

# Cornerstone Collective of Churches

(formerly Cornerstone Church, Liverpool)

Report and Accounts

Year ended 31 July 2021

Stewardship   
*Active generosity*

1 Lamb's Passage, London EC1Y 8AB  
[www.stewardship.org.uk](http://www.stewardship.org.uk)

**CORNERSTONE COLLECTIVE OF CHURCHES  
(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)**

**FOR THE YEAR ENDED 31 JULY 2021**

**COMPANY INFORMATION**

**Directors/Trustees**

A Craig  
N Forsythe  
D Heybourn  
L Horne  
J Lockyer (resigned 14 March 2022)  
M Newberry  
S Robinson  
A Taylor  
J Walsh  
A Wood

**Governing Document**

Memorandum and Articles dated 6 July 2012  
as amended by Special Resolution on 10 October 2012

**Company Registration Number**

08133846

**Charity Registration Number**

1152099

**Registered Office**

Cornerstone Church  
Dovedale Road  
Liverpool  
Merseyside L18 1DW

**Independent Examiner**

Lisa Darby ACA  
Stewardship  
1 Lamb's Passage  
London  
EC1Y 8AB

**Bankers**

HSBC Bank plc  
Nat West Bank Plc

**CONTENTS**

	Page
Company Information	1
Directors' Report	2 - 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Cashflow Statement	10
Notes to the Accounts	11 - 17
Detailed Statement of Financial Activities with Comparatives	18

**CORNERSTONE COLLECTIVE OF CHURCHES  
(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)  
TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 JULY 2021**

The trustees, who are the charity's directors for the purposes of company law, have pleasure in submitting the Report and Accounts for the year.

**Objects of the charity:**

The charity is a charitable company and is governed by its memorandum and articles of association. The objects of the charity, as set out in the governing document are:

1. To advance the Christian faith through the public preaching of the gospel
2. To demonstrate the Christian faith through the training of men and women for Church leadership, parent/carer and baby/toddler groups, teaching and training of children and young people, involvement in community activities; including the planting of local gospel communities and planting churches.
3. In accordance with the Statement of Beliefs in the areas of Liverpool, Merseyside and in such parts of the United Kingdom and the wider world as the trustees may from time to time see fit.

**Government:**

Responsibility for setting policy and for making operating decisions rests with the trustees who meet regularly to monitor the activities of the charity. New trustees are recruited and appointed by the existing trustees, by a majority vote.

**Review of Activities:**

In planning the activities, the Trustees have considered the guidance on public benefit issued by the Charity Commission.

This report is founded in the realities of operating a charity which runs churches during one of the most unusual times we have ever faced as an organisation, a country and even as a world. The continued challenges of the Covid-19 pandemic for this financial year cannot be ignored as this report is composed, but amazingly the organisation is able to demonstrate much positivity from its operations within this year.

In the last 12 months we have seen membership across our churches remain fairly stable, with a relatively small reduction from 274 to 254. Considering the massive upheaval which has been brought about by Covid-19, we are grateful that the majority of our members and congregations have stayed with us through this time, and that as we look beyond July 31<sup>st</sup> 2021, we are seeing an uplift in congregants and engagement in our churches. The biggest change in our churches this year has been the launch of Hope Church, Kensington, which started meeting on Easter Sunday 2021. The fact that we have been able to plant a new church during a pandemic is wonderful and is a clear reminder to all those involved in the churches and the charity that we can still tangibly see God building His Church through the work of Cornerstone Collective of Churches.

In addition to the wider church focus areas, we have also continued to prioritise the work the churches have been doing with children and young people in our church communities throughout this financial year. Across the churches there are regularly upwards of 80 children aged 11 and under who, pre-pandemic, regularly participated in 'Kids' Church' (time spent teaching children about God and the Bible, as well as building relationships with each other) on Sunday mornings, alongside the main church services. Older children and young people have a weekly group available to them where they gather socially and to study the Bible, with extra social events on occasion as well. For significant periods of this financial year these activities could not operate in person, but leaders and volunteers utilised well the online options to continue to work to fulfil the aims of the charity. Once restrictions were lifted enough in late Spring for all our churches to operate in person, risk assessed activities with our children and young people resumed in ways which were as 'Covid-safe' as possible, whilst increasing engagement once again. At the close of the financial year these groups were buoyant in number and enthusiasm, with a range of exciting plans in place for the following year. In addition to these Bible-based settings we also run parent/carer and baby/pre-school sessions on a weekly basis which are

designed to welcome people into the Liverpool and Wirral churches for a time of support for the adults, and stimulation and learning through play for the children. These have always been extremely popular, and therefore in the autumn of 2020 we began to re-open these groups, albeit in a more limited fashion due to Covid restrictions, but one which still allowed for one of the core areas of the objectives of Cornerstone Collective of Churches to be met.

One of the main ways in which we fulfil our first objective as a charity, to advance the Christian faith by the public preaching of the gospel, is through Church Planting. On 4<sup>th</sup> April 2021 we were able to publicly launch gatherings of Hope Church in Kensington, Liverpool. A team of 18 people were sent from the congregation of Cornerstone Church Liverpool to set up a church in Kensington and this has been a massive blessing to both the local community and the people involved in the church. Already there have been a good number of local people joining the church for its meetings on Sundays and activities in the week, and plans were being made for further outreach and fellowship activities as the next financial year started.

As many of the activities that would take place in Cornerstone Collective and its churches were significantly restricted in 2020-2021, we took time during the year to plan how we hoped to meet our aims and objectives in future years, both related to changes 'post-Covid' and longer term as well. This meant further development of our Cornerstone Collective Training and Coaching focus areas to enable growth of the gospel across Merseyside and beyond. Included in this is the Church Plant Residency programme which prepares future pastors for planting/revitalising/replanting churches, and at the close of this financial year we are excited to be taking on our next Church Plant Resident to train and explore opportunities in North Liverpool in the Autumn of 2021. Additionally, we had success in applying to funds from the FIEC to support the salary of a new Assistant Pastor in Training in Cornerstone Church Wirral, with the grant of £30,000 due to be received in September 2021 to support this position. These wonderfully encouraging steps forward illustrate how blessed we are as an organisation in being in a position to expand our church operations further across Merseyside.

In our last financial year, we reported that we had managed to secure the purchase of a new building for Cornerstone Church Liverpool. This amazing building has become the new home for the Liverpool congregation since re-opening in April 2021, and it has been fantastic to see life breathed back into it. It is Grade II listed and in a very poor state of repair, so the past 12 months have been focused on getting the building usable for the short term, as well as developing plans for a longer-term full renovation to bring it back to its original glory with modern day functionality added in. We were blessed with the gifting of the proceeds of the sale of the building which Cornerstone Church Liverpool used to meet in from the Ramilies Road Hall Trust before the trust was merged into Cornerstone Collective of Churches. These proceeds have been budgeted for repairs and future-proofing works on the building, alongside a generous £20,000 grant from Allchurches Trust 'Growing Lives' fund. This latter grant focused on repairing and restoring the hall at the back of the main building for use by our Kids' Church, Youth and 'Little Pebbles' baby/toddler activities and it has been so encouraging to see so many children and their families excited by using this new space. As the financial year closes, the longer-term plans for the building are beginning to take shape, alongside plans for future fund-raising to support the restoration, so there are lots more exciting days ahead!

Despite ongoing challenges our churches and organisation faced during this year as a result of Covid-19, we ended the financial year on 31<sup>st</sup> July 2021 with a small financial surplus (aside from the gift of building sale proceeds) which is fantastic, and as a Christian organisation we thank God for this. This position enables us to reinvest in the charity and plan for the future in a healthy, stable financial position.

Charity law requires us as Trustees in the role of the Directors of the Charity to prepare financial statements for the accounting year 2020-2021 which gives a true and fair view of the state of the Charity, specifically in terms of its income and expenditure for the year. This includes us:

1. Selecting suitable accounting policies and applying them consistently
2. Making judgements and estimates that are reasonable and prudent
3. Stating whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts

4. Preparing the financial statements on a 'going concern' basis unless it is inappropriate to presume that the charity will continue in business
5. Being aware that we are responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and which enable us to ensure that the financial statements comply with the Companies Act 2006.

We also have a responsibility to safeguard the assets of the charity and to take reasonable steps to prevent fraud.

### **Financial Review**

Despite the upheaval and uncertainty of the background of the financial year in terms of Covid-19, the financial functioning of Cornerstone Collective of Churches has remained stable.

Towards the latter end of 2019-2020 we completed on the purchase of a new building for Cornerstone Church Liverpool, resulting increased priority being placed on selling the previous building the church had met in on Ramilies Road. This sale completed on 14 May 2021, with the trustees of Ramilies Road Hall subsequently gifting the proceeds totalling £225,000. These funds were restricted for use in the extensive and necessary repairs to the new building, and the plans for these continued throughout the financial year. Additionally, grants were received in December 2020 (£20,000) and April 2021 (£11,550) from AllchurchesTrust for use in specific aspects of the renovation of the building (the back hall and making services available during the Covid-19 pandemic respectively). Along with other smaller deposits from the Listed Places of Worship Grant Scheme and backdated claiming of Gift Aid the fund had a very valuable amount to make a good start on the necessary works. At the close of the year there was still a significant sum available, and this has been budgeted for separately to the general income/expenditure needs moving forward.

A further area in which the organisation has been financial blessed has been financial support received for the planting and running of Hope Church in Kensington, Liverpool. Many regular financial supporters have stepped in to support this church, as well as significant one-off donations from two other sources in this financial year as well. These larger donors were made up of £5000 from an anonymous donation via CAF and £6509.04 from a church organisation in the USA which supports church planting (The Church of Eleven22), as well as further significant donations due to be received in 2021-2022. These funds have been put to use in employing the Pastor of the new church and all of its associated costs, for use in community engagement and social justice projects, as well as some being kept aside for use in the subsequent financial year.

These aspects aside, the finances of the general functioning of the organisation have been managed well, especially in light of the restrictions on our operations resulting from Covid-19. The (general operating) expenditure of 2020-2021 was £306,402, with the income being £314,508. We did notice a drop in income during parts of the year, and this fed into the decision to utilise the Government furlough scheme for short periods of time during the year where complete lockdowns were in place. For a small number of staff, it was decided to put them on part or full-time furlough as the operations of the organisation and churches couldn't continue at full capacity during lockdowns, and we were risking our salary expenditure exceeding the live income if we hadn't had utilised the furlough scheme. As soon as we were allowed to operate in-person however, we resumed normal financial operations without the furlough scheme. Looking at the broader income and expenditure of the charity, and including all restricted funds received and expenditure from these, the income was £605,023 and the expenditure was £347,966. The significant difference in the general finances when compared to the total income and expenditure levels is a result of various restricted donations received, particularly that of the gift of the proceeds of the sale of the building owned by Ramilies Road Hall Trust, where Cornerstone Church Liverpool used to meet. The restricted funds have had budgets produced, alongside the general budget, for 2021-2022 to ensure that the donations are used in accordance with Charity Law and to aid the charity to meet its charitable objectives.

Moving into 2021-2022, we are still operating in with the effects and uncertainty of Covid-19, and our financial prudence will need to continue as a result, especially as our plans include an expansion of our staffing. Our general operating budget for 2021-2022 totals £400,427.32, and this reflects increased costs associated with running a much larger and older building, a new member of staff taken on during 2020-2021, a new role for

another member of staff with an increased salary as a result, and two new members of staff in the new financial year. These additional members of staff have been part-funded by external grants and donors. The new Pastor for Hope Church brought financial supporters on board to fund his salary, the new Assistant Pastor in Training for Cornerstone Church Wirral gained a grant of £30,000 to be used over two years from FIEC and the new Church Plant Resident at Cornerstone Church Liverpool has £10,000 of the Church Planting fund from FIEC and a donation of £15,000 from Orrell Park Baptist Church being used to form his salary. All of these additions to our financial planning, as well as the general running costs of the organisation and its churches, and the planned renovations necessary for the Cornerstone Liverpool building go to formulate the extensive budgets for this year. With this in mind, we remain determined as trustees that none of the significant financial undertakings distract us from the charitable aims and objectives of the charity – to spread the Gospel of Jesus Christ and the Salvation he offers across Merseyside, and we remain truly thankful to God for his financial provision and protection of His churches. The unrestricted surplus the charity was left with at the end of 2012-2021 will be reinvested in the charity to ensure that meeting the charitable aims and objectives continue to be our focus. We have committed to continuing in these endeavours and financially we will work hard to allow this to continue with growth of the existing churches, as well as planting new ones.

As a result of the purchase of the Cornerstone Church Liverpool building in July 2020 the value of the fixed assets land and buildings owned by Cornerstone Collective of Churches has depreciated to £494,100.00 as of 31<sup>st</sup> July 2021. Additionally, at the close of the financial year on 31<sup>st</sup> July 2021, the charity had a total of £94,009.32 and £249,274.70 in its two bank accounts, creating the total net assets to be £870,438. The bank account totals contained significant amounts of restricted funds (over £286,000 as of 31<sup>st</sup> July 2021) for areas such as the renovation of the Dovedale Road building, and the grant for church planters. The remaining bank account assets are available for our ongoing operational and investment in the charity costs, as well as providing a necessary contingency fund.

We are thankful to God for his provision, and we hope and pray that the next 12 months will be even more fruitful and productive as we continue to share the Gospel, plant Churches and move forward with our charitable aims and objectives.

### **Reserves Policy**

The charity recognises its responsibility to pursue a healthy financial position to help safeguard the aims of the charity and its staff. Finances are regulated on a monthly basis and the Cornerstone Collective of Churches budget considers how we can grow our reserve to ensure our long-term financial health and sustainability.

Due to the nature of the charity and its aims, it is not unexpected that from time to time the Cornerstone Collective of Churches might function with a deficit. However, at any given time, and whenever possible, it will endeavour to hold three months of salary payments (equivalent to approximately £60,000 as of 31<sup>st</sup> July 2021 when including employer pension and NI contributions) in the bank as a financial reserve as a means to comply with the Code of Governance for Charities and IPC's (Guideline 6.3.1). This is incorporated into our contingency fund, which is identified clearly and reviewed regularly. Restricted funds are not considered, except to the extent that they are available to fund salary costs (£20,112.64 including employer pension and NI contributions as of 31 July 2021).

The level of unrestricted general cash reserves as of 31<sup>st</sup> July 2021 was around £56,000. After analysing existing funds, cash flow (with income from regular givers remaining broadly stable) and forecasting expenditure based on planned activities, Cornerstone Collective of Churches considered this to be an appropriate reserve at the end of the financial year. It is broadly in line with the three months of salary payments, as well as being significantly more robust as an unrestricted financial reserve than in other past years. This is reviewed on an annual basis, as well as being adjusted when new staff are first employed to ensure that there is capacity to increase the cash reserves over time should this be required in order for the charity to comply with Guideline 6.3.1 mentioned earlier. The Restricted Fund cash reserves were around £286,000 as of 31<sup>st</sup> July 2021.

When it is not possible to maintain our financial reserve to the agreed levels, Cornerstone Collective of Churches is committed to taking sensible steps with the Elders and staff to ensure that the Collective of Churches continues with its charitable aims, whilst also demonstrating the appropriate financial restraint. In these

instances, the regular income and regular expenditure is a key consideration, and the reserve would be used in the following way:

1. Fulfilling current obligations (bills and fixed operational costs)
2. Payment of Staff Salaries

Due to the nature of the Cornerstone Collective of Churches' activities it is possible to reduce other monthly expenditure quickly, but it must be noted that this would influence the ability of the churches to fulfil their vision and charitable aims.

The Cornerstone Collective of Churches is also committed to increasing its regular income on a consistent basis, particularly as the Collective of Churches grows (numerically in individual churches as well as in the total number of churches in the Collective), but it also reserves its right as a 'faith-based charity' to trust God for such financial provision. The demographic of the Cornerstone Collective of Churches membership and our various partnerships should also add another layer of confidence if the financial reserve was breached.

### **Risk Statement**

The Directors have reviewed the risks to which a small charity operating with few employees is exposed. Appropriate procedures are in place to identify, monitor and review these risks on a regular basis.

### **Approval**

This report, which has been prepared in accordance with the provisions of the Companies Act 2006 relating to small companies, was **approved by the trustees on 29 March 2022 and signed on their behalf by:**

*Matthew Newberry*

Matthew Newberry, Chair of Trustees

**INDEPENDENT EXAMINER'S REPORT  
TO THE TRUSTEES OF  
CORNERSTONE COLLECTIVE OF CHURCHES  
(the Company)**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 July 2021 on pages 8 to 18 following, which have been prepared on the basis of the accounting policies set out on pages 11 to 12.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company 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 your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

Since the Company'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 Institute of Chartered Accountants of England and Wales, which is one of the listed bodies.

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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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.

*Lisa Darby*

Lisa Darby ACA  
Institute of Chartered Accountants in England and Wales  
Stewardship  
1 Lamb's Passage  
London  
EC1Y 8AB

Date: 11 April 2022



**CORNERSTONE COLLECTIVE OF CHURCHES**  
**(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 JULY 2021**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	306,951	290,515	597,466	281,926
Other trading activities		7,557	-	7,557	7,421
<hr/>					
Total income and endowments		314,508	290,515	605,023	289,347
<b>EXPENDITURE ON</b>					
Charitable activities	4	306,402	41,564	347,966	271,074
<hr/>					
Total expenditure		306,402	41,564	347,966	271,074
<hr/>					
<b>Net income/(expenditure)</b>		8,105	248,951	257,057	18,273
Transfers between funds		21,702	(21,702)	-	-
		29,807	227,250	257,057	18,273
<hr/>					
<b>Net movement in funds</b>		29,807	227,250	257,057	18,273
<hr/>					
<b>Reconciliation of funds:</b>					
Total funds brought forward	10	553,717	59,664	613,381	595,108
<hr/>					
<b>Total funds carried forward</b>		583,524	286,914	870,438	613,381
<hr/>					

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

All income and expenditure derive from continuing operations.

The statement of financial activities also complies with the requirements for an income and expenditure account

The notes on page 11 - 17 form part of these accounts.

**CORNERSTONE COLLECTIVE OF CHURCHES**  
**(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)**  
**BALANCE SHEET**

**FOR THE YEAR ENDED 31 JULY 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 2021 £	Total funds 2020 £
<b>FIXED ASSETS</b>					
Tangible assets	6	519,648	-	519,648	505,000
<b>CURRENT ASSETS</b>					
Debtors	7	14,279	173	14,452	22,015
Cash at bank & in hand	8	56,543	286,741	343,284	93,791
		<u>70,822</u>	<u>286,914</u>	<u>357,736</u>	<u>115,806</u>
<b>CURRENT LIABILITIES</b>					
Liabilities falling due within one year	9	6,946	-	6,946	7,425
Net Current Assets		<u>63,876</u>	<u>286,914</u>	<u>350,790</u>	<u>108,381</u>
<b>NET ASSETS</b>		<u>583,524</u>	<u>286,914</u>	<u>870,438</u>	<u>613,381</u>
<b>FUND BALANCES</b>					
Unrestricted funds	10				
General Funds		548,584		548,584	522,677
Designated funds		34,940		34,940	31,040
Restricted Funds	10		286,914	286,914	59,664
		<u>583,524</u>	<u>286,914</u>	<u>870,438</u>	<u>613,381</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2021 in accordance with Section 476 of the Companies Act 2006 however, in accordance with Section 145 of the Charities Act 2011, the accounts have been examined by an independent examiner and their report has been included in these financial statements.

The directors (who are the charitable company's trustees for the purposes of charity law) acknowledge their responsibilities for:

- (a) ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its net income or expenditure for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 29 March 2022 and were signed on its behalf by:

*Matthew Newberry*

Matthew Newberry

Company number: 08133846      Charity number: 1152099

The notes on page 11 - 17 form part of these accounts.

**CORNERSTONE COLLECTIVE OF CHURCHES**  
**(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2021**

	Total funds 2021 £	Total funds 2020 £	Note
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	<u>276,324</u>	<u>32,341</u>	a
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments			
Proceeds from the sale of property, plant and equipment			
Purchase of property, plant and equipment	(26,832)	(145,000)	
Proceeds from sale of investments			
Purchase of investments			
<b>Net cash provided by (used in) investing activities</b>	<u>(26,832)</u>	<u>(145,000)</u>	
 <b>Change in cash and cash equivalents in the reporting period</b>	 249,493	 (112,659)	
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<u>93,791</u>	<u>206,450</u>	b
 <b>Cash and cash equivalents at the end of the reporting period</b>	 <u>343,284</u>	 <u>93,791</u>	b

**Note a: Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2021 £	2020 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	257,057	18,273
<b>Adjustments for:</b>		
Depreciation charges	12,183	8,000
(Increase)/decrease in debtors	7,562	5,783
Increase/(decrease) in creditors	(479)	285
<b>Net cash provided by (used in) operating activities</b>	<u>276,324</u>	<u>32,341</u>

**Note b: Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand	343,284	93,791
Notice deposits (less than 3 months)		
Overdraft facility repayable on demand		
<b>Total cash and cash equivalents</b>	<u>343,284</u>	<u>93,791</u>

**CORNERSTONE COLLECTIVE OF CHURCHES**  
**(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**1 Statutory Information**

The charity is a charitable company limited by guarantee and is incorporated in the United Kingdom. The company's registered number and registered office address can be found on the Company Information page.

The charity changed its name from the Cornerstone Church, Liverpool to the Cornerstone Collective of Churches on the 10th September 2018.

On 18th May 2021 Ramilies Road Hall Trust was merged into the charity.

**2 Accounting Policies**

These financial statements are prepared on a going concern basis, under the historical cost convention.

These financial statements have been prepared in accordance with the "Statement of Recommended Practice: 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) ("the Charities SORP"), with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), with the Companies Act 2006 and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

The principles adopted in the preparation of the financial statements are set out below.

**a) Going Concern**

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and the possible implications should projected income and / or expenditure vary unexpectedly. The trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. In making this assessment the trustees have considered the impact of Covid-19 and have concluded that its impact on net income will not be material. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

**b) Income**

Income including investment income is recognised in the period in which the charity becomes entitled to receipt, the amount receivable can be measured with reasonable certainty, and receipt is probable. For the most part, income is generally recognised when it is received. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Income from donations and legacies includes:

- i) Recoverable gift aid is recognised when the related donation is received. Gift aid that has not been recovered by the balance sheet date is included as a debtor.
- ii) Legacies. Income from legacies is recognised when a distribution is received from the estate or, if earlier, when the charity has been notified that a distribution will be made and the amount receivable can be measured reliably.

Income from other trading activities represents income receivable from activities undertaken to generate funds for the charity. It includes income from the hiring of the hall.

The charity has relied significantly upon volunteers in carrying out its activities during the year. In accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.

The charity has taken the view that it has only one charitable activity, namely the advancement of the Christian faith, and all income from donations, legacies and charitable activities is in respect of this one activity.

**c) Expenditure**

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The charity makes grants to other institutions and individuals to further its charitable objectives. Grants payable are recognised as constructive obligations arise, which is generally when the charity expresses a commitment to the recipient that can be measured reliably and then only to the extent that any conditions associated with the grant are outside of the control of the charity.

The Charities SORP requires charities with income over £500,000 to allocate costs to the various activities undertaken by the charity. The nature of the work of the church is considered to be so integrated that the core charitable activity costs are considered to be for the one activity.

**CORNERSTONE COLLECTIVE OF CHURCHES**  
**(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

Governance costs, which are included in expenditure on charitable activities but are identified separately in the notes to the accounts, includes costs associated with the independent examination of the financial statements, compliance with constitutional and statutory requirements and any other expenditure incurred on the strategic management of the charity.

d) Funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

e) Fixed assets and depreciation

Fixed assets acquired for use by the charity are capitalised and depreciated over their estimated useful life unless they cost less than £2,000 when they are written off on purchase.

Depreciation periods are as follows:

Freehold property	Over 50 years
Freehold improvements	Over 5 years
Equipment & Fixtures	Over 5 years

e) Pension costs:

The charity operates defined contribution pension schemes for its employees. Obligations for contributions to these schemes are recognised as an expense when the liability arises. The assets of these schemes are held separately from those of the charity in independently administered funds.

f) Taxation

The company is a registered charity and is exempt from taxation under the Income & Corporation Taxes Acts.

g) Financial instruments

The charity's financial assets and financial liabilities all qualify as basic financial instruments, as defined by FRS102. Except for loans, creditors and debtors are measured at their expected settlement value (normally the amount of cash that the charity expects to pay or receive). The charity recognises liabilities for the principal of those loans that remains outstanding at the year end (i.e. the liabilities exclude any interest chargeable on the loans in future years).

**3 Voluntary income**

	Total 2021 £	Total 2020 £
Donations of cash and similar	507,215	226,224
Job Retention Scheme grants	10,092	-
Other grants receivable	34,550	20,000
Income tax recoverable	45,609	35,702
	<u>597,466</u>	<u>281,926</u>

**4 Charitable activity**

**a Direct Charitable Costs**

	Total 2021 £	Total 2020 £
Pastoral expenses	3,308	4,396
Staff funding	228,223	188,880
Training and conferences	13,601	10,512
Travel	1,466	4,119
Property	37,167	11,794
Room hire	5,680	3,229
IT and equipment	13,248	8,215
10 year celebration costs	-	6,373
Other direct costs	838	2,732
Depreciation	12,183	8,000
Outreach	2,200	1,319
Grants payable	8,517	7,044
	<u>326,431</u>	<u>256,612</u>

Note 4c

**b Support & Administration**

	£	£
Governance costs	2,640	2,400
Legal and Professional Fees	4,985	6,995
Office costs	6,415	3,546
Insurance	7,496	1,520
	<u>21,536</u>	<u>14,461</u>
<b>Combined charitable activity cost</b>	<u><u>347,966</u></u>	<u><u>271,074</u></u>

**CORNERSTONE COLLECTIVE OF CHURCHES**  
**(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)**  
**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 JULY 2021**

The fee payable to the independent examiner for preparing and examining the accounts was £2,640 (2020: £2,400); in addition the charity paid £1,197 (2020: £1,032) to Stewardship for payroll bureau and consultancy services.

<b>c Grants</b>	Institutions	Individuals	2021	2020
	£	£	£	£
Missionary support	-	2,517	2,517	7,000
Relief of poverty	-	3,000	3,000	44
Educational grants	-	3,000	3,000	-
	-	8,517	8,517	7,044

**5 Analysis of staff costs, cost of key management personnel and trustee remuneration and expenses**

	2021	2020
	£	£
Gross wages and salaries	201,377	167,485
Social security	14,803	11,315
Pension costs	12,043	10,080
Other employment benefits	-	-
	<u>228,223</u>	<u>188,880</u>

The average monthly number of employees during the year was 6.5 (2020: 6). Most of the charity's activities are carried out by volunteers.

No staff received salaries at a rate of more than £60,000 per annum.

The charity's key management are the trustees named on the Company Information page. Total employment benefits payable to key management for the year were as follows:

	Wages & salaries	Other employment benefits	Employer pension contributions	2021 £
Trustees:				
S Robinson	39,270	-	2,356	41,626
A Wood	27,500	-	1,650	29,150
J Walsh	33,660	-	2,020	35,680
N Forsythe	20,349	-	1,221	21,570
				<u>128,027</u>

The following amounts were payable in the previous year:

	Wages & salaries	Other employment benefits	Employer pension contributions	2020 £
Trustees:				
S Robinson	38,702	-	2,322	41,025
M Newberry	17,325	-	1,040	18,365
J Walsh	33,120	-	1,987	35,107
N Forsythe	17,618	-	1,057	18,675
				<u>113,172</u>

The above trustees served as church leaders and operational staff and received the above payments for serving in that capacity, not for serving as trustees; these payments are permitted by the charity's governing document.

**CORNERSTONE COLLECTIVE OF CHURCHES**  
**(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)**  
**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 JULY 2021**

<b>6 Tangible Fixed Assets</b>	Land & Buildings	Freehold improvements	Assets under construction	Equipment & fixtures	Total
Cost	£	£	£	£	£
At 1/8/2020	545,000	-	-	-	545,000
Additions	-	11,555	10,147	5,130	26,832
At 31/07/2021	545,000	11,555	10,147	5,130	571,832
Accumulated Depreciation					
At 1/8/2020	40,000	-	-	-	40,000
Charge for the year	10,900	770		513	12,183
At 31/07/2021	50,900	770	-	513	52,183
Net book value					
At 31/07/2021	494,100	10,785	10,147	4,617	519,648
At 1/8/2020	505,000	-	-	-	505,000

Assets under construction represents expenditure spent on the future development of Dovedale Road. Depreciation will not be charged on this asset until the renovation work is complete.

<b>7 Debtors and Prepayments</b>	2021 £	2020 £
Tax recoverable	12,037	18,908
Prepayments	2,415	3,107
	<u>14,452</u>	<u>22,015</u>

<b>8 Cash at Bank and in Hand</b>		
Bank operating accounts	343,284	93,791
	<u>343,284</u>	<u>93,791</u>

<b>9 Creditors: liabilities falling due within one year</b>		
Constructive grant obligations	1,800	2,400
Accruals	5,146	5,025
	<u>6,946</u>	<u>7,425</u>

**CORNERSTONE COLLECTIVE OF CHURCHES**  
**(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**10 Funds**

<b>2020/21</b>	Opening balance £	Incoming resources £	Outgoing resources £	Transfers in the year £	2021 Closing balance £
<b>Designated Funds</b>					
Sabbatical Fund	3,800	-	3,280	1,200	1,720
Building Repair Fund	1,639	7,005	-	(2,230)	6,414
Crosslands Fund	45	-	-	-	45
					-
Giving fund	15,557	-	1,617	2,822	16,762
Contingency Fund	10,000	-	-	-	10,000
	31,040	7,005	4,897	1,792	34,940
<b>General Funds</b>	522,677	307,503	301,505	19,910	548,584
<b>Total Unrestricted Funds</b>	<b>553,717</b>	<b>314,508</b>	<b>306,402</b>	<b>21,702</b>	<b>583,524</b>
<b>Restricted Funds</b>					
Staff Worker Funding	-	5,000	5,000	-	-
Dovedale Building fund	34,971	260,027	25,205	(21,702)	248,091
Rooted Church Plant	2,100	-	-	-	2,100
Room hire Deposits	1,100	-	-	-	1,100
Church plant residency	20,000	-	-	-	20,000
Liberti Church outreach fund	548	-	-	-	548
Holding Fund	150	-	-	-	150
Cornerstone Wirral	795	6,111	5,445	-	1,461
Cornerstone Liverpool hampers	-	2,231	1,826	-	405
Hope Church Kensington	-	16,146	4,087	-	12,059
Little Pebbles Liverpool	-	1,000	-	-	1,000
	59,664	290,515	41,564	(21,702)	286,914
<b>Aggregate of funds</b>	<b>613,381</b>	<b>605,023</b>	<b>347,966</b>	<b>-</b>	<b>870,438</b>

The transfers referred to above were made for the following reasons:

- The maintenance of a Sabbatical Fund, a Building Repair Fund, a Giving Fund and a Contingency Fund by setting aside regular monthly amounts from the General Fund as requested by the trustees.
- The transfer from Designated to General Fund of the cost of the boiler which has been capitalised in the accounts. Depreciation will be charged to the General Fund.
- The transfer from Dovedale Building fund to General Fund represents capitalised expenditure on improvements to the Dovedale Building and on the ongoing renovation project both of which fulfil the restrictions of this fund.

The assets and liabilities represented by the various funds are as follows:

<b>2020/21</b>	Unrestricted Funds		Restricted Funds	Total Funds
	General	Designated	2021	2021
	£	£	£	£
Tangible assets	519,648	-	-	519,648
Cash at bank & in hand	21,977	34,565	286,741	343,284
Other net assets	6,958	375	173	7,506
	548,584	34,940	286,914	870,438



**CORNERSTONE COLLECTIVE OF CHURCHES**  
**(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)**  
**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 JULY 2021**

In the previous year the movements in the charity's funds were as follows:

<b>2019/20</b>	Opening balance £	Incoming resources £	Outgoing resources £	Transfers in the year £	2020 Closing balance £
<b>Designated Funds</b>					
Sabbatical Fund	1,000	-	-	2,800	3,800
Building Repair Fund	1,500	2,750	4,611	2,000	1,639
Crosslands Fund	860	-	815	-	45
Giving fund	8,561	40	7,044	14,000	15,557
Contingency Fund	-	-	-	10,000	10,000
	<u>11,921</u>	<u>2,790</u>	<u>12,471</u>	<u>28,800</u>	<u>31,040</u>
<b>General Funds</b>	386,477	259,327	239,327	116,200	522,677
<b>Total Unrestricted Funds</b>	<u>398,398</u>	<u>262,117</u>	<u>251,798</u>	<u>145,000</u>	<u>553,717</u>
<b>Restricted Funds</b>					
Staff Worker Funding	15,000	-	15,000	-	-
Dovedale Building fund	178,510	5,080	3,619	(145,000)	34,971
Rooted Church Plant	2,100	-	-	-	2,100
Room hire Deposits	1,100	-	-	-	1,100
Church plant residency	-	20,000	-	-	20,000
Liberti Church outreach fund	-	1,000	452	-	548
Holding Fund	-	150	-	-	150
Cornerstone Wirral	-	1,000	205	-	795
	<u>196,710</u>	<u>27,230</u>	<u>19,275</u>	<u>(145,000)</u>	<u>59,664</u>
<b>Aggregate of funds</b>	<u>595,107</u>	<u>289,347</u>	<u>271,073</u>	<u>-</u>	<u>613,381</u>

The transfers referred to above were made for the following reasons:

- The maintenance of a Sabbatical Fund, a Building Repair Fund, a Giving Fund and a Contingency Fund by setting aside regular monthly amounts from the General Fund as requested by the trustees.
- The purchase of a building on Dovedale Road from restricted funds held for this purpose has resulted in the transfer of the value of this asset to General Funds.

The assets and liabilities represented by the various funds are as follows:

<b>2019/20</b>	<b>Unrestricted Funds</b>	<b>Designated</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	<b>General</b>			
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible assets	505,000	-	-	505,000
Cash at bank & in hand	16,087	31,040	46,664	93,791
Other net assets	1,590		13,000	14,590
	<u>522,677</u>	<u>31,040</u>	<u>59,664</u>	<u>613,381</u>

**Designated Funds**

The Sabbatical Fund is an unrestricted fund designated by the Trustees to allow for future expenditure on a planned sabbatical for the church leaders.

The Building Repair Fund is an unrestricted fund designated by the Trustees to allow for future expenditure on properties owned by Cornerstone Collective.

The Crosslands Fund is an unrestricted fund designated by the Trustees to allow for future expenditure on Interns training at Crosslands.

The Giving Fund is an unrestricted fund designated by the Trustees to allow for future christian charitable giving to individuals and organisations.

The Contingency Fund is an unrestricted fund designated by the Trustees to allow for future unexpected expenditure

The Staff Worker Fund is a restricted fund held to receive funds and make payments to the staff.

**CORNERSTONE COLLECTIVE OF CHURCHES**  
**(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

***Restricted Funds***

The Dovedale Building Fund is a restricted fund created to receive and manage the funds raised for the future purchase and renovation of a building for church use. In 2021 Ramilies Road Hall Trust donated the proceeds from the sale of their building to the fund.

The Rooted Church Plant Fund is a restricted fund created to fund raise for a 2020 Church plant.

The Church Plant Residency Fund is a restricted fund created to help finance individuals to train as part of Cornerstone Collective of Churches Church Plant Residency training programme.

The Liberti Church Outreach Fund is a restricted fund created to fund evangelistic/outreach work from Liberti Church.

The Holding Fund is a restricted fund created for funds being held towards specific activities e.g. Youth Weekend.

The Cornerstone Wirral Fund is a restricted fund created to hold various donations to Cornerstone Wirral with specific restrictions.

The Cornerstone Liverpool Hampers Fund is a restricted fund for providing Christmas gifts/vouchers to help people in our congregation who are in need.

The Hope Church Kensington Fund is a restricted fund created to hold various donations to Hope Church with the specific restriction that the donations are to be used to allow Hope Church to function as a church in Kensington.

The Little Pebbles Liverpool Fund is a restricted fund made up of a grant received for the baby and toddler group - funds restricted for purchasing items to improve the functioning of the Little Pebbles group.

**11 Transactions with related parties**

During the year the charity:

- a) received donations totalling £36,631 (2020: £38,748) from related parties (which includes trustees, any other members of key management and anyone closely connected to them).

Reimbursements for expenses incurred when acting as agent for the charity or incurred when undertaking employment duties not connected with serving as a trustee are not included in this disclosure.

**12 Members**

Each member of the company commits to contribute if the charity is wound up an amount of £10.

**CORNERSTONE COLLECTIVE OF CHURCHES**  
**(FORMERLY CORNERSTONE CHURCH, LIVERPOOL)**  
**DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES**  
**FOR THE YEAR ENDED 31 JULY 2021**

		Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total Funds	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total Funds
	Note	2021 £	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £	2020 £
<b>INCOME AND ENDOWMENTS FROM</b>									
Donations and legacies	3	299,946	7,005	290,515	597,466	251,906	2,790	27,230	281,926
Other trading activities		7,557	-	-	7,557	7,421	-	-	7,421
Total income and endowments		307,503	7,005	290,515	605,023	259,327	2,790	27,230	289,347
<b>EXPENDITURE ON</b>									
Charitable activities	4	301,505	4,897	41,564	347,966	239,327	12,471	19,276	271,074
Raising funds		-	-	-	-	-	-	-	-
Total expenditure		301,505	4,897	41,564	347,966	239,327	12,471	19,276	271,074
<b>Net income/(expenditure)</b>		5,997	2,108	248,951	257,057	20,000	(9,681)	7,954	18,273
Transfers between funds		19,910	1,792	(21,702)	-	116,200	28,800	(145,000)	-
		25,907	3,900	227,250	257,057	136,200	19,119	(137,046)	18,273
<b>Reconciliation of funds:</b>									
Total funds brought forward	10	522,677	31,040	59,664	613,381	386,477	11,921	196,710	595,108
<b>Total funds carried forward</b>		548,584	34,940	286,914	870,438	522,677	31,040	59,664	613,381

Movements on reserves and all recognised gains and losses are shown above.