

CORNERSTONE EVANGELICAL CHURCH

**A Charitable Company Limited
By Guarantee**

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**

For the Year Ended 31 December 2022

**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 2022

The Trustees are pleased to present their annual report and financial statements for the year ending 31 December 2022 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).

Elders' Report

'Remember your leaders, who spoke the word of God to you. Consider the outcome of their way of life and imitate their faith. Jesus Christ is the same yesterday and today and forever.' (Hebrews 13:7-8)

These words brought comfort and challenge to us as Peter Lewis, our former Senior Pastor, died in May 2022. Over the course of his 46 years of ministry alongside Valerie, Peter faithfully preached God's word, and cheered us all on as together they passed on the responsibilities of leadership in 2015. We are so thankful for Peter's life and faith, and for the wonderful legacy he has left at Cornerstone and beyond.

Expository preaching from the Bible was at the heart of Peter's ministry and continues to be central to Cornerstone's life as a church. In 2022, we have gathered to hear God's word speak to us from books such as Revelation, Song of Songs, 1 Peter and Luke, amongst others. We were also blessed by a major series, 'Authentically Human', enabling us to see who we truly are as human beings, from Genesis 1-3.

Throughout the year, our three Sunday Services continued to grow in number, with an average of around 800 people attending a Service on a typical Sunday. We estimate this means that at least 1000 people would consider Cornerstone to be their church.

We rejoice that God continues to bring growth through evangelism and baptisms, and that he is bringing people to Nottingham and Cornerstone from all over the world. In particular, we have been delighted to welcome significant numbers of friends from Hong Kong in 2022. We know the Lord is making us into an intercultural, interethnic and intergenerational church, and we trust he will enable us to make the most of these opportunities.

Our mission to reach all nations also continues as we sustain our International Workers, some of whom are working in exceptionally difficult circumstances. We are also praying the Lord would raise up new generations of workers, and we pray that the 'Here I Am' conference we hosted in the autumn will be a significant catalyst for this.

We also celebrated with Redeemer Church, planted from Cornerstone in 2017, as they moved into the refurbished Old Town Hall in Beeston. Another wonderful 'Ebenezer' that calls us to look back with thankfulness and spurs us on in our forward journey with the Lord. We are delighted to see another building being put to use for the gospel, just as our building at Castle Boulevard is buzzing with life throughout the week. It was stirring to celebrate 10 years since moving in and give great thanks to God.

Sam Payne came to the end of his 3 years as a Minister in Training at Cornerstone and joined Redeemer Church full-time to complete his training. We're excited to have now begun our new Ministry Development Scheme at Cornerstone. David Upton began on this scheme in August, and we pray that he will be the first of at least 6-8 men and women who will be trained at Cornerstone between now and 2030.

Continuing the theme of raising up leaders for the future, the first cohorts of 'Emerging Leaders' happened in 2022. Volunteer leaders who are being equipped to lead small groups of 10-15 people in various contexts in the life of the church.

We're so thankful for the Lord's provision in every way, as his people give so generously of their time, wisdom, care, love and finances.

We look back with thankfulness, we look forward with confidence in God's goodness, and we pray: ²⁰ Now to him who is able to do immeasurably more than all we ask or imagine, according to his power that is at work within us, ²¹ to him be glory in the church and in Christ Jesus throughout all generations, for ever and ever! Amen. (Ephesians 3:20-21)

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

Report of the Trustees for the Year Ended 31 December 2022 - 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 God's work 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.

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

Report of the Trustees for the Year Ended 31 December 2022 - continued

2. Achievements and Performance

2.a Significant Events during the Year

1. Richard Lewis resigned as an Elder in March after serving for 27 years. The church gives thanks to the Lord for Richard and his wife Caroline and their contribution to the life of the church over many years.
2. New Ministry Development Scheme: David Upton joined the MDS in the summer as Cornerstone's first participant. The church is grateful to have received a grant of £25,000 from the FIEC to support the programme.

2.b Significant Activities during the Year

1. Provision of gathered worship services on Sunday with associated groups and activities.
2. Connect 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. This year 19 Connect Groups met in different locations across Nottingham in pursuit of these aims. Most Connect Groups meet on Wednesday or Thursday evenings.
3. 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. 3 new Interns were appointed during the year with one intern from the previous year staying on for a 2nd year.
4. Emerging Leaders Group: Recognising the importance of raising new leaders for the life and growth of the church, the second cohort was established for 6 months, training those emerging into leading small groups & within ministries.
5. Unbelievable: An evangelistic outreach evening in March with Chris Wilder performing various illusions followed by an interview about his Christian faith.
6. Queen's Platinum Jubilee tea: During the celebrations marking 70 years of the Queen's reign in June, Cornerstone organised a special tea, open to everyone. Tea and cake followed by an interview with those who have met the Queen and a gospel talk based on the Queen's Christian faith, from one of our ministers.
7. Meal with a Message: In June during one of our 7pm services we held a sit-down meal with a pictorial gospel presentation on the meaning of the cross.
8. Here I am: Exploring our role in God's global mission Sat 8th Oct. A day exploring our place in God's plan to reach the nations, whether by going or by supporting those who do. Teaching from Michael Prest (Director, UFM Worldwide). Seminars on different models of mission, mission for those in different stages of life, the role of short-term mission, and how we can support overseas workers. Opportunity to meet representatives from mission agencies. Free of charge and including refreshments and lunch.
9. Thanksgiving services for the life and faith of dear friends who have been promoted to glory:
Elena Simkiss
Deena Elliott
Gwynne Davies
Jonathan Hunting (Jonathan died in 2020 but the thanksgiving service was delayed due to Covid)
Peter Lewis
Joan Saunders (Joan died in 2020 but the thanksgiving service was delayed due to Covid)
Olga Hampton
10. Wedding Services:
Millie Raine and Luke Southworth
Ollie Watkins and Amy Green
Alex Jarvis and Jacob Wighton
Beth Halloway and Craig Moore
Nathan Couchman and Jennifer Turk

2.c Significant Incidents during the Year

During the year we received two allegations of historical child abuse, dating from more than 40 years ago, concerning a former member of Hyson Green Baptist Church (but not of Cornerstone Church), who is now deceased. We notified the Charity Commission and referred the matter to the insurers who are dealing with this. We can't comment further whilst their investigations are ongoing. This has served as a reminder of the importance of our safeguarding policies and procedures, and we express our thanks to our Safeguarding Team for their help and diligence in this area.

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

Report of the Trustees for the Year Ended 31 December 2022 - continued

2.d 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.
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 2022 the Curious course was carried out in-person in both the Autumn and Spring terms as well as some one-to-one meetings with individuals who could not attend.
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 and members and understand our mission and values. This year all of our Connect Central sessions were held in-person each term. We had good attendance throughout the year with many of those attending joining Connect groups.
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.
8. Cornerstone Money Advice (Affiliated to the national charity Community Money Advice): CMA began the process of closing towards the end of the year, with the existing ongoing caseload and some volunteers transferring to Step Forward at Trent Vineyard in January 2023. Over the years, CMA provided free confidential advice to people struggling with debt. This involved helping find a debt solution to resolve their situation, including bankruptcy options. They also helped people to apply for benefits to improve their financial position. The very capable volunteers who provided this service were hugely appreciated by those who came for assistance. We give thanks for all who served on the CMA team in such a loving and sacrificial way.
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'. The team have enjoyed being back in school this year with no Covid restrictions and have seen an increase in schools requesting activities and pupils attending clubs. This year, they supported 16 schools and delivered 146 different activities, including lessons, clubs, assemblies and experiences. They ran a Weekend Away in February to for Christian pupils in schools and have continued to expand their work reaching more schools in Nottingham City. In September, they welcomed their second trainee onto the team. We continue to pray for God's sustaining financial provision and for 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. In 2022, the group studied modules on Culture, Apologetics, and the Christian doctrines of God, Humanity, and Christ.
11. Crosslands training: Cornerstone partners with Crosslands to provide theological training to staff and attendees. In 2022, two staff members were studying on the Crosslands Seminary course, whilst others were encouraged by attending various training seminars and book groups run by Crosslands. Crosslands Foundation material is used in the Cornerstone School of Theology.
12. Globe Café: This ministry is run in partnership with Friends International. At the start of the 2022 academic year Globe café moved from meeting at Cornerstone to the University's Exchange building on Jubilee campus. On Monday nights during term time, the café is popular with international students and scholars from many countries, cultures, and faiths. It's an opportunity to make friends, meet local people, practice English and enjoy different cultural activities. Each evening includes a fun activity or theme, group discussions, and conversations about life topics and the Christian faith. It is supported by the University Residential Experience (ResX) team.
13. Easter Eggstravaganza: Saturday 2nd April. A free event for families with act of worship, crafts, bible story, games, an Easter egg hunt, and chocolate eggs.
14. Ignite the Light: An alternative to Halloween on Sunday afternoon this year. A free event including - crafts, games, a short talk and hot dogs open to all children in school years 3-6.
15. 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.

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

Report of the Trustees for the Year Ended 31 December 2022 - continued

16. 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.
17. The church building is a collection point for a local Food Bank run by Grace Church, Nottingham.
18. 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.
19. 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.
20. 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.
21. Overseas Mission: Jesus commands us to make disciples of all nations. Doing this is central to the vision of Cornerstone Church, and equipping, sending and supporting people for this is a whole church activity. The elders delegate to our Mission Coordinators group responsibility for church members and other mission partners currently working in 12 different countries.
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. Only one individual made contact this year so there was not an official gathering, but one-to-one support provided.
23. Fruitful Faith in Later Life – This is a monthly group for anyone in retirement to attend to mutually encourage one another in their faith. We often have a live interview with one of our missionaries, or an interview or talk, and occasionally have a trip out to a garden centre.
24. Holiday Club: Intrepid Explorers 23rd-26th August 2022. A free week of activities for primary aged children exploring the big question of ‘Who is Jesus?’. Includes games, bible talks, craft, small group time, snacks and bouncy castles! An opportunity for lots of children to come and hear the gospel. Open to all children, with or without a church background. 150 children attended this year with 57 volunteers.
25. The church hosted a number of events during the year to support local, regional, and national Christian organisations as follows:

January	Passion for Life: Evangelism Training Day Conference for Local churches with guest speaker Rico Tice. A day conference to equip church members in evangelism. Redeemer Church prayer meeting
February	BBC Radio 4 Recording: The BBC recorded their Sunday Morning service at Cornerstone, which included a message on God being our refuge and strength in trouble times and an interview with one of our International Workers in Ukraine. Redeemer Church Worship and Witness
March	Friends International Cluster meeting FIEC local conference Next Generation Conference (MGP) Friends International – Easter Act of Worship
April	Redeemer Church Members’ meeting
May	Safe Families Staff conference Redeemer Music Team evening
June	Redeemer Church Worship and Witness Scripture Union - Ka’zoo - Christian Holiday Organisation’s Team Day Global Connections Mission Agencies
July	Midlands Youth Convention CrossTeach meeting Safe Families meeting.

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

Report of the Trustees for the Year Ended 31 December 2022 - continued

August	Scripture Union Holidays (Ka'zoo) making day
September	Global Connections forum
October	Midlands Women's Convention
November	Midlands Men's Convention Safe Families for Children meeting.
December	Friends International Christmas service Grace Church using kitchen for Christmas party

2.e Voluntary Help

The church depends on every member's active involvement in the life of the church. Volunteers staff, lead and contribute to the many ministries and activities of the church.

1. 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).
2. Connect groups: During the week, around 50 volunteers lead over 19 Connect Groups that usually meet at members' homes for community, discipleship, pastoral care, and mission.
3. English language: On Wednesday mornings, 25 people help as volunteers.
4. Tots and Toys: On Thursday mornings, 7 people help as volunteers.
5. Maintenance team: On Thursday mornings, 6 people help as volunteers.
6. Youth Groups: On Friday nights around 50 people help as volunteers.
7. Cleaning: On Wednesday or Thursday nights approx. 12 people from 2 rostered Connect Groups clean the church building.

2.f 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.

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

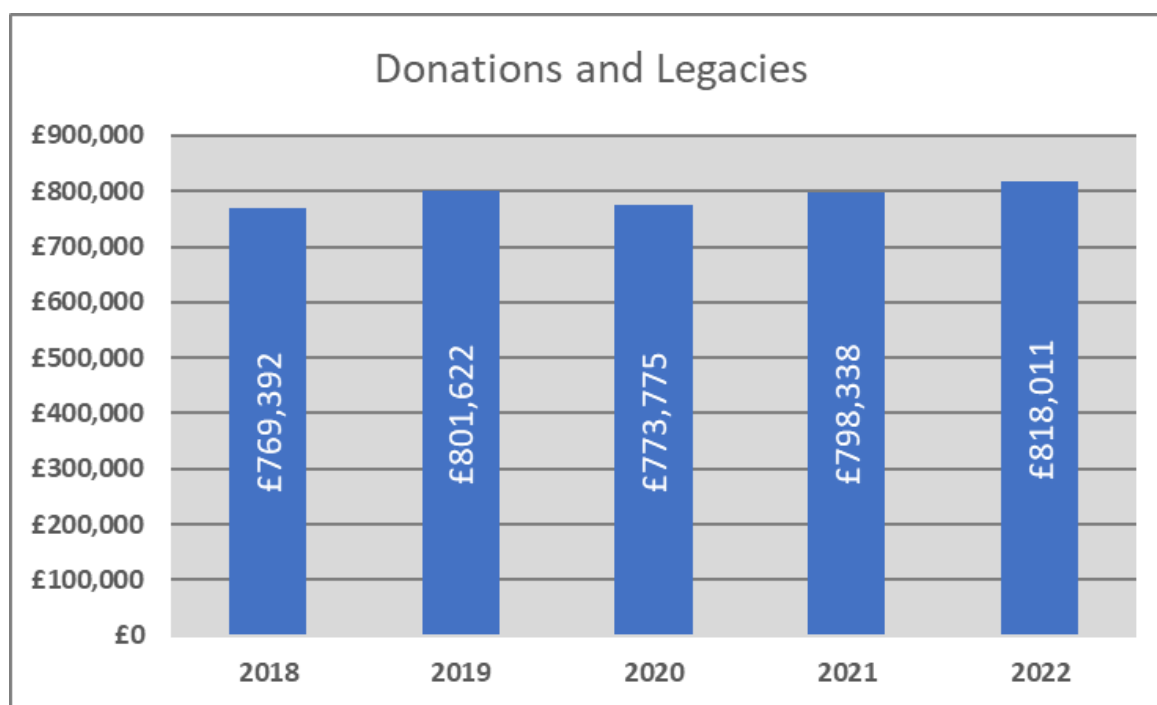
Report of the Trustees for the Year Ended 31 December 2022 - continued

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 2.5% compared with last year. We praise God for continued growth and that income has exceeded that of 2019, after which Cornerstone planted Redeemer Church which caused a reduction in income in 2020.



Income from Charitable Activities/Events: £27,120 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. Consequently, the corresponding Events Expenditure is expected to be of similar amount.

3.2 General Fund: Expenditure – Unrestricted

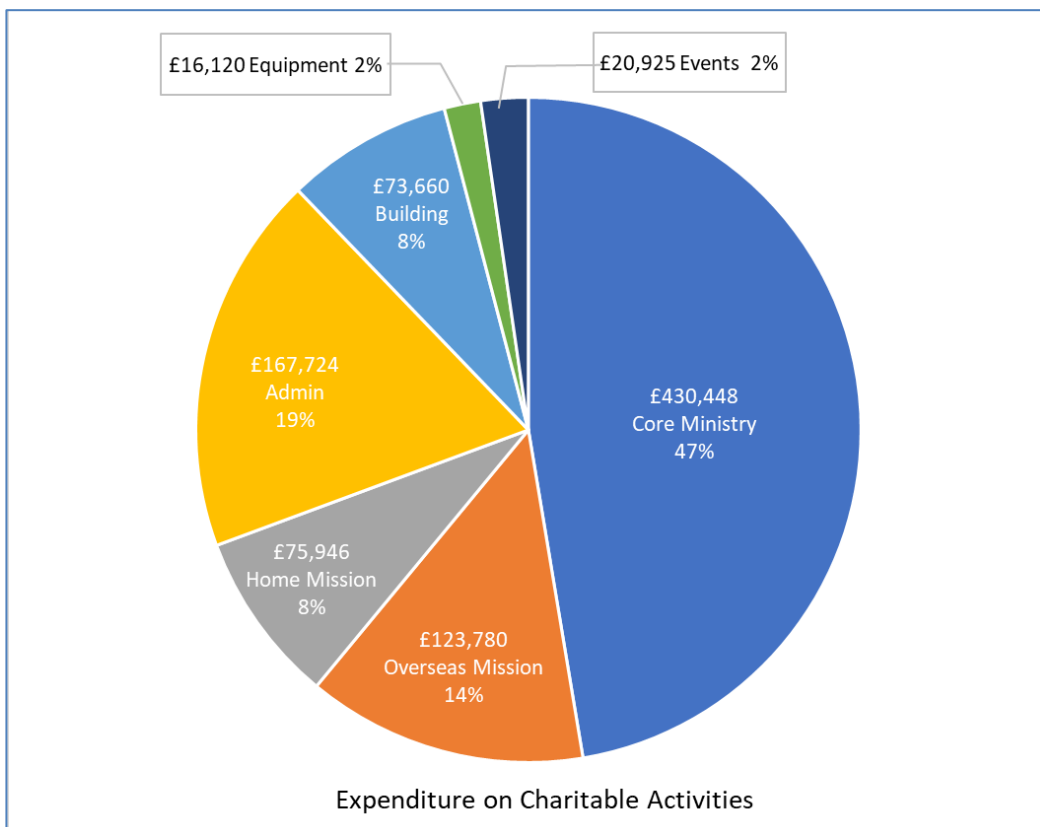
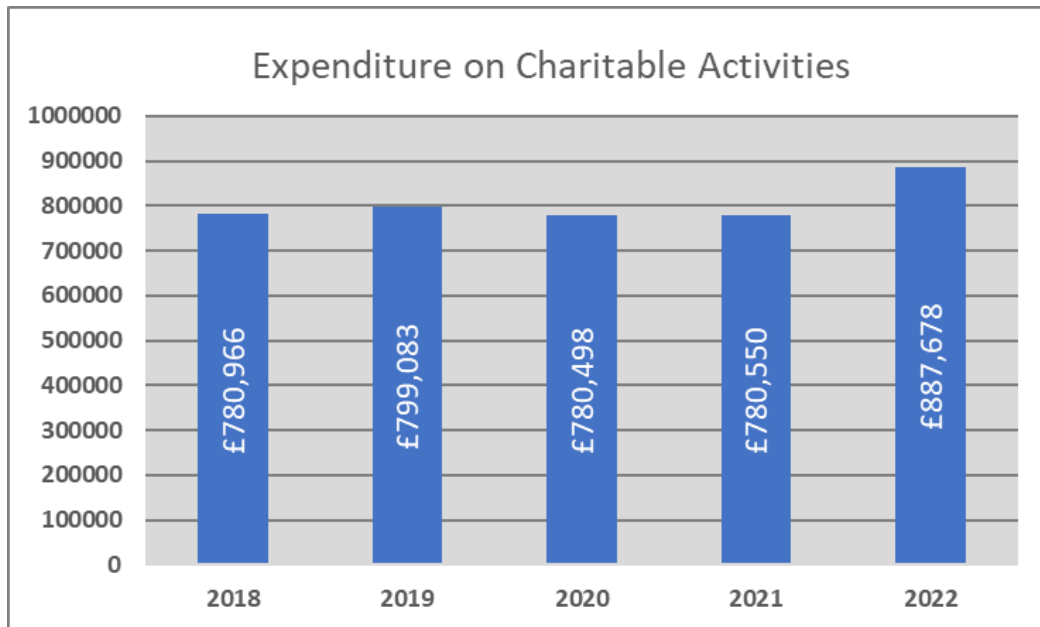
The total expenditure on charitable activities (excluding Events Expenditure) of £887,678 is a substantial £107,128 (13.7%) increase on last year, due to a number of reasons outlined below.

The main increases are:

Members' Training	+£ 8,534	- Connect Group leaders training, expected every 2 years.
Core ministry salaries	+£ 31,688	- 4 th Intern started in August, cost of living uplift, scale point rise for some staff
Catering	+£ 10,244	- Increase in events activity
Overseas Ministry	+£ 19,980	- One mission worker now moved to full year, uplift for some workers
Home Mission	+£ 7,300	- Gift to Operation Orphan plus other home mission support
Admin Salaries	+£ 25,684	- Administrator now employed full time, cost of living uplift, scale point rise for some staff
Total	+£103,430	

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

Report of the Trustees for the Year Ended 31 December 2022 - continued



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

Report of the Trustees for the Year Ended 31 December 2022 - continued

3.3 General Fund: Net Resources – Unrestricted

Net resources (the difference between unrestricted income and outgoings) for the period are -£61,623 giving total general funds at the year-end of £449,649.

We thank God for 2022 and for His ongoing 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 £165,826. This income is used to pay for the capital and interest on the mortgage which stood at £813,489 at the end of the year.

Christmas Appeal

For Christmas 2021/2022; gifts and the recovered gift aid tax were disbursed in March 2022 as follows:

- £ 8,042: CME (Centre Medical Evangelique) - medical relief in Democratic Republic of Congo
- £20,105: Together for the Family - working with Syrian refugees in Lebanon.
- £ 4,021: Open Homes - Nottingham NightStop project
- £ 4,021: Safe Families - Offering hope, belonging and support to children, families and care leavers.
- £ 4,021: Jericho Road Project - Bringing hope and restoration to marginalised women in Nottingham

For Christmas 2022/2023; gifts of £10,024 have been received to be disbursed in March 2023 to:

- Together for the Family - working with Syrian refugees in Lebanon.
- Open Homes - Opening up safe and welcoming homes to homeless young people.
- Safe Families - Offering hope, belonging and support to children, families and care leavers.
- Jericho Road Project - Bringing hope and 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: £148,000 - £222,000. The unrestricted reserve cash assets at the year-end amount to £403,551 of which £100,000 has been designated for building renewal.

3.6 Material funds in deficit

There are no material funds in overall deficit.

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

Report of the Trustees for the Year Ended 31 December 2022 - continued

3.7 Principal funding sources

By far the main source of income for the church is the gifts of its congregation representing 98.5% of total income including tax. The balance coming from investments, bank interest and activities.

3.8 Investments

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

4. Plans for Future Periods

Income

- The church's strategy for growth anticipates further increases in congregations. It is recognized that newcomers and new converts take time to start financial giving 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 the 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.
- 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 2023 being reduced by approximately £100,000.
- Regular donations and gifts are forecast to increase by 4% in 2023 and the church plans Giving Weeks in the Spring and Autumn with total one-off gifts during the year forecast to be 10% of total income.
- Forecasting growth of 4% in 2023 & 2024 and with continued careful control of expenses the church has existing funds to support these outgoings for the next 2 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

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

Report of the Trustees for the Year Ended 31 December 2022 - continued

5.d Elders (Trustees/Directors) at 31 December 2022

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

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

Richard Lewis (resigned 4.1.22)

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:

Alex Butterfield, 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.

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

Report of the Trustees for the Year Ended 31 December 2022 - 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 Staff: 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.

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

Report of the Trustees for the Year Ended 31 December 2022 - continued

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 responsibilities 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 responsibilities 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 responsibilities 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 ended his training with Cornerstone in the summer 2022, and is now completing training at Redeemer Church, Beeston, Nottingham.

Ministry Worker on the Ministry Development Scheme: David Upton, having completed 1 year on staff as Intern and 1 year as Staff Worker, is now employed on the Ministry Development Scheme, for 3-4 years.

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.

Administrator: Teresa Samuel, 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 Safeguarding Team and gives her time in a voluntary capacity.

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

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 2022 - 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 models in place. 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.
- 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. Lead Minister John Russell is guiding the church's leaders in awareness and alertness of the risks.
- Data protection failure: Loss, theft or inaccessibility of church information & data would disrupt church operations and could be a GDPR compliance failure. GDPR policy is in place. Annual staff data protection awareness training. File store and financial records are held on cloud-based systems. The church building is on private fibre line.
- Overseas workers' security: Overseas workers are overseen by Cornerstone's Mission Coordinators and are 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.
- 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.
- 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 is providing Cornerstone regular financial reports for the period of the guarantee as agreed.
- 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.
- 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.
- 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 2022 - 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 2022 was 8 (2021: 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 2022 on pages nineteen to thirty-one 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 2022 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.

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**

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.

.....
Alexander Butterfield (Senior Statutory Auditor)
For and on behalf of Haines Watts Chartered Accountants & 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 2022

		<u>2022</u>			<u>2021</u>		
	Notes	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
<u>Income</u>							
Donations and Legacies	1	818,011	230,720	1,048,731	798,338	158,706	957,044
<i>Income from Charitable Activities</i>							
Events Income	2	27,120	-	27,120	6,913	-	6,913
Investment Income		1,849	-	1,849	1,603	-	1,603
Total Income		846,980	230,720	1,077,700	806,854	158,706	965,560
<u>Expenditure</u>							
<i>Expenditure on Charitable Activities</i>							
Operation of Cornerstone Church and delivery of Mission Costs		887,678	170,236	1,057,914	780,550	177,470	958,020
Events Expenditure		20,925	-	20,925	8,871	-	8,871
Total Expenditure	5	908,603	170,236	1,078,839	789,421	177,470	966,891
			-				
Net Income (expenses) and net movement in funds for the year		(61,623)	60,484	(1,139)	17,433	(18,764)	(1,331)
Transfer Between Funds		-	-	-	112	(112)	-
Reconciliation of funds – Total funds brought forward		511,272	5,135,652	5,646,924	493,727	5,154,528	5,648,255
Total funds carried forward	14	449,649	5,196,136	5,645,785	511,272	5,135,652	5,646,924

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
A Charitable Company Limited by Guarantee
Company Number 06805205

Balance Sheet for the Year Ended 31 December 2022

	Note	<u>2022</u>	<u>2021</u>
		£	£
<u>Fixed Assets</u>			
Tangible Assets	6	5,650,284	5,716,298
<u>Current Assets</u>			
Cash at Bank and in Hand	7	787,949	773,742
Debtors	8	57,490	49,531
Total Current Assets		<u>845,439</u>	<u>823,273</u>
<u>Current Liabilities</u>			
Creditors due within one year	9	115,368	121,380
		<u>115,368</u>	<u>121,380</u>
<u>Net Current Assets</u>		730,071	701,893
<u>Total Assets less Current Liabilities</u>		<u>6,380,355</u>	<u>6,418,191</u>
<u>Creditors</u>			
Amounts falling due after more than one year	10	(734,570)	(771,267)
<u>NET ASSETS</u>		<u>5,645,785</u>	<u>5,646,924</u>
<u>The Funds of the Charity</u>			
Unrestricted – General	13	449,649	511,272
- Designated		-	-
Restricted	13	5,196,136	5,135,652
Total Charity Funds		<u>5,645,785</u>	<u>5,646,924</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 22 to 31 form part of these accounts

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

Cash Flow Statement as at 31 December 2022

	<u>Notes</u>	<u>2022</u> £	<u>2021</u> £
Net Cash Flow from Operating Activities	18	119,014	134,617
Returns on Investments:			
Interest Received		1,849	1,603
Interest Paid		(42,147)	(43,173)
		<u>78,716</u>	<u>93,047</u>
Capital Expenditure and Financial Investments:			
Purchase of Tangible Fixed Assets		(27,812)	(5,022)
Disposal of Fixed Assets		-	-
		<u>50,904</u>	<u>88,025</u>
Financing:			
Capital Element of Loan Repayments Made		(36,697)	(35,675)
Net Cash Inflow/(Outflow)		<u>14,207</u>	<u>52,350</u>
Increase/(Decrease) in Cash in the Year		14,207	52,350
Net Cash Resources at 1 January 2022		<u>773,742</u>	<u>721,392</u>
<u>Net Cash Resources at 31 December 2022</u>		<u><u>787,949</u></u>	<u><u>773,742</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 2022

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
Company Number 06805205

Notes forming part of the Financial Statement for the Year Ended 31 December 2022 - 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, 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
Company Number 06805205

Notes forming part of the Financial Statement for the Year Ended 31 December 2022 - 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)

	2022	2021
	£	£
Gift Aid Giving	531,608	525,635
Gift Aid Tax Recoverable	144,422	132,908
General Giving	121,477	109,209
Tax Inclusive Giving	18,830	19,586
Legacies	1,674	11,000
	<u>818,011</u>	<u>798,338</u>

Donations, Gifts and Legacies (Restricted)

Ministry Development Fund	28,462	-
Building Fund	165,826	113,951
Restricted Home Funds	750	1,975
Christmas Appeal	25,658	28,258
Christmas Appeal	10,024	14,522
	<u>230,720</u>	<u>158,706</u>

Total Donations

1,048,731 957,044

2. Charitable Activities

Training Events	2,555	-
Youth/Children's Events	14,861	5,425
Books, Tapes and CDs	2,663	756
Social Events	90	30
Tutoring	2,788	-
Donations	4,163	702
	<u>27,120</u>	<u>6,913</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 2022 – Continued

3. Total Salaries & Staff Summary

	2022	2021
	£	£
Salaries	419,544	372,721
Employer's NI	40,227	32,632
Pension	20,019	17,299
Child Care Vouchers	1,985	1,451
	<u>481,775</u>	<u>424,103</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 £9,911 (2021: £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 £169,582 (2021: £166,901).

Elders giving in the financial year totalled £44,186 (2021: £51,582).

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.

		2022	2021
		£	£
Colin Webster	Remuneration	40,212	38,890
	Pension	2,011	1,944
	Expenses	556	143
		<u>42,779</u>	<u>40,977</u>
John Russell	Remuneration less child care vouchers	43,612	42,261
	Pension	2,211	2,141
	Expenses	2,258	1,252
		<u>48,081</u>	<u>45,654</u>
Roo Miller	Remuneration less child care vouchers	33,763	32,117
	Pension	1,751	1,646
	Expenses	988	1,525
		<u>36,502</u>	<u>35,288</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 2022 - Continued

5. Expenditure on Charitable Activities

<u>5.1 Core ministry</u>	Unrestricted £	Restricted £	2022 £	2021 £
Salaries (Note 3)	351,091	-	351,091	319,403
Colin Webster	556	-	556	143
John Russell	2,258	-	2,258	1,252
Roo Miller	988	-	988	1,525
Other Employees	11,640	-	11,640	10,133
Employment Allowance	(5,000)	-	(5,000)	(4,000)
Staff Development	6,265	-	6,265	4,444
Staff Travel	662	-	662	245
Pastoral Team Discretionary Gifts	4,027	-	4,027	3,753
Visiting Speakers	3,912	-	3,912	1,217
Schools	154	-	154	-
Students	1,854	-	1,854	1,041
Evangelism	1,815	-	1,815	2,596
Children	1,751	-	1,751	1,610
Youth	1,306	-	1,306	1,175
Members Training / Teaching	10,232	-	10,232	1,698
Website Maintenance	359	-	359	497
Flowers Pastoral	1,638	-	1,638	1,810
Flowers Sunday	146	-	146	146
Catering	14,887	-	14,887	4,643
Music	2,210	-	2,210	2,051
Sundry Expenses Ministry	7,786	-	7,786	6,603
Charitable Donations (see note 3)	9,911	-	9,911	14,836
	<u>430,448</u>	<u>-</u>	<u>430,448</u>	<u>376,821</u>
 <u>5.2 Overseas Ministry</u>				
Support for Missionaries and their Families	123,780	-	123,780	103,800
	<u>123,780</u>	<u>-</u>	<u>123,780</u>	<u>103,800</u>
 <u>5.3 Home Mission</u>				
Home Mission Contingency	5,455	-	5,455	600
C U Missions	700	-	700	500
Earlesfield Community Church	4,000	-	4,000	4,000
Friends International	37,399	-	37,399	29,012
Friends International Admin	3,045	-	3,045	3,045
Returning Students Ministry	4,500	-	4,500	9,000
COCM	7,750	-	7,750	7,000
Cross Teach	5,000	-	5,000	5,000
Cornerstone Money Advice	2,000	-	2,000	3,126
English Language Class	900	-	900	102
International Student Expenses	5,683	-	5,683	7,577
Cornerstone School of Theology	(486)	-	(486)	(316)
	<u>75,946</u>	<u>-</u>	<u>75,946</u>	<u>68,646</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 2022 – Continued

	Unrestricted	Restricted	2022	2021
	£	£	£	£
<u>5.4 Administration and Support Costs</u>				
Salaries (note 3)	130,684	-	130,684	105,000
FIEC & MGP Affiliation	10,689	-	10,689	10,371
Evangelical Alliance Subscription	540	-	540	540
Postage	349	-	349	730
Printing and Advertising	3,052	-	3,052	1,177
Computer and Software	4,537	-	4,537	4,826
Photocopier	3,257	-	3,257	3,144
Office Stationery and Sundries	3,047	-	3,047	1,802
Evangelical Now	96	-	96	135
Bank Charges	3,046	-	3,046	2,863
Child Protection Reports	1,312	-	1,312	1,665
General Sub's and Donations	120	-	120	170
Accountancy Fees	1,900	-	1,900	1,900
Audit Fees	4,650	-	4,650	4,687
Pension Fees	300	-	300	300
Legal Expenses	145	-	145	-
	<u>167,724</u>	<u>-</u>	<u>167,724</u>	<u>139,310</u>
<u>5.5 Building and Fabric Costs</u>				
Building Insurance	7,102	-	7,102	5,962
Car Parking	12,751	-	12,751	2,557
Church Utilities	4,823	-	4,823	23,416
Church Telephone	6,298	-	6,298	4,178
Church Cleaning and Waste	16,211	-	16,211	17,446
Church Maintenance	4,175	-	4,175	2,391
Internet and Computer Support	2,492	-	2,492	482
Security	5,996	-	5,996	3,611
Servicing	13,812	-	13,812	12,445
	<u>73,660</u>	<u>-</u>	<u>73,660</u>	<u>72,488</u>
<u>5.6 Equipment</u>				
Church Equipment Purchases	3,306	-	3,306	6,378
Office Equipment Purchases	191	-	191	895
Depreciation – Fixtures and Equipment	11,524	-	11,524	12,027
Technical Equipment Purchases	1,099	-	1,099	185
	<u>16,120</u>	<u>-</u>	<u>16,120</u>	<u>19,485</u>
<u>5.7 Events Expenditure</u>				
Bookstall	2,324	-	2,324	213
Events	18,601	-	18,601	7,908
Tapes and CD's	-	-	-	750
	<u>20,925</u>	<u>-</u>	<u>20,925</u>	<u>8,871</u>
<u>5.8 Restricted Costs</u>				
Redeemer Town Hall Costs	-	-	-	3,750
Loan Interest Charges	-	42,147	42,147	43,173
Depreciation - Property	-	70,000	70,000	70,000
Depreciation – Original Assets	-	12,302	12,302	10,804
Christmas Appeal	-	40,211	40,211	40,588
Home Funds	-	-	-	1,350
Sundry Building Costs (replace car park)	-	5,576	5,576	7,805
	<u>-</u>	<u>170,236</u>	<u>170,236</u>	<u>177,470</u>
<u>TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES</u>	<u>908,603</u>	<u>170,236</u>	<u>1,078,839</u>	<u>966,891</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 2022 – Continued

Operating Profit/Loss

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

	2022	2021
	£	£
Auditors Remuneration	4,650	4,687
For other services	1,900	1,900
Depreciation	93,826	92,830

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	128,448	112,978	148,865	6,771,757
Additions During Year	-	-	18,297	-	560	8,955	27,812
Disposals	-	-	-	-	-	-	-
Balance at End of Year	<u>2,750,920</u>	<u>3,504,056</u>	<u>144,787</u>	<u>128,448</u>	<u>113,538</u>	<u>157,820</u>	<u>6,799,569</u>
Depreciation							
Balance at Start of Year	-	630,000	110,361	101,362	92,792	120,944	1,055,459
Depreciation During Year	-	70,000	6,885	5,417	4,149	7,375	93,826
Disposals	-	-	-	-	-	-	-
Balance at End of Year	<u>-</u>	<u>700,000</u>	<u>117,246</u>	<u>106,779</u>	<u>96,941</u>	<u>128,319</u>	<u>1,149,285</u>
Net Book Value (NBV)							
At Start 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>
At End of Year	<u>2,750,920</u>	<u>2,804,056</u>	<u>27,541</u>	<u>21,669</u>	<u>16,597</u>	<u>29,501</u>	<u>5,650,284</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

	2022	2021
Deposit and Current Accounts	787,949	773,676
Catering Float	-	60
Petty Cash	-	6
	<u>787,949</u>	<u>773,742</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	48,710	38,653
Other Debtors and Prepayments	8,780	10,878
	<u>57,490</u>	<u>49,531</u>

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

Creditors	Social Security and other taxes	10,857	8,261
	Other Creditors	19,439	28,072
	Bank Property Loan – falling due in 12 months	78,919	78,919
	Bank Loan Interest	1,653	1,728
Accruals	Audit Fee	4,500	4,400
		<u>115,368</u>	<u>121,380</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 2022 – Continued

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

	2022	2021
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	418,895	455,592
	<u>734,570</u>	<u>771,267</u>

11. Commitments under Operating Leases – 31 December 2022

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

	2022	2021
1 st year	2,506	1,566
1-5 years	1,252	4,698

12. Secured Debts

	2022	2021
Bank Loans	<u>813,489</u>	<u>850,186</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 2022

Details	Balance b/f	Income	Expenditure	Transfer	Balance c/f
a) Building Fund	5,116,755	165,826	130,026	-	5,152,555
b) Ministry Development Fund	-	28,462	-	-	28,462
c) Restricted Home Funds					
1/1/22 – 14/3/22	4,345	750	-	-	5,095
d) Christmas Appeal	14,552	25,658	40,210	-	-
e) Christmas Appeal 11/12/22 – 31/12/22	-	10,024	-	-	10,024
	<u>5,135,652</u>	<u>230,720</u>	<u>170,236</u>	<u>-</u>	<u>5,196,136</u>

Unrestricted Fund

f) General Fund	<u>511,272</u>	<u>846,980</u>	<u>908,603</u>	<u>-</u>	<u>449,649</u>
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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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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) Ministry Development Fund

A fund to cover staff costs for Ministry Development and to look at possible new church plants in the local area, to all be spent in 2023.

c) Restricted Home Funds

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

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 2022 - Continued

- d) 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.
- e) 2022/23 Christmas Appeal Funds raised in December 2022 and January 2023 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.

**14. Analysis of Net Assets between funds
For the Year Ended 31 December 2022**

	General Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
Fixed Assets	46,098	5,604,186	5,650,284	5,716,298
Current Assets	440,000	405,439	845,439	823,273
Current Liabilities	(36,449)	(78,919)	(115,368)	(121,380)
Long Term Liabilities	-	(734,570)	(734,570)	(771,267)
Net Assets at 31.12.22	<u>449,649</u>	<u>5,196,136</u>	<u>5,645,785</u>	<u>5,646,924</u>

**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>

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 £20,019 (2021: £17,299).

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.

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 2022 - Continued

18. Cash Flow Statement

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

	<u>2022</u> <u>£</u>	<u>2021</u> <u>£</u>
Net incoming resources	(1,139)	(1,331)
Adjustments:		
Interest Paid	42,147	43,173
Investment Income	(1,849)	(1,603)
Depreciation Charges	93,826	92,830
(Increase)/ Decrease in Debtors	(7,959)	3,998
Increase/ (Decrease) in Creditors	(6,012)	(2,450)
	<u>119,014</u>	<u>134,617</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 £9,911 (see note 3).

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