

CORNERSTONE EVANGELICAL CHURCH

**A Charitable Company Limited
By Guarantee**

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**

For the Year Ended 31 December 2020

**Charity Number 1128533
Company Number 06805205**

Cornerstone Evangelical Church
A Charitable Company Limited by Guarantee
Company Number 06805205

Report of the Trustees for the Year Ended 31 December 2020

The Trustees are pleased to present their annual report and financial statements for the year ending 31 December 2020 which also are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS102) (effective 1 January 2019).

Elders' Report

We opened 2020 by opening Psalm 118 to launch us into a decade of 'Kingdom Ambition', hearing God's word say: 'Give thanks to the Lord, for he is good; his love endures for ever.' (Psalm 118:1). It assured us of God's hand upon us for all he is calling us to in the future, as we gave thanks for his presence with us in the past. One of the first very significant steps in this was moving to three Sunday Services from the beginning of March. We believe the Lord gave us 'Faith to Grow' as we moved to 9:15am and 11:15am services, with the same services & sermon, and provision for children and young people. Our 7pm service continued as before.

Of course, the onset of the global pandemic meant that the rest of the year looked vastly different from our expectations! Amidst all the vast changes in church life, we wanted to ensure that our mission to make disciples of Jesus Christ in Nottingham, all nations and the next generation remained at the heart of what we were all about. We wanted to support all those in Cornerstone who were serving in frontline and senior leadership roles in the NHS, public health, education and many other areas of life locally and nationally. In addition, it was wonderful to see people support one another as best as they were able amidst the stresses of illness, loneliness, home-schooling, work pressures and other strains due to the consequences of the pandemic. We praise God for the way his people in Cornerstone showed love, care and concern to one another and to their neighbours in this time – through phone calls, Zooms, practical help and other means.

Our Sunday services, always central to church life, had to move rapidly online. We were immeasurably blessed by the technical gifts of staff and volunteers that made all this possible. Our online services started being pre-recorded in the homes of leaders, and in time moved to being recorded in the church building, eventually being live-streamed on Sundays. We were thankful to be able to restart in-person Acts of Worship in July & August, and in-person services on Sundays from September – all following Covid-secure guidelines very carefully. The Elders are tremendously thankful for the staff and volunteers who worked so hard to make this happen. In September we also moved to three Services, including beginning a special Family Service for this unique season. It was also a delight to see children returning to Bible Workshops for a couple of Sundays in the Autumn, before restrictions were tightened further.

The national restrictions in November meant that we moved exclusively online again, which added to the joy in re-gathering in the month of December. Amidst the darkness, it was wonderful to be brought back to Jesus, the light in the darkness. The Narnia Experience was an inspired walk-through act of worship, attracting over 1000 people from around the city during the week it was open. The good news of Jesus was powerfully shared through the story of Narnia, and it was a wonderful example of the diverse gifts and creativity with which the Lord has blessed our church family. Praise God for the window of opportunity for this to happen and thank you to everyone who contributed.

In Narnia, Mrs Beaver responds to Lucy's enquiry about meeting the Lion Aslan, saying: "if there's anyone who can appear before Aslan without their knees knocking, they're either braver than most or else just silly." "Then he isn't safe?" said Lucy. "Safe?" said Mr Beaver; "don't you hear what Mrs Beaver tells you? Who said anything about safe? 'course he isn't safe. But he's good. He's the King, I tell you."

Our year began with the assurance of God's goodness, and even in the midst of these difficulties, we can be certain that we have a good King, and Psalm 118 closes as it began; 'Give thanks to the Lord, for he is good; his love endures for ever.' (Psalm 118:29). 2020 began and ended in the same way, and we enter 2021 and beyond with faith for the future, and Kingdom Ambition as our calling.

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Report of the Trustees for the Year Ended 31 December 2020 - continued

1. Our Purposes and Activities

In working towards the objectives below, the Trustees have considered the Charity Commission's guidance on public benefit and have worked towards making Cornerstone as accessible as possible to all the community. The Trustees confirm that they have complied with their duties under Section 17(5) of the 2011 Charities Act with regard to public benefit.

1.a Objectives

- To advance the Christian faith in accordance with the Basis of Faith in such ways and in such parts of the United Kingdom or the world as the Trustees from time to time may think fit;
- To relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind, including through the provision of counselling and support in such parts of the United Kingdom or the world as Trustees from time to time may think fit; and
- To advance education in such ways and in such parts of the United Kingdom or the world as the Trustees from time to time may think fit.

1.b Aims

Our Mission: To make disciples of Jesus Christ in Nottingham, all nations and the next generation.

Our Values: The word of God, mission of God, people of God, worship of God and grace of God

Cornerstone relies on every member being actively involved in witness and service to continue its operation as a local Christian Church congregation:

1. Providing for the spiritual, physical, emotional and social needs - of its members, the local community in and around Nottingham and by means of gifts and through the work of its representatives across the world.
2. Supporting and equipping volunteers and paid staff - to work alongside those struggling locally and the provision of funds and paid workers to various deprived areas of the world to provide education, training, medical services and the like.
3. Encouraging Christian education - by supporting and equipping Christian leaders and ministers, production of books and other written or recorded material, holding and sponsoring conferences and courses.

1.c Strategies

- To Reach and Teach: To reach people with the gospel of Christ (Evangelism) and to teach them to grow to become more Christ-like (Discipleship).
- To Train and Equip: To train and develop gifts in people and to equip and resource them to utilise those gifts.
- To Serve and Send: To serve using our gifts within the church and to send people out from our fellowship locally and globally.

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Report of the Trustees for the Year Ended 31 December 2020 - continued

2. Achievements and Performance

2.a Significant Activities during the Year

1. Sunday 1st March: The 1st of our 3 service Sundays with services at 9:15am, 11:15am and 7pm. The intention to increase space in the church building making it a more comfortable experience for newcomers.
2. Covid-19: Responding to changing regulations on how churches can meet and make use of their buildings. Making the building Covid secure, producing plans for the operation and use of the building, ensuring staff are equipped to work from home and work safely when in the building.
3. Covid-19: Ensuring those members of the church who are isolated or vulnerable are part of a support network.
4. Sunday 8th & 15th March: services with virus protection measures.
5. Sunday 22nd March: 1st on-line service with the country in lockdown due to Covid-19.
6. Development of video recording & streaming facilities and training operators in order to make online services and recorded media available to church.
7. Introduction of Covid secure Acts of Worship in the church building - during the week.
8. Introduction of Covid secure Acts of Worship in the church building - on Sundays (Sunday services).
9. Home for Christmas: Releasing the Director of Ministry (Music) to produce resources that can be shared with other churches for Christmas services and to produce a Christmas Carol CD for distribution at Christmas time. Making church space and resources available to facilitate this.
10. The Narnia Experience: A Christmas in-person Act of Worship. Free and open to the public by booking on-line. Many people from Cornerstone brought their skills and talents to the conception, planning and creation of this event that was visited by over 1000 people, across 9 days of opening.
11. Small Groups: Cornerstone's usual groups meeting on-line instead of in-person during the Covid-19 crisis.
12. The Intern scheme (usually 1 year): A programme to help teach and develop the next generation of church leaders, providing experience and training in the church setting. The Interns year starts in August. 2 new Interns were appointed during the year with one intern from the previous year staying on for a 2nd year.
13. Thanksgiving services for the life and faith of our dear friends who have been promoted to glory:
 - Dorothy Highwood
14. Wedding services:
 - Joe Grasham and Hannah Parrott
 - Vikki Thomas and Reuben Jackman
 - Joel Stone and Susie Girling
 - Laura Baines and Johan Bos

2.b Delivery of Public Benefit

1. Acts of Christian worship: Available to the public on-line (and in-person when allowed) with Christians songs and hymns, praying and preaching.
2. Beliefs of the church: Information is available to the public on the church website.
3. Women of the Word: Meeting on Friday mornings during term time this initiative is for women of all ages and cultures to study the Bible, pray together and enjoy each other's company with refreshments. This year much of this initiative was carried out on-line with WoW in-person Acts of Worship when regulations allowed.

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Report of the Trustees for the Year Ended 31 December 2020 - continued

4. Curious Course: A 4-week course each term, during the Sunday morning service, exploring the Christian faith from creation to Christ and providing the opportunity to consider the evidence and ask questions. This year the Curious course was carried out on-line rather than the usual in-person meetings.
5. Connect Central: A six week 'Introduction to Cornerstone' course to help newcomers feel part of the church family, learn about our history, meet church leaders & members and understand our mission and values. This year Connect Central was carried out on-line rather than the usual in-person meetings.
6. English Language Class: A Wednesday morning class with crèche available for local people whose first language is not English. Run by trained volunteers, this is a popular class providing for a mixed range of abilities. This year, from 16th March, the English Language Class was carried out on-line rather than the usual in-person meetings.
7. Cornerstone Money Advice (Affiliated to the national charity Community Money Advice): Providing free confidential advice to help people manage debt, negotiate with creditors and learn budgeting skills. This ministry is in great demand and the very capable volunteers who provide this service are hugely appreciated by those who come for assistance. CMA staff made themselves available to clients throughout the Covid crisis and lockdowns this year.
8. Schools Work:

The church contributes 2 members of staff to assist the Nottingham University Academy of Science and Technology (NUAST) film and faith club which meets on Friday lunchtimes. This only took place in the first 3 months of 2020 due to the Covid crisis.

Our regular schools work has been curtailed this year due to covid, however we have still been able to provide 1 primary school assembly over Christmas.

Cornerstone supports Crossteach: a national charity, whose aim is to 'teach about the Christian faith in schools'. From April to September, the majority of the Crossteach team were on furlough during school closures. The Autumn term provided opportunities in schools again. 3 schools invited the team to teach, so carrying out 59 in person lessons between September and December and leading class assemblies. We also led some assemblies. Crossteach looks forward to seeing God's plans for their work in 2021.
9. Cornerstone School of Theology: For those wanting to study theology and be equipped for life and ministry. Members study online material from Crosslands and meet monthly to discuss and apply what they've been reading.
10. Lenton Globe Café: Run in partnership with Friends International. The cafe usually meets in Cornerstone's building on Monday nights during term time but has been online since the start of the Covid-19 pandemic. The café is popular with international students and scholars from many countries, cultures and faiths. It offers the opportunity to make friends, meet local people, practice English and enjoy different cultural activities. Each evening includes a fun activity, group discussions and conversations about life topics and the Christian faith.
11. Easter celebration events for children were cancelled this year due to the Covid crisis.
12. Ignite the Light: A alternative to Halloween. An evening of craft, games, a short talk and a hot dog for children in school years 3-6. This took place on-line this year due to the Covid crisis.
13. International Women's group: For women who have come from other countries to make their home in the UK. The group meets on Sundays for discipleship and at other times for lunches, walks and picnics. This year, from 16th March, the International Women's group was carried out on-line rather than the usual in-person meetings.
14. Youth Groups: The church provides three Christian youth groups that meet on Friday nights for ages 7-11, 11-14 and 14-18. Due to the Covid crisis, these ministries continued on-line during the year, with some in person Acts of Worship when guidelines permitted.
15. The church building is a collection point for a local Food Bank run by Grace Church, Nottingham.
16. Tots & Toys: A community group for babies and young children under 5, along with their carers (mums, dads, grandparents, child minders etc). The group meets on Thursday mornings in the main auditorium and offers; craft, Bible stories, singing and refreshments. This group couldn't meet from March 16th this year due to the Covid-19 restrictions but maintained engagement and support online.

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16. Walking group: Social walks open to anybody with people coming along from age 7 to 70+. The walks vary from 7-12 miles and are usually once a month on a Saturday. The group didn't meet in 2020.
17. Twenties and Thirties: The group meets for an event or activity approximately once a month to build friendships and a sense of community, whilst encouraging each other to live for Christ in this season of life. Due to the Covid crisis, these ministries continued on-line during the year.
18. Dad Club: Meets on the 2nd Saturday of each month. This is a time for dads and their 0-5 year olds to meet up and play, to enjoy bacon butties and an interactive bible story. This group couldn't meet from March 16th this year due to the Covid-19 restrictions.
19. Overseas Mission: The church provides financial, prayer and care support for a number of Christian Overseas Workers and their families who teach and care for people in 10 different countries. This year the church evacuated 2 families from overseas missions and brought them back to Nottingham, due to concerns for their safety during the Covid-19 crisis. Housing provision and support was put in place for them.
20. Fostering and Adoption support group: Open to anyone who has fostered or adopted in the past, is currently doing so or hopes to in the future.
21. Employment support group: A group which is open to anyone who is experiencing unemployment, or a lack of security in their employment, either as an employer or employee. The group exists to offer spiritual input as well as mutual encouragement and prayer support for those attending.
22. Fruitful Faith in Later Life: A fellowship group for those in the retired or near retirement age group. Prior to the current restrictions we gathered together for social events, for fellowship and for mutual encouragement as to how God still uses us in later life. It has been possible to continue meeting on-line once a month over 2020 and we have continued to share in times of prayer, sharing of testimonies and encouraging one another with what God is teaching us through his word.
24. The church hosts events to support local, regional and national Christian organisations. The following events took place during the year:

January	Safe families for Children conference Global connections meeting MGP leaders conference
February	Friends International Cross-cultural training Friends International Cluster Day FIEC Pastors Network Conference Crosseach meeting Living Leadership 3-day Formation Course
March	'Growing Young Disciples' Conference Nottingham and Nottingham Trent University - The Mark Drama
December	Friends International Christmas Event

2.c Voluntary Help

1. The church depends on every member's active involvement in the life of the church and volunteers staff and often lead the many ministries of the church.
2. On Sundays, over 100 volunteers are needed to run church services (stewarding and welcoming, music and technical operators, crèche and Bible Workshop teachers, providing tea/coffee and other responsibilities).
3. During the week, around 50 volunteers lead over 20 Connect groups that usually meet at members' homes having the purposes of community, discipleship, pastoral care and mission.

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Report of the Trustees for the Year Ended 31 December 2020 - continued

2.d Charitable activities - Material fund raising

Giving to Cornerstone is a matter for God and the believer. The leadership occasionally gives guidance on this issue. Leaflets are available at the church building and information on the website. New membership candidates are interviewed by a Church Elder during which giving and tithing are discussed.

As well as giving to the General Fund, appeals are made for contributions to the Building Fund to pay for the outstanding mortgage (see note 12).

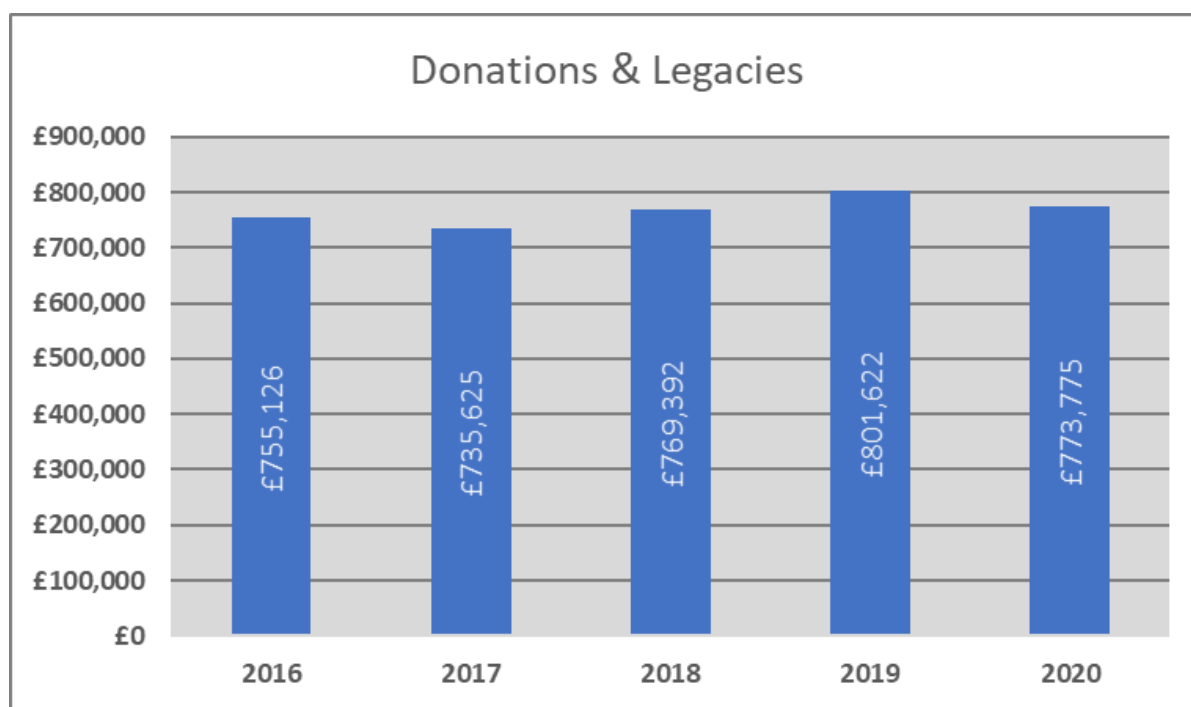
The church has an annual Christmas Appeal for funds to support external organisations (see note 13.d). All the money received is sent out, including the Gift Aided tax reclaimed. No funds are kept back to cover operating costs. No targets are set for the appeal.

3. Financial Review

3.1 General Fund: Income – Unrestricted

Donations & Legacies: The church's main source of sustainable income is in the form of Donations & Gifts (including Gift Aid tax) from members and other regular worshippers.

This income decreased by 3.4% compared with last year. This was the first full year that the Redeemer church plant members gifts ceased to be part of Cornerstone's income, following their independence in July 2019. We praise God that underlying income remained consistent during the pandemic and that significant one-off gifts were received in June and in response to our gift day in October.



Income from Charitable Activities/Events: This is income from events that have had a charge made on the participants e.g. tickets for entry, food etc. They are usually ministry events that have a cost associated with them that the church does not wish to fund, partially or in full. These activities are intended to be ministry enabling and not a net source of income for the church and consequently the corresponding Events Expenditure is expected to be of similar amount.

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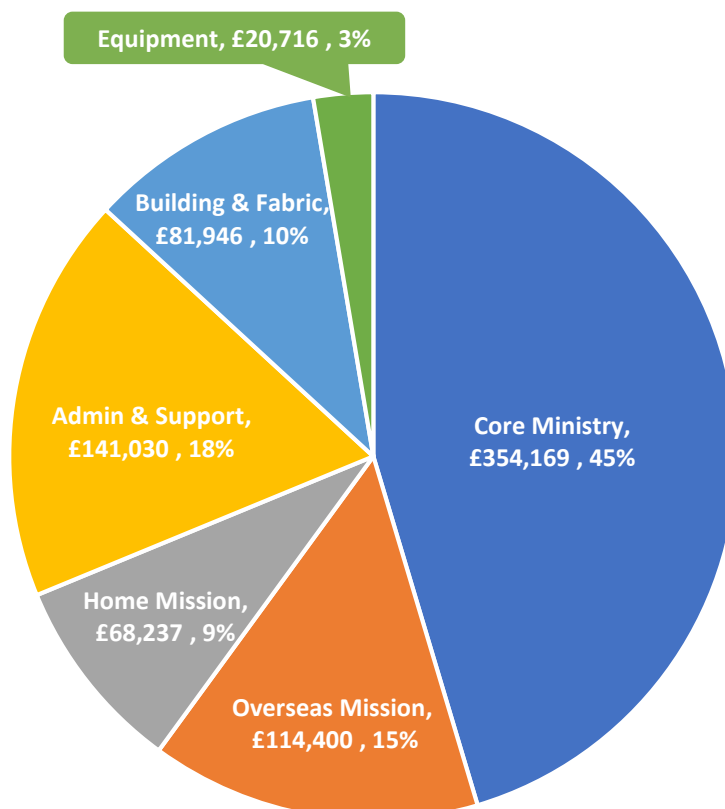
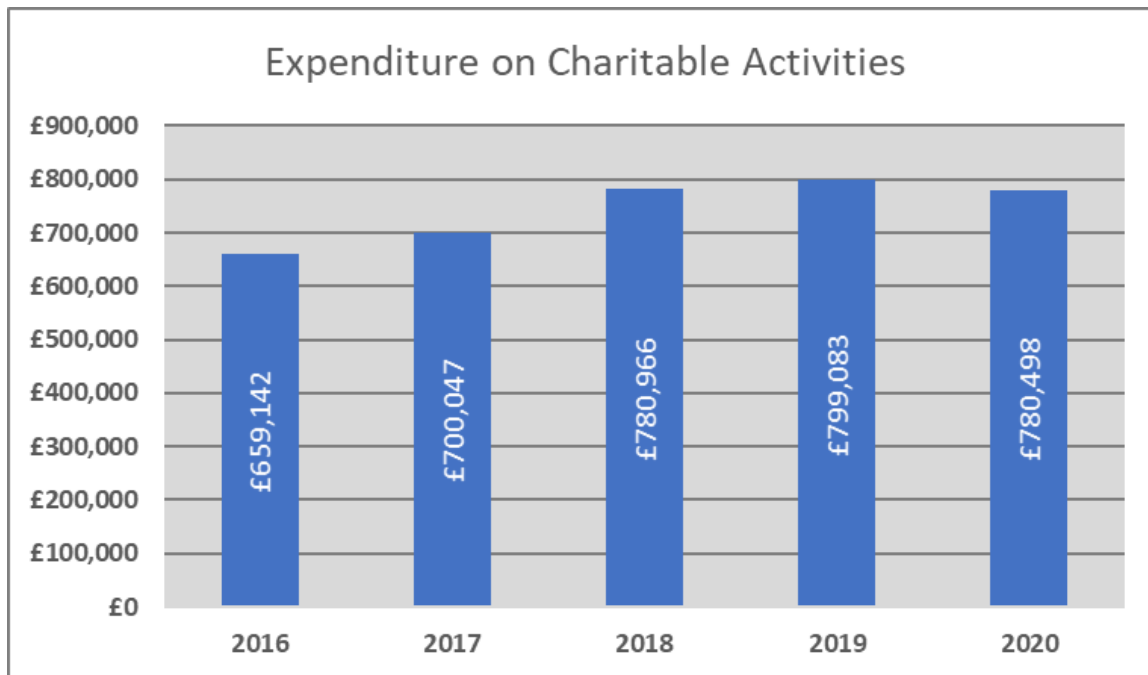
Report of the Trustees for the Year Ended 31 December 2020 - continued

3.2 General Fund: Expenditure – Unrestricted

The total expenditure on charitable activities (excluding Events Expenditure) of £780,498 is down 2.3% on last year. This is due to 2020 being the first full year Redeemer members expenses ceased to be part of Cornerstone's costs following their independence in July 2019.

A reduction in costs due to fewer in-person activities being carried out in the life of the church during the pandemic was offset by the need to:

- Equip staff to work from home
- Invest in equipment for streaming services
- Ensure the building was Covid secure for those staff that could work there and for in-person services when allowed.
- Assist some overseas workers to evacuate from the mission field and find suitable accommodation in the UK.



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Report of the Trustees for the Year Ended 31 December 2020 - continued

3.3 General Fund: Net Resources – Unrestricted

Net resources (the difference between unrestricted income and outgoings) for the period are a loss of £1,548 giving total general funds at the year-end of £493,727.

In an extraordinary year, we thank God for 2020 and for his provision for the mission of Cornerstone Church; to make disciples of Jesus Christ in Nottingham, all nations and the next generation.

3.4 Restricted Funds

Restricted funds are funds received by the church for specific purposes, formally adopted by the church elders. They are usually for, but not restricted to, specific International or Home Mission workers, the annual Christmas Appeal and the Building Fund. Gift Aided tax reclaimed on restricted funds is included in the total for that fund.

Building Fund

Since 2004, the church has been running a fund **‘for premises to house the ministries of the church; its outreach, its teaching and its fellowship’** with the stipulation that **‘Gifts made to this fund will be used for: acquiring, running, furnishing and maintaining a property to house the ministries and worship of Cornerstone Church and any other costs associated with building, renting, occupying and using such a property’**.

Many members and regular attendees of the church are committed to regular giving to the building fund as well as their tithe to the general fund. The church also receives one off gifts for the building fund.

The total income to the building fund was £128,206. This income is used to pay for the capital and interest on the mortgage which stood at £885,861 at the end of the year.

Christmas Appeal

For Christmas 2019/2020; gifts and the recovered gift aid tax were sent out in March 2019 as follows:

- £9266.56 to CME (Centre Medical Evangelique) medical relief in Democratic Republic of Congo
- £7413.24 to Together for the Family working with Syrian refugees in Lebanon.
- £1853.30 to Open Homes - Nottingham Nightstop project

For Christmas 2020/2021; gifts of £12,418 have been received to be sent out in March 2020 to:

- CME (Centre Medical Evangelique) - medical relief in Democratic Republic of Congo
- Together for the Family - working with Syrian refugees in Lebanon.
- Open Homes - Nottingham Nightstop project
- Safe Families - Offering hope, belonging & support to children, families and care leavers.
- Jericho Road Project - Bringing hope & restoration to marginalised women in Nottingham

Lead Minister John Russell registered a conflict of interest relating to Safe Families as a close family member is employed by them. He removed himself from discussions and decisions concerning support for this charity.

3.5 Policy on reserves

The church's policy is to maintain 2-3 months' cash reserves equivalent to: £150,000 - £225,000. The unrestricted reserve cash assets at the year-end amount to £438,617 of which £100,000 has been designated for building renewal.

3.6 Material funds in deficit

There are no material funds in overall deficit.

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Report of the Trustees for the Year Ended 31 December 2020 - continued

3.7 Principal funding sources

By far the main source of income for the church is the gifts of its congregation representing 99% of total income including tax. The balance coming from investments, Bank Interest and Activities.

3.8 Investments

The Elders have no restriction on their investment powers subject to the approval of the church.

4. Plans for Future Periods

Income

- Regular donations and gifts are forecast to increase by 1% in 2021 and the church plans a gift day in the autumn with total one-off gifts during the year forecast to be 7.8% of total income.
- The church has invested in ministry staff and a minister in training over the last few years and has considerable resources at its disposal at the year end. The plans above will put these resources to good use and for the purpose for which they are intended. It is expected that this will result in general fund net resources at the end of 2020 being reduced by approximately £100,000.
- Forecasting growth of 3% in 2022 & 2023 and with continued careful control of expenses the church has existing funds to support these outgoings for the next 3 years.
- The churches strategy for growth anticipates further increases in congregations. It is recognized that newcomers and new converts take time to start tithing (10% of income) and hence only limited response to increase in congregation has been reflected in the income forecast for the next 3 years.

5. Reference and Administrative details (of the Charity, its Trustees and Advisors)

5.a Name of the Organisation

Cornerstone Evangelical Church

5.b Charity & Company registration numbers

Charity Number: 1128533

Company Number: 06805205 (Incorporated in England and Wales)

5.c Address of principal office

90 Castle Boulevard, Nottingham NG7 1FP

5.d Elders (Trustees/Directors) at 31 December 2019

Mark Collins	Bill Rettie
Paul Couchman	John Russell, Lead Minister
Jonathan Gribbin	Colin Webster, Minister
Richard Lewis	David Devadason
Roo Miller, Minister	

5.e Other Elders (Trustees/Directors) in office during the year

None

5.f Other Management of the Charity

Company Secretary & Director of Operations– Spencer Hampton

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Report of the Trustees for the Year Ended 31 December 2020 - continued

5.g Other relevant organisations or persons

Banks:

- Co-operative Bank, 4-5 Exchange Walk, Nottingham NG1 2NX
- CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ
- Barclays Bank PLC, Leicester LE87 2BB
- Loughborough Building Society
- Hampshire Trust Bank

Senior Statutory Auditor:

Diane Lockwood, Haines Watts (East Midlands) Ltd, Chartered Accountants and Registered Auditor, 10 Stadium Business Court, Millennium Way, Pride Park, Derby, De24 8HP

Solicitor (General):

Ellis, Fermor and Negus, 2 Devonshire Avenue, Beeston, Nottingham NG9 1BS

6. Structure, Governance & Management

6.a Constitution

The church was constituted under the Fellowship of Independent Evangelical Churches (FIEC) Model Trust Deed No. 1 declared in 1984 with subsequent amendments at church members' meetings in October 1987, March 1989, May 1991, October 1998, February 2002 and March 2006.

A Charitable Company Limited by Guarantee was adopted for Cornerstone Evangelical Church and incorporated at Companies House on 29 January 2009, Company Number 06805205. This was in place of the trust based structure and preserves the constitution wherever possible.

Cornerstone Evangelical Church - was entered in the Central Register of Charities on 12 March 2009, Registration number 1128533.

On 31 March 2009 the Assets of the Charitable Trust were transferred to the new company.

6.b Method adopted for recruitment and appointment of new Trustees (Elders)

Proposals for the appointment of Members as Trustees may be made in writing to the Trustees and shall be signed by not less than two Full Members and the Trustees shall duly consider such proposals.

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Report of the Trustees for the Year Ended 31 December 2020 - continued

All future Trustees are to be appointed following:

- a resolution of the Trustees recommending a Member who meets the requirements below:
- the approval of the proposed Trustee by a vote of two-thirds of the Members in General Meeting present and voting; and
- confirmation of the new Trustee's consent to hold office and assent and consent to the Trustees' Confession of Faith and the completion by the new Trustee of the necessary Companies House paperwork.

The Trustees (who are also directors for the purposes of Company Law) shall consist of not more than twelve Members and not less than six (these numbers include Minister/s and Assistant Minister/s) who are men of twenty-five years of age or over, each having been a Christian for not less than five years and having been baptised on profession of faith in Christ and having been a Member of the Church for not less than two years. [Total immersion is the preferred and usual method of baptism though exceptional circumstances may be taken into account]. All Trustees must be Members. All Trustees must subscribe and adhere to, in belief and lifestyle, the Trustees' Confession of Faith.

6.c Policies & procedures for the induction and training of Trustees (Elders)

All new Trustees must be checked with the Disclosure Barring Service (DBS).

New Trustees will receive:

- A copy of the previous year's Trustees' Report and Financial Statements
- A copy of the Memorandum and Articles of Association
- Copies of previous Trustees' meeting minutes
- A copy of the current year's financial forecast or budget
- Charity Commission CC3 – The essential trustee: What you need to know
- Charity Commission CC60 – The hallmarks of an Effective Charity
- Copies of all the current up-to-date policies
- All new Trustees will be invited to attend the Cornerstone Safeguarding Training course

6.d Organisational Structure

Full and Associate Members: The church depends on every member's active involvement in the life of the church. The Church must hold at least 3 General Meetings in every Year to conduct the affairs of the Church which all Full and Associate Members are entitled to attend. One of these must be the AGM which shall be held between 1st January and 30th April in every Year. At an AGM the Members, receive and approve the accounts of the Church (which shall be independently audited) for the previous financial year, receive the Trustees' report on the Church's activities during the preceding 12 months period, appoint auditors for the Church (if necessary), discuss and determine any issues of policy or deal with any other business put before them.

Eldership (Acting Trustees and Directors): The church is led by the Elders and those serving during the year are listed under Reference and Administrative Details. They are the only committee required under the Memorandum and Articles of Association and take strategic decisions concerning the organisation.

Senior Staff and Operations Team: They meet every Tuesday morning to review performance, to plan activities and attend to the daily demands of the church. They report directly to the Eldership.

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Mission Committee: Led by Elder Joff Gribbin, this committee has the responsibility under the Eldership to promote cross cultural ministry interest in the church, propose people to work in cross cultural environments and oversee them when they are working. This will involve mobilising the church to pray and care for them and keeping the Elders and church up-to-date with their news and relevant local developments.

Risk Management Committee: This committee has delegated responsibility from the Eldership for oversight of the management of risk across all aspects of the church's ministry and operations. It comprises Elder Paul Couchman, the Director of Operations and 3 risk professionals from the membership and submits a report to the Elders at least once per year.

Remuneration Committee: Chaired by Elder Paul Couchman and comprising all non-salaried elders, this committee has delegated responsibility from the Eldership to review and recommend the remuneration for all salaried members of staff. The committee presents its recommendations to the full eldership for approval on an annual basis.

Safeguarding Committee: This committee has responsibility under the Eldership for leading the church in all aspects of safeguarding policy, procedures, awareness and reporting. During the year the committee comprised: Elder Bill Rettie, Safeguarding Coordinator and church member Matt Storey, DBS Manager and church member Elisabeth Simpson, the Director of Operations Spencer Hampton, Director of Ministry Amanda Smart-Gosrani and Safeguarding professional and church member Anne Batley. The committee submits a report to the Elders at least once per year.

Lead Minister: John Russell. As well as responsibility as Minister and Elder he chairs the Eldership meetings and leads the Senior Staff Team. He also has pastoral, preaching, and service leading responsibilities.

Minister: Colin Webster. As well as responsibility as Minister and Elder he has responsibility for the evangelistic outreach of the church. He also has pastoral, preaching, music and service leading responsibilities.

Minister: Roo Miller. As well as responsibility as Minister and Elder he is a member of the Staff Team with responsibility for small group leaders and training within the church. He also has pastoral, preaching and service leading responsibilities.

Minister in training: Sam Payne is a member of the Staff Team seconded to Redeemer Church but also responsible for leading Cornerstone's Student ministry. He is learning theology and church leadership on a seminary course at Crosslands.

Director of Operations: Spencer Hampton is a member of the Staff Team with responsibility for the day-to-day running of the church, the finances, planning and administration. The Church also employs an Events Manager (4.5 days a week), a Systems Manager (2 days a week), an Assistant Accountant (2 days a week) and an Administrator (3 days a week).

Director of Ministry: Amanda Smart-Gosrani is a member of the Staff Team with responsibility for pastoral coordination, small group leaders, mercy ministries and the Intern & Voluntary Associate Schemes. She also has pastoral, teaching/training and service leading responsibilities.

Director of Ministry: Phil Moore is a member of the Staff Team with responsibility for Youth and Music. He also has pastoral, preaching and service leading responsibilities.

Director of Ministry: Kathryn Jackson is a member of the Staff Team responsible for supporting and facilitating family ministry groups. She also has pastoral and service leading responsibilities.

Children's Ministry Worker: Katrina Harper is a member of the Ministry Staff Team with responsibility for Children's work. She also has pastoral and service leading responsibilities.

Pastoral Ministry Worker: Sara Girling works alongside Amanda Smart-Gosrani and Colin Webster, with a focus on developing and mobilising pastoral care within the life of the church. Sara is part of the ministry staff and gives her time in a voluntary capacity.

6.e Charity Networks

Cornerstone Church is an independent organisation and is not part of any wider network.

6.f Associated Charities

The church is a member of the Fellowship of Independent Evangelical Churches (FIEC), the Evangelical Alliance (EA) and the Midlands Gospel Partnership (MGP).

Cornerstone Evangelical Church
A Charitable Company Limited by Guarantee
Company Number 06805205

Report of the Trustees for the Year Ended 31 December 2020 - continued

6.2 Risk Management

The Elders have delegated risk management to the Risk Management Group comprising Elder Paul Couchman, Director of Operations Spencer Hampton and 3 risk professionals from the membership. The major risks to which the church is exposed are considered to be:

- Compliance failure: e.g. Regulations concerning Covid 19, Charity and Company law, Safeguarding, Data Protection (GDPR). Policies and systems are in place with staff awareness reviews.
- Inadequate number of competent leaders and/or staff to meet the spiritual needs of the church. The church is investing in training new leaders and has increased the staff team over the last 4 years.
- Church 'hub' ministry effectiveness disrupted due to failure to adequately manage change. Close management of change and communication has been a priority during the Covid 19 crisis when on-line services have been introduced and physical meetings and services have stopped or had restricted numbers.
- IT systems fail or cease to be fit for purpose. During the year File store and Financial records have been moved from a physical office-based server to cloud based systems. This has improved accessibility for staff, brought higher dependence on on-line technology and reduced dependence on Cornerstone hardware.
- Lack of finance to meet expenditure commitments. Annual financial planning with 3-year strategic planning are in place. Covid-19 has resulted in lack of growth in 2021 but there is no evidence of a reduction of income or commitment from church attendees at the time of writing. The eldership received a report on church finances at least every 3 months.
- Redeemer Church Mortgage: At the members meeting in December 2020 the church unanimously agreed to underwrite the mortgage of Redeemer Church, Nottingham for £875,000. The guarantee will be in place until Redeemer has demonstrated 3 years of satisfactory financial performance. Redeemer Church has agreed to provide Cornerstone with regular financial reports for the period of the guarantee.
- Pandemic: The church has developed experience and systems during the year to respond to outbreaks. Any infectious disease is likely to have unique qualities and guidance from the government is to be closely monitored and followed.
- Overseas workers security – New overseas workers are affiliated to and overseen by a recognised sending organisation.
- Church scandal: Church ministry effectiveness disrupted due to leader, staff or prominent church member being involved in public scandal or accusation. Cornerstone has adopted 'Safer recruitment' principles in our safeguarding policy. Membership interviews are carried out by Elders. Pastoral oversight is carried out by Elders and senior staff. The Mission coordinator group oversees the selection process for overseas workers and their support and accountability. All members in leadership are encouraged to be humble and prayerful but given the varied nature and the potential for fabrications the best response after personal vigilance would be to address issues as they arise.
- Erosion of church's reformed evangelical doctrine leads to decline of church effectiveness and membership. Elders are appointed from the church membership. The church is affiliated to FIEC & the EA. The FIEC statement of faith has been adopted by the church and members are required to assent to it. Ministers and elders' have oversight of the teaching programmes.
- Fraud: Dual authorisation on bank accounts is in place. Accounts staff receive Cyber awareness training to protect against phishing attacks and cybercrime. The annual audit checks the effectiveness of the accounts systems.
- Safeguarding: Safeguarding policy and procedures are managed by the Safeguarding committee who report to the elders and oversee implementation throughout the church.

Cornerstone Evangelical Church
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Report of the Trustees for the Year Ended 31 December 2020 - continued

7. Statement of Trustees' Responsibilities

Company Law requires the Elders to be responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Elders are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Elders should follow best practice and:

- 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 business.

The Elders are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the applicable law, regulations and the trust deed. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the Elders are aware:

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

The Elders are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Eldership

Members of the Eldership who are directors for the purpose of the company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 9.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 December 2020 was 9 (2019: 8).

A resolution to appoint Haines Watts as auditors of the company will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Signed: Date: ...
John Russell

Cornerstone Evangelical Church
90 Castle Boulevard
Nottingham
NG7 1FP

**Report of Independent Auditors to the Members of
Cornerstone Evangelical Church
A Charitable Company Limited by Guarantee**

Opinion

We have audited the financial statements of Cornerstone Evangelical Church for the year ended 31 December 2020 on pages seventeen to twenty eight which comprise the Statement of Financial Activities, the summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 charitable company's affairs as at 31 December 2020 and of the 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note seventeen to the financial statements, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charities' ability to continue as a going concern. The COVID-19 viral pandemic is one of the most significant events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charities finances and wider economy.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report which includes the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors included within the Trustees report has been prepared in accordance with applicable legal requirements.

**Report of Independent Auditors to the Members of
Cornerstone Evangelical Church
A Charitable Company Limited by Guarantee**

Matters on which we are required to report by exception

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 Director's report included within the Trustees report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- Parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's 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' exemption from the requirement to prepare a Strategic Report or in preparing the Trustees report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page thirteen, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditors responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management of any known or suspected instances of fraud, as well as considering management's assessment of the susceptibility of the financial statements to fraud.
- Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls. With a focus on entries made by unusual team members or entries made at unusual times or on unusual dates.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically checking compliance with The Charity Commission as well as employment laws and regulations.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate an increased risk of material misstatement as a result of fraud, or management override.
- Assessing accounting estimates which have a material impact of the year end accounts, to determine if there is indication of management bias.

**Report of Independent Auditors to the Members of
Cornerstone Evangelical Church
A Charitable Company Limited by Guarantee**

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Mrs D J Lockwood, FCA, FCCA, ATT – Senior Statutory Auditor
For and on behalf of Haines Watts (East Midlands) Ltd
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Date:

Cornerstone Evangelical Church
A Charitable Company Limited by Guarantee
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Statement of Financial Activities
(Incorporating Income and Expenditure Account)
for the Year Ended 31 December 2020

		<u>2020</u>			<u>2019</u>		
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income	Notes						
Donations and Legacies	1	773,775	169,164	942,939	801,622	1,052,630	1,854,252
<i>Income from Charitable Activities</i>							
Events Income	2	5,543	-	5,543	19,374	-	19,374
Investment Income		2,699	-	2,699	1,718	-	1,718
Total Income		782,017	169,164	951,181	822,714	1,052,630	1,875,344
Expenditure							
<i>Expenditure on Charitable Activities</i>							
Operation of Cornerstone Church and delivery of Mission Costs		780,498	876,896	1,657,394	799,083	247,281	1,046,364
Events Expenditure		3,067	-	3,067	22,647	-	22,647
Total Expenditure	5	783,565	876,896	1,660,461	821,730	247,281	1,069,011
Net Income (expenses) and net movement in funds for the year		(1,548)	(707,732)	(709,280)	984	805,349	806,333
Transfer Between Funds		-	-	-	(100,000)	100,000	-
Reconciliation of funds – Total funds brought forward		495,275	5,862,260	6,357,535	594,291	4,956,911	5,551,202
Total funds carried forward	14	493,727	5,154,528	5,648,255	495,275	5,862,260	6,357,535

The Statement of Financial Activities includes all gains and losses in the year.
All incoming resources, and resources expended derive from continuing activities.

Cornerstone Evangelical Church
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Balance Sheet for the Year Ended 31 December 2020

	Note	<u>2020</u>	<u>2019</u>
		£	£
<u>Fixed Assets</u>			
Tangible Assets	6	5,804,106	5,894,334
<u>Current Assets</u>			
Cash at Bank and in Hand	7	721,392	1,311,210
Debtors	8	53,529	120,813
Total Current Assets		<u>774,921</u>	<u>1,432,023</u>
<u>Current Liabilities</u>			
Creditors due within one year	9	123,830	127,917
		<u>123,830</u>	<u>127,917</u>
<u>Net Current Assets</u>		651,091	1,304,106
<u>Total Assets less Current Liabilities</u>		<u>6,455,197</u>	<u>7,198,440</u>
<u>Creditors</u>			
Amounts falling due after more than one year	10	(806,942)	(840,905)
<u>NET ASSETS</u>		<u>5,648,255</u>	<u>6,357,535</u>
<u>The Funds of the Charity</u>			
Unrestricted – General	13	493,727	466,649
- Designated		-	28,626
Restricted	13	5,154,528	5,862,260
Total Charity Funds		<u>5,648,255</u>	<u>6,357,535</u>

The accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The accounts were approved by the Elders:-

Signed: Dated:
John Russell

The notes on pages 21 to 30 form part of these accounts

Cornerstone Evangelical Church
A Charitable Company Limited by Guarantee
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Cash Flow Statement as at 31 December 2020

	<u>Notes</u>	<u>2020</u> £	<u>2019</u> £
Net Cash Flow from Operating Activities	18	(541,948)	804,025
Returns on Investments:			
Interest Received		2,699	1,718
Interest Paid		(45,515)	(48,360)
		(582,764)	757,383
Capital Expenditure and Financial Investments:			
Purchase of Tangible Fixed Assets		(7,054)	(40,980)
Disposal of Fixed Assets		-	9,407
		(589,818)	725,810
Financing:			
Capital Element of Loan Repayments Made		-	-
Net Cash Inflow/(Outflow)		(589,818)	725,810
Increase/(Decrease) in Cash in the Year		(589,818)	725,810
Net Cash Resources at 1 January 2020		1,311,210	585,400
<u>Net Cash Resources at 31 December 2020</u>		<u>721,392</u>	<u>1,311,210</u>

Cornerstone Evangelical Church
A Charitable Company Limited by Guarantee
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Notes forming part of the Financial Statement for the Year Ended 31 December 2020

ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

BASIS OF PREPARATION

The financial statements have been in accordance with the 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 (FRS102) (effective 1st January 2019) – (Charities SORP (FRS102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts

Cornerstone Evangelical Church meets the definition of a public benefit entity under FRS102.

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are presented in sterling (£).

FUNDS

General Funds – are funds generated from activities of the church such as bookstalls, events, outside preaching, etc.

Unrestricted Funds – are general funds available for use at the discretion of the Elders to further the general objectives of the church and which have not been designated for specific purposes. They are usually gifts from members of the congregation and the tax recovered on those gifts.

Restricted Funds – are funds that can only be used in accordance with specific restrictions imposed by the donors or which have been raised for particular purposes with the objects of the church and the tax recovered on those funds. The aim and use of each restricted fund is set out in the Notes to the Financial Statements.

Designated Fund – this fund is set aside during the year by the Elders for the refurbishment of the building.

INCOMING RESOURCES

All incoming resources are included in the Statement of Financial Activities (SOFA) when the church is legally entitled to the income and the amount can be quantified with reasonable certainty.

Collections are recognised when received by or on behalf of the Elders. Planned giving is recognised only when received.

Income tax recoverable on Gift Aid donations is recognised when the donation has been received.

Legacies are recognised at the earlier of receipt or at the time the amount can be measured with reasonable certainty.

Donated services and facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt, where this can be quantified.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Cornerstone Evangelical Church
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Notes forming part of the Financial Statement for the Year Ended 31 December 2020 - Continued

LIABILITIES FOR HOME AND INTERNATIONAL MISSION

The Church financially supported 13 missionaries or mission families during the period. Where a missionary has been supported by the Church for a number of years, strict compliance with the Charities Statement of Recommended Practice (SORP) may regard some arrangements as constituting constructive obligations such that future years' support is accounted for in these accounts as a liability. The Trustees consider that to comply with the accounting requirements of SORP would not present a true and fair view because it does not communicate reality.

Further, accounting for these liabilities in this way would require the Trustees to build up unnecessary reserves that could not, in the meantime, be used to pursue the charity's objectives.

The Trustees are confident that the missionaries supported would not view their support as an open ended obligation on the part of the Church.

RESOURCES EXPENDED

Expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributable to one of the functional categories of resource used in the SOFA. The Church is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

PENSION POLICY

The charity operates a defined contribution pension scheme. Contributions to the scheme are recognised as resources expended upon payment. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions payable for the year are shown within the statement of financial activities.

DEPRECIATION

Fixed assets costing more than £250 have been capitalised at cost, with the exception of IT equipment which is fully written off on acquisition, and the depreciation has been reviewed and is calculated so as to write off the cost of fixed assets on the following basis:

Fixtures and Fittings	20% - reducing balance
Equipment	20% - reducing balance
New Building Audio & Visual Equipment	20% - reducing balance (charged to the general fund)
New Building Fixtures and Fittings	20% - reducing balance (charged to the general fund)
Buildings	2% - on cost (charged to restricted building fund)

Land – the land value has not been depreciated.

New building assets consisting of fixtures and fittings and audio equipment have been depreciated from the date that the property was occupied.

DEBTORS

Debtors are recognised at the settlement amount owed to the Charity or prepaid.

CREDITORS

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Cornerstone Evangelical Church
A Charitable Company Limited by Guarantee
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Notes forming part of the Financial Statement for the Year Ended 31 December 2020 - Continued

FINANCIAL INSTRUMENTS

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

LEASE AGREEMENTS

Rentals applicable to operating lease agreements where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

LIMITED BY GUARANTEE

The charity is limited by guarantee and in the event of it being wound up, every member is liable to contribute a sum not exceeding £1. There are no shares of any class either authorised or allocated.

1. Donations, Gifts and Legacies (Unrestricted)

	2020	2019
	£	£
Gift Aid Giving	498,666	484,519
Gift Aid Tax Recoverable	124,933	123,101
General Giving	128,379	171,037
Tax Inclusive Giving	21,797	22,965
	<u>773,775</u>	<u>801,622</u>

Donations, Gifts and Legacies (Restricted)

Redeemer Town Hall Fund	3,750	654,422
Building Fund	128,206	372,030
Restricted Home Funds	5,425	3,600
Christmas Appeal 01/01/19 – 03/04/19	19,365	17,389
Christmas Appeal 24/01/19 – 31/12/19	12,418	5,189
	<u>169,164</u>	<u>1,052,630</u>

Total Donations	<u>942,939</u>	<u>1,854,252</u>
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2. Charitable Activities

Bookstall	92	2,201
Other Events	51	1,840
Training Events	215	975
Youth/Children's Events	543	7,950
Tapes and CDs	408	153
Social Events	39	1,319
Evangelistic Events	160	3,086
Donations	4,035	1,850
	<u>5,543</u>	<u>19,374</u>

Cornerstone Evangelical Church
A Charitable Company Limited by Guarantee
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Notes forming part of the Financial Statement for the Year Ended 31 December 2020 – Continued

3. Total Salaries & Staff Summary

	2020	2019
	£	£
Salaries	357,052	338,026
Employer's NI	30,272	28,738
Pension	16,114	15,480
Child Care Vouchers	2,622	2,622
	<u>406,060</u>	<u>384,866</u>

The allocation of salaries is made on a time spent basis.

Average Weekly Number of Employees, calculated as full time equivalents

Pastoral Staff	8	8
Management and Support	6	6
(No employee received remuneration of more than £60,000)	<u>14</u>	<u>14</u>

The number of employees to whom retirement benefits were accruing was as follows:

Defined Contributions Scheme	<u>16</u>	<u>14</u>
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The key management personnel of the charity, comprise the elders and director of operations. The total employee benefits of key management personnel of the charity were £161,141 (2019: £146,118).

Elders giving in the financial year totalled £51,760 (2019: £151,005).

4. Trustee Remuneration

Some trustees and relatives of trustees are remunerated, as permitted in the Memorandum and Articles of Association – this includes salary, pension and expenses. The expenses are incurred as a direct result of their work and include office and travel expenses.

		2020	2019
		£	£
Colin Webster	Remuneration	37,849	37,106
	Pension	1,892	1,855
	Expenses	219	1,099
		<u>39,960</u>	<u>40,060</u>
Peter Brown	Remuneration	-	19,026
	Pension	-	952
	Expenses	-	778
		<u>-</u>	<u>20,756</u>
John Russell	Remuneration less child care vouchers	41,555	38,114
	Pension	2,084	1,998
	Expenses	974	2,292
		<u>44,613</u>	<u>42,404</u>
Roo Miller	Remuneration less child care vouchers	30,671	2,496
	Pension	1,569	125
	Expenses	572	1,775
		<u>32,812</u>	<u>4,376</u>

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Notes forming part of the Financial Statement for the Year Ended 31 December 2020 - Continued

5. Expenditure on Charitable Activities

<u>5.1 Core ministry</u>	Unrestricted £	Restricted £	2020 £	2019 £
Salaries (Note 3)	296,336	-	296,336	283,318
Colin Webster	219	-	219	1,099
Peter Brown	-	-	-	778
John Russell	974	-	974	2,292
Other Employees	7,362	-	7,362	12,331
Employment Allowance	(4,000)	-	(4,000)	(3,000)
Staff Development	4,096	-	4,096	9,659
Staff Travel	149	-	149	1,169
Pastoral Team Discretionary Gifts	2,357	-	2,357	990
Visiting Speakers	905	-	905	1,781
Schools	7	-	7	76
Students	86	-	86	753
Evangelism	525	-	525	1,614
Children	1,340	-	1,340	1,663
Youth	402	-	402	1,814
Members Training / Teaching	694	-	694	1,031
Website Maintenance	1,004	-	1,004	6,130
Flowers Pastoral	1,300	-	1,300	1,002
Flowers Sunday	63	-	63	258
Catering	4,309	-	4,309	13,532
Music	1,608	-	1,608	2,055
Sundry Expenses Ministry	5,807	-	5,807	5,029
Charitable Donations	28,626	-	28,626	-
	354,169	-	354,169	345,374

5.2 Overseas Ministry

Support for Missionaries and their Families	114,400	-	114,400	99,714
	114,400	-	114,400	99,714

5.3 Home Mission

Reach Volunteer	-	-	-	2,575
Earlesfield Community Church	4,000	-	4,000	3,600
Friends International	29,012	-	29,012	29,012
Friends International Admin	3,045	-	3,045	3,045
Other Mission Support	1,600	-	1,600	2,900
Globe Cafe	56	-	56	1,186
Returning Students Ministry	9,000	-	9,000	9,000
COCM	7,000	-	7,000	7,000
Cross Teach	5,000	-	5,000	5,000
Cornerstone Money Advice	2,087	-	2,087	2,366
English Language Class	166	-	166	115
International Student Expenses	7,271	-	7,271	7,577
Redeemer Church*	-	-	-	17,951
	68,237	-	68,237	91,327

*The gift to Redeemer Church includes the net amount of income less expenses for the period from 1 July 2019 to 31 December 2019 of £8,545 and the transfer of the net book value of assets at 31 December 2019 of £9,406.

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Notes forming part of the Financial Statement for the Year Ended 31 December 2020 – Continued

	Unrestricted	Restricted	2020	2019
	£	£	£	£
<u>5.4 Administration and Support Costs</u>				
Salaries (note 3)	102,407	-	102,407	99,029
FIEC & MGP Affiliation	10,371	-	10,371	11,191
Evangelical Alliance Subscription	540	-	540	540
Postage	337	-	337	227
Printing and Advertising	1,360	-	1,360	6,671
Computer and Software	5,675	-	5,675	3,737
Photocopier	4,233	-	4,233	4,422
Office Stationery and Sundries	2,059	-	2,059	3,583
Evangelical Now	145	-	145	145
Bank Charges	5,891	-	5,891	1,231
Child Protection Reports	1,224	-	1,224	1,506
General Sub's and Donations	120	-	120	120
Accountancy Fees	1,800	-	1,800	1,700
Audit Fees	4,568	-	4,568	4,033
Pension Fees	300	-	300	300
	<u>141,030</u>	<u>-</u>	<u>141,030</u>	<u>138,435</u>
<u>5.5 Building and Fabric Costs</u>				
Rent Beeston Community Centre	-	-	-	6,374
Building Insurance	4,449	-	4,449	4,399
Car Parking	8,713	-	8,713	12,780
Church Utilities	26,967	-	26,967	45,030
Church Telephone	4,138	-	4,138	4,694
Church Cleaning and Waste	14,623	-	14,623	17,655
Salaries (note 3)	2,497	-	2,497	1,920
Church Maintenance	324	-	324	3,913
Internet and Computer Support	460	-	460	1,053
Security	2,667	-	2,667	4,333
Servicing	17,108	-	17,108	19,281
	<u>81,946</u>	<u>-</u>	<u>81,946</u>	<u>121,432</u>
<u>5.6 Equipment</u>				
Church Equipment Purchases	4,403	-	4,403	4,355
Office Equipment Purchases	-	-	-	218
Depreciation – Fixtures and Equipment	13,778	-	13,778	15,459
Technical Equipment Purchases	2,535	-	2,535	192
Redeemer Equipment	-	-	-	528
	<u>20,716</u>	<u>-</u>	<u>20,716</u>	<u>20,752</u>
<u>5.7 Events Expenditure</u>				
Bookstall	945	-	945	3,885
Events	2,122	-	2,122	18,762
	<u>3,067</u>	<u>-</u>	<u>3,067</u>	<u>22,647</u>
<u>5.8 Restricted Costs</u>				
Redeemer Town Hall Costs	-	720,677	720,677	64,056
Loan Interest Charges	-	43,515	43,515	48,360
Depreciation - Property	-	70,000	70,000	70,000
Depreciation – Original Assets	-	13,504	13,504	16,881
Christmas Appeal	-	24,525	24,525	27,053
Home Funds	-	4,675	4,675	2,850
SD Cards Appeal	-	-	-	130
	<u>-</u>	<u>876,896</u>	<u>876,896</u>	<u>229,330</u>
<u>TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES</u>	<u>783,565</u>	<u>876,896</u>	<u>1,660,461</u>	<u>1,069,011</u>

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Notes forming part of the Financial Statement for the Year Ended 31 December 2020 – Continued

Operating Profit/Loss

The operating profit (loss) is stated after charging:-

	2020	2019
	£	£
Auditors Remuneration	4,568	4,033
For other services	1,800	1,700
Depreciation	97,282	102,340

6. Tangible Assets and Depreciation

Cost	Freehold Land and Legal Costs	Building Cost	Building Audio & Visual	Building Fixtures & Fittings	Fixtures & Fittings	Equipment	Total
Balance at Start of Year	2,750,920	3,504,056	126,490	128,449	112,978	136,788	6,759,681
Additions During Year	-	-	-	-	-	7,054	7,054
Disposals	-	-	-	-	-	-	-
Balance at End of Year	<u>2,750,920</u>	<u>3,504,056</u>	<u>126,490</u>	<u>128,449</u>	<u>112,978</u>	<u>143,842</u>	<u>6,766,735</u>
Depreciation							
Balance at Start of Year	-	490,000	101,289	86,126	81,438	106,494	865,347
Depreciation During Year	-	70,000	5,040	8,464	6,308	7,470	97,282
Disposals	-	-	-	-	-	-	-
Balance at End of Year	<u>-</u>	<u>560,000</u>	<u>106,329</u>	<u>94,590</u>	<u>87,746</u>	<u>113,964</u>	<u>962,629</u>
Net Book Value (NBV)							
At End of Year	<u>2,750,920</u>	<u>2,944,056</u>	<u>20,161</u>	<u>33,859</u>	<u>25,232</u>	<u>29,878</u>	<u>5,804,106</u>
At Start of Year	<u>2,750,920</u>	<u>3,014,056</u>	<u>25,201</u>	<u>42,323</u>	<u>31,540</u>	<u>30,294</u>	<u>5,894,334</u>

As shown above the purchase of the land at 90 Castle Boulevard totalled £2,750,920. Other costs totalling £3,504,056 relate to the purchase and development of the land (see note 12).

7. Cash at Bank and in Hand

	2020	2019
Deposit and Current Accounts	721,326	1,311,144
Catering Float	60	60
Petty Cash	6	6
	<u>721,392</u>	<u>1,311,210</u>

The current account balance is held with an automatic overdraft offset to the deposit account which ensures the account remains in credit.

8. Prepayments and Debtors

Tax Refundable on Gift Aid	45,174	113,852
Other Debtors and Prepayments	8,355	6,961
	<u>53,529</u>	<u>120,813</u>

9. Creditors & Accruals: amounts falling due within one year

Creditors	Social Security and other taxes	8,547	8,083
	Other Creditors	30,365	35,049
	Bank Property Loan – falling due in 12 months	78,919	78,919
	Bank Loan Interest	1,799	1,866
Accruals	Audit Fee	4,200	4,000
		<u>123,830</u>	<u>127,917</u>

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Notes forming part of the Financial Statement for the Year Ended 31 December 2020 – Continued

10. Creditors: Amounts falling due after more than 1 year

	2020	2019
Bank Property Loans 1 - 2 years	78,919	78,919
Bank Property Loans 3 -5 years	236,756	236,756
Bank Property Loans after 5 years	491,267	525,230
	<u>806,942</u>	<u>840,905</u>

11. Commitments under Operating Leases – 31 December 2020

A new photocopier lease was agreed in May 2016 for five years.

The church had annual commitments under a non-cancellable operating lease as follows:-

	2020	2019
1 st year	651	2,607
1-5 years	-	651

12. Secured Debts

	2020	2019
Bank Loans	<u>885,861</u>	<u>919,824</u>

The Bank holds security in the form of a legal charge over the Cornerstone Evangelical Church, Castle Boulevard, Nottingham.
The loan is charged at 2.7% per annum above the base rate and is for a 25 year period.

13. Restricted Fund

Details	Balance b/f	Income	Expenditure	Transfer	Balance c/f
a) Building Fund	5,133,399	128,206	127,019	-	5,134,586
b) Redeemer Building Fund	720,677	3,750	720,677	-	3,750
c) Restricted Home Funds	2,970	5,425	4,675	-	3,720
d) Christmas Appeal 13/3/18 – 19/03/20	5,214	19,365	24,525	-	54
e) Christmas Appeal 20/03/20 – 31/12/20	-	12,418	-	-	12,418
	<u>5,862,260</u>	<u>169,164</u>	<u>876,896</u>	<u>-</u>	<u>5,154,528</u>

Unrestricted Fund

h) General Fund	<u>495,275</u>	<u>782,017</u>	<u>783,565</u>	<u>-</u>	<u>493,727</u>
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a) Building Fund

A fund for premises to house the ministries of the Church; its outreach, its teaching and its fellowship. Gifts made to this fund are used for acquiring, running, furnishing and maintaining property to house the ministries and worship of Cornerstone Church and any other costs associated with building, renting, occupying and using such a property (includes non-taxable giving, Gift Aided giving and tax allowable on gifts).

b) Redeemer Building Fund

These are monies given to support the building fund at Redeemer Church. An amount of £720,677 has been paid out in the year, the balance of £3,750 will be given to the church after the year end date.

c) Restricted Home Funds

Funds to support home mission (includes non-taxable giving, Gift Aided giving and tax allowable on gifts).

d) 2018/19 Christmas Appeal

Funds raised in December 2018 and January 2019 for Syrian Refugees, Hope Nottingham and Open Doors. Funds raised in December 2019 and January 2020 for Syrian Refugees, CME Medical Relief in Democratic Republic of Congo and Open Homes Nottingham Night Stop Project.

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Notes forming part of the Financial Statement for the Year Ended 31 December 2020 - Continued

- e) 2020/21 Christmas Appeal Funds raised in December 2020 and January 2021 for Safe Families, Open Homes, Jericho Road, Friends of CME and Together for the Family.
- f) General Fund This is the balance of unrestricted funds.
- g) Designated Fund During the previous year the Elders reallocated money set aside for refurbishment of the Redeemer Church building totalling £28,626 this is now gifted to the Redeemer Church.

14. Analysis of Net Assets between funds	General Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
Fixed Assets	55,110	5,748,996	5,804,106	5,894,334
Current Assets	483,528	291,393	774,921	1,432,023
Current Liabilities	(44,911)	(78,919)	(123,830)	(127,917)
Long Term Liabilities	-	(806,942)	(806,942)	(840,905)
Net Assets at 31.12.20	<u>493,727</u>	<u>5,154,528</u>	<u>5,648,255</u>	<u>6,357,535</u>

15. Taxation

The charitable company is exempt from Corporation Tax on its charitable activities. The Elders have reviewed Cornerstone Evangelical Church's activities and are confident that they fulfil charitable aims and as such are considered to be for the primary purpose.

16. Pension Commitments

The charity contributes to a defined contribution pension scheme. The assets are held and administered by individually selected pension providers. The pension cost charge represents contributions payable by the charity to the pension scheme and amounts to £16,114 (2019: £15,480).

17. APB Ethical Standard – Provisions Available for Small Entities

In common with many other entities of our size and nature, we use our auditors to assist with the preparation of the Financial Statements.

18. Cash Flow Statement

Reconciliation of net movement in funds to net cash flow's from operating activities:

	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
Net incoming resources	(709,280)	806,333
Adjustments:		
Interest Paid	43,515	48,360
Investment Income	(2,699)	(1,718)
Depreciation Charges	97,282	102,340
(Increase)/ Decrease in Debtors	67,284	(70,624)
Increase/ (Decrease) in Creditors	(38,050)	(80,666)
	<u>(541,948)</u>	<u>804,025</u>

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Notes forming part of the Financial Statement for the Year Ended 31 December 2020 - Continued

19. Redeemer Church – Future Event

During the previous year a church known as the Redeemer Church was established in the west of the city using resources of Cornerstone Church, both money and people. Up to 1 July 2019 the Redeemer Church remained under the control of and received financial support from Cornerstone Church. In the year a bid was accepted to purchase the premises known as Beeston Town Hall for an amount of £425,000. The purchase of the property took place after 31 December 2019 and funds held at the year end date of £720,677 were used to aid this purchase.

The costs to develop the Town Hall may be in the region of £1 million pounds. A new charitable incorporated organisation has been formed which has taken over the running of the Redeemer Church.

At their meeting on 10th December 2020 the Cornerstone members agreed to underwrite development of the Town Hall by passing the following resolution with 100% agreement.

Resolution: In the light of their partnership in the Gospel it is resolved that Cornerstone Evangelical Church stand as Guarantor for the borrowing by Redeemer Church Nottingham of £875,000 from CAF Bank for the purpose of carrying out the redevelopment of Beeston Town Hall.

20. Related Party Transactions

There are no transactions to note other than those shown in note 3.