

Charity registration number 1145703

Company registration number 07858090 (England and Wales)

**CORNERSTONE CHURCH WATFORD**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# CORNERSTONE CHURCH WATFORD

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Brian Evans Michael Henderson Linda Field Heather Nash
<b>Charity number</b>	1145703
<b>Company number</b>	07858090
<b>Principal address</b>	119a Vicarage Road Watford Hertfordshire WD18 0EY
<b>Registered office</b>	36 Crown Rise Watford Hertfordshire WD25 0NE
<b>Independent examiner</b>	Gary Howard FCA Howard Wilson Chartered Accountants 36 Crown Rise Watford Hertfordshire WD25 0NE
<b>Bankers</b>	Natwest Plc, Watford Junction Branch 7 Station Road Watford Hertfordshire WD1 1TH

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# **CORNERSTONE CHURCH WATFORD**

## **CONTENTS**

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	<b>Page</b>
Trustees' report	1 - 2
Statement of Trustees' responsibilities	3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 13

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# **CORNERSTONE CHURCH WATFORD**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 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 (FRS 102) (effective 1 January 2019)".

### **Objectives and activities**

The aims of the charity are to advance the Christian faith in the local community and abroad by preaching the Word of God and by helping those in need (sometimes financially).

We try to enable ordinary people to live out their faith in worship and prayer, learning about the Gospel and developing their love and knowledge of Jesus.

We encourage our people to live out their faith by helping others in missionary, outreach and charity work.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

We offer a range of services for all ages that our community find both beneficial and fulfilling.

Our Sunday meetings are in the morning at 10.30am and with a monthly 4.30pm service. On Tuesday and Thursday mornings we offer a free Mother and Toddlers meeting for the neighbourhood. On alternate Fridays there is either a Coffee Morning or Luncheon Club for the over 60's or lonely. The Coffee Mornings give the elderly an opportunity to share with others over coffee in the church building and build friendships. The Luncheon Club provides them with a hot meal and a chance to build deeper relationships with each other and with church members, together with an opportunity to explore the Christian faith.

All activities are undertaken by volunteers from our church.

### **Strategic report**

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

### **Achievements and performance**

We hold several home groups in various locations and at various times where we can meet in smaller groups and build friendships, study the Bible and support each other.

We can also encourage other Christians and Charities across the globe by giving financial support.

### **Financial review**

Our income and expenditure is reviewed by the Trustees and the Finance committee throughout the year. A summary of the income and expenditure for the year is given on page 5 of the accounts.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

This level of reserves has been maintained throughout the year.

Money comes in through collections, gifts and standing orders given to the church. The Trustees, Finance Committee and Elders of Cornerstone Church agree as to how our income is distributed to meet the aims and objects of the Fellowship.

# CORNERSTONE CHURCH WATFORD

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### Investment policy

Monies not required immediately are placed on deposit to earn interest but can be accessed if required.

### Risk management

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

### Plans for the future

Our aim is to maintain our giving and support those areas agreed by the members, Trustees and Church Eldership.

### Structure, governance and management

The charity was constituted as a company limited by guarantee on 23 November 2011. The charity was registered as a charity by the Charity Commission on 31 January 2012.

The charity received the undertaking and assets of the former unincorporated charity, also known as West Watford Christian Fellowship, on 01 April 2012.

On 1 May 2016 the name of the charity was changed to Cornerstone Church Watford.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Brian Evans

Michael Henderson

Linda Field

Heather Nash

When recruiting new Trustees, the Trustees would look for persons with personal skills and experience who subscribe to the Charity's Statement of Beliefs. They would be approached, and if willing, be recommended for election. The Trustees would then vote on their selection.

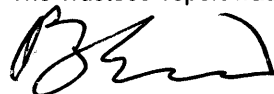
None of the Trustees has any beneficial interest in the company.

A new Trustee would be advised by either the Chairman or Secretary of the Trustees as to how the Trustees operate within the Fellowship. They would be encouraged to read our Memorandum & Articles of Association and the Charities Commission's guide to "Being a Trustee" before making a decision.

The Trustees manage the business of the Charity but delegate the spiritual government and leadership of the Fellowship to the (paid) Pastor and Elders, who are also Trustees. A finance committee, including two Trustees, is delegated to recommend needs which require financial support.

The Fellowship has contact with other Charities through visiting speakers.

The Trustees' report was approved by the Board of Trustees.



**Brian Evans**

Trustee

Dated: 7 December 2023

# **CORNERSTONE CHURCH WATFORD**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2023***

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The Trustees, who are also the directors of Cornerstone Church Watford for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# CORNERSTONE CHURCH WATFORD

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF CORNERSTONE CHURCH WATFORD

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I report to the Trustees on my examination of the financial statements of Cornerstone Church Watford (the charity) for the year ended 31 March 2023.

#### **Responsibilities and basis of report**

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **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 that in any material respect:

- 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 financial statements to be reached.



**Gary Howard FCA**

Howard Wilson Chartered Accountants  
36 Crown Rise  
Watford  
Hertfordshire  
WD25 0NE

Dated: 8 December 2023

# CORNERSTONE CHURCH WATFORD

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b><u>Income from:</u></b>			
Voluntary income including donations and legacies	3	35,232	42,929
Investment income	4	10,873	8,027
<b>Total income</b>		<u>46,105</u>	<u>50,956</u>
<b><u>Expenditure on:</u></b>			
Raising funds	5	-	200
Charitable activities	6	27,977	46,866
<b>Total expenditure</b>		<u>27,977</u>	<u>47,066</u>
<b>Net income for the year/ Net movement in funds</b>		18,128	3,890
Fund balances at 1 April 2022		256,930	253,040
<b>Fund balances at 31 March 2023</b>		<u>275,058</u>	<u>256,930</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



# CORNERSTONE CHURCH WATFORD

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	10		213,050		214,575
<b>Current assets</b>					
Debtors	11	2,879		3,044	
Cash at bank and in hand		60,209		40,211	
		<u>63,088</u>		<u>43,255</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,080)</u>		<u>(900)</u>	
Net current assets			62,008		42,355
<b>Total assets less current liabilities</b>			<u>275,058</u>		<u>256,930</u>
<b>Income funds</b>					
Unrestricted funds			275,058		256,930
			<u>275,058</u>		<u>256,930</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the Trustees on 7 December 2023



Brian Evans  
Trustee

Company registration number 07858090

# CORNERSTONE CHURCH WATFORD

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **1 Accounting policies**

#### **Charity information**

Cornerstone Church Watford is a private company limited by guarantee incorporated in England and Wales. The registered office is 36 Crown Rise, Watford, Hertfordshire, WD25 0NE.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

#### **1.5 Resources expended**

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation. Amounts received specifically for mission are dealt with as restricted funds. All other expenditure is generally recognised when it is incurred and is accounted for gross.

# CORNERSTONE CHURCH WATFORD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	not depreciated
Freehold building	not depreciated
Plant and machinery	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Consecrated and benefice property is not included in the accounts in accordance with s. 10 (2) (c) of the Charities Act 2011.

The freehold property at 119 Vicarage Road, Watford, is included at the transfer value shown at the Land Registry when the asset was transferred to the charitable company by the Trustees of Cornerstone Church Watford on incorporation.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# CORNERSTONE CHURCH WATFORD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Creditors and provisions**

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 after allowing for any trade discounts due.

### **2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# CORNERSTONE CHURCH WATFORD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 3 Voluntary income including donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	35,232	36,479
HMRC CJRS grants received	-	6,450
	<u>35,232</u>	<u>42,929</u>

### 4 Investment income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Rental income	10,721	8,023
Interest receivable	152	4
	<u>10,873</u>	<u>8,027</u>

### 5 Raising funds

	Total	Unrestricted funds
	2023	2022
	£	£
<u>Fundraising and publicity</u>		
Advertising	-	200
	<u>-</u>	<u>200</u>

# CORNERSTONE CHURCH WATFORD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 6 Charitable activities

	2023 £	2022 £
Staff costs	-	24,378
Depreciation and impairment	1,525	2,077
Missionary and charitable giving - UK	5,595	248
Missionary and charitable giving - Overseas	4,738	4,655
Computer costs	647	761
Outing costs and retreat weekend	-	69
Church activities	2,104	634
Church premises costs	3,304	2,433
Church repairs	3,345	5,011
House premises costs	4,232	4,164
Training	-	479
Subscriptions	233	163
Governance costs	1,260	1,080
Sundry expenses	994	714
	<u>27,977</u>	<u>46,866</u>
<b>Analysis by fund</b>		
Unrestricted funds	<u>27,977</u>	<u>46,866</u>

Governance costs comprise independent examiner's fees of £1,260 (2022- £1,080).

### 7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

# CORNERSTONE CHURCH WATFORD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 8 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Pastor	-	1

#### Employment costs

	2023 £	2022 £
Wages and salaries	-	22,628
Other pension costs	-	1,750
	-	24,378

There were no employees whose annual remuneration was £60,000 or more.

### 9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 10 Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 April 2022	210,000	14,924	224,924
At 31 March 2023	210,000	14,924	224,924
<b>Depreciation and impairment</b>			
At 1 April 2022	-	10,349	10,349
Depreciation charged in the year	-	1,525	1,525
At 31 March 2023	-	11,874	11,874
<b>Carrying amount</b>			
At 31 March 2023	210,000	3,050	213,050
At 31 March 2022	210,000	4,575	214,575

The freehold property is included at the valuation on acquisition and the Trustees believe that this is still a reasonable valuation to use for the property in these accounts.

# CORNERSTONE CHURCH WATFORD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 11 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Other debtors	2,879	3,044

### 12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals and deferred income	1,080	900

### 13 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	-	22,628