

Cornerstone Collective of Churches

Report and Accounts
Year ended 31 July 2022

Stewardship 
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1 Lamb's Passage, London EC1Y 8AB
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CORNERSTONE COLLECTIVE OF CHURCHES

COMPANY INFORMATION

FOR THE YEAR ENDED 31 JULY 2022

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 20
Company Registration Number	08133846
Charity Registration Number	1152099
Registered Office	Cornerstone Church Dovedale Road Liverpool Merseyside L18 1DW
Independent Examiner	Sarah Crispin ACA Stewardship 1 Lamb's Passage London EC1Y 8AB
Bankers	HSBC Bank plc Nat West Bank Plc

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

FOR THE YEAR ENDED 31 JULY 2022

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.

In the last 12 months we have seen membership across our churches gradually increase as the effects of Covid-19 lockdowns and restrictions move further into the past - the number of adult members has increased from 189 to 221. These increases have been seen across all 4 churches in the Collective, although plans for a team of people to move to a church outside of Cornerstone Collective of Churches in October 2022 will lead to a reduction of 8 adult members. Far from seeing this as a negative movement of the next financial year however, we are excited that we have been able to support and train the new Church Pastor for this team of people through our Church Plant Residency since September 2021 – what better reason for a reduction in membership can there be than having people move to help revitalise a church in an area of Liverpool with a need for the Gospel message? The strengthening of Hope Church Kensington, the church we planted in April 2021, as well as the preparations for the revitalisation of Orrell Park Baptist Church are ways in which we have been fulfilling our 2nd and 3rd objectives.

We have 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 80-90 children aged 11 and under who participate 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 at Cornerstone Liverpool and at Cornerstone Wirral, where they gather socially and to study the Bible, with extra social events on occasion as well. The Wirral group has only started in this financial year, but already has up to 12 young people attending its weekly sessions, with Liverpool having an average of 20 at its events each week. The two youth groups had planned to have an outdoor activity centre-based weekend in February 2022, but due to extreme weather it was postponed until October 2022 – it is set to be a really exciting and fruitful time for the young people and their leaders. 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, Wirral and Hope churches for a time of support for the adults, and stimulation and learning through play for the children. An average of 80 people have been attending these various groups this past year, which has been a real blessing to all involved, including the attendees – this also contributes to the fulfilment of our 2nd charitable objective.

As already touched on, 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. The Hope Church Kensington plant has been going from strength to strength this past year, with the church relocating to run its Sunday services in a church building which had previously been closed, and a subsequent gradual growth in attendance and membership. Additionally, Hope Church has partnered, along with Cornerstone Collective, with the Eden Network to have an Eden Team Leader on staff at the church. This appointment has come part-funded from The Message Trust/Eden Network, and has enabled the outreach work of Hope Church to expand significantly, with the running of its baby/toddler sessions, some events for young people, a community garden project and the potential running of a Food Pantry on the horizon for the next financial year as well. As this role evolves during its 3-year tenure, it aims to have significant impact in all areas of the charitable objectives, although it does also carry with it a need for some additional funding to be raised, which will become more of a focus for the next financial year.

The Cornerstone Collective Training and Coaching area of our work continued to be worked on this past year, with a number of churches/leaders connecting with us for support and training. The most significant aspect of this was through the training of the leader of the team preparing to revitalise Orrell Park Baptist Church on the Church Plant Residency programme. Further expansion of this work has also included the planning of a Revitalisation conference in October 2022, as well as direct input from some of the Collective team members in the work of the church planting organisation, Acts 29, in the UK. This work has developed into a partnership between Acts 29 GB and Cornerstone Collective of Churches, with three staff members being seconded for one or two days per week from September 2022 to work for Acts 29 GB as they seek to support church planting across the UK. These secondments have come as a result of revitalisation work that Steve Robinson (Director of Cornerstone Collective) and other members of the Cornerstone Collective team did between January and July 2022 for Acts 29 GB, after a period of turmoil for the network. The hope is that this partnership will allow both organisations to function well, and for Cornerstone Collective of Churches to continue its endeavours in church planting in the Merseyside region, as per objective 2.

Remedial work has continued on the building used by Cornerstone Church Liverpool, with significant investment in the external structures to address extensive water ingress problems. The financing of this work was in need of further donations, so in March 2022 we launched a fundraising appeal, which by the end of the financial year had seen around £95,000 raised through donations, Gift Aid and VAT reclaims (via the Listed Places of Worship Grant Scheme). The longer-term plans for the building are in the early stages of being finalised, so the bigger renovations needed should be submitted for planning permission and listed building consent in the next financial year.

On a hugely positively note, our churches and organisation ended the financial year on 31st July 2022 with a small financial surplus in our 'General' fund (our operational finance stream, separate from restricted and designated funds) 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 2021-2022 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

As the Cornerstone Collective of Churches has spent the year securing running four churches, since the planting of Hope Church in April 2021, the financial profile has remained stable, allowing the functioning of the Collective and its churches to continue to move forward.

At the close of the previous financial year in July 2021, Cornerstone Church Liverpool had made good progress on the necessary remedial works to its new building. This continued in 2021-2022, with significant investment in the external repairs and remedial work needed to stop water ingress and associated significant damage to the fabric of the Grade II listed building continuing. In March 2022, we launched a new round of fundraising, mostly internal within the members and congregation of the church, in order to raise the approximated shortfall of funding to enable the remedial works to be completed, and for the planning application works to be concluded for the more extensive renovations needed in the longer term. By 31 July 2022, the amount raised, through donations, Gift Aid and reclaimed VAT, was in total around £95,000, leaving a remaining shortfall of approximately £50,000 to be raised in the next financial year. The fundraising has allowed work to progress steadily, and we anticipate this continuing in 2022-2023.

A further area in which the organisation has been financially blessed has been support received for Hope Church in Kensington, Liverpool. Many regular financial supporters have continued to support this church, and it has also received significant additional donations from other sources in this financial year as well. St Philemon's Church in Toxteth, Liverpool donated £7700 towards Hope and the Eden Team Leader role. Hope Church was also blessed with further financial support from a church organisation in the USA which supports church planting (The Church of Eleven22), with £3739.87 being received to support the running costs of the church during the year as well. These additional funds have been put to use in employing the Pastor of the 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. The third significant source of funding has been from The Message Trust, who runs the Eden Network, for the employment of an Eden Team Leader to work at Hope Church and focus on community engagement projects, amongst other areas. In this financial year, they donated £10,550 towards the employment costs of the Eden Team Leader, and an agreement is in place for further funds to be received over a 3-year period, but with a lower amount in years 2 and 3. A final significant donation to Hope Church was £9000 from an individual donor who wants to support Hope Church in their desire to set up a Food Pantry. This was at the latter end of the financial year and the plans for this are not yet in place, but this will be investigated fully during the next financial year.

A further important aspect to review in the finances of the Collective is that the organisation has received some funding each month (£1750) from January to July 2022 towards the employment costs of the Director and Operations Director of the Collective so that they can provide time and expertise to assist the revitalisation of Acts 29 GB. At the close of the financial year an agreement between the two organisations had been drawn up to second the Director of the Collective for 2 days per week, the Operations Director for 1 day per week, and the Lead Pastor of Cornerstone Wirral 1 day per week, so in the next financial year further financial support from Acts 29 GB will enable the finances of Cornerstone Collective to be used for more purposes across the Collective and its churches.

Overall, the finances of the general functioning of the organisation have been managed well. The (general operating) expenditure of 2021-2022 was £382,266 with the income being £383,187, ending the financial year with a general operational surplus of £921. Looking at the broader income and expenditure of the charity, and including all designated and restricted funds received and expenditure from these, the income was £568,810 and there was a surplus of £76,845. In addition, £245,557 of Dovedale restricted funds spent on the building project were capitalised. Budgets have been produced for the 2022-2023 financial year to ensure that all donations we receive are used in accordance with Charity Law and to aid the charity to meet its charitable objectives.

Moving into 2022-2023, we are financially stable, but are also acutely aware of the broader economic context of the UK, in which we function. There is a looming Cost of Living Crisis, including with energy bills for organisations such as ours likely to increase significantly. Therefore, we must operate our planned budget with clear prudence to ensure that we can continue to function if our income decreases, or if our expenditure increases beyond what we have anticipated. Our general operating budget for 2022-2023 totals £373,005.22, and this reflects increased costs associated with running a much larger and older building, as well as a new member staff being employed part time at Cornerstone Church Wirral with funds released by the secondment donations from Acts 29 GB. The Assistant Pastor in Training at Cornerstone Church Wirral has another year of £15,000 in funds from a grant from the FIEC which also helps the budgeting significantly. The trustees remain determined that none of the 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 2021-2022 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.

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 protect, and potentially 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 an operational deficit. However, at any given time, and whenever possible, it will endeavour to hold three months of salary payments (equivalent to approximately £90,000 as of 31 July 2022 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 and general 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.

The level of unrestricted general cash reserves as of 31st July 2022 was around £55,000. 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. Although lower than the amount needed for three months of salary payments, some of the restricted funds (Hope Church Fund and Staff Worker Funding) can be utilised for salaries of individuals to offset the total unrestricted amount needed. This amount and approach 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.

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 ways:

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 (date): 6 February 2023** 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 2022 on pages 8 to 20 following, which have been prepared on the basis of the accounting policies set out on pages 11 and 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.

Sarah Crispin

Sarah Crispin ACA
Institute of Chartered Accountants in England and Wales

Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Date: 7 February 2023

CORNERSTONE COLLECTIVE OF CHURCHES
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME AND ENDOWMENTS FROM:					
Donations	3	370,742	181,772	552,514	597,466
Charitable activities	4	3,150	-	3,150	-
Other trading activities	5	12,396	-	12,396	7,557
Other income		48	701	750	-
Total income and endowments		386,337	182,473	568,810	605,023
EXPENDITURE ON:					
Charitable activities	6	394,043	97,922	491,965	347,966
Total expenditure		394,043	97,922	491,965	347,966
Net gains/(losses) on investments		-	-	-	-
Net income/(expenditure)		(7,706)	84,551	76,845	257,057
Transfers between funds	13	223,453	(223,453)	-	-
Net movement in funds		215,747	(138,901)	76,845	257,057
Reconciliation of funds:					
Total funds brought forward		583,524	286,914	870,438	613,381
Total funds carried forward	13	799,271	148,012	947,283	870,438

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 required by the Companies Act 2006.

The notes on pages 11-19 form part of these accounts.

CORNERSTONE COLLECTIVE OF CHURCHES

BALANCE SHEET

AS AT 31 JULY 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
FIXED ASSETS					
Tangible assets	8	755,248	-	755,248	519,648
		<u>755,248</u>	<u>-</u>	<u>755,248</u>	<u>519,648</u>
CURRENT ASSETS					
Debtors	9	18,745	1,338	20,083	14,453
Cash at bank and in hand	10	32,957	146,675	179,632	343,284
		51,703	148,012	199,715	357,737
CREDITORS: Amounts falling due within one year	11	(7,680)	-	(7,680)	(6,946)
Net current assets / (liabilities)		<u>44,023</u>	<u>148,012</u>	<u>192,035</u>	<u>350,790</u>
Total assets less current liabilities		<u>799,271</u>	<u>148,012</u>	<u>947,283</u>	<u>870,439</u>
TOTAL NET ASSETS		<u>799,271</u>	<u>148,012</u>	<u>947,283</u>	<u>870,439</u>
FUND BALANCES	13				
Unrestricted Funds					
General funds		785,361	-	785,361	548,584
Designated funds		13,910	-	13,910	34,940
		<u>799,271</u>	<u>-</u>	<u>799,271</u>	<u>583,525</u>
Restricted Funds		<u>-</u>	<u>148,012</u>	<u>148,012</u>	<u>286,914</u>
		<u>799,271</u>	<u>148,012</u>	<u>947,283</u>	<u>870,439</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2022

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2022 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 (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 and were signed on its behalf by:

Matthew Newberry
Matthew Newberry

Date: 6 February 2023

Company number: 08133846

Charity number: 1152099

The notes on pages 11-19 form part of these accounts.

CORNERSTONE COLLECTIVE OF CHURCHES
FOR THE YEAR ENDED 31 JULY 2022
CASH FLOW STATEMENT

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	a	<u>104,293</u>	<u>276,324</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		-	-
Proceeds from the sale of property, plant and equipment			
Purchase of property, plant and equipment		(267,945)	(26,832)
Proceeds from sale of investments			
Purchase of investments			
Net cash provided by/(used in) investing activities		<u>(267,945)</u>	<u>(26,832)</u>
Change in cash and equivalents in the reporting period		(163,651)	249,493
Cash and equivalents at the beginning of the year	b	<u>343,284</u>	<u>93,791</u>
Cash and cash equivalents at the end of the year	b	<u>179,633</u>	<u>343,284</u>

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

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	76,845	257,057
Adjustments for:		
Depreciation charges and provisions for impairment	32,345	12,183
(Gains)/losses on investments	-	-
Dividends, interest and rents from investments	-	-
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	(5,630)	7,562
Increase/(decrease) in creditors	734	(479)
Net cash provided by (used in) operating activities	<u>104,293</u>	<u>276,324</u>

Note b: Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank with immediate access	179,632	343,284
Notice deposits (with a term of three months or less)	-	-
Petty cash	-	-
Total cash and cash equivalents	<u>179,632</u>	<u>343,284</u>

CORNERSTONE COLLECTIVE OF CHURCHES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

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.

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 (who are the charitable company's directors for the purposes of company law) 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. 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 includes:

- i) Recoverable gift aid. This 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) Donated facilities, services and goods. Facilities, services and goods donated for the charity's own use are recognised as income when receivable at their value to the charity. When donated goods, services and facilities are distributed or consumed, an expense in respect of those items is included in the Statement of Financial Activities. Donated fixed assets are capitalised.

The charity relies on volunteers to carry out many of its activities. However, in accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects. It includes income from church retreats including youth events.

Income from other trading activities represents income receivable from activities undertaken to generate funds for the charity. It includes income from hire of church rooms.

Other income includes gains arising from the disposal of tangible fixed assets.

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

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 charity is considered to be so integrated that the core charitable activity costs are considered to be for the one activity.

CORNERSTONE COLLECTIVE OF CHURCHES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

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) Fund accounting

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) Tangible fixed assets

Items purchased or donated for the charity's own use are capitalised when the cost of purchased items, or the fair value of donated items, is more than £2,000 and the item is expected to benefit the charity over more than one accounting period. Depreciation is charged on a straight line basis so as to write down the value of each asset to its estimated residual value (if any) over its expected useful economic life. To achieve this objective the following rates of depreciation are charged:

Freehold land	Is not depreciated (because it is not consumed by use)
Freehold buildings	Over 50 years after taking account of the building's residual value
Freehold improvements	Over 5 years
Equipment & Fixtures	Over 5 years

The carrying values of tangible fixed assets are reviewed for impairment in periods when events or changes in circumstances indicate that the carrying value may not be recoverable.

f) Pension scheme arrangements

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.

g) Taxation

The company is a registered charity; it has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

h) 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 Donations

	2022 £	2021 £
Donations of cash and similar	401,311	507,215
Donations in kind (note 3a)	22,388	-
Government grants (note 3b)	-	10,092
Other grants receivable	62,638	34,550
Income tax recoverable	66,177	45,609
	<u>552,514</u>	<u>597,466</u>

a Donations in kind comprise:

	2022 £	2021 £
Goods donated for:		
For use by the charity	22,388	-
	<u>22,388</u>	<u>-</u>

Good donated for use by the charity comprise the labour and materials to install a short term heating system in the Dovedale Road property.

b Government grants comprise:

	2022 £	2021 £
Job Retention Scheme grants	-	10,092
	<u>-</u>	<u>10,092</u>

CORNERSTONE COLLECTIVE OF CHURCHES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

4 Income from charitable activities

	2022	2021
	£	£
Church & Youth retreats and events	3,150	-
	<u>3,150</u>	<u>-</u>

5 Income from other trading activities

	2022	2021
	£	£
Room hire	12,396	7,557
	<u>12,396</u>	<u>7,557</u>

6 Charitable expenditure

	2022	2021
	£	£
a Costs incurred directly on specific activities		
Pastoral expenses	5,382	3,308
Staff funding	337,047	228,223
Training and conferences	11,684	13,601
Travel	10,265	1,466
Property	18,254	11,962
Room hire	7,952	5,680
IT and equipment	3,889	13,248
Other direct costs	4,629	838
Depreciation	32,345	12,183
Outreach	723	2,200
Project costs (excluding staffing):		
Crosslands	4,843	
Acts 29	5,807	-
Eden project	1,632	-
Dovedale building project	8,423	25,205
	<u>452,875</u>	<u>317,914</u>
Grants payable (note 8c)	21,147	8,517
	<u>474,022</u>	<u>326,431</u>
b Costs incurred on support & administration		
Governance costs		
Independent examiner's fee	3,600	2,640
Office costs	7,754	6,415
Insurance	5,617	7,496
Legal and Professional Fees	971	4,985
	<u>17,943</u>	<u>21,536</u>
Total expenditure	<u>491,965</u>	<u>347,966</u>

The fee payable to the independent examiner for preparing and examining the accounts was £3,600 (2021: £2,640); in addition the charity paid £1,164 (2021: £1,197) to Stewardship for payroll bureau and consultancy services.

CORNERSTONE COLLECTIVE OF CHURCHES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

c Grants payable

	Institutions £	Individuals £	2022 £
Grants for UK and overseas mission	6,690	14,457	21,147
Grants for the relief of poverty	-	-	-
Grants for education, including ministry training	-	-	-
	<u>6,690</u>	<u>14,457</u>	<u>21,147</u>

The comparatives for the previous year are as follows:

	Institutions £	Individuals £	2021 £
Grants for UK and overseas mission	-	2,517	2,517
Grants for the relief of poverty	-	3,000	3,000
Grants for education, including ministry training	-	3,000	3,000
	<u>-</u>	<u>8,517</u>	<u>8,517</u>

The charity's principal grants to institutions comprised:

	2022 £	2021 £
Fellowship of Independent Evangelical Churches (FIEC)	2,400	-
Acts 29	3,090	-
Grants to institutions for less than £1,000 each	1,200	-
	<u>6,690</u>	<u>-</u>

7 Analysis of staff costs, the cost of key management personnel and trustee remuneration

	2022 £	2021 £
Gross wages and salaries	293,547	201,377
Social security	23,137	14,803
Pension costs	17,613	12,043
Other employment benefits	502	85
	<u>334,799</u>	<u>228,308</u>

The average monthly number of employees during the year was 11 (2021: 9). 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 comprise the trustees and the key staff 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	2022 £
Trustees:				
S Robinson	39,270		2,356	41,626
A Wood	31,750		1,905	33,655
J Walsh	33,660		2,020	35,680
N Forsythe	28,343		1,701	30,044
Other members of key management				-
				<u>141,005</u>

The following amounts were payable in the previous year:

	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
Other members of key management				-
				<u>128,026</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
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

8 Tangible fixed assets

	Freehold Property £	Freehold Improvements £	Assets under construction £	Fixtures, fittings and equipment £	Total 2022 £
Cost					
At 1 August 2021	545,000	11,555	10,147	5,130	571,832
Additions		228,737	39,208		267,945
At 31 July 2022	<u>545,000</u>	<u>240,291</u>	<u>49,355</u>	<u>5,130</u>	<u>839,776</u>
Accumulated depreciation					
At 1 August 2021	50,900	770	-	513	52,183
Charge for the year	10,900	20,419	-	1,026	32,345
At 31 July 2022	<u>61,800</u>	<u>21,189</u>	<u>-</u>	<u>1,539</u>	<u>84,528</u>
Net book value					
At 31 July 2022	<u>483,200</u>	<u>219,102</u>	<u>49,355</u>	<u>3,591</u>	<u>755,248</u>
At 31 July 2021	<u>494,100</u>	<u>9,376</u>	<u>5,130</u>	<u>571,319</u>	<u>519,648</u>

Freehold improvement additions include £22,388 of donated fixed assets being a short term heating system for Dovedale Road. 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.

9 Debtors

	2022 £	2021 £
Falling due within one year:		
Tax recoverable	6,778	12,037
Other debtors	2,588	
Prepayments and accrued income	10,717	2,415
Total debtors	<u>20,083</u>	<u>14,453</u>

10 Cash at Bank and in Hand

	2022 £	2021 £
Cash at bank with immediate access	179,632	343,284
	<u>179,632</u>	<u>343,284</u>

11 Creditors: liabilities falling due within one year

	2022 £	2021 £
Accruals	7,680	5,146
Grant obligations		1,800
	<u>7,680</u>	<u>6,946</u>

12 Pension commitments

During the year employer's pension contributions totalling £17,613 (2021: £12,043) were payable to defined contribution personal pension schemes. Pension contributions of £2,197 (2021: £1,575) were owing at the balance sheet date.

CORNERSTONE COLLECTIVE OF CHURCHES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

13 Funds

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

	Opening balance 2022 £	Incoming resources 2022 £	Outgoing resources 2022 £	Transfers in the year 2022 £	Gains and losses 2022 £	Closing balance 2022 £
<i>Designated Funds</i>						
Sabbatical Fund	1,720	-	-	1,800		3,520
Wirral Building Repair Fund	6,414	-	-	(6,414)		-
Giving fund	16,762	-	(9,017)	(7,745)		-
Contingency Fund	10,000	-	-	-		10,000
Crosslands Fund	45			(45)		-
Weekend away	-	3,150	(2,760)	-		390
	<u>34,940</u>	<u>3,150</u>	<u>(11,777)</u>	<u>(12,403)</u>	<u>-</u>	<u>13,910</u>
<i>General Unrestricted Funds</i>	<u>548,584</u>	<u>383,187</u>	<u>(382,266)</u>	<u>235,856</u>		<u>785,361</u>
Total Unrestricted Funds	<u>583,524</u>	<u>386,337</u>	<u>(394,043)</u>	<u>223,453</u>	<u>-</u>	<u>799,271</u>
<i>Restricted Funds</i>						
Staff Worker Funding	-	35,625	(19,375)	-		16,250
Dovedale Building fund	248,091	65,634	(8,423)	(243,568)		61,734
Church plant residency	20,000	18,140	(27,273)	12,745		23,612
Wirral Building Repair Fund	-	3,275	(3,400)	10,886		10,761
Rooted Church Plant	2,100	-	-	(2,100)		-
Hope Church Kensington	12,059	35,660	(18,741)			28,978
Liberti Church outreach fund	548	-	(548)	-		-
Cornerstone Wirral	1,461	701	(701)	(1,461)		-
Cornerstone Liverpool	405	-	(405)			-
Crosslands Fund		9,250	(4,843)	45		4,452
Acts 29 Fund	-	13,873	(13,179)	-		694
Room hire Deposits	1,100	100	-	-		1,200
Little Pebbles Liverpool	1,000	215	(1,033)	-		182
Holding Fund	150	-	-			150
	<u>286,914</u>	<u>182,473</u>	<u>(97,922)</u>	<u>(223,453)</u>	<u>-</u>	<u>148,012</u>
Aggregate of funds	<u>870,438</u>	<u>568,810</u>	<u>(491,965)</u>	<u>-</u>	<u>-</u>	<u>947,283</u>

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

- From Dovedale Building Fund to General Fund to recognise capitalised expenditure on the Dovedale building.
- From Designated Wirral Building Repairs fund to Restricted Wirral Building Repairs fund as the majority of the funds received or transferred in this year are restricted and this is also likely to be the case in the future.
- From Rooted Church Plant to Wirral Building Repairs fund as the Rooted church plant closed in 2020. Permission was granted by the original donors.
- From Cornerstone Wirral to Wirral Building Repairs fund to combine the 2 funds to be used in the church's area of greatest financial need.
- From general funds to the Sabbatical Fund, the Giving Fund, Wirral Building Repairs and the Church Plant Residency fund to set money aside for these purposes.
- From the Giving Fund to the Church Plant Residency fund to combine designated funds for giving and church plant residency, as the general aim is for giving to be to support church planting.
- From the Wirral Building Repairs fund to the Dovedale Building fund to reflect historic balances in this fund which actually related to Dovedale.

CORNERSTONE COLLECTIVE OF CHURCHES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

Analysis of net assets by fund

The assets and liabilities of the various funds were as follows:

	<u>Unrestricted Funds</u>			
	General funds	Designated funds	Restricted funds	2022
	£	£	£	£
Tangible fixed assets	755,248	-	-	755,248
Debtors	18,150	595	1,338	20,083
Cash at bank and in hand	19,643	13,315	146,675	179,632
Creditors falling due within one year	(7,680)	-	-	(7,680)
	<u>785,361</u>	<u>13,910</u>	<u>148,012</u>	<u>947,283</u>

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

	Opening balance 2021 £	Incoming resources 2021 £	Outgoing resources 2021 £	Transfers in the year 2021 £	Gains and losses 2021 £	Closing balance 2021 £
<i>Designated Funds</i>						
Sabbatical Fund	3,800	-	(3,280)	1,200		1,720
Wirral 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
	<u>31,040</u>	<u>7,005</u>	<u>(4,897)</u>	<u>1,792</u>	<u>-</u>	<u>34,940</u>
<i>General Unrestricted Funds</i>	<u>522,677</u>	<u>307,503</u>	<u>(301,505)</u>	<u>19,910</u>		<u>548,584</u>
Total Unrestricted Funds	<u>553,717</u>	<u>314,508</u>	<u>(306,402)</u>	<u>21,702</u>	<u>-</u>	<u>583,524</u>
<i>Restricted Funds</i>						
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	-	2,231	(1,826)	-		405
Hope Church Kensington	-	16,146	(4,087)	-		12,059
Little Pebbles Liverpool	-	1,000	-	-		1,000
	<u>59,664</u>	<u>290,515</u>	<u>(41,564)</u>	<u>(21,702)</u>	<u>-</u>	<u>286,914</u>
Aggregate of funds	<u>613,381</u>	<u>605,023</u>	<u>(347,966)</u>	<u>-</u>	<u>-</u>	<u>870,438</u>

CORNERSTONE COLLECTIVE OF CHURCHES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

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
- a) 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
- b) will be charged to the General Fund.
- The transfer from Dovedale Building fund to General Fund represents capitalised expenditure on improvements to the
- c) Dovedale Building and on the ongoing renovation project both of which fulfil the restrictions of this fund.

Analysis of net assets by fund

In the previous year, the assets and liabilities of the various funds were as follows:

	<u>Unrestricted Funds</u>		Restricted funds	2021
	General funds	Designated funds	funds	
	£	£	£	£
Tangible fixed assets	519,648			519,648
Debtors	13,905	375	173	14,453
Cash at bank and in hand	21,977	34,565	286,741	343,284
Creditors falling due within one year	(6,946)			(6,946)
	<u>548,584</u>	<u>34,940</u>	<u>286,914</u>	<u>870,438</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 Wirral Building Repair Fund was an unrestricted fund designated by the Trustees to allow for future expenditure on the Wirral property. All funds are now held in the restricted fund of the same name.

The Giving Fund is an unrestricted fund designated by the Trustees to allow for future christian charitable giving to individuals and organisations, usually with a focus on church planting support

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

The Weekend away fund relates to income & expenditure for the Bolder youth weekend away.

Restricted Funds

The Staff Worker Fund is a restricted fund held to receive funds for salary payments.

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 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 Wirral Building Repair Fund is a restricted fund created to receive and manage funds raised for repairs & maintenance of the church building used by Cornerstone Wirral.

The Rooted Church Plant Fund is a restricted fund created to fund raise for a 2020 Church plant which has now been discontinued.

The Hope Church Kensington Fund is made up of several restricted funds created to hold various donations for projects out of Hope Church.

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

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 Crosslands Fund is a restricted fund to support staff in their Crosslands training.

The Acts29 Fund is for funds donated by Acts 29 GB as a grant for Acts 29 related work undertaken by members of staff at Cornerstone Collective.

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.

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

CORNERSTONE COLLECTIVE OF CHURCHES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

14 Transactions with related parties

During the year the charity:

- a) received donations totalling £38,852 (2021: £36,631) from related parties (which includes trustees, any other members of key management and anyone closely connected to them).
- b) No expenses (2021: £nil) were paid to, or for, the trustees. 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.

15 Members

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

CORNERSTONE COLLECTIVE OF CHURCHES
DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 JULY 2022

	Note	Unrestricted funds				Unrestricted funds			
		General 2022 £	Designated 2022 £	Restricted 2022 £	Total 2022 £	General 2021 £	Designated 2021 £	Restricted 2021 £	Total 2021 £
INCOME AND ENDOWMENTS FROM:									
Donations	3	370,742	-	181,772	552,514	299,946	7,005	290,515	597,466
Charitable activities	4	-	3,150	-	3,150	-			-
Other trading activities	5	12,396	-	-	12,396	7,557			7,557
Other income		48	-	701	750	-			-
Total income and endowments		383,187	3,150	182,473	568,810	307,503	7,005	290,515	605,023
EXPENDITURE ON:									
Charitable activities:	6	382,266	11,777	97,922	491,965	301,505	4,897	41,564	347,966
Total Expenditure		382,266	11,777	97,922	491,965	301,505	4,897	41,564	347,966
Net gains/(losses) on investments		-			-	-			-
Net income/(expenditure)		921	(8,627)	84,551	76,845	5,997	2,108	248,951	257,057
Transfers between funds	13	235,856	(12,403)	(223,453)	-	19,910	1,792	(21,702)	-
Net movement in funds		236,777	(21,030)	(138,901)	76,845	25,907	3,900	227,250	257,057
Reconciliation of funds:									
Total funds brought forward		548,584	34,940	286,914	870,438	522,677	31,040	59,664	613,381
Total funds carried forward	13	785,361	13,910	148,012	947,283	548,584	34,940	286,914	870,438