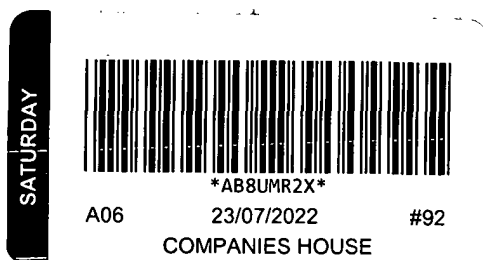


Charity registration number 1079070

Company registration number 3896833 (England and Wales)

**WIRRAL CHURCHES' ARK PROJECT**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



# WIRRAL CHURCHES' ARK PROJECT

## LEGAL AND ADMINISTRATIVE INFORMATION

---

<b>Trustees</b>	Dr I J Cubbin	
	Mr P Ashley-Mudie	
	Mr M Godfrey	
	Ms G A Ferris	
	Mr A D Roberts	
	Mr I L Roughley	
	Mr Duncam Dodd-Hughes	(Appointed 28 April 2022)
	Ms Victoria Jones	(Appointed 28 April 2022)
	Miss L Taylor	(Appointed 28 April 2022)
<b>Secretary</b>	M Grundy	
<b>Charity number</b>	1079070	
<b>Company number</b>	3896833	
<b>Registered office</b>	7 Sidney Street Birkenhead Merseyside CH41 1BF	
<b>Auditor</b>	Xeinadin Audit Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9PX	

---

# **WIRRAL CHURCHES' ARK PROJECT**

## **CONTENTS**

---

	<b>Page</b>
Trustees' report	1 - 8
Statement of trustees' responsibilities	9
Independent auditor's report	10 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	20
Notes to the financial statements	17 - 34

---

# **WIRRAL CHURCHES' ARK PROJECT**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021**

---

The trustees present their report and the consolidated financial statements of the charity and its trading subsidiary for the year ended 31 December 2021.

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 (WCAP) mission is:

#### **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.

# **WIRRAL CHURCHES' ARK PROJECT**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

---

### **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.

### **Values**

The values that guide the actions and decisions of WCAP were refreshed by staff and members of the Board during the summer of 2021:

- We show COMPASSION
  - We put ourselves in others' shoes, taking care to fully understand their circumstances.
- We RESPECT one another
  - We remember we're all human. We treat others as we want to be treated and have a right to respect in return.
- We create IMPACT
  - We're not bystanders. We get stuck in - taking action to create change and drive results.
- We are RESPONSIVE
  - Our approach is human, intelligent and empowering. We innovate and adapt to people and situations.
- We act with COURAGE
  - We are fearless in the face of change and adversity. We are resilient survivors who take risks for the people we care about..

### **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

### **Public benefit**

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

# **WIRRAL CHURCHES' ARK PROJECT**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

---

### **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);
- 9 move on studio flats in Birkenhead;
- 15 move on studio flats in Prenton;
- and a 6 bedroom women's only project;

WCAP is also part of Wirral Council's Rough Sleeper Initiative (RSI) where we offer 2 emergency beds as part of the overall provision provided by a range of partners each night.

### **Employees**

Wirral Churches' Ark Project is committed to employing well managed, well informed and highly skilled staff. At the end of 2021 there were 35 employees (headcount) of which 19 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 2021**

---

### **Achievements and performance**

#### **2021**

2021 represented a challenging and tumultuous year for Wirral Ark and everyone in the UK and across the world I would suggest because of COVID-19. Wirral Ark also lost a long standing and successful CEO, Aydin Djemal, and recruited a replacement, Paul Hardman, who took over on April 12, 2022.

Normally the context of a working year is set by an organisation through a combination of a strategic plan, annual budget, contract delivery, growth plans etc. However, this was the start of the second year of the COVID-19 pandemic. UK regulators had approved the use of the Pfizer & BioNTech vaccine on December 2nd the previous year only for the country to enter into its third national lockdown on January 6th, 2021.

On February 22nd 2021 the Government released its 4-point roadmap for lifting COVID-19 restrictions which in the end had to be delayed by 4 weeks until most legal limitations were lifted on July 19th. 2021 finished far better than it started in relation to the virus but fresh requirements to wear face masks were required towards the end of the year due to the advent of Omicron.

#### **Impact of COVID-19**

It is difficult to describe how the pandemic impacted on the business beyond the obvious in terms of people's worries, staff and client sickness etc but in simple terms it fundamentally created 'distance' in terms of how the business was able to work with customers and each other. After all, one of the key defenses against COVID-19 was 2m rule, keeping your distance. Unfortunately, in effect staff had to keep their distance from customers, from team members and from colleagues as people worked separately and/or from home.

As a result, the benefits both personal and professionally of day-to-day discussion and interaction with colleagues and people we service was lost and weakened. Given the organisation had to operating in this manner for a long time it should not be underestimated how much time and effort has been needed from everyone to regain its previous poise, and confidence during the latter half of 2021 as COVID-19 was brought under some semblance of control.

From an operational viewpoint as mentioned earlier the impact was probably universal to many organisations ie staff worries, staff sickness, childcare issues due to school closures and isolation etc. For our business the challenges are greater because we work with clients all the time and therefore cover is a must as we have minimum acceptable staffing levels to meet. In the meantime, client support has to be put on hold or reduced until staff return which doesn't help clients progress. It should also be understood that some of our clients caught COVID-19 which then placed even bigger demands on staff to ensure residents were both safe and not endangering other clients, staff or the general public.

Finally, you will read below how COVID-19 had a devastating impact on the Charity's aim to build a social letting agency for Wirral. As an organisation that is dedicated to reducing and ending homelessness the provision of a considerate accommodation service dedicated to listening and adapting to the needs of our clients would have been hugely rewarding. Therefore, to have had many years of preparation and delivery work blown away by COVID-19 has been very difficult to accept.

# **WIRRAL CHURCHES' ARK PROJECT**

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

**FOR THE YEAR ENDED 31 DECEMBER 2021**

---

### **Wirral Ark Trading CIC (WATCIC) – Ark Lettings**

Wrapped inside this context was the recruitment of a new CEO who had to address the outstanding issue of Ark Lettings, Wirral Ark's CIC subsidiary that was set up in 2019 to take forward ambitions to grow and develop a social letting agency (SLA) for Wirral under the brand of Ark Lettings.

In early 2020 the organisation had a clear plan and purpose to take forward the CIC, supported by a committed internal management team and Board. Unfortunately, COVID-19 was creeping across the world at the same time and by March 2020, just as the new staff had been recruited and were giving notice to their employers, the country was forced into Lockdown. 2020 then delivered a number of unknowns and uncertainties as limited re-openings (May 2020) were quickly followed by optimism of an early end to the pandemic, including use of new local applications of tiered lockdown systems (June 2020 onwards) before the second national lockdown was ordered in November 2020 (finished Dec 2020) and the third lockdown, referenced earlier, was imposed from January to March 2021.

Through all this uncertainty and confusion staff remained focused and the assumption was that there would be a rapid improvement in housing market confidence in early 2021 and deals could be struck with prospective owners/landlords that would begin to create the pipeline of lettings envisaged by the business plan. Unfortunately, we found property owners/landlords were continuing to be exceedingly cautious due to the impact of COVID-19 and that the few units available were Houses in Multiple Occupancy (HMOs) which didn't match the design of our business model. Also, there was almost no turnover taking place in self-contained lettings and confidence was subdued and watchful.

It took some time to consider the future of Ark Lettings but with great regret at a Wirral Ark Board meeting on October 30th it was agreed the CIC should be closed. Overall the Board has a primary duty to protect the core charity, Wirral Churches' Ark Project (WCAP) and taking forward Ark Lettings it was decided would place too much financial and operational risk on the founding charity. It should go on the record that Wirral Ark were hugely disappointed to take this decision and thanked the WATCIC Board for their work and dedication in trying to make Ark Lettings a success.

The financial impact of the closure of the CIC, was to recognise and add back to reserves the losses incurred to date of £91,539.

### **Grand Trunk - 3 new ground floor flats**

The Grand Trunk is a former pub which closed and remained derelict for 15 years until WCAP purchased it in 2012. In February 2013 it was refurbished, and 6 studio flats were realised to support homeless people, with the ground floor being used as WCAP's head office.

In 2021 WCAP decided to move its Head Office to central Birkenhead, and refurbished the ground floor to create 3 more flats for vulnerable people through raising around £145K. Overall 13 external organisations donated £95K with WCAP also contributing £50K to the project cost. Ably supported by local architects, who also provided project build expertise and consultancy, and local tradespeople the new flats were brought on-line in July 2021. Thanks to one and all for their efforts and contributions.



# **WIRRAL CHURCHES' ARK PROJECT**

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

**FOR THE YEAR ENDED 31 DECEMBER 2021**

---

### **Financial review**

Our principle funding sources continue to be our Supporting People contracts with Wirral Borough Council for the Mary Cole House (MCH) hostel and 14 move on units along with Housing Benefit for all the accommodation units. In addition to the Service Charge we place on clients these represent the majority of our income. Together these can be considered as our core income.

The effect of the Covid 19 pandemic continued through 2021. Whilst our core income streams were unaffected, our ability to bring in the additional donations or to fundraise continued to be curtailed. In addition, our costs continued to be higher than normal with expenditure such as extra cleaning and PPE costs. We expanded into more digital marketing to try and offset the lack of face-to-face opportunities and keep our supporters engaged and up to date with initiatives throughout the organisation.

Incoming resources for the year amounted to £1,268,946 (2020: £1,399,131) and expenditure amounted to £1,429,402 (2020: £1,366,606) leaving a deficit for the year on activities of £160,456 (2020: surplus £32,525). Following the decision to place the trading subsidiary into liquidation accumulated losses of £91,539 have been added back to general reserves giving reserves carried forward of £1,669,636.

Unrestricted free reserves net of fixed assets amounted to £86,119 and cash held in the bank amounted to £219,106.

### **Points to note:**

Salary costs continue to be the major expense for the charity, but this is a necessity given the nature of the business. Our staff are a major asset to the company and are valued. We have a duty to be a good employer. During these turbulent times we have allowed hybrid working where possible and ensured that staff are supported through any issues brought about by the pandemic. As the cost of living rises we will endeavour to support our staff as much as we are able.

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

### **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 realizable/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.

# WIRRAL CHURCHES' ARK PROJECT

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

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **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

#### **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

(Resigned 28 April 2022)

Mr P Ashley-Mudie

Mr M Godfrey

Ms G A Ferris

Mr A D Roberts

Mr I L Roughley

Mr Duncam Dodd-Hughes

(Appointed 28 April 2022)

Ms Victoria Jones

(Appointed 28 April 2022)

Miss L Taylor

(Appointed 28 April 2022)

# WIRRAL CHURCHES' ARK PROJECT

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

FOR THE YEAR ENDED 31 DECEMBER 2021

### 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.

### 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.

### Auditor

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company 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: 6 June 2022

# **WIRRAL CHURCHES' ARK PROJECT**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

---

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 2021 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 2021 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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.

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

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 Xeinadin Audit Limited

26.06.22

Accountants  
Statutory Auditor

2 Hilliards Court  
Chester Business Park  
Chester  
Cheshire  
CH4 9PX



# WIRRAL CHURCHES' ARK PROJECT

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<b>Income from:</b>							
Donations, legacies and grants	3	98,998	63,323	162,321	138,367	271,760	410,127
<b>Charitable activities</b>							
Mary Cole House	4	324,179	232,664	556,843	333,662	259,877	593,539
Housing Support	4	430,468	51,647	482,115	291,707	52,665	344,372
Projects	4	625	63,670	64,295	1,354	38,803	40,157
Other trading activities	5	4,629	-	4,629	10,132	-	10,132
Investments	6	437	-	437	804	-	804
<b>Total income</b>		<b>859,336</b>	<b>411,304</b>	<b>1,270,640</b>	<b>776,026</b>	<b>623,105</b>	<b>1,399,131</b>
<b>Expenditure on:</b>							
Raising funds	7	85,809	-	85,809	92,954	30,000	122,954
<b>Charitable activities</b>							
Mary Cole House	8	466,193	259,703	725,896	491,766	281,893	773,659
Housing Support	8	410,987	89,751	500,738	250,654	86,040	336,694
Projects	8	35,577	81,382	116,959	40,826	92,473	133,299
<b>Total charitable expenditure</b>		<b>912,757</b>	<b>430,836</b>	<b>1,343,593</b>	<b>783,246</b>	<b>460,406</b>	<b>1,243,652</b>
<b>Total resources expended</b>		<b>998,566</b>	<b>430,836</b>	<b>1,429,402</b>	<b>876,200</b>	<b>490,406</b>	<b>1,366,606</b>
Disposal of investment	11	91,539	-	91,539	-	-	-
Gross transfers between funds		-	-	-	50,432	(50,432)	-
<b>Net (expenditure)/income for the year/</b>							
<b>Net movement in funds</b>		<b>(47,691)</b>	<b>(19,532)</b>	<b>(67,223)</b>	<b>(49,742)</b>	<b>82,267</b>	<b>32,525</b>
Fund balances at 1 January 2021		837,102	901,451	1,738,553	886,844	819,184	1,706,028
<b>Fund balances at 31 December 2021</b>		<b>789,411</b>	<b>881,919</b>	<b>1,671,330</b>	<b>837,102</b>	<b>901,451</b>	<b>1,738,553</b>

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 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14		1,560,249		1,444,643
<b>Current assets</b>					
Debtors	14	95,054		109,966	
Cash at bank and in hand		219,106		565,540	
		<u>314,160</u>		<u>675,506</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(167,246)</u>		<u>(215,763)</u>	
Net current assets			146,914		459,743
<b>Total assets less current liabilities</b>			<u>1,707,163</u>		<u>1,904,386</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(35,833)		(165,833)
<b>Net assets</b>			<u><u>1,671,330</u></u>		<u><u>1,738,553</u></u>
<b>Income funds</b>					
Restricted funds	20		881,919		901,450
Unrestricted funds			789,411		837,103
			<u><u>1,671,330</u></u>		<u><u>1,738,553</u></u>

The financial statements were approved by the Trustees on 6 June 2022

*I. J. Cubbin*

Dr I J Cubbin  
Trustee

Company Registration No. 3896833

# WIRRAL CHURCHES' ARK PROJECT

## CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14		1,560,249		1,444,643
<b>Current assets</b>					
Debtors	14	93,360		109,516	
Cash at bank and in hand		219,106		489,960	
		<u>312,466</u>		<u>599,476</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(167,246)</u>		<u>(214,998)</u>	
Net current assets			145,220		384,478
<b>Total assets less current liabilities</b>			<u>1,705,469</u>		<u>1,829,121</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(35,833)		(45,833)
<b>Net assets</b>			<u><u>1,669,636</u></u>		<u><u>1,783,288</u></u>
<b>Income funds</b>					
Restricted funds	20		881,919		901,451
Unrestricted funds			777,613		881,837
			<u><u>1,669,636</u></u>		<u><u>1,783,288</u></u>

The financial statements were approved by the Trustees on 6 June 2022

*I. J. Cubbin*

Dr I J Cubbin  
Trustee

Company Registration No. 3896833

# WIRRAL CHURCHES' ARK PROJECT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 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.

# WIRRAL CHURCHES' ARK PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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

#### 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 the statement of financial activities.

#### 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.

# WIRRAL CHURCHES' ARK PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

(Continued)

##### 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.

##### **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 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

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	28		(99,859)		75,855
<b>Investing activities</b>					
Purchase of tangible fixed assets		(214,383)		(99,606)	
Proceeds on disposal of investments		91,539		-	
Investment income received		437		804	
<b>Net cash used in investing activities</b>			(122,407)		(98,802)
<b>Financing activities</b>					
Proceeds of new loan		-		120,000	
Proceeds of new bank loans		-		50,000	
Repayment of bank loans		(124,168)		-	
<b>Net cash (used in)/generated from financing activities</b>			(124,168)		170,000
<b>Net (decrease)/increase in cash and cash equivalents</b>			(346,434)		147,053
Cash and cash equivalents at beginning of year			565,540		418,487
<b>Cash and cash equivalents at end of year</b>			219,106		565,540

# WIRRAL CHURCHES' ARK PROJECT

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 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
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	61,806	-	61,806	48,922	7,983	56,905
Legacies receivable	625	-	625	-	-	-
Grants	36,567	63,323	99,890	89,445	263,777	353,222
	<u>98,998</u>	<u>63,323</u>	<u>162,321</u>	<u>138,367</u>	<u>271,760</u>	<u>410,127</u>
<b>Donations and gifts</b>						
Donations and gifts	59,541	-	59,541	45,233	7,983	53,216
Gift aid	571	-	571	3,689	-	3,689
Other	1,694	-	1,694	-	-	-
	<u>61,806</u>	<u>-</u>	<u>61,806</u>	<u>48,922</u>	<u>7,983</u>	<u>56,905</u>
<b>Grants receivable for core activities</b>						
Mary Cole House funding	-	-	-	-	1,049	1,049
Housing Support	-	42,140	42,140	-	111,581	111,581
Projects	10,129	21,183	31,312	8,103	121,147	129,250
Core operations	26,438	-	26,438	80,821	-	80,821
Other	-	-	-	521	30,000	30,521
	<u>36,567</u>	<u>63,323</u>	<u>99,890</u>	<u>89,445</u>	<u>263,777</u>	<u>353,222</u>



## WIRRAL CHURCHES' ARK PROJECT

### CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 4 Charitable activities

	Mary Cole House 2021 £	Housing Support 2021 £	Projects 2021 £	Total 2021 £	Mary Cole House 2020 £	Housing Support 2020 £	Projects 2020 £	Total 2020 £
Supporting people	215,776	51,647	63,670	331,093	242,989	52,665	38,803	334,457
Housing benefits	720	350,903	-	351,623	642	231,115	-	231,757
Residents charges	455	37,337	-	37,792	-	20,868	-	20,868
Performance related grants	16,888	-	-	16,888	16,888	-	-	16,888
Ancillary trading income	322,973	38,616	-	361,589	333,020	39,724	-	372,744
Other income	31	3,612	625	4,268	-	-	1,354	1,354
	<u>556,843</u>	<u>482,115</u>	<u>64,295</u>	<u>1,103,253</u>	<u>593,539</u>	<u>344,372</u>	<u>40,157</u>	<u>978,068</u>
Analysis by fund								
Unrestricted funds	324,179	430,468	625	755,272	333,662	291,707	1,354	626,723
Restricted funds	232,664	51,647	63,670	347,981	259,877	52,665	38,803	351,345
	<u>556,843</u>	<u>482,115</u>	<u>64,295</u>	<u>1,103,253</u>	<u>593,539</u>	<u>344,372</u>	<u>40,157</u>	<u>978,068</u>

# WIRRAL CHURCHES' ARK PROJECT

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fundraising events	4,336	9,405
Other trading activities	293	727
	<u>4,629</u>	<u>10,132</u>

### 6 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	<u>437</u>	<u>804</u>

### 7 Raising funds

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021	2020	2020	2020
	£	£	£	£
<u>Fundraising and publicity</u>				
Staff costs	35,482	39,409	-	39,409
Other fundraising costs	3,523	8,809	-	8,809
	<u>39,005</u>	<u>48,218</u>	<u>-</u>	<u>48,218</u>
<u>Trading costs</u>				
Staff costs	14,993	29,866	-	29,866
Other trading activities	23,814	11,188	30,000	41,188
Support costs	7,997	3,682	-	3,682
	<u>46,804</u>	<u>44,736</u>	<u>30,000</u>	<u>74,736</u>
	<u>85,809</u>	<u>92,954</u>	<u>30,000</u>	<u>122,954</u>

## WIRRAL CHURCHES' ARK PROJECT

### CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 8 Charitable activities

	Mary Cole House 2021 £	Housing Support 2021 £	Projects 2021 £	Total 2021 £	Mary Cole House 2020 £	Housing Support 2020 £	Projects 2020 £	Total 2020 £
Staff costs	313,158	114,834	66,036	494,028	317,940	78,097	65,230	461,267
Depreciation and impairment	48,090	34,968	6,739	89,797	59,888	33,569	-	93,457
Other staff costs	36,768	4,005	6,449	47,222	84,302	3,657	16,897	104,856
Premises costs	87,805	162,646	6,398	256,849	81,526	97,527	7,864	186,917
Catering	28,936	168	-	29,104	37,586	116	2,011	39,713
Professional and consultancy fees	1,117	616	348	2,081	2,152	8,988	17,526	28,666
Other costs	13,316	14,180	9,549	37,045	13,067	11,930	11,783	36,780
	<u>529,190</u>	<u>331,417</u>	<u>95,519</u>	<u>956,126</u>	<u>596,461</u>	<u>233,884</u>	<u>121,311</u>	<u>951,656</u>
Share of support costs (see note 9)	193,965	166,961	21,141	382,067	174,255	101,102	11,789	287,146
Share of governance costs (see note 9)	2,741	2,360	299	5,400	2,943	1,708	199	4,850
	<u>725,896</u>	<u>500,738</u>	<u>116,959</u>	<u>1,343,593</u>	<u>773,659</u>	<u>336,694</u>	<u>133,299</u>	<u>1,243,652</u>
<b>Analysis by fund</b>								
Unrestricted funds	466,193	410,987	35,577	912,757	491,766	250,654	40,826	783,246
Restricted funds	259,703	89,751	81,382	430,836	281,893	86,040	92,473	460,406
	<u>725,896</u>	<u>500,738</u>	<u>116,959</u>	<u>1,343,593</u>	<u>773,659</u>	<u>336,694</u>	<u>133,299</u>	<u>1,243,652</u>

# WIRRAL CHURCHES' ARK PROJECT

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	234,555	-	234,555	203,666	-	203,666
Other staff costs	26,670	-	26,670	6,766	-	6,766
Premises costs	19,951	-	19,951	14,909	-	14,909
Insurance	19,101	-	19,101	16,821	-	16,821
Telephone and computer costs	27,422	-	27,422	19,282	-	19,282
Consultancy fees	11,667	-	11,667	5,593	-	5,593
Non recoverable VAT	26,303	-	26,303	16,660	-	16,660
Other costs	7,419	-	7,419	2,963	-	2,963
Loan interest	7,997	-	7,997	3,682	-	3,682
Depreciation	8,979	-	8,979	486	-	486
Audit fees	-	2,880	2,880	-	2,880	2,880
Accountancy	-	2,520	2,520	-	1,970	1,970
	<u>390,064</u>	<u>5,400</u>	<u>395,464</u>	<u>290,828</u>	<u>4,850</u>	<u>295,678</u>
Analysed between						
Trading	7,997	-	7,997	3,682	-	3,682
Charitable activities	382,067	5,400	387,467	287,146	4,850	291,996
	<u>390,064</u>	<u>5,400</u>	<u>395,464</u>	<u>290,828</u>	<u>4,850</u>	<u>295,678</u>

### 10 Trustees

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

### 11 Disposal of investment

	Unrestricted funds	Total
	2021	2020
	£	£
Disposal of subsidiary	<u>91,539</u>	<u>-</u>

# WIRRAL CHURCHES' ARK PROJECT

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Employees

The average monthly number of employees during the year was:

2021 Number	2020 Number
35	35
<u>35</u>	<u>35</u>

### Employment costs

	2021 £	2020 £
Wages and salaries	706,877	668,969
Social security costs	59,383	51,979
Other pension costs	12,798	13,260
	<u>779,058</u>	<u>734,208</u>

### 13 Ark Trading CIC

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

	2021 £	2020 £
Turnover		30,000
Expenditure	(46,804)	(74,735)
	<u>(46,804)</u>	<u>(44,735)</u>

### Aggregate assets and liabilities

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

# WIRRAL CHURCHES' ARK PROJECT

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Tangible fixed assets - group and charity

	Freehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	2,144,537	38,353	96,302	82,664	2,361,856
Additions	169,080	37,656	5,993	1,654	214,383
At 31 December 2021	2,313,617	76,009	102,295	84,318	2,576,239
<b>Depreciation and impairment</b>					
At 1 January 2021	807,754	1,492	65,958	42,008	917,212
Depreciation charged in the year	67,728	15,203	7,256	8,591	98,778
At 31 December 2021	875,482	16,695	73,214	50,599	1,015,990
<b>Carrying amount</b>					
At 31 December 2021	1,438,135	59,314	29,081	33,719	1,560,249
At 31 December 2020	1,336,783	36,861	30,343	40,656	1,444,643

Included within Land and buildings is a property with a carrying amount of £740,120 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 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been £567,755 (2019 £594,507).

# WIRRAL CHURCHES' ARK PROJECT

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Debtors - group

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	48,478	35,505
Other debtors	500	-
Prepayments and accrued income	46,076	74,461
	<u>95,054</u>	<u>109,966</u>

### Debtors - charity

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	48,478	35,505
Other debtors	500	-
Prepayments and accrued income	46,076	74,011
	<u>95,054</u>	<u>109,516</u>

### 15 Creditors: amounts falling due within one year - group

	Notes	2021 £	2020 £
Bank loans	21	10,000	4,167
Other taxation and social security		31,864	51,982
Deferred income	23	36,284	36,945
Trade creditors		15,818	75,964
Other creditors		64,216	32,973
Accruals		9,064	13,732
		<u>167,246</u>	<u>215,763</u>

### Creditors: amounts falling due within one year - charity

	Notes	2021 £	2020 £
Bank loans	21	10,000	4,167
Other taxation and social security		31,864	51,233
Deferred income	23	36,284	36,945
Trade creditors		15,818	75,964
Other creditors		64,216	32,957
Accruals		9,064	13,732
		<u>167,246</u>	<u>214,998</u>

# WIRRAL CHURCHES' ARK PROJECT

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

	Notes	2021 £	2020 £
Bank loans	21	35,833	45,833
Other borrowings		-	120,000
		<u>35,833</u>	<u>165,833</u>

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

	Notes	2021 £	2020 £
Bank loans	21	<u>35,833</u>	<u>45,833</u>

### 17 Loans and overdrafts - group

	2021 £	2020 £
Bank loans	45,833	50,000
Other loans	-	120,000
	<u>45,833</u>	<u>170,000</u>
Payable within one year	10,000	4,167
Payable after one year	<u>35,833</u>	<u>165,833</u>

Amounts included above which fall due after five years:

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

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### Loans and overdrafts - charity

	2021 £	2020 £
Bank loans	45,833	50,000
Payable within one year	10,000	4,167
Payable after one year	35,833	165,833
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

	2021 £	2020 £
Arising from Grants	36,284	36,945
Deferred income movement during the year is as follows:		
	2021 £	2020 £
Unexpended balance at 1 January 2021	36,945	125,877
Amounts received in year	348,537	415,789
Amounts credited to statement of financial activities	(349,198)	(504,721)
Unexpended balance at 31 December 2020	36,284	36,945

## WIRRAL CHURCHES' ARK PROJECT

### CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 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 1 January 2020	Incoming resources	Resources expended	Transfer to capital	Balance at 1 January 2021	Incoming resources	Resources expended	Transfer to capital	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
Mary Cole House property	463,724	5,445	(22,015)	-	447,154	-	(26,266)	-	420,888
The Grand Trunk and Ark Angel property	354,717	1,740	(16,222)	-	340,235	-	(20,128)	103,213	423,320
Supported Housing renovations	-	91,176	(5,359)	(6,650)	79,167	42,140	(3,651)	(103,213)	14,443
Supporting People	-	334,457	(334,457)	-	-	331,092	(318,368)	-	12,724
Thrive	-	43,039	-	(43,039)	-	-	-	-	-
Social Lettings Agency	-	25,590	(17,249)	-	8,341	-	(8,341)	-	-
Befriending	-	20,500	(6,575)	-	13,925	14,667	(23,001)	-	5,591
NHS Wirral	-	16,888	(16,888)	-	-	16,888	(16,888)	-	-
Waterview Project	-	18,665	(9,585)	-	9,080	-	(7,827)	-	1,253
Other projects	743	35,605	(32,056)	(743)	3,549	6,517	(6,366)	-	3,700
	<u>819,184</u>	<u>593,105</u>	<u>(460,406)</u>	<u>(50,432)</u>	<u>901,451</u>	<u>411,304</u>	<u>(430,836)</u>	<u>-</u>	<u>881,919</u>

## WIRRAL CHURCHES' ARK PROJECT

### CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

---

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

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 21 Analysis of net assets between funds - group

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Tangible assets	701,598	858,651	1,560,249	657,254	787,389	1,444,643
Net current assets	123,646	23,268	146,914	345,681	114,062	459,743
Long term liabilities	(35,833)	-	(35,833)	(165,833)	-	(165,833)
	<u>789,411</u>	<u>881,919</u>	<u>1,671,330</u>	<u>837,102</u>	<u>901,451</u>	<u>1,738,553</u>

### Analysis of net assets between funds - charity

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Tangible assets	701,598	858,651	1,560,249	657,254	787,389	1,444,643
Net current assets	123,646	23,268	146,914	270,416	114,062	384,478
Long term liabilities	(35,833)	-	(35,833)	(45,833)	-	(45,833)
	<u>789,411</u>	<u>881,919</u>	<u>1,671,330</u>	<u>881,837</u>	<u>901,451</u>	<u>1,783,288</u>

### 22 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

### 23 Cash generated from operations

	2021 £	2020 £
(Deficit)/surplus for the year	(67,223)	32,525
Adjustments for:		
Investment income recognised in statement of financial activities	(437)	(804)
Gain on disposal of investments	(91,539)	-
Depreciation and impairment of tangible fixed assets	98,778	93,943
Movements in working capital:		
Decrease in debtors	14,912	58,176
(Decrease) in creditors	(53,689)	(19,053)
(Decrease) in deferred income	(661)	(88,932)
<b>Cash (absorbed by)/generated from operations</b>	<u>(99,859)</u>	<u>75,855</u>

## WIRRAL CHURCHES' ARK PROJECT

### CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 24 Analysis of changes in net funds

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	565,540	(346,434)	219,106
Loans falling due within one year	(4,167)	(5,833)	(10,000)
Loans falling due after more than one year	(165,833)	130,000	(35,833)
	<u>395,540</u>	<u>(222,267)</u>	<u>173,273</u>