

Cornerstone Church Newcastle Limited
Company Limited by Guarantee
Unaudited Financial Statements
31 December 2020

STEPHENSON COATES AUDIT LIMITED

Chartered Accountants
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Cornerstone Church Newcastle Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2020

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Cornerstone Church Newcastle Limited

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Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 December 2020

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name	Cornerstone Church Newcastle Limited
Charity registration number	1132004
Company registration number	06946201
Principal office and registered office	47 Cosgrove Court Newcastle upon Tyne NE7 7NW

The trustees

M. W. Duff	
J. Marsden	
M. J. Nicholson	(Appointed 30 June 2020)
J. G. Henderson	(Appointed 19 June 2020)
M.R. Henderson	(Appointed 19 June 2020)

Company secretary	Sarah Kirby
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Accountants	Stephenson Coates Audit Limited Chartered Accountants West 2, Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD
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Structure, governance and management

Governing Document

The charity is constituted as a company, limited by guarantee, as defined by the Companies Act 2006 (registration number 06946201); it is registered with the Charity Commission (number 1132004).

The two main governing documents are our Memorandum and Articles of Association, which outline our main structures and policies and procedures for us as an organisation.

Appointment of trustees

New trustees are always appointed and elected by members of the organisation from the existing leadership of the Church.

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

Structure, governance and management *(continued)*

Risk management

The trustees have identified risks and taken steps to mitigate them. Risks to buildings and contents are insured; public liability risks are insured; a child protection policy is in place, including vetting procedures; the fire safety risk has been assessed.

Objectives and activities

The main objective of the charitable company is the advancement of Christianity for the benefit of the public. We aim to do this in the following ways:

To worship God, the Father, Son and Holy Spirit

Teach the word of God (The Bible)

To proclaim that men and women should repent and believe in Jesus Christ as Saviour and Lord

To be generous to our community by sharing our Christian belief of "love your neighbour"

In setting our objectives and planning our activities, the trustees have regard to the Charity Commission's public benefit guidance when exercising any power or duties to which the guidance is relevant.

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

Achievements and performance

No one would ever have thought that 2020 would have been the year it was. When the news was coming through of churches closing their doors for worship and prayer in other countries, we didn't think it would be the same here in the UK.

We did our first ever service online on the 22 March 2020 as the country prepared to go into lockdown. It was a steep learning curve for us as a leadership team from learning how to video record sermons and worship and hosts to where we host our service online and how to use YouTube. All trying to keep the church together and not lose everyone along the way.

We went from gathering roughly 140 people on a Sunday morning to being totally online.

Every event that we had planned for the year went out of the window. We had a three year plan that culminated in 2020 but all of the momentum we had built leading up to this had to be scrapped as we learnt how to do and be a church that could not meet in person but only virtually online.

There were lots of good things that we can celebrate that happened in 2020.

- We started to live stream our services. Now everyone, anywhere is able to 'attend' our services.
- We had people join us online who would normally not attend in person due to their own personal health reasons.
- We had people come to faith in Jesus through our services online.
- We ran a Foundations course on Zoom. This gave an opportunity for new believers and those who have been Christians for some time to either establish or reaffirm their beliefs and build good strong solid foundations.
- We continued our Advance Theology Course online via Zoom.
- We ran events that Equipped and trained the church members in various ways: Ruth Perrin: Overview of the Bible
- We had around 25 people attend a 'Looking In' time with the elders and our wives. This gave these people a chance to find out more details about who we are as a church.
- We did a 'Mens Meet' just before lock down about what it means to be a man of God.
- We ran a devotional series on social media to encourage the church members during the pandemic.
- We partnered with Junction 42 to help them make care packs for prisoners all around the country.
- We help weekly zoom prayer meetings where people could pop in during lunch time or an evening.
- We started a new teaching/preaching team course that has about 6 individuals signed up and they going through various materials.
- We started to trial meeting up in person with a very limited number of people leading up to doing multiple services over Christmas, where we did church as an indoor picnic watching a pre-recorded

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

nativity made in house by our kids church workers.

- Our Youth worked continued during lock down and there has been some good conversations happening amongst the young people at Cornerstone.

- We preached through the book of Acts for the first half of 2020 and then looking at what True Joy is from Philippians and what are the Five Cultures that we want to see cultivated in Cornerstone. And then we looked at the rise of a king, namely David through 1 Samuel.

Financial review

Giving to the church increased during the year to £120,230 (2019: £103,554). Gift aid recovery increased to £33,316 (2019: £22,260). Our unrestricted expenditure totalled to £112,020 (2019: £135,607), resulting in a net income on unrestricted funds of £40,462 (2019: £16,331).

We ended the year with free reserves of £58,920 (2019: £18,458). Our goal for reserves is to hold at least three months of unrestricted running costs.

Plans for future periods

Our Plans for 2021:

We decided not to plan too much for the first half of 2021 because of all the uncertainty around Covid and the restrictions.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report (incorporating the directors' report) was approved on 22 October 2021 and signed on behalf of the board of trustees by:

M. J. Nicholson
Trustee

Cornerstone Church Newcastle Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Cornerstone Church Newcastle Limited

Year ended 31 December 2020

I report to the trustees on my examination of the financial statements of Cornerstone Church Newcastle Limited ('the charity') for the year ended 31 December 2020.

Responsibilities and basis of report

The trustees are also the directors of the company for the purposes of company law are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act'). The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. I am qualified to undertake the examination by being a member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

John Oswald
STEPHENSON COATES AUDIT LIMITED
Chartered Accountants

West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

22 October 2021

Cornerstone Church Newcastle Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 December 2020

			2020		2019
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	152,481	40,796	193,277	152,463
Investment income	6	1	33	34	43
Total income		<u>152,482</u>	<u>40,829</u>	<u>193,311</u>	<u>152,506</u>
Expenditure					
Expenditure on charitable activities	7,8	112,020	2,900	114,920	136,175
Total expenditure		<u>112,020</u>	<u>2,900</u>	<u>114,920</u>	<u>136,175</u>
Net income and net movement in funds		<u>40,462</u>	<u>37,929</u>	<u>78,391</u>	<u>16,331</u>
Reconciliation of funds					
Total funds brought forward		18,458	29,487	47,945	31,614
Total funds carried forward		<u>58,920</u>	<u>67,416</u>	<u>126,336</u>	<u>47,945</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 8 to 12 form part of these financial statements.

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Company Limited by Guarantee

Statement of Financial Position

31 December 2020

		2020		2019
		£	£	£
Current assets				
Debtors	12	2,791		3,098
Cash at bank and in hand		165,411		46,102
		<u>168,202</u>		<u>49,200</u>
Creditors: amounts falling due within one year	13	<u>41,866</u>		<u>1,255</u>
Net current assets			126,336	47,945
Total assets less current liabilities			126,336	47,945
Net assets			126,336	47,945
Funds of the charity				
Restricted funds			67,416	29,487
Unrestricted funds			58,920	18,458
Total charity funds	15		126,336	47,945

For the year ending 31 December 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 22 October 2021, and are signed on behalf of the board by:

M. J. Nicholson
Trustee

The notes on pages 8 to 12 form part of these financial statements.

Cornerstone Church Newcastle Limited

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Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 47 Cosgrove Court, Newcastle upon Tyne, NE7 7NW.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund.

Incoming resources

Income

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Resources expended

Expenditure

Expenditure on charitable activities includes the direct costs of service provision, support costs and management and administration costs. Salary costs are allocated on the basis of time spent in these areas.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Cornerstone Church Newcastle Limited is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £10 to the assets of the charitable company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Tithes	120,230	–	120,230
Gift aid	26,982	6,334	33,316
Gifts			
Gifts & miscellaneous income	5,269	34,462	39,731
	<u>152,481</u>	<u>40,796</u>	<u>193,277</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations			
Tithes	103,554	–	103,554
Gift aid	18,791	3,469	22,260
Gifts			
Gifts & miscellaneous income	11,603	15,046	26,649
	<u>133,948</u>	<u>18,515</u>	<u>152,463</u>

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>1</u>	<u>33</u>	<u>34</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Bank interest receivable	<u>7</u>	<u>36</u>	<u>43</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Christian mission	<u>112,020</u>	<u>2,900</u>	<u>114,920</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Christian mission	<u>135,607</u>	<u>568</u>	<u>136,175</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

8. Expenditure on charitable activities by activity type

	Activities undertaken directly	Total funds 2020	Total fund 2019
	£	£	£
Christian mission	114,920	114,920	136,175

9. Independent examination fees

	2020	2019
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	850	850

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	56,367	54,863
Employer contributions to pension plans	6,000	6,000
	62,367	60,863

The average head count of employees during the year was 3 (2019: 3). The average number of full-time equivalent employees during the year is analysed as follows:

	2020	2019
	No.	No.
Ministry	2	2
Support staff	1	1
	3	3

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

11. Trustee remuneration and expenses

Employment costs include payroll costs of £54,526 (2019: £50,583) for M W Duff, a trustee and £1,950 (2019: £4,680) in respect of his wife.

12. Debtors

	2020	2019
	£	£
Gift aid receivable	2,103	2,410
Other debtors	688	688
	2,791	3,098

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

13. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	40,057	–
Social security and other taxes	1,146	1,180
Other creditors	663	75
	<u>41,866</u>	<u>1,255</u>

14. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £6,000 (2019: £6,000).

15. Analysis of charitable funds

Unrestricted funds

	At 1 January 2020	Income	Expenditure	At 31 December 2020
	£	£	£	£
General funds	18,458	152,482	(112,020)	58,920

Restricted funds

	At 1 January 2020	Income	Expenditure	At 31 December 2020
	£	£	£	£
Building Fund	29,487	35,391	–	64,878
COVID	–	5,438	(2,900)	2,538
	<u>29,487</u>	<u>40,829</u>	<u>(2,900)</u>	<u>67,416</u>

16. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Current assets	100,786	67,416	168,202	49,200
Creditors less than 1 year	(41,866)	–	(41,866)	(1,255)
Net assets	<u>58,920</u>	<u>67,416</u>	<u>126,336</u>	<u>47,945</u>