

CORNERSTONE EVANGELICAL CHURCH

**A Charitable Company Limited
By Guarantee**

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**

For the Year Ended 31 December 2021

**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 2021

The Trustees are pleased to present their annual report and financial statements for the year ending 31 December 2021 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 began the year as the auditorium returned to its usual format after the amazing 'Narnia Experience' came to close. The truths that are represented in the Narnia stories would be known and experienced throughout 2021 as we continued through the pandemic. In-person services began in the new year, though we did pause them for a few weeks to move exclusively online at the height of that wave of infections.

By mid-February, we were welcoming people back to gathered worship in-person on Sundays, though being able to stay for conversation and prayer after services was not yet possible. Many aspects of church life were held online or in smaller groups or outside, in line with the then restrictions.

In this period, we were privileged to have the opportunity to record a number of services that were broadcast on Notts TV. In addition, Phil Moore and others produced a 'Hope for Easter' CD and evangelistic resource which was a wonderful encouragement and opening for the gospel.

The Prime Minister had said *'We can certainly look forward to a very, very different world for this country from Easter onwards.'* and we continued during these months, looking forward to Easter 2021 and looking back to the first Easter and the certain hope that Christ's death and resurrection guarantees.

At Easter time, a number of innovative events helped people to engage with the Easter story. International students were welcomed to an Easter event, children and families came to the Easter Extravaganza (run multiple times to accommodate numbers in a Covid-secure way), and the traditional Good Friday Communion service was held twice.

Acts of Worship for Men, for Women and for those in their 20s and 30s also provided helpful time and space for worship and teaching at various points over these months.

By late April, our Bible Workshops and Youth Groups were permitted to begin meeting on Sundays again, and we welcomed more and more people back to Sunday worship. We were also able to increase the numbers of places we had available in the auditorium, which was a great blessing.

We found the phrase 'coming down the mountain' to be a helpful way of describing our experience of journeying together down from the peaks of the pandemic, and then spending time 'beside still waters' as Psalm 23 enabled us to do.

Congregational singing returned, albeit outside in the car park on a couple of sunny evenings in the summer months! Also a first for Cornerstone was the Secret Detective Training Academy, a Holiday Club for primary school aged children, which was a fantastic and creative way to engage this age group with the truths of who Jesus is and why he came to this world.

Autumn term arrived and much of church life had returned to a slightly more normal feel, without the need to book places on Sundays or socially distance in the same way. Our teaching series in Revelation gave us a focus on God's good reign and sovereign rule, enabling us to work and to rest without fear.

The Elders praise God for His provision for Cornerstone, especially demonstrated in the willing and sacrificial service to others that is given by so many hundreds of people within the life of the church.

'We remember before our God and Father your work produced by faith, your labour prompted by love, and your endurance inspired by hope in our Lord Jesus Christ.' (1 Thessalonians 1:3)

May our God continue to lead us on into all he has planned, for his glory and the good of his people.

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Report of the Trustees for the Year Ended 31 December 2021 - 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 2021 - continued

2. Achievements and Performance

2.a Significant Activities during the Year

1. Provision of gathered worship services on Sunday. Predominantly these were in-person throughout, with a short period in January/February which was exclusively online.
2. Continued support of isolated and vulnerable members of the church.
3. Notts TV: recorded three special Cornerstone services, broadcast on 31st January, 28th March and 30th May
4. Hong Kong Welcome – various initiatives to welcome people who have moved to the UK from Hong Kong in recent months.
5. Open Air Worship: At various times during the year the church met in the car park for Covid Secure gathered worship.
6. Summer Holiday Club: a weeklong event for primary age children
7. Small Groups: Cornerstone gives great importance to encouraging attendees to meet in small groups during the week for bible teaching, prayer, pastoral support and mutual encouragement in the Christian faith. Groups were meeting on-line and in-person during the year.
8. 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.
9. Emerging Leaders Group: Recognising the importance of raising new leaders for the life and growth of the church, a pilot group was established for 6 months, training those emerging into leading small groups of 10-15 people.
10. Thanksgiving services for the life and faith of our dear friends who have been promoted to glory:
 - Gill Fox
11. Wedding services:
 - Josh Ison & Lizzie Kavanagh
 - Katie Gribbin and Ben Moon
 - Mari Fletcher & Tom Barkley
 - Ben Kennedy and Abi Chang

2.b Delivery of Public Benefit

1. Acts of Christian worship: Available to the public in-person and on-line with Christian 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 was a combination of in-person and zoom meetings.
4. Student Ministry: The church supports and provides resources for the University Christian Unions in Nottingham. Approx. 50 Students regularly attend the church's Sunday evening Preview sessions which include bible study and a meal before the 7pm service.
5. Curious Course: A 4-week course each term, exploring the Christian faith from creation to Christ and providing the opportunity to consider the evidence and ask questions. In 2021 the Curious course was carried out on-line rather than the usual in-person meetings.

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Report of the Trustees for the Year Ended 31 December 2021 - continued

6. 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 in a combination of on-line and in-person meetings.
7. 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. In 2021, the English Language Class was carried out on-line rather than the usual in-person meetings.
8. 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. The very capable volunteers who provide this service are hugely appreciated by those who come for assistance.
9. Crossteach: Cornerstone is pleased to financially and prayerfully support Crossteach; a national charity, whose aim is to 'teach about the Christian faith in schools'. Despite ongoing Covid restrictions, the team saw a growth in their work over 2021 as they were able to go into schools and teach more lessons, clubs, assemblies and experiences than in previous years. They were also able to continue providing online resources where appropriate to schools. In September, they welcomed their first trainee onto the team and have enjoyed growing, both as a team and in the amount of work we're able to do. We continue to pray for God's sustaining financial provision and open doors in schools.
10. 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.
11. Lenton Globe Café: Run in partnership with Friends International. The cafe usually meets in Cornerstone's building on Monday nights during term time. 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. Globe café started meeting in-person again in October this year.
12. The great BIG family Easter Eggstravaganza. An event for families including Act of worship, Crafts, Songs, Story and Chocolate eggs. Carried out 3 times on a Saturday so that people could take part Covid securely.
13. Ignite the Light: An alternative to Halloween. Sunday afternoon this year - crafts, games, a short talk and hot dogs for children in school years 3-6.
14. 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.
15. Youth Groups: The church provides three Christian youth groups that meet on Friday nights for ages 7-11, 11-14 and 14-18 and also Sunday mornings. Due to the Covid crisis, these ministries met on-line during much of the 1st half of the year with some outdoor walks and other activities. From June it was possible to meet in-person again.
16. The church building is a collection point for a local Food Bank run by Grace Church, Nottingham.
17. 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. The group started meeting again in June this year.
18. 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.
19. 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 refreshments and an interactive bible story. The group started meeting again in June this year.
20. 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. The Mission workers are overseen by the Mission Coordinators group.
21. 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.

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Report of the Trustees for the Year Ended 31 December 2021 - continued

22. 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.
23. Fruitful Faith in Later Life: A fellowship group for those in the retired or near retirement age group. During 2021 we have continued to meet monthly on zoom with occasional in person meetings when restrictions have allowed. We have continued to share in times of prayer, sharing of testimonies, hearing from overseas workers and encouraging one another with what God is teaching us through his word. We are beginning to return to in person gatherings more regularly and we're looking forward to these times when we can continue to fellowship together and encourage one another.
24. The church hosts events to support other local, regional and national Christian organisations. Although the pandemic curtailed a considerable number of activities, the following events took place during the year:

January	Hope for Easter - Evangelistic Recording Project
February	Friends International - Cross cultural training Friends International - Cluster Day CrossTeach meeting Living Leadership - 3 day Formation Course
March	'Growing Young Disciples' Conference Friends International – Easter Act of Worship
April	Music Ministries Conference
June	Friends International - Apprentice Staff Worker Interview
July	Keswick Convention band rehearsal Friends International - Nottingham Prayer & Praise
September	Redeemer Church - Music practice CrossTeach meeting
October	Midlands Women's' Convention Redeemer Church - Prayer & Praise Scripture Union meeting Crosslands - Seminar Day
November	Midland Men's Convention Living Leadership meeting Friends International - Cluster day CAN slavery-free Notts event
December	MGP Steering Committee meeting Friends International - Christmas Event OMF team meeting Grace Church using Cornerstone kitchen resources

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, around 110 people 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 2021 - 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).

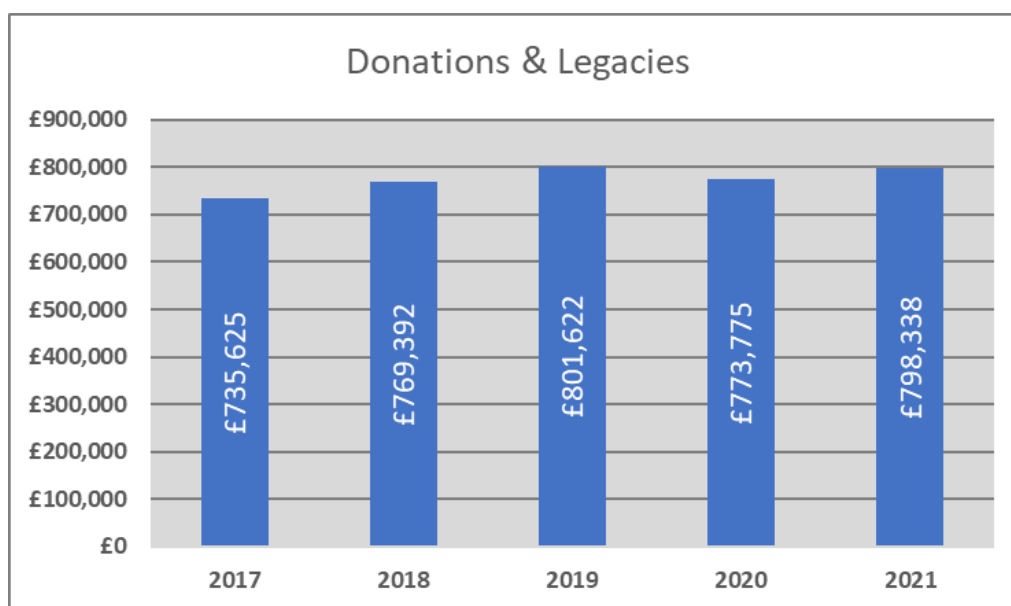
The church has an annual Christmas Appeal for funds to support external organisations (see note 13). All the money received is sent out, including the Gift Aided tax reclaimed. No funds are kept back to cover operating costs. No targets are set for the appeal.

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 increased by 3.2% compared with last year. We praise God that underlying income remained consistent during the pandemic and that significant one-off gifts were received, bringing income back to a level comparable to 2019, before Cornerstone planted Redeemer Church which caused a reduction in income in 2020.



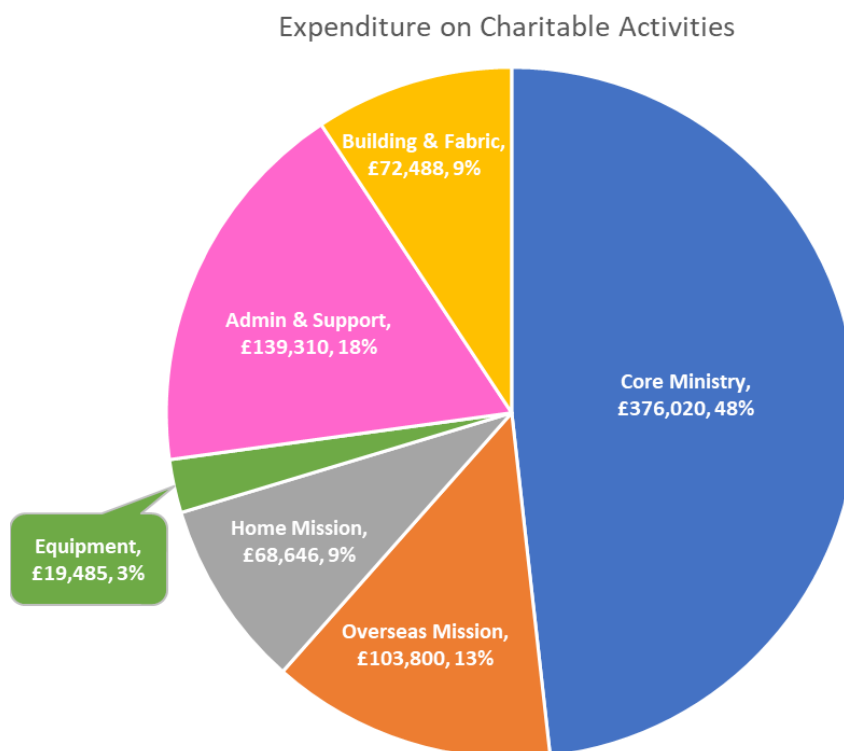
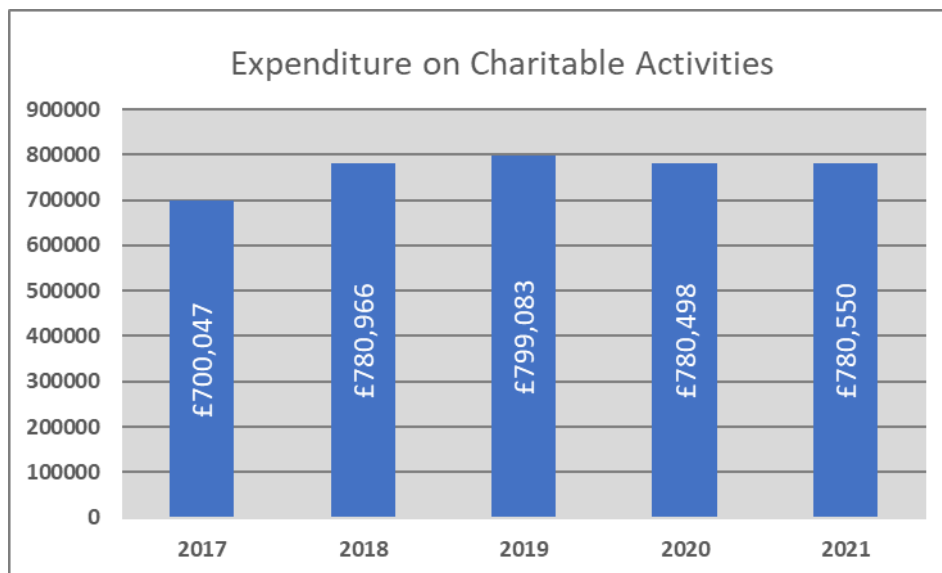
Income from Charitable Activities/Events: £6,913 This is income from events that have had a charge made on the participants e.g. tickets for entry, food etc. They are usually ministry events that have a cost associated with them that the church does not wish to fund, partially or in full. These activities 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 2021 - continued

3.2 General Fund: Expenditure – Unrestricted

The total expenditure on charitable activities (excluding Events Expenditure) of £780,550 does not represent any notable movement from last year. Expenses attributable to Redeemer Church Nottingham, when a ministry of Cornerstone, were removed when they became independent in 2019 and a reduction in activity due to Covid 19 in 2020 and 2021 show as a down step from expenses in 2019.



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Report of the Trustees for the Year Ended 31 December 2021 - continued

3.3 General Fund: Net Resources – Unrestricted

Net resources (the difference between unrestricted income and outgoings) for the period are £17,433 giving total general funds at the year-end of £511,272.

In yet another extraordinary year, we thank God for 2021 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 £113,951. This income is used to pay for the capital and interest on the mortgage which stood at £850,186 at the end of the year.

Christmas Appeal

For Christmas 2020/2021; gifts and the recovered gift aid tax were disbursed in March 2021 as follows:

- £8,117.60: CME (Centre Medical Evangelique) - medical relief in Democratic Republic of Congo
- £20,925.79: Together for the Family - working with Syrian refugees in Lebanon.
- £4,058.80: Open Homes - Nottingham Nightstop project
- £4,058.80: Safe Families - Offering hope, belonging & support to children, families and care leavers.
- £4,058.80: Jericho Road Project - Bringing hope & restoration to marginalised women in Nottingham

For Christmas 2021/2022; gifts of £14,522 has been received to be disbursed in March 2022 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: £147,000 - £221,000. The unrestricted reserve cash assets at the year-end amount to £511,272 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 2021 - 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

- Having rolled out a widespread vaccination programme with a large percentage of the population protected with multiple inoculations; the UK is accepting the risks of future Covid outbreaks and is returning to normal in 2022 without restrictions on people's behaviour or organisations activities. Cornerstone expects 2022 to be a return to conventional outreach activities and hopes to build on the Kingdom Ambition initiatives it had started when the pandemic broke in 2020. This involved moving to 3 services on a Sunday (from 2) in order for Sunday services to provide more space for new people to participate in Sunday worship. This model also proved to be helpful when meeting during the pandemic when a degree of social distancing was needed. During 2022 a number of events are planned that explain or introduce the Christian faith and give regulars the opportunity to invite friends, relatives and neighbours, encouraging them to think about their relationship with the living God. It is fervently hoped this will lead to new Christian believers and the maturing and growth of existing believers.
- 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.
- Cornerstone plans to train at least 6 new church leaders in this decade within its Ministry Development Scheme (MDS). It is hoped this initiative will involve 3 or 4 paid participants on the scheme, employed at any one time. The leadership encourages church to give to this leadership building project with the same weight, importance and commitment given to our previous building project and church planting project. It is expected that the ongoing needs of this project will be funded by such new giving, alongside any successful grant applications from external funding organisations.
- The Church has significant 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 given. It is expected that this will result in general fund net resources at the end of 2022 being reduced by approximately £100,000.
- Regular donations and gifts are forecast to increase by 4% in 2022 and the church plans a gift day in the autumn with total one-off gifts during the year forecast to be 10% of total income.
- Forecasting growth of 4% in 2022 & 2023 and with continued careful control of expenses the church has existing funds to support these outgoings 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

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Report of the Trustees for the Year Ended 31 December 2021 - continued

5.d Elders (Trustees/Directors) at 31 December 2021

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

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.

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Report of the Trustees for the Year Ended 31 December 2021 - continued

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.

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.

Ministry 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.

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.

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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. The committee 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, Director of Operations Spencer Hampton, Director of Ministry Amanda Smart-Gosrani, Children's Ministry Worker Katrina Harper, Safeguarding Professional and church member Anne Batley, Retired Safeguarding Professional and church member Chris McNee. 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 Staff Team. He also has pastoral, preaching, and service leading responsibilities. John also serves on the FIEC Trust Board and the MGP Steering Committee.

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. Roo also serves as a Tutor for Crosslands, and is seconded for 100 hours per annum for this purpose.

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 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. Kathryn also chairs the MGP Children's & Youth Ministry Group.

Children's Ministry Worker: Katrina Harper is a member of the 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.

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. Spencer leads the Operations Team.

Event Operations Manager: Sarah Daniels, ensuring all the events are planned, resourced and delivered in a way that meets Cornerstone's ministry aims and purposes.

Project Operations Manager: Charlie Tyrrell, supporting the ministries and change projects with operational and systems support.

Administration Manager: Katie Grundy (up to 31/10/2021), providing administrative support and office functions to support the life of the church.

DBS Manager: Elisabeth Simpson, ensuring DBS (Disclosure and Barring Service) applications are properly processed and that renewals are dealt with in a timely manner. Elisabeth is part of the Operations Team and gives her time in a voluntary capacity.

Accounts Assistant: Mike Shouler, maintaining financial systems, payments and records.

The church also employs a number of Interns, and appoints Voluntary Associates to work as part the staff team for a year or two.

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

Report of the Trustees for the Year Ended 31 December 2021 - continued

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).

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:

- 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. There is a planned reduction in available cash over next 3 years bringing available resources closer in line with our policy of 2-3 months reserves as Cornerstone invests in ministry.
- Overseas workers security: Overseas workers are overseen by Cornerstone's Mission Coordinators and are also expected to be affiliated to and overseen by a recognised sending organisation. Overseas workers are contacted at least monthly to check on their wellbeing. They are linked to Cornerstone's Connect (home) Groups for prayer and personal support.
- Failure of Information Technology disrupts church ministry and operations: File store and Financial records are held on cloud based systems. Higher dependence on on-line technology, reduced dependence on Cornerstone hardware. To increase reliability and improve streaming services the internet connection to the church building is now on private fibre line.
- Pandemic: The church has developed experience and systems during the last 2 years 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. Staff are equipped to work from home and have on-line meetings if necessary. Church has capability to provide on-line services.
- 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.
- 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.
- 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 as government guidelines have changed and been responded to by the management team.
- 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.
- 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 ministry staff. The Mission coordinator group oversees the selection process for overseas workers and their support and accountability.
- 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, MGP & 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
A Charitable Company Limited by Guarantee
Company Number 06805205**

Report of the Trustees for the Year Ended 31 December 2021 - 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 2021 was 9 (2020: 9).

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 2021 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 2021 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

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- Statutory Auditors
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Date:

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

Statement of Financial Activities
(Incorporating Income and Expenditure Account)
for the Year Ended 31 December 2021

		<u>2021</u>			<u>2020</u>		
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
<u>Income</u>	Notes						
Donations and Legacies	1	798,338	158,706	957,044	773,775	169,164	942,939
<i>Income from Charitable Activities</i>							
Events Income	2	6,913	-	6,913	5,543	-	5,543
Investment Income		1,603	-	1,603	2,699	-	2,699
Total Income		806,854	158,706	965,560	782,017	169,164	951,181
<u>Expenditure</u>							
<i>Expenditure on Charitable Activities</i>							
Operation of Cornerstone Church and delivery of Mission Costs		780,550	177,470	958,020	780,498	876,896	1,657,394
Events Expenditure		8,871	-	8,871	3,067	-	3,067
Total Expenditure	5	789,421	177,470	966,891	783,565	876,896	1,660,461
Net Income (expenses) and net movement in funds for the year		17,433	(18,764)	(1,331)	(1,548)	(707,732)	(709,280)
Transfer Between Funds		112	(112)	-	-	-	-
Reconciliation of funds – Total funds brought forward		493,727	5,154,528	5,648,255	495,275	5,862,260	6,357,535
Total funds carried forward	14	511,272	5,135,652	5,646,924	493,727	5,154,528	5,648,255

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 2021

	Note	<u>2021</u>		<u>2020</u>	
		£	£	£	£
<u>Fixed Assets</u>					
Tangible Assets	6		5,716,298		5,804,106
<u>Current Assets</u>					
Cash at Bank and in Hand	7	773,742		721,392	
Debtors	8	49,531		53,529	
Total Current Assets		<u>823,273</u>		<u>774,921</u>	
<u>Current Liabilities</u>					
Creditors due within one year	9	121,380		123,830	
		<u>121,380</u>		<u>123,830</u>	
<u>Net Current Assets</u>			701,893		651,091
<u>Total Assets less Current Liabilities</u>			<u>6,418,191</u>		<u>6,455,197</u>
<u>Creditors</u>					
Amounts falling due after more than one year	10		(771,267)		(806,942)
<u>NET ASSETS</u>			<u>5,646,924</u>		<u>5,648,255</u>
<u>The Funds of the Charity</u>					
Unrestricted – General	13		511,272		493,727
- Designated			-		-
Restricted	13		5,135,652		5,154,528
<u>Total Charity Funds</u>			<u>5,646,924</u>		<u>5,648,255</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 2021

	<u>Notes</u>	<u>2021</u> £	<u>2020</u> £
Net Cash Flow from Operating Activities	18	134,617	(507,985)
Returns on Investments:			
Interest Received		1,603	2,699
Interest Paid		(43,173)	(43,515)
		<u>93,047</u>	<u>(548,801)</u>
Capital Expenditure and Financial Investments:			
Purchase of Tangible Fixed Assets		(5,022)	(7,054)
Disposal of Fixed Assets		-	-
		<u>818,025</u>	<u>(555,855)</u>
Financing:			
Capital Element of Loan Repayments Made		<u>(35,675)</u>	<u>(33,963)</u>
Net Cash Inflow/(Outflow)		<u>52,350</u>	<u>(589,818)</u>
Increase/(Decrease) in Cash in the Year		52,350	(589,818)
Net Cash Resources at 1 January 2021		<u>721,392</u>	<u>1,311,210</u>
<u>Net Cash Resources at 31 December 2021</u>		<u><u>773,742</u></u>	<u><u>721,392</u></u>

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

Notes forming part of the Financial Statement for the Year Ended 31 December 2021

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
A Charitable Company Limited by Guarantee
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Notes forming part of the Financial Statement for the Year Ended 31 December 2021 - 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 2021 - 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)

	2021	2020
	£	£
Gift Aid Giving	525,635	498,666
Gift Aid Tax Recoverable	132,908	124,933
General Giving	109,209	128,379
Tax Inclusive Giving	19,586	21,797
Legacies	11,000	-
	<u>798,338</u>	<u>773,775</u>

Donations, Gifts and Legacies (Restricted)

Redeemer Town Hall Fund	-	3,750
Building Fund	113,951	128,206
Restricted Home Funds	1,975	5,425
Christmas Appeal	28,258	19,365
Christmas Appeal	14,522	12,418
	<u>158,706</u>	<u>169,164</u>

Total Donations	<u><u>957,044</u></u>	<u><u>942,939</u></u>
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2. Charitable Activities

Other Events	-	51
Training Events	-	215
Youth/Children's Events	5,425	543
Books, Tapes and CDs	756	500
Social Events	30	39
Evangelistic Events	-	160
Donations	702	4,035
	<u><u>6,913</u></u>	<u><u>5,543</u></u>

Cornerstone Evangelical Church
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Notes forming part of the Financial Statement for the Year Ended 31 December 2021 – Continued

3. Total Salaries & Staff Summary

	2021	2020
	£	£
Salaries	372,721	357,052
Employer's NI	32,632	30,272
Pension	17,299	16,114
Child Care Vouchers	1,451	2,622
	<u>424,103</u>	<u>406,060</u>

The allocation of salaries is made on a time spent basis. Sam Payne is employed on a full time basis by Cornerstone Evangelical Church but is seconded for 50% of his time to Redeemer Church. This cost is shown as a charitable donation of £14,836.

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>16</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 £166,901 (2020: £161,141).

Elders giving in the financial year totalled £51,582 (2020: £51,760).

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.

		2021	2020
		£	£
Colin Webster	Remuneration	38,890	37,849
	Pension	1,944	1,892
	Expenses	143	219
		<u>40,977</u>	<u>39,960</u>
John Russell	Remuneration less child care vouchers	42,261	41,555
	Pension	2,141	2,084
	Expenses	1,252	974
		<u>45,654</u>	<u>44,613</u>
Roo Miller	Remuneration less child care vouchers	32,117	30,671
	Pension	1,646	1,569
	Expenses	1,525	572
		<u>35,288</u>	<u>32,812</u>

Cornerstone Evangelical Church
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Notes forming part of the Financial Statement for the Year Ended 31 December 2021 - Continued

5. Expenditure on Charitable Activities

<u>5.1 Core ministry</u>	Unrestricted £	Restricted £	2021 £	2020 £
Salaries (Note 3)	319,403	-	319,403	296,336
Colin Webster	143	-	143	219
John Russell	1,252	-	1,252	974
Roo Miller	1,525	-	1,525	572
Other Employees	10,133	-	10,133	6,790
Employment Allowance	(4,000)	-	(4,000)	(4,000)
Staff Development	4,444	-	4,444	4,096
Staff Travel	245	-	245	149
Pastoral Team Discretionary Gifts	3,753	-	3,753	2,357
Visiting Speakers	1,217	-	1,217	905
Schools	-	-	-	7
Students	1,041	-	1,041	86
Evangelism	2,596	-	2,596	525
Children	1,610	-	1,610	1,340
Youth	1,175	-	1,175	402
Members Training / Teaching	1,698	-	1,698	694
Website Maintenance	497	-	497	1,004
Flowers Pastoral	1,810	-	1,810	1,300
Flowers Sunday	146	-	146	63
Catering	4,643	-	4,643	4,309
Music	2,051	-	2,051	1,608
Sundry Expenses Ministry	6,603	-	6,603	5,807
Charitable Donations (see note 3)	14,836	-	14,836	28,626
	376,821	-	376,821	354,169

5.2 Overseas Ministry

Support for Missionaries and their
Families

	103,800	-	103,800	114,400
	103,800	-	103,800	114,400

5.3 Home Mission

Home Mission Contingency	600	-	600	-
C U Missions	500	-	500	-
Earlesfield Community Church	4,000	-	4,000	4,000
Friends International	29,012	-	29,012	29,012
Friends International Admin	3,045	-	3,045	3,045
Other Mission Support	-	-	-	1,600
Globe Cafe	-	-	-	56
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	3,126	-	3,126	2,087
English Language Class	102	-	102	166
International Student Expenses	7,577	-	7,577	7,271
Cornerstone School of Theology	(316)	-	(316)	-
	68,646	-	68,646	68,237

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Notes forming part of the Financial Statement for the Year Ended 31 December 2021 – Continued

	Unrestricted	Restricted	2021	2020
	£	£	£	£
5.4 Administration and Support Costs				
Salaries (note 3)	105,000	-	105,000	102,407
FIEC & MGP Affiliation	10,371	-	10,371	10,371
Evangelical Alliance Subscription	540	-	540	540
Postage	730	-	730	337
Printing and Advertising	1,177	-	1,177	1,360
Computer and Software	4,826	-	4,826	5,675
Photocopier	3,144	-	3,144	4,233
Office Stationery and Sundries	1,802	-	1,802	2,059
Evangelical Now	135	-	135	145
Bank Charges	2,863	-	2,863	5,891
Child Protection Reports	1,665	-	1,665	1,224
General Sub's and Donations	170	-	170	120
Accountancy Fees	1,900	-	1,900	1,800
Audit Fees	4,687	-	4,687	4,568
Pension Fees	300	-	300	300
	139,310	-	139,310	141,030
5.5 Building and Fabric Costs				
Building Insurance	5,962	-	5,962	4,449
Car Parking	2,557	-	2,557	8,713
Church Utilities	23,416	-	23,416	26,967
Church Telephone	4,178	-	4,178	4,138
Church Cleaning and Waste	17,446	-	17,446	14,623
Salaries (note 3)	-	-	-	2,497
Church Maintenance	2,391	-	2,391	324
Internet and Computer Support	482	-	482	460
Security	3,611	-	3,611	2,667
Servicing	12,445	-	12,445	17,108
	72,488	-	72,488	81,946
5.6 Equipment				
Church Equipment Purchases	6,378	-	6,378	4,403
Office Equipment Purchases	895	-	895	-
Depreciation – Fixtures and Equipment	12,027	-	12,027	13,778
Technical Equipment Purchases	185	-	185	2,535
	19,485	-	19,485	20,716
5.7 Events Expenditure				
Bookstall	213	-	213	945
Events	7,908	-	7,908	2,122
Tapes and CD's	750	-	750	-
	8,871	-	8,871	3,067
5.8 Restricted Costs				
Redeemer Town Hall Costs	-	3,750	3,750	720,677
Loan Interest Charges	-	43,173	43,173	43,515
Depreciation - Property	-	70,000	70,000	70,000
Depreciation – Original Assets	-	10,804	10,804	13,504
Christmas Appeal	-	40,588	40,588	24,525
Home Funds	-	1,350	1,350	4,675
Sundry Building Costs	-	7,805	7,805	-
	-	177,470	177,470	876,896
TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES	789,421	177,470	966,891	1,660,461

Cornerstone Evangelical Church
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Notes forming part of the Financial Statement for the Year Ended 31 December 2021 – Continued

Operating Profit/Loss

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

	2021	2020
	£	£
Auditors Remuneration	4,687	4,568
For other services	1,900	1,800
Depreciation	92,830	97,282

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	143,842	6,766,734
Additions During Year	-	-	-	-	-	5,023	5,023
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>148,865</u>	<u>6,771,757</u>
Depreciation							
Balance at Start of Year	-	560,000	106,329	94,590	87,746	113,964	962,629
Depreciation During Year	-	70,000	4,032	6,772	5,046	6,980	92,830
Disposals	-	-	-	-	-	-	-
Balance at End of Year	<u>-</u>	<u>630,000</u>	<u>110,361</u>	<u>101,362</u>	<u>92,792</u>	<u>120,944</u>	<u>1,055,459</u>
Net Book Value (NBV)							
At Start 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 End of Year	<u>2,750,920</u>	<u>2,874,056</u>	<u>16,129</u>	<u>27,086</u>	<u>20,186</u>	<u>27,921</u>	<u>5,716,298</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 .

7. Cash at Bank and in Hand

	2021	2020
Deposit and Current Accounts	773,676	721,326
Catering Float	60	60
Petty Cash	6	6
	<u>773,742</u>	<u>721,392</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	38,653	45,174
Other Debtors and Prepayments	10,878	8,355
	<u>49,531</u>	<u>53,529</u>

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

Creditors	Social Security and other taxes	8,261	8,547
	Other Creditors	28,072	30,365
	Bank Property Loan – falling due in 12 months	78,919	78,919
	Bank Loan Interest	1,728	1,799
Accruals	Audit Fee	4,400	4,200
		<u>121,380</u>	<u>123,830</u>

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Notes forming part of the Financial Statement for the Year Ended 31 December 2021 – Continued

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

	2021	2020
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	455,592	491,267
	<u>771,267</u>	<u>806,942</u>

11. Commitments under Operating Leases – 31 December 2021

A new photocopier lease was agreed in April 2021 for three years.

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

	2021	2020
1 st year	1,566	651
1-5 years	4,698	-

12. Secured Debts

	2021	2020
Bank Loans	<u>850,186</u>	<u>885,861</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

For the Year Ended 31 December 2021

Details	Balance b/f	Income	Expenditure	Transfer	Balance c/f
a) Building Fund	5,134,586	113,951	131,782	-	5,116,755
b) Redeemer Building Fund	3,750	-	3,750	-	-
c) Restricted Home Funds	3,720	1,975	1,350	-	4,345
d) Christmas Appeal 01/01/20 – 24/02/21	12,448	28,258	40,588	(88)	30
e) Christmas Appeal 24/02/21 – 31/12/21		14,522			14,522
f) Christmas Appeal (old balance)	24	-	-	(24)	-
	<u>5,154,528</u>	<u>158,706</u>	<u>177,470</u>	<u>(112)</u>	<u>5,135,652</u>

Unrestricted Fund

g) General Fund	<u>493,727</u>	<u>806,854</u>	<u>789,421</u>	<u>112</u>	<u>511,272</u>
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For the Year Ended 31 December 2020

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

An amount of £3,750 has been paid out in the year, the balance is now fully paid.

c) Restricted Home Funds

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

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Notes forming part of the Financial Statement for the Year Ended 31 December 2021 - Continued

d) 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.
e) 2021/22 Christmas Appeal	Funds raised in December 2021 and January 2022 for Safe Families, Open House, Jericho Road, Friends of CME and Together for the Family.
f) Christmas Appeal Old Balance	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 House Nottingham Night Stop Project. All now spent.
g) General Fund	This is the balance of unrestricted funds.

**14. Analysis of Net Assets between funds
For the Year Ended 31 December 2021**

	General Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
Fixed Assets	48,107	5,668,191	5,716,298	5,804,106
Current Assets	505,626	317,647	823,273	774,921
Current Liabilities	(42,461)	(78,919)	(121,380)	(123,830)
Long Term Liabilities	-	(771,267)	(771,267)	(806,942)
Net Assets at 31.12.21	<u>511,272</u>	<u>5,135,652</u>	<u>5,646,924</u>	<u>5,648,255</u>

**14. Analysis of Net Assets between funds
For the Year Ended 31 December 2020**

	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 £18,246(2020: £16,114).

17. FRC 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.

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Notes forming part of the Financial Statement for the Year Ended 31 December 2021 - Continued

18. Cash Flow Statement

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

	<u>2021</u> <u>£</u>	<u>2020</u> <u>£</u>
Net incoming resources	(1,331)	(709,280)
Adjustments:		
Interest Paid	43,173	43,515
Investment Income	(1,603)	(2,699)
Depreciation Charges	92,830	97,282
(Increase)/ Decrease in Debtors	3,998	67,284
Increase/ (Decrease) in Creditors	(2,450)	(4,087)
	<u>134,617</u>	<u>(507,985)</u>

19. Redeemer Church – Contingent Liability

During 2017 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 2019 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

Sam Payne is employed by Cornerstone Evangelical Church but is seconded for 50% of his time to Redeemer Church. This cost is shown as a charitable donation of £14,836 (see note 3).

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