC is a membership organisation with only one member, which is Wirral Ark. All profits from the CIC will go directly to Wirral Ark.

In 2019 the CIC obtained £150,000 start-up funding from Homeless Link in the form of a mixed grant and loan which was received by the CIC at the very end of that year. There were no activities undertaken in 2019.

Ark Lettings, which is a social lettings agency, because of Covid-19 and the nature of the work it does, has been unable to progress at all operationally in 2020 due to the various lockdowns and the Government's overall response to the pandemic. A lettings agency requires a vibrant, moving rental market which is the opposite to what was in place during the pandemic.

Therefore, instead of being able to engage with landlords and tenants, the staff team have focused on largely preparatory work. For example, the Ark Lettings brand has been designed, signed off and moved onto stationery, a web-site and office front. Supporting contracts and paperwork have been created and housing / tenancy management systems have been set up. In essence, the supporting infrastructure and systems are in place and ready to go when conditions are more favourable.

Auditor

Following a review and application to tender, McLintocks (NW) Limited were appointed as auditors in early in 2021 and a resolution that they will be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Dr I J Cubbin

Trustee

Dated: 7 September 2021

WIRRAL CHURCHES' ARK PROJECT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors of Wirral Churches' Ark Project for the purpose of company law, are responsible for preparing the Trustees' Report 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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 Companies Act 2006. 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.

WIRRAL CHURCHES' ARK PROJECT

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WIRRAL CHURCHES' ARK PROJECT

Opinion

We have audited the financial statements of Wirral Churches' Ark Project (the 'charity') and its subsidiary for the year ended 31 December 2020 which comprise, the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and the 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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.

WIRRAL CHURCHES' ARK PROJECT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WIRRAL CHURCHES' ARK PROJECT

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 group and the charity'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.

Auditor's 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 an auditor's report 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.

WIRRAL CHURCHES' ARK PROJECT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WIRRAL CHURCHES' ARK PROJECT

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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 identified the laws and regulations applicable to the group through discussions with trustees and other management, and from our knowledge and experience of charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006, Charities Act 2011, data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

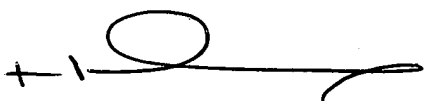
WIRRAL CHURCHES' ARK PROJECT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WIRRAL CHURCHES' ARK PROJECT

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.



Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of McLintocks (NW) Limited

7 September 2021

Chartered Accountants
Statutory Auditor

46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR

WIRRAL CHURCHES' ARK PROJECT

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ |
|-------------------------------------|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Income from: | | | | | | | |
| Donations, legacies and grants | 3 | 138,367 | 271,760 | 410,127 | 51,308 | 110,281 | 161,589 |
| Charitable activities | | | | | | | |
| Mary Cole House | 4 | 333,662 | 259,877 | 593,539 | 315,340 | 256,077 | 571,417 |
| Housing Support | 4 | 291,707 | 52,665 | 344,372 | 213,656 | 51,166 | 264,822 |
| Projects | 4 | 1,354 | 38,803 | 40,157 | 2,079 | 10,182 | 12,261 |
| Other trading activities | 5 | 10,132 | - | 10,132 | 12,095 | 22,520 | 34,615 |
| Investments | 6 | 804 | - | 804 | 1,394 | - | 1,394 |
| Total income | | 776,026 | 623,105 | 1,399,131 | 595,872 | 450,226 | 1,046,098 |
| Expenditure on: | | | | | | | |
| Raising funds | 7 | 92,954 | 30,000 | 122,954 | 909 | 54,938 | 55,848 |
| Charitable activities | | | | | | | |
| Mary Cole House | 8 | 491,766 | 281,893 | 773,659 | 456,301 | 295,984 | 752,285 |
| Housing Support | 8 | 250,654 | 86,040 | 336,694 | 167,387 | 91,131 | 258,518 |
| Projects | 8 | 40,826 | 92,473 | 133,299 | 25,737 | 50,165 | 75,902 |
| Total charitable expenditure | | 783,246 | 460,406 | 1,243,652 | 649,425 | 437,280 | 1,086,705 |
| Total resources expended | | 876,200 | 490,406 | 1,366,606 | 650,334 | 492,218 | 1,142,553 |

WIRRAL CHURCHES' ARK PROJECT

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

| | | | | | | |
|---|----------------|----------------|------------------|----------------|----------------|------------------|
| Net (outgoing)/ incoming resources before transfers | (100,174) | 132,699 | 32,525 | (54,462) | (41,992) | (96,455) |
| Gross transfers between funds | 50,432 | (50,432) | - | 159,774 | (159,774) | - |
| Net (expenditure)/income for the year/ Net movement in funds | (49,742) | 82,267 | 32,525 | 105,312 | (201,766) | (96,455) |
| Fund balances at 1 January 2020 | 886,844 | 819,184 | 1,706,028 | 781,531 | 1,020,952 | 1,802,483 |
| Fund balances at 31 December 2020 | <u>837,102</u> | <u>901,451</u> | <u>1,738,553</u> | <u>886,843</u> | <u>819,184</u> | <u>1,706,028</u> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WIRRAL CHURCHES' ARK PROJECT

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| Fixed assets | | | | | |
| Tangible assets | 13 | | 1,444,643 | | 1,438,980 |
| Current assets | | | | | |
| Debtors | 14 | 109,966 | | 168,142 | |
| Cash at bank and in hand | | 565,540 | | 418,487 | |
| | | <u>675,506</u> | | <u>586,629</u> | |
| Creditors: amounts falling due within one year | 15 | <u>(215,763)</u> | | <u>(319,581)</u> | |
| Net current assets | | | 459,743 | | 267,048 |
| Total assets less current liabilities | | | <u>1,904,386</u> | | <u>1,706,028</u> |
| Creditors: amounts falling due after more than one year | 16 | | (165,833) | | - |
| Net assets | | | <u><u>1,738,553</u></u> | | <u><u>1,706,028</u></u> |
| Income funds | | | | | |
| Restricted funds | 20 | | 901,451 | | 819,184 |
| Unrestricted funds | | | 837,102 | | 886,844 |
| | | | <u><u>1,738,553</u></u> | | <u><u>1,706,028</u></u> |

The financial statements were approved by the Trustees on 7 September 2021

I. J. Cubbin

Dr I J Cubbin
Trustee

Company Registration No. 3896833

WIRRAL CHURCHES' ARK PROJECT

CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|--|-------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 13 | | 1,444,643 | | 1,438,980 |
| Current assets | | | | | |
| Debtors | 14 | 109,516 | | 168,142 | |
| Cash at bank and in hand | | 489,960 | | 418,487 | |
| | | 599,476 | | 586,629 | |
| Creditors: amounts falling due within one year | 15 | (214,998) | | (319,581) | |
| Net current assets | | | 384,478 | | 267,048 |
| Total assets less current liabilities | | | 1,829,121 | | 1,706,028 |
| Creditors: amounts falling due after more than one year | 16 | | (45,833) | | - |
| Net assets | | | 1,783,288 | | 1,706,028 |
| Income funds | | | | | |
| Restricted funds | 20 | | 901,451 | | 819,184 |
| Unrestricted funds | | | 881,837 | | 886,844 |
| | | | 1,783,288 | | 1,706,028 |

The financial statements were approved by the Trustees on 7 September 2021

I. J. Cubbin

Dr I J Cubbin
Trustee

Company Registration No. 3896833

WIRRAL CHURCHES' ARK PROJECT

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|-----------|----------|-----------|---------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 28 | | 75,855 | | 215 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (99,606) | | - | |
| Investment income received | | 804 | | 1,394 | |
| Net cash (used in)/generated from investing activities | | | (98,802) | | 1,394 |
| Financing activities | | | | | |
| Proceeds of new loan | | 120,000 | | - | |
| Proceeds of new bank loans | | 50,000 | | - | |
| Net cash generated from/(used in) financing activities | | | 170,000 | | - |
| Net increase in cash and cash equivalents | | | 147,053 | | 1,609 |
| Cash and cash equivalents at beginning of year | | | 418,487 | | 416,878 |
| Cash and cash equivalents at end of year | | | 565,540 | | 418,487 |

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Wirral Churches' Ark Project is a private company limited by guarantee incorporated in England and Wales. The registered office is 7 Sidney Street, Birkenhead, Merseyside, CH41 1BF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 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.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets costing more than £1,000 are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------------|--------------------------|
| Freehold land and buildings | 4.5% on reducing balance |
| Leasehold improvements | 4.5% on reducing balance |
| Fixtures and fittings | 20% on reducing balance |
| Computers | 20% on reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.14 Basis of consolidation

The group financial statements consolidate the financial statements of Wirral Churches' Ark Project and its subsidiary, Wirral Ark Trading CIC, drawn up to 31 December 2020. The results of the subsidiary are consolidated for the period from the date of incorporation on 24 October 2019 to 31 December 2020.

Advantage is being taken of Section 408 of the Companies Act 2006 not to present the Parent Company's Statement of Financial Activities including Income and Expenditure Account.

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations, legacies and grants

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|--|--------------------|------------------|----------------|--------------------|------------------|----------------|
| | 2020 | 2020 | 2020 | 2019 | 2019 | 2019 |
| | £ | £ | £ | £ | £ | £ |
| Donations and gifts | 48,922 | 7,983 | 56,905 | 39,601 | - | 39,601 |
| Grants | 89,445 | 263,777 | 353,222 | 11,707 | 110,281 | 121,988 |
| | <u>138,367</u> | <u>271,760</u> | <u>410,127</u> | <u>51,308</u> | <u>110,281</u> | <u>161,589</u> |
| Donations and gifts | | | | | | |
| Donations and gifts | 45,233 | 7,983 | 53,216 | 34,721 | - | 34,721 |
| Gift aid | 3,689 | - | 3,689 | 4,880 | - | 4,880 |
| | <u>48,922</u> | <u>7,983</u> | <u>56,905</u> | <u>39,601</u> | <u>-</u> | <u>39,601</u> |
| Grants receivable for core activities | | | | | | |
| Mary Cole House funding | - | 1,049 | 1,049 | 6,000 | 16,888 | 22,888 |
| Housing Support | - | 111,581 | 111,581 | - | 23,068 | 23,068 |
| Projects | 8,103 | 121,147 | 129,250 | 5,707 | 37,905 | 43,612 |
| Core operations | 80,821 | - | 80,821 | - | 32,420 | 32,420 |
| Other | 521 | 30,000 | 30,521 | - | - | - |
| | <u>89,445</u> | <u>263,777</u> | <u>353,222</u> | <u>11,707</u> | <u>110,281</u> | <u>121,988</u> |

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

| | Mary Cole House 2020 £ | Housing Support 2020 £ | Projects 2020 £ | Total 2020 £ | Mary Cole House 2019 £ | Housing Support 2019 £ | Projects 2019 £ | Total 2019 £ |
|----------------------------|---------------------------------|---------------------------------|-----------------------|--------------------|---------------------------------|---------------------------------|-----------------------|--------------------|
| Supporting people | 242,989 | 52,665 | 38,803 | 334,457 | 256,077 | 51,166 | 10,182 | 317,425 |
| Housing benefits | 642 | 231,115 | - | 231,757 | 454 | 160,232 | - | 160,686 |
| Residents charges | - | 20,868 | - | 20,868 | 809 | 15,989 | - | 16,798 |
| Performance related grants | 16,888 | - | - | 16,888 | - | - | - | - |
| Ancillary trading income | 333,020 | 39,724 | - | 372,744 | 314,077 | 37,435 | - | 351,512 |
| Other income | - | - | 1,354 | 1,354 | - | - | 2,079 | 2,079 |
| | <u>593,539</u> | <u>344,372</u> | <u>40,157</u> | <u>978,068</u> | <u>571,417</u> | <u>264,822</u> | <u>12,261</u> | <u>848,500</u> |
| Analysis by fund | | | | | | | | |
| Unrestricted funds | 333,662 | 291,707 | 1,354 | 626,723 | 315,340 | 213,656 | 2,079 | 531,075 |
| Restricted funds | 259,877 | 52,665 | 38,803 | 351,345 | 256,077 | 51,166 | 10,182 | 317,425 |
| | <u>593,539</u> | <u>344,372</u> | <u>40,157</u> | <u>978,068</u> | <u>571,417</u> | <u>264,822</u> | <u>12,261</u> | <u>848,500</u> |

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Other trading activities

| | Unrestricted funds | Unrestricted funds | Restricted funds | Total |
|--------------------------|--------------------|--------------------|------------------|---------------|
| | 2020 | 2019 | 2019 | 2019 |
| | £ | £ | £ | £ |
| Fundraising events | 9,405 | 9,271 | 22,520 | 31,791 |
| Other trading activities | 727 | 2,824 | - | 2,824 |
| | <u>10,132</u> | <u>12,095</u> | <u>22,520</u> | <u>34,615</u> |

6 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|--------------------|--------------------|
| | 2020 | 2019 |
| | £ | £ |
| Interest receivable | <u>804</u> | <u>1,394</u> |

7 Raising funds

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|----------------------------------|--------------------|------------------|----------------|--------------------|------------------|---------------|
| | 2020 | 2020 | 2020 | 2019 | 2019 | 2019 |
| | £ | £ | £ | £ | £ | £ |
| <u>Fundraising and publicity</u> | | | | | | |
| Staff costs | 39,409 | - | 39,409 | - | 29,629 | 29,629 |
| Advertising | - | - | - | - | 1,034 | 1,034 |
| Other fundraising costs | 8,809 | - | 8,809 | 909 | 24,276 | 25,185 |
| | <u>48,218</u> | <u>-</u> | <u>48,218</u> | <u>909</u> | <u>54,939</u> | <u>55,848</u> |
| <u>Trading costs</u> | | | | | | |
| Staff costs | 29,866 | - | 29,866 | - | - | - |
| Other trading activities | 11,188 | 30,000 | 41,188 | - | - | - |
| Support costs | 3,682 | - | 3,682 | - | - | - |
| | <u>44,736</u> | <u>30,000</u> | <u>74,736</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>92,954</u> | <u>30,000</u> | <u>122,954</u> | <u>909</u> | <u>54,939</u> | <u>55,848</u> |

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Charitable activities

| | Mary Cole House 2020 £ | Housing Support 2020 £ | Projects 2020 £ | Total 2020 £ | Mary Cole House 2019 £ | Housing Support 2019 £ | Projects 2019 £ | Total 2019 £ |
|--|---------------------------------|---------------------------------|-----------------------|--------------------|---------------------------------|---------------------------------|-----------------------|--------------------|
| Staff costs | 317,940 | 78,097 | 65,230 | 461,267 | 361,230 | 66,936 | 18,299 | 446,465 |
| Depreciation and impairment | 59,888 | 33,569 | - | 93,457 | 61,550 | 22,337 | - | 83,887 |
| Other staff costs | 84,302 | 3,657 | 16,897 | 104,856 | 58,100 | 18,213 | 10,244 | 86,557 |
| Premises costs | 81,526 | 97,527 | 7,864 | 186,917 | 67,869 | 84,775 | 5,416 | 158,060 |
| Catering | 37,586 | 116 | 2,011 | 39,713 | 24,759 | 107 | 337 | 25,203 |
| Professional and consultancy fees | 2,152 | 8,988 | 17,526 | 28,666 | - | - | 20,513 | 20,513 |
| Other costs | 13,067 | 11,930 | 11,783 | 36,780 | 17,724 | 9,734 | 8,658 | 36,116 |
| | <u>596,461</u> | <u>233,884</u> | <u>121,311</u> | <u>951,656</u> | <u>591,232</u> | <u>202,102</u> | <u>63,467</u> | <u>856,801</u> |
| Share of support costs (see note 9) | 174,255 | 101,102 | 11,789 | 287,146 | 158,233 | 55,431 | 12,215 | 225,879 |
| Share of governance costs (see note 9) | 2,943 | 1,708 | 199 | 4,850 | 2,820 | 985 | 220 | 4,025 |
| | <u>773,659</u> | <u>336,694</u> | <u>133,299</u> | <u>1,243,652</u> | <u>752,285</u> | <u>258,518</u> | <u>75,902</u> | <u>1,086,705</u> |
| Analysis by fund | | | | | | | | |
| Unrestricted funds | 491,766 | 250,654 | 40,826 | 783,246 | 456,301 | 167,387 | 25,737 | 649,425 |
| Restricted funds | 281,893 | 86,040 | 92,473 | 460,406 | 295,984 | 91,131 | 50,165 | 437,280 |
| | <u>773,659</u> | <u>336,694</u> | <u>133,299</u> | <u>1,243,652</u> | <u>752,285</u> | <u>258,518</u> | <u>75,902</u> | <u>1,086,705</u> |

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Support costs

| | Support costs £ | Governance costs £ | 2020 £ | Support costs £ | Governance costs £ | 2019 £ |
|------------------------------|--------------------|-----------------------|----------------|--------------------|-----------------------|----------------|
| Staff costs | 203,666 | - | 203,666 | 166,026 | - | 166,026 |
| Other staff costs | 6,766 | - | 6,766 | 2,641 | - | 2,641 |
| Premises costs | 14,909 | - | 14,909 | - | - | - |
| Insurance | 16,821 | - | 16,821 | 11,997 | - | 11,997 |
| Telephone and computer costs | 19,282 | - | 19,282 | 15,438 | - | 15,438 |
| Consultancy fees | 5,593 | - | 5,593 | 4,683 | - | 4,683 |
| Non recoverable VAT | 16,660 | - | 16,660 | 12,623 | - | 12,623 |
| Other costs | 2,963 | - | 2,963 | 12,471 | - | 12,471 |
| Loan interest | 3,682 | - | 3,682 | - | - | - |
| Depreciation | 486 | - | 486 | - | - | - |
| Audit fees | - | 2,880 | 2,880 | - | 2,880 | 2,880 |
| Accountancy | - | 1,970 | 1,970 | - | 1,145 | 1,145 |
| | <u>290,828</u> | <u>4,850</u> | <u>295,678</u> | <u>225,879</u> | <u>4,025</u> | <u>229,904</u> |
| Analysed between | | | | | | |
| Trading | 3,682 | - | 3,682 | - | - | - |
| Charitable activities | 287,146 | 4,850 | 291,996 | 225,879 | 4,025 | 229,904 |
| | <u>290,828</u> | <u>4,850</u> | <u>295,678</u> | <u>225,879</u> | <u>4,025</u> | <u>229,904</u> |

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Employees

The average monthly number of employees during the year was:

| | 2020 Number | 2019 Number |
|-------------------------|----------------|----------------|
| | 35 | 31 |
| | <u>35</u> | <u>31</u> |
| Employment costs | 2020 | 2019 |
| | £ | £ |
| Wages and salaries | 668,969 | 580,174 |
| Social security costs | 51,979 | 46,793 |
| Other pension costs | 13,260 | 15,153 |
| | <u>734,208</u> | <u>642,120</u> |

12 Ark Trading CIC

A summary of the results of the subsidiary is shown below:

| | 2020 £ |
|-------------|-----------------|
| Turnover | 30,000 |
| Expenditure | (74,735) |
| | <u>(44,735)</u> |

Aggregate assets and liabilities

| | |
|----------------------|-----------------|
| Current assets | 76,030 |
| Current liabilities | (765) |
| Deferred liabilities | (120,000) |
| | <u>(44,735)</u> |

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets - group and charity

| | Freehold land and buildings | Leasehold improvements | Fixtures and fittings | Computers | Total |
|------------------------------------|--------------------------------|---------------------------|--------------------------|-----------|-----------|
| | £ | £ | £ | £ | £ |
| Cost or valuation | | | | | |
| At 1 January 2020 | 2,136,902 | - | 84,798 | 40,549 | 2,262,249 |
| Additions | 7,635 | 38,353 | 11,503 | 42,115 | 99,606 |
| At 31 December 2020 | 2,144,537 | 38,353 | 96,301 | 82,664 | 2,361,855 |
| Depreciation and impairment | | | | | |
| At 1 January 2020 | 735,395 | - | 56,610 | 31,264 | 823,269 |
| Depreciation charged in the year | 72,359 | 1,492 | 9,348 | 10,744 | 93,943 |
| At 31 December 2020 | 807,754 | 1,492 | 65,958 | 42,008 | 917,212 |
| Carrying amount | | | | | |
| At 31 December 2020 | 1,336,783 | 36,861 | 30,343 | 40,656 | 1,444,643 |
| At 31 December 2019 | 1,401,507 | - | 28,188 | 9,285 | 1,438,980 |

Included within Land and buildings is a property with a carrying amount of £780,422 which was revalued in March 2019 at £850,000 by Smith and Sons, independent valuers, not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 December 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £594,507 (2019 £617,075).

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Debtors - group

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 35,505 | 134,821 |
| Prepayments and accrued income | 74,461 | 33,321 |
| | <u>109,966</u> | <u>168,142</u> |

Debtors - charity

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 35,505 | 134,821 |
| Prepayments and accrued income | 74,011 | 33,321 |
| | <u>109,516</u> | <u>168,142</u> |

15 Creditors: amounts falling due within one year - group

| | Notes | 2020 | 2019 |
|------------------------------------|-------|----------------|----------------|
| | | £ | £ |
| Bank loans | 20 | 4,167 | - |
| Other taxation and social security | | 51,982 | 38,159 |
| Deferred income | 22 | 36,945 | 125,877 |
| Trade creditors | | 75,964 | - |
| Other creditors | | 32,973 | 107,249 |
| Accruals | | 13,732 | 48,296 |
| | | <u>215,763</u> | <u>319,581</u> |

Creditors: amounts falling due within one year - charity

| | Notes | 2020 | 2019 |
|------------------------------------|-------|----------------|----------------|
| | | £ | £ |
| Bank loans | 20 | 4,167 | - |
| Other taxation and social security | | 51,233 | 38,159 |
| Deferred income | 22 | 36,945 | 125,877 |
| Trade creditors | | 75,964 | - |
| Other creditors | | 32,957 | 107,249 |
| Accruals | | 13,732 | 48,296 |
| | | <u>214,998</u> | <u>319,581</u> |

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Creditors: amounts falling due after more than one year - group

| | Notes | 2020 £ | 2019 £ |
|------------------|-------|----------------|-----------|
| Bank loans | 20 | 45,833 | - |
| Other borrowings | | 120,000 | - |
| | | <u>165,833</u> | <u>-</u> |

Creditors: amounts falling due after more than one year - charity

| | Notes | 2020 £ | 2019 £ |
|------------|-------|---------------|-----------|
| Bank loans | 20 | 45,833 | - |
| | | <u>45,833</u> | <u>-</u> |

17 Loans and overdrafts

| | 2020 £ | 2019 £ |
|-------------|----------------|-----------|
| Bank loans | 50,000 | - |
| Other loans | 120,000 | - |
| | <u>170,000</u> | <u>-</u> |

| | | |
|-------------------------|----------------|----------|
| Payable within one year | 4,167 | - |
| Payable after one year | 165,833 | - |
| | <u>170,000</u> | <u>-</u> |

Amounts included above which fall due after five years:

| | | |
|------------------------|--------------|----------|
| Payable by instalments | 5,833 | - |
| | <u>5,833</u> | <u>-</u> |

The Bank loan represents the government secured Bounce Back Loan repayable over six years. Interest is charged at 2.5%

The other loan is a loan from Homeless link for £120,000. Interest is charged at 8% and repayments commence in February 2022 until October 2024.

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Loans and overdrafts - charity

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Bank loans | 50,000 | - |
| Payable within one year | 4,167 | - |
| Payable after one year | 45,833 | - |
| Amounts included above which fall due after five years: | | |
| Payable by instalments | 5,833 | - |

The bank loan represents the government secured Bounce Back loan repayable over six years. Interest is charged at 2.5%

18 Deferred income - group and charity

| | 2020 £ | 2019 £ |
|---------------------|-----------|-----------|
| Arising from Grants | 36,945 | 125,877 |

Deferred income movement during the year is as follows:

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Unexpended balance at 1 January 2020 | 125,877 | 60,659 |
| Amounts received in year | 415,789 | 411,751 |
| Amounts credited to statement of financial activities | (504,721) | (346,533) |
| Unexpended balance at 31 December 2020 | 36,945 | 125,877 |

19 Retirement benefit schemes

Defined contribution schemes

The charity operates two separate defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £13,260 (2019 - £15,153).

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

20 Restricted funds - group and charity

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Movement in funds | | | | Movement in funds | | | | Balance at 31 December 2020 |
|--|------------------------------|-----------------------|-----------------------|------------------------|------------------------------|-----------------------|-----------------------|------------------------|-----------------------------------|
| | Balance at 1 January 2019 | Incoming resources | Resources expended | Transfer to capital | Balance at 1 January 2020 | Incoming resources | Resources expended | Transfer to capital | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Mary Cole House property | 648,408 | - | (24,908) | (159,774) | 463,724 | 5,445 | (22,015) | - | 447,154 |
| The Grand Trunk and Ark Angel property | 371,614 | - | (16,897) | - | 354,717 | 1,740 | (16,222) | - | 340,235 |
| Supported Housing renovations | - | - | - | - | - | 91,176 | (5,359) | (6,650) | 79,167 |
| Supporting People | - | 317,425 | (317,425) | - | - | 334,457 | (334,457) | - | - |
| Thrive | - | - | - | - | - | 43,039 | - | (43,039) | - |
| Social Lettings Agency | - | 18,083 | (18,083) | - | - | 25,590 | (17,249) | - | 8,341 |
| Befriending | - | - | - | - | - | 20,500 | (6,575) | - | 13,925 |
| NHS Wirral | - | 16,888 | (16,888) | - | - | 16,888 | (16,888) | - | - |
| Waterview Project | - | 23,068 | (23,068) | - | - | 18,665 | (9,585) | - | 9,080 |
| Other projects | 930 | 74,762 | (74,949) | - | 743 | 35,605 | (32,056) | (743) | 3,549 |
| | <u>1,020,952</u> | <u>450,226</u> | <u>(492,218)</u> | <u>(159,774)</u> | <u>819,184</u> | <u>593,105</u> | <u>(460,406)</u> | <u>(50,432)</u> | <u>901,451</u> |

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Restricted funds - group and charity

(Continued)

Mary Cole House property

The hostel building full refurbishment was funded to a large extent through grant income. The amount shown in restricted funds is therefore the value of the property relating to the grant income.

The Grand Trunk and Ark Angel Properties

The Grand Trunk refurbishment was funded to a large extent through grant income. The amount shown in restricted funds is therefore the value of the property relating to the grant income.

Supported Housing renovations

Grant income received during 2020 for the refurbishment and conversion of the ground floor of the Grand Trunk carried out in Spring 2021.

Social Lettings Agency

Grants received for initial development and support of setting up the subsidiary CIC.

Befriending

Grant received for a new project delivery which was delayed due to Covid -19 restrictions.

Waterview Project

Grant received from Nationwide for the delivery of women's only project.

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Analysis of net assets between funds - group

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|---|--------------------|------------------|------------------|--------------------|------------------|------------------|
| | 2020 | 2020 | 2020 | 2019 | 2019 | 2019 |
| | £ | £ | £ | £ | £ | £ |
| Fund balances at 31 December 2020 are represented by: | | | | | | |
| Tangible assets | 657,254 | 787,389 | 1,444,643 | 619,795 | 819,185 | 1,438,980 |
| Net current assets | 345,681 | 114,062 | 459,743 | 267,048 | - | 267,048 |
| Long term liabilities | (165,833) | - | (165,833) | - | - | - |
| | <u>837,102</u> | <u>901,451</u> | <u>1,738,553</u> | <u>886,843</u> | <u>819,185</u> | <u>1,706,028</u> |

Analysis of net assets between funds - charity

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|---|--------------------|------------------|------------------|--------------------|------------------|------------------|
| | 2020 | 2020 | 2020 | 2019 | 2019 | 2019 |
| | £ | £ | £ | £ | £ | £ |
| Fund balances at 31 December 2020 are represented by: | | | | | | |
| Tangible assets | 657,254 | 787,389 | 1,444,643 | 619,795 | 819,185 | 1,438,980 |
| Net current assets | 270,416 | 114,062 | 384,478 | 267,048 | - | 267,048 |
| Long term liabilities | (45,833) | - | (45,833) | - | - | - |
| | <u>881,837</u> | <u>901,451</u> | <u>1,783,288</u> | <u>886,843</u> | <u>819,185</u> | <u>1,706,028</u> |

22 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

23 Cash generated from operations

| | 2020 | 2019 |
|---|---------------|------------|
| | £ | £ |
| Surplus/(deficit) for the year | 32,525 | (96,455) |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (804) | (1,394) |
| Depreciation and impairment of tangible fixed assets | 93,943 | 83,887 |
| Movements in working capital: | | |
| Decrease/(increase) in debtors | 58,176 | (32,832) |
| (Decrease) in creditors | (19,053) | (18,209) |
| (Decrease)/increase in deferred income | (88,932) | 65,218 |
| Cash generated from operations | <u>75,855</u> | <u>215</u> |

WIRRAL CHURCHES' ARK PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Analysis of changes in net funds

| | At 1 January 2020 £ | Cash flows £ | At 31 December 2020 £ |
|--|---------------------------|-----------------|-----------------------------|
| Cash at bank and in hand | 418,487 | 147,053 | 565,540 |
| Loans falling due within one year | - | (4,167) | (4,167) |
| Loans falling due after more than one year | - | (165,833) | (165,833) |
| | <u>418,487</u> | <u>(22,947)</u> | <u>395,540</u> |