

Charity registration number 1188918

STONEWAY CHURCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



Caladine
Chartered Certified Accountants

STONEWAY CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|-----------------------------|---|
| Trustees | Mr P F Greger Mr J S M Taylor Mr B Schneider |
| Charity number | 1188918 |
| Principal address | 119 London Street Reading Berkshire RG1 4QA |
| Independent examiner | John Caladine FCCA CTA FCIE Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF |
| Bankers | CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ |

STONEWAY CHURCH

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STONEWAY CHURCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

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 Constitution, the Charities Act 2011 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 charity's objects are the advancement of the Christian faith in accordance with our Basis of Faith, primarily, but not exclusively, within Reading and the surrounding neighbourhood.

The immediate objective for Stoneway Church in the year 2021 was to establish church services. This required the lease of Sunday meeting space, hiring staff members and all the logistical operations involved in weekly services.

Three full time staff members have been hired: Brian Schneider (Lead pastor), Dong Jin Kim (Staff pastor) and Joshua Patterson (Worship Leader).

Sunday meeting space was secured through contract with the Reading Town Hall to include Victoria Hall as worship space and the Waterhouse Chamber as a Kids Program.

Sunday services began 21 November 2021 and continued weekly thereafter, open to the public. Worship, hospitality and kids program equipment considered necessary for services was purchased and organized by the church staff.

Four small groups were also initiated for weekly study of the Bible in homes across the Reading area, lead by appointed members of the church.

With the establishment of weekly services, Stoneway Church now provides a Christian Non-denominational church for the community in and around Reading to gather for worship, learn about Christianity and receive support for growth in Christian faith.

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

Achievements and performance

The year 2022 was the first full year of regular Sunday meetings for Stoneway Church and was a time of growth and the establishment of regular life within the church. At the beginning of 2022, the church had been meeting for less than two months and grew over the year from an average Sunday attendance of 38 to 72. Attendance in small groups (the primary care and provision for members of the church) grew as well in 2022 from 20 people per week to 42. Each of the small groups grew so that a fifth small group was needed to continue to provide care for the members. We trained and released a new small group leader and ordained DJ Kim, our new staff pastor, for his role in providing leadership for the church.

At the beginning of 2022 the church had met only a few times in our leased space in Town Hall and over the year we established our regular Sunday services, finished purchasing worship equipment and rented office space for the staff to work Monday-Thursday within the town center. These offices have provided a place to work and pray as well as a location for parties, movie nights, trainings and small groups for the church.

Over the past year we have held baptisms and seen much growth among the Christians of the Church. We held our first church retreat in the autumn and first Christmas Eve service. We held kids movie nights, monthly membership meetings to teach the values and beliefs of the church and monthly team meetings to encourage and support everyone who serves within the church. Much has been done throughout the year toward our purpose of spreading the good news of Jesus in the city of Reading and God has continued to faithfully provide for us along the way.

STONEWAY CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

During the prior year the charity received a significant amount of income from our supporters in the USA, to start the process of planting the Church. In 2022, total income of £392,493 was received, with a deficit of £89,082 (2021: surplus of £763,594). All money held at the present time is unrestricted.

The Church is still in it's very early stages, with activities only starting in December 2021. As such, a decision about the necessary level of reserves is being deferred until we have a better understanding of our recurring and committed costs.

Given the high level of unrestricted reserves held at the year end, we do not consider going concern to be a high risk at the current time.

Structure, governance and management

The charity is a Charitable Incorporated Organisation (CIO).

The trustees who served during the year and up to the date of signature of the financial statements were:

| | |
|-----------------|--------------------------|
| Mr R Mann | (Resigned 19 July 2022) |
| Mr S J M Horne | (Resigned 7 March 2022) |
| Mr P F Greger | |
| Mr G Mottet | (Resigned 31 March 2022) |
| Mr J S M Taylor | |
| Mr B Schneider | |

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

Brian Schneider

Mr B Schneider

Trustee

Date: 11/05/2023

STONEWAY CHURCH

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF STONEWAY CHURCH

I report to the trustees on my examination of the financial statements of Stoneway Church (the charity) for the year ended 31 December 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of 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

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Association of Chartered Certified Accountants, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

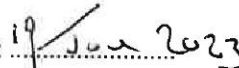
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.


John Caladine FCCA CTA FCIE

Caladine Limited
Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Dated:  19 June 2023

STONEWAY CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

| | | Unrestricted funds 2022 £ | Unrestricted funds 2021 £ |
|---|-------|---------------------------------|---------------------------------|
| | Notes | | |
| <u>Income from:</u> | | | |
| Donations and legacies | 3 | 389,853 | 811,880 |
| Charitable activities | 4 | 2,020 | - |
| Investments | 5 | 620 | - |
| Total income | | 392,493 | 811,880 |
| <u>Expenditure on:</u> | | | |
| Charitable activities | 6 | 481,575 | 48,286 |
| Net (expenditure)/income for the year/ Net movement in funds | | (89,082) | 763,594 |
| Fund balances at 1 January 2022 | | 763,594 | - |
| Fund balances at 31 December 2022 | | 674,512 | 763,594 |

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

All income and expenditure derive from continuing activities.

STONEWAY CHURCH

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|--|-------|-----------|---------|-----------|---------|
| Fixed assets | | | | | |
| Property, plant and equipment | 11 | | 40,302 | | 32,192 |
| Current assets | | | | | |
| Trade and other receivables | 12 | 68,519 | | 8,513 | |
| Cash at bank and in hand | | 567,251 | | 725,426 | |
| | | 635,770 | | 733,939 | |
| Current liabilities | 13 | (1,560) | | (2,537) | |
| Net current assets | | | 634,210 | | 731,402 |
| Total assets less current liabilities | | | 674,512 | | 763,594 |
| Income funds | | | | | |
| Unrestricted funds | | | 674,512 | | 763,594 |
| | | | 674,512 | | 763,594 |

The financial statements were approved by the Trustees on 11/05/2023...

Joshua Taylor
Mr J S M Taylor
Trustee

Brian Schneider
Mr B Schneider
Trustee

STONEWAY CHURCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|-----------|-----------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 16 | | (140,610) | | 757,618 |
| Investing activities | | | | | |
| Purchase of property, plant and equipment | | (18,185) | | (32,192) | |
| Investment income received | | 620 | | - | |
| Net cash used in investing activities | | | (17,565) | | (32,192) |
| Net (decrease)/increase in cash and cash equivalents | | | (158,175) | | 725,426 |
| Cash and cash equivalents at beginning of year | | | 725,426 | | - |
| Cash and cash equivalents at end of year | | | 567,251 | | 725,426 |

STONEWAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Stoneway Church is a Charitable Incorporated Organisation. The Charity Commission registration number is 1188918.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 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 financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

STONEWAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.5 Expenditure

Liabilities are recognised when a constructive obligation exists, the payment is probable and the obligation can be measured or estimated reliably.

Resources expended are allocated to the particular cost centre to which they relate and include irrecoverable VAT.

1.6 Property, plant and equipment

Property, plant and equipment 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 basis:

| | |
|-----------------------|-------------------|
| Fixtures and fittings | 20% 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.

1.7 Impairment of non-current 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 trade and other receivables 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.

STONEWAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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 payables 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 payables 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.

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.

3 Donations and legacies

| | Unrestricted funds | Unrestricted funds |
|---------------------|--------------------|--------------------|
| | 2022 | 2021 |
| | £ | £ |
| Donations and gifts | 389,853 | 811,880 |

STONEWAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies (Continued)

Donations and gifts

| | | |
|----------------------|----------------|----------------|
| Donations | 342,877 | 803,367 |
| Income tax recovered | 46,976 | 8,513 |
| | <u>389,853</u> | <u>811,880</u> |

4 Charitable activities

| | 2022 | 2021 |
|-------------------------------------|-------|------|
| | £ | £ |
| Contributions towards retreat costs | 2,020 | - |

5 Investments

| | Unrestricted funds | Total |
|---------------------|--------------------|-------|
| | 2022 | 2021 |
| | £ | £ |
| Interest receivable | 620 | - |

STONEWAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities

| | 2022 £ | 2021 £ |
|--|----------------|---------------|
| Staff costs | 233,575 | 30,017 |
| Depreciation and impairment | 10,075 | - |
| Travel | 42 | 64 |
| Costs of Sunday services | 941 | 1,988 |
| Children's programme | 4,328 | 2,703 |
| Venue hire | 95,700 | 3,800 |
| Church materials | 701 | 148 |
| Advertising | 8,300 | 948 |
| Leadership & outreach | 12,117 | 101 |
| Catering and hospitality costs | 23,744 | 320 |
| Music costs | 783 | - |
| Equipment, repairs and maintenance costs | 13,190 | - |
| Outreach activities | 11,005 | - |
| Church and Leadership retreats | 12,576 | - |
| | <u>427,077</u> | <u>40,089</u> |
| Share of support costs (see note 7) | 44,885 | 1,812 |
| Share of governance costs (see note 7) | 9,613 | 6,385 |
| | <u>481,575</u> | <u>48,286</u> |

STONEWAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Support costs

| | Support costs £ | Governance costs £ | 2022 £ | Support costs £ | Governance costs £ | 2021 £ |
|-------------------------------|--------------------|-----------------------|---------------|--------------------|-----------------------|--------------|
| Insurance | 1,757 | - | 1,757 | 65 | - | 65 |
| Office rent | 29,540 | - | 29,540 | 1,747 | - | 1,747 |
| Office equipment and supplies | 1,318 | - | 1,318 | - | - | - |
| Telephone and computer costs | 3,496 | - | 3,496 | - | - | - |
| Office rates | 4,605 | - | 4,605 | - | - | - |
| Network support fee | 4,169 | - | 4,169 | - | - | - |
| Accountancy | - | 3,444 | 3,444 | - | 2,880 | 2,880 |
| Legal and professional | - | 5,976 | 5,976 | - | 3,456 | 3,456 |
| Bank charges | - | 193 | 193 | - | 49 | 49 |
| | <u>44,885</u> | <u>9,613</u> | <u>54,498</u> | <u>1,812</u> | <u>6,385</u> | <u>8,197</u> |
| <u>Analysed between</u> | | | | | | |
| Charitable activities | <u>44,885</u> | <u>9,613</u> | <u>54,498</u> | <u>1,812</u> | <u>6,385</u> | <u>8,197</u> |

Governance costs includes payments to the Independent Examiners of £840 (2021- £840) for independent examination fees and £2,604 (2021- £2,040) for other services.

8 Trustees

Trustee Brian Schneider received remuneration in the year of £109,565 (2021:£12,417). Two trustees were reimbursed for Church running and administration related expenses totalling £27,875 (2021:£3,018).

The trustees have donated an aggregate sum of £67,861 (2021:£10,898) to the charity.

9 Employees

The average monthly number of employees during the year was:

| | 2022 Number | 2021 Number |
|-------------------------|-------------------|-------------------|
| | <u>4</u> | <u>4</u> |
| Employment costs | 2022 £ | 2021 £ |
| Wages and salaries | 208,596 | 29,598 |
| Social security costs | 19,090 | - |
| Other pension costs | 5,889 | 419 |
| | <u>233,575</u> | <u>30,017</u> |

STONEWAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Employees (Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

| | 2022 Number | 2021 Number |
|---------------------|----------------|----------------|
| £60,000 - £70,000 | 1 | - |
| £100,000 - £110,000 | 1 | - |
| | <u>1</u> | <u>-</u> |

10 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.

11 Property, plant and equipment

| | Fixtures and fittings £ |
|------------------------------------|----------------------------|
| Cost | |
| At 1 January 2022 | 32,192 |
| Additions | 18,185 |
| | <u>50,377</u> |
| At 31 December 2022 | |
| Depreciation and impairment | |
| Depreciation charged in the year | 10,075 |
| | <u>10,075</u> |
| At 31 December 2022 | |
| Carrying amount | |
| At 31 December 2022 | 40,302 |
| | <u>40,302</u> |
| At 31 December 2021 | 32,192 |
| | <u>32,192</u> |

12 Trade and other receivables

| | 2022 £ | 2021 £ |
|---|---------------|--------------|
| Amounts falling due within one year: | | |
| Other receivables | 40,626 | 8,513 |
| Prepayments and accrued income | 27,893 | - |
| | <u>68,519</u> | <u>8,513</u> |

STONEWAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Current liabilities

| | 2022 £ | 2021 £ |
|------------------------------------|--------------|--------------|
| Other taxation and social security | - | 977 |
| Accruals and deferred income | 1,560 | 1,560 |
| | <u>1,560</u> | <u>2,537</u> |

14 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £5,889 (2021 - £419).

15 Related party transactions

During the year, wages of £2,522 were paid to Mrs T Mottet, wife of Mr G Mottet, up until his resignation as a trustee on 31 March 2022 (2021 : £1,650).

There were no other disclosable related party transactions (2021: NIL)

16 Cash generated from operations

| | 2022 £ | 2021 £ |
|---|-------------------------|-----------------------|
| (Deficit)/surplus for the year | (89,082) | 763,594 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (620) | - |
| Depreciation and impairment of property, plant and equipment | 10,075 | - |
| Movements in working capital: | | |
| (Increase) in trade and other receivables | (60,006) | (8,513) |
| (Decrease)/increase in trade and other payables | (977) | 2,537 |
| Cash (absorbed by)/generated from operations | <u>(140,610)</u> | <u>757,618</u> |

17 Analysis of changes in net funds

The charity had no debt during the year.