

Cornerstone Church Newcastle Limited
Company Limited by Guarantee
Unaudited Financial Statements
31 December 2022

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 2022

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Cornerstone Church Newcastle Limited

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Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 December 2022

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 2022.

Reference and administrative details

Registered charity name Cornerstone Church Newcastle Limited

Charity registration number 1132004

Company registration number 06946201

Principal office and registered office Maple Terrace
Newcastle upon Tyne
NE4 7SF

The trustees

M. W. Duff
J. Marsden
M. J. Nicholson
J. G. Henderson
M.R. Henderson (Resigned 10 June 2022)
S Oxley (Appointed 26 January 2023)
V Pestell (Appointed 26 January 2023)

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 2022

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

2022 was a full year for the charity as we took up the responsibility and wonderful gift of the building in the form of the Gospel Hall Church on Maple Terrace in Newcastle. Moving from our temporary space at the John Marley Centre and equipment/furnishings out of temporary storage, was a significant exercise.

The building we were gifted didn't come completely free of charge in that it has significant running costs given it is an old building. So the utility and maintenance costs have been monitored closely. On top of this we have utilised a proportion of the Charities building fund, to upgrade the building to make it fit for purpose and comfortable for the congregation and community.

Most importantly, we have been meeting throughout 2022, in our own space which has a very positive impact on people feeling settled and us being able to plan more effectively.

As trustees, we were focussed on ensuring financial security throughout the changes as well as good governance especially relative to Health & Safety and Safeguarding.

Throughout the year the average weekly attendance was 128 people which given the uncertainty post the Covid pandemic was encouraging. We have seen many new people attend regularly and contribute to the serving community actively.

On reflection the year was one of more change given the move but the Church has been blessed by having our own space to make our own.

Thankfully we could run a full schedule of in person events by comparison with the previous year which was pandemic impacted.

Cornerstone Church Newcastle Limited

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

Year ended 31 December 2022

Financial review

Giving to the church increased during the year to £133,022 (2021: £128,600). Gift aid recovery decreased to £33,366 (2021: £37,340). Our unrestricted expenditure totalled to £170,243 (2021: £136,358).

We ended the year with free reserves of £88,770 (2021: £92,469). Our goal for reserves is to hold at least three months of unrestricted running costs.

Plans for future periods

Our Plans for 2023:

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 27th September 2023 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 2022

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 2022.

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

27th September 2023

Cornerstone Church Newcastle Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 December 2022

		Unrestricted funds £	2022 Restricted funds £	Total funds £	2021 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	409,826	5,340	415,166	204,899
Investment income	6	30	247	277	11
Other income	7	6,688	—	6,688	11,059
Total income		<u>416,544</u>	<u>5,587</u>	<u>422,131</u>	<u>215,969</u>
Expenditure					
Expenditure on charitable activities	8,9	170,243	37,134	207,377	138,608
Total expenditure		<u>170,243</u>	<u>37,134</u>	<u>207,377</u>	<u>138,608</u>
Net (expenditure)/income and net movement in funds		<u>246,301</u>	<u>(31,547)</u>	<u>214,754</u>	<u>77,361</u>
Reconciliation of funds					
Total funds brought forward		92,469	111,229	203,698	126,336
Total funds carried forward		<u>338,770</u>	<u>79,682</u>	<u>418,452</u>	<u>203,698</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 13 form part of these financial statements.

Cornerstone Church Newcastle Limited

Company Limited by Guarantee

Statement of Financial Position

31 December 2022

		2022	2021
		£	£
Fixed assets			
Tangible fixed assets	12	250,000	—
Current assets			
Debtors	13	9,233	3,904
Cash at bank and in hand		160,593	204,055
		<u>169,826</u>	<u>207,959</u>
Creditors: amounts falling due within one year	14	<u>1,374</u>	<u>4,262</u>
Net current assets		<u>168,452</u>	<u>203,697</u>
Total assets less current liabilities		<u>418,452</u>	<u>203,697</u>
Net assets		<u>418,452</u>	<u>203,697</u>
Funds of the charity			
Restricted funds		79,682	111,229
Unrestricted funds		338,770	92,469
Total charity funds	16	<u>418,452</u>	<u>203,698</u>

For the year ending 31 December 2022 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 27th September 2023, and are signed on behalf of the board by:

M. J. Nicholson
Trustee

The notes on pages 7 to 13 form part of these financial statements.

Cornerstone Church Newcastle Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2022

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 Maple Terrace, Newcastle upon Tyne, NE4 7SF.

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.

Gifted facilities are included at trustees' estimate of their open market value.

Cornerstone Church Newcastle Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Cornerstone Church Newcastle Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

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.

Voluntary assistance

Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given; accordingly, in accordance with FRS102, it is neither recorded as donated income nor as an expense in the financial statements

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 2022

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Tithes	130,332	2,690	133,022
Gifts	247,278	2,500	249,778
Gift aid	32,216	150	32,366
	<u>409,826</u>	<u>5,340</u>	<u>415,166</u>
	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>

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Bank interest receivable	<u>30</u>	<u>247</u>	<u>277</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Bank interest receivable	<u>1</u>	<u>10</u>	<u>11</u>

7. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Other income	<u>6,688</u>	<u>6,688</u>	<u>11,059</u>	<u>11,059</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Wages and Salaries	86,476		86,476
Rent	4,771		4,771
Utilities	2,109		2,109
Insurance	1,492		1,492
Repairs and establishment costs	8,718	24,106	32,824
Legal and accountancy fees	3,234	13,028	16,262
Office costs	13,382		13,382
Sundries	1,046		1,046
Ministry Costs	28,125		28,125
Giving	20,890		20,890
	<u>170,243</u>	<u>37,134</u>	<u>207,377</u>

	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>

9. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>850</u>	<u>850</u>

10. Staff costs

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

	2022 £	2021 £
Wages and salaries	78,046	66,818
Social security costs	1,723	—
Employer contributions to pension plans	6,707	6,470
	<u>86,476</u>	<u>73,288</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

The average head count of employees during the year was 5 (2021: 4). The average number of full-time equivalent employees during the year is analysed as follows:

	2022 No.	2021 No.
Ministry	3	2
Support staff	2	2
	<u>5</u>	<u>4</u>

11. Trustee remuneration and expenses

Employment costs include payroll costs of £64,634 (2021: £59,478) for M W Duff, a trustee and £3,427 (2021: £1,120) in respect of his wife. Also includes payroll costs of £6,458 (2021: Nil) for J Marsden, a trustee.

12. Tangible fixed assets

	Land and buildings £
Cost/ Valuation	
At 1 January 2022	—
Additions	250,000
At 31 December 2022	<u>250,000</u>
Depreciation	
At 1 January 2022 and 31 December 2022	—
Carrying amount	
At 31 December 2022	<u>250,000</u>
At 31 December 2021	—

Additions in the year include £250,000 in respect of the Church property at Maple Terrace, Newcastle upon Tyne. This amount represents the trustees' valuation of the property, which was gifted to the charitable company.

All fixed assets are held for charitable purposes.

13. Debtors

	2022 £	2021 £
Gift aid receivable	2,818	3,216
Other debtors	6,415	688
	<u>9,233</u>	<u>3,904</u>

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Social security and other taxes	—	1,647
Other creditors	1,374	2,615
	<u>1,374</u>	<u>4,262</u>

Cornerstone Church Newcastle Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

15. 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 £6,707 (2021: £6,470).

16. Analysis of charitable funds

Unrestricted funds

	At 1 January 2022	Income	Expenditure	At 31 December 2022
	£	£	£	£
General funds	92,469	416,544	(170,243)	338,770

Restricted funds

	At 1 January 2022	Income	Expenditure	At 31 December 2022
	£	£	£	£
Building Fund	111,229	5,587	(37,134)	79,682

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Tangible fixed assets	250,000	–	250,000	–
Current assets	90,144	79,682	169,826	210,857
Creditors less than 1 year	(1,374)	–	(1,374)	(2,424)
Net assets	338,770	79,682	418,452	208,433