

Cornerstone Church Newcastle Limited
Company Limited by Guarantee
Unaudited Financial Statements
31 December 2021

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 2021

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Cornerstone Church Newcastle Limited

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Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 December 2021

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 2021.

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
J. G. Henderson
M.R. Henderson

Company secretary Sarah Kirby

Accountants Stephenson Coates Audit Limited
Chartered Accountants
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

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.

Cornerstone Church Newcastle Limited

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

Year ended 31 December 2021

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.

Achievements and performance

It was a year of significant change and disruption given the ever changing Covid-19 related regulations which impact where and when the Church members could meet. Meetings fluctuated between in person as normal, to limited in person gatherings with a live stream of the service to fully on-line meetings. As trustees, we were focussed on ensuring financial security throughout the changes as well as good governance especially when it came to Health & Safety related to the pandemic.

The year saw the Church vacate the premises at Bamburgh House to take up a temporary space at The John Marley Centre whilst looking for opportunities to either purchase or take out a long lease on a building as a more permanent home for the Church. Various opportunities and plans were reviewed and offers made but none were successful. It was towards the end of the year that we met with the Trustees of the Gospel Hall Church on Maple Terrace in Newcastle, who were looking to gift the building to a worthy suitor. As trustees we saw this as a real miracle and pursued the opportunity through to the end of the year.

Throughout the year the average monthly attendance sat at 92 which given the uncertainty was encouraging. We have seen many new people attend the in person services at the John Marley Centre once in person service were available in the second half of the year.

On reflection the year was challenging but the Church has been blessed by ending the year in a strong position both from a financial perspective and in terms of ongoing attendance.

Cornerstone Church Newcastle Limited

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

Year ended 31 December 2021

Financial review

Giving to the church increased during the year to £128,600 (2020: £120,230). Gift aid recovery increased to £37,340 (2020: £33,316). Our unrestricted expenditure totalled to £136,358 (2020: £112,020), resulting in a net income on unrestricted funds of £33,549 (2020: £40,462).

We ended the year with free reserves of £92,469 (2020: £58,920). Our goal for reserves is to hold at least three months of unrestricted running costs.

Plans for future periods

Our Plans for 2022:

We will be focusing on establishing ourselves in the new building in Newcastle and expanding our activities from that base.

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 23rd October 2022 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 2021

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 2021.

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.

STEPHENSON COATES AUDIT LIMITED
Chartered Accountants

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

23rd October 2022

Cornerstone Church Newcastle Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 December 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	158,847	46,053	204,899	192,289
Investment income	6	1	10	11	34
Other income	7	11,059	–	11,059	988
Total income		<u>169,907</u>	<u>46,063</u>	<u>215,969</u>	<u>193,311</u>
Expenditure					
Expenditure on charitable activities	8,9	136,358	2,250	138,608	114,920
Total expenditure		<u>136,358</u>	<u>2,250</u>	<u>138,608</u>	<u>114,920</u>
Net income and net movement in funds		<u>33,549</u>	<u>43,813</u>	<u>77,361</u>	<u>78,391</u>
Reconciliation of funds					
Total funds brought forward		58,920	67,416	126,336	47,945
Total funds carried forward		<u>92,469</u>	<u>111,229</u>	<u>203,698</u>	<u>126,336</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 7 to 12 form part of these financial statements.

Cornerstone Church Newcastle Limited

Company Limited by Guarantee

Statement of Financial Position

31 December 2021

		2021	2020
		£	£
Current assets			
Debtors	12	3,904	2,791
Cash at bank and in hand		204,055	165,411
		<u>207,959</u>	<u>168,202</u>
Creditors: amounts falling due within one year	13	<u>4,261</u>	<u>41,866</u>
Net current assets		203,698	126,336
Total assets less current liabilities		203,698	126,336
Net assets		203,698	126,336
Funds of the charity			
Restricted funds		111,229	67,416
Unrestricted funds		92,469	58,920
Total charity funds	15	203,698	126,336

For the year ending 31 December 2021 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 23rd October 2022, and are signed on behalf of the board by:

M. J. Nicholson
Trustee

The notes on pages 7 to 12 form part of these financial statements.

Cornerstone Church Newcastle Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2021

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.

Cornerstone Church Newcastle Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

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.

Cornerstone Church Newcastle Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Tithes	128,600	–	128,600
Gifts	950	38,009	38,959
Gift aid	29,297	8,044	37,340
	<u>158,847</u>	<u>46,053</u>	<u>204,899</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Tithes	120,230	–	120,230
Gifts	4,281	34,462	38,743
Gift aid	26,982	6,334	33,316
	<u>151,493</u>	<u>40,796</u>	<u>192,289</u>

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Bank interest receivable	<u>1</u>	<u>10</u>	<u>11</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>1</u>	<u>33</u>	<u>34</u>

7. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Other income	<u>11,059</u>	<u>11,059</u>	<u>988</u>	<u>988</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Wages and Salaries	73,288		73,288
Rent	13,173		13,173
Insurance	395		395
Repairs and establishment costs	3,616		3,616
Legal and accountancy fees	1,350	2,250	3,600
Office costs	11,855		11,855
Sundries	12,044		12,044
Ministry Costs	12,098		12,098
Giving	8,539		8,539
	<u>136,358</u>	<u>2,250</u>	<u>138,608</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Wages and Salaries	62,367		62,367
Rent	14,635		14,635
Insurance	472		472
Repairs and establishment costs	6,365		6,365
Legal and accountancy fees	1,500		1,500
Office costs	7,318		7,318
Sundries	4,766		4,766
Ministry Costs	7,422		7,422
Giving	4,273	2,900	7,173
	<u>112,020</u>	<u>2,900</u>	<u>114,920</u>

9. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>850</u>	<u>850</u>

Cornerstone Church Newcastle Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

10. Staff costs

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

	2021	2020
	£	£
Wages and salaries	66,818	56,367
Employer contributions to pension plans	6,470	6,000
	<u>73,288</u>	<u>62,367</u>

The average head count of employees during the year was 4 (2020: 3). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Ministry	2	2
Support staff	2	1
	<u>4</u>	<u>3</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil)

11. Trustee remuneration and expenses

Employment costs include payroll costs of £59,478 (2020: £54,526) for M W Duff, a trustee and £1,120 (2020: £1,950) in respect of his wife.

12. Debtors

	2021	2020
	£	£
Gift aid receivable	3,216	2,103
Other debtors	688	688
	<u>3,904</u>	<u>2,791</u>

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	–	40,057
Social security and other taxes	1,647	1,146
Other creditors	2,614	663
	<u>4,261</u>	<u>41,866</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 £6,470 (2020: £6,000).

Cornerstone Church Newcastle Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

15. Analysis of charitable funds

Unrestricted funds

	At 1 January 20 21	Income £	Expenditure £	At 31 December 2021 £
General funds	58,920	169,907	(136,358)	92,469

Restricted funds

	At 1 January 20 21	Income £	Expenditure £	At 31 December 2021 £
Building Fund	67,416	46,063	(2,250)	111,229

16. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Current assets	96,730	111,229	207,959	168,202
Creditors less than 1 year	(4,261)	—	(4,261)	(41,866)
Net assets	<u>92,469</u>	<u>111,229</u>	<u>203,698</u>	<u>126,336</u>