

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

**GOSPORT CORNERSTONE
TRUST**

CHARITY REGISTRATION No: 282517

Independent Examiners Ltd
Unit 2
The Broadbridge Business Centre
Bosham
Delling Lane
Bosham
PO18 8NF

GOSPORT CORNERSTONE TRUST

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GOSPORT CORNERSTONE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER	282517
START OF FINANCIAL YEAR	1st January 2023
END OF FINANCIAL YEAR	31st December 2023
TRUSTEES 31ST DECEMBER 2023	Mr C R Atkinson (Chair) Ms L Pettersen Mr B H Cossins New Trustees are appointed by the existing Trustees.
LEGAL STATUS	Unincorporated Charity
GOVERNING INSTRUMENT	Declaration of Trust dated 14th April 1981, amended 20th
OBJECTS	To advance the Christian Religion.
CORRESPONDENCE ADDRESS	Cornerstone Books 9 Bemisters Lane Gosport Hampshire PO12 1HB
PRIMARY BANKERS	Santander UK Plc 128 High St Gosport PO12 1DT
INDEPENDENT EXAMINER	Lomax Pavey Independent Examiners Ltd Unit 2 The Broadbridge Business Centre Delling Lane Bosham West Sussex PO18 8NF

GOSPORT CORNERSTONE TRUST
TRUSTEES REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023

The trustees present their report and accounts for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and with the Charities Act 2011.

Structure, Governance and Management

The trust was established by a declaration of trust dated 14 April 1981. The trust's objects are to promote the better knowledge and understanding of the doctrines of the Christian faith through the sale of literature.

The trustees who served this year were:

Mr C R Atkinson
Mr B Cossins
Mrs L Pettersen

The long term future operation is entirely dependent on the active involvement of the trustees, supported by a small group of willing volunteers, especially Mrs Sylvia Atkinson, Mrs June Powell and Mrs Carole North. The trustees are grateful to the committed team of volunteers who are members of local churches, who give their time on a regular basis, and whose vision and perseverance allows the shop to continue running in good order.

The Trustees have assessed the major risks to which the charity is exposed and they are satisfied that systems are in place to mitigate exposure to major risks, with the exception of the holding of reserves which is dealt with more fully below in paragraph one of Achievements and Performance.

Objectives and Activities

The trust has traded since its inception as Cornerstone Books and Cards, known locally as Cornerstone Books, and has achieved the aims of the trust through the sale of Bibles, Christian books and other goods having a direct connection with the propagation of the Christian faith.

The shop managed a full years trading this year. Trading was down on the previous year, footfall is reduced, and the age profile of our customers is heavily biased towards older customers. Gosport town centre is very run down, with a large number of empty retail units. The council's decision to allow 1 hour free parking in council car parks does make the shop more accessible. Our trading pattern showed peaks in trading at Easter and Christmas.

Due to the low cost base of the shop, owning the property and with volunteer staff, along with much reduced stock replenishment the finances have been held in a stable state. Costs have increased with the change of electricity contracts and the need to subscribe to a more advanced version of QuickBooks for bookkeeping. We continue to qualify for 80% reduction in Business Rates from Gosport Borough Council. Cedaroak have paid their full rent for the year, now that they have a new contingent of trained and enthusiastic volunteers.

GOSPORT CORNERSTONE TRUST
TRUSTEES REPORT(continued)
FOR THE YEAR ENDED 31ST DECEMBER 2023

The trading pattern for year 2023 was down on 2022. Quarter 1 showed a slight increase in takings, Quarters 2 and 3 were reduced, which may have been a distorting affect of CTiG ticket sales in 2022. The final quarter showed improved early sales but a drop of in the crucial few weeks before Christmas. This could well have been a cooling effect of the cost of living pressures in the economy. However the underlying trends still seem to be downwards, and it is apparent that our trading is now well down on 5 years ago.

The end of year stocktake was conducted by a small group of volunteers, and showed a small increase in stock value, with an overall holding of about £49,000 gross, on annual shop sales of £25,000, meaning that stock levels are still considered to be too high, and efforts will continue to reduce overall holdings. Whilst quantity of stock has clearly reduced, increasing unit prices of many items means we hold less items for the same overall value and a number of items are now becoming dated and may need writing off in the current year. Sale of dated stock on Amazon has continued, which clears small quantities, but brings limited returns due to the Amazon fee structure. We have continued our support of the charity Book Aid, with 12 boxes of books being donated.

Achievements and Performance

It has been the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that in the event of a significant drop in trading they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised. The trustees adjusted their policy of building up a reserve fund of £20,000 over the next 3 years, to £25000 to account for inflation, to be in a place to cover the cost of any future repairs needed to the flat roof. A survey of the existing flat roof shows it to be in good overall condition. The shop floor area had a full redecoration in the summer. The level of reserves in bank at 31 December 2023 stood at £35,261.98, which is inside the target band. Replacement of the shop lighting system has been completed and the large cd rack disposed of, which has opened up some space on the sales floor.

This year saw one active book stall at Christchurch, which brought in additional income. We have a loyal core customer base within the local churches, but with the ongoing trend towards internet shopping, and the change to electronic media for both books and music, there is clear pressure on the shop to compete in the current market place. Our response has been to focus advertising in the local Christian community and to maintain offers from suppliers as they become available. Mrs Lynn Pettersen has increased the shop profile through generating regular social media postings.

The only customer data held is personal contact information provided by customers on placing orders. No computer data bases are held.

This year the Council applied the 80% charity rates relief from the start of the financial year.

Financial review

There is a continued focus on managing overheads effectively and reducing the levels of new stock purchased. We continue to experience unit price inflation on books, with new books often having retail prices well in excess of similar previous publications. New energy contracts have been put in place, which have not been as extreme as first feared, but have increased energy costs by about 30%. Even with the quantity of stock held reducing, and with a considerable withdrawal of older stock, there has been a small increase in the value of stock held at the stock take. The target continues to be reducing both the volume of stock and the value of stock held with a view to increasing cash reserves. Compliance for PCIDSS continues through our card handling company.

GOSPORT CORNERSTONE TRUST
TRUSTEES REPORT(continued)
FOR THE YEAR ENDED 31ST DECEMBER 2023

Risk Assessment

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves stated, combined with the annual review of the controls over key financial systems carried out on an annual basis provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks that they face and confirm that they have established systems to mitigate the significant risks.

Public Benefit

The charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how the charity has achieved this are provided in the Trustees report. The trustees confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Act 2011 require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the surplus of the trust for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in existence.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the trust. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 10th July 2024

Signed on their behalf by Mr C R Atkinson

Signature:

C.R Atkinson

GOSPORT CORNERSTONE TRUST
INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

Report to the trustees of Gosport Cornerstone Trust on the accounts for the year ended 31st December 2023, set out on pages 8 to 15.

Respective responsibilities of trustees and examiner

The organisation's trustees are responsible for the preparation of the accounts. The organisation's trustees consider that an audit is not required for this year (under section 144 of the Charities Act 2011) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for an independent examination, it is my responsibility to:

- examine the accounts (under section 145 of the Act),
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the Act, as amended), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the organisation and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in, any material respect, the trustees have not met the requirements to ensure that:
 - proper accounting records are kept (in accordance with section 130 of the Act); and
 - accounts are prepared which agree with the accounting records and comply with the accounting requirements of the Act; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Lomax Pavey
Independent Examiners Ltd
Unit 2
The Broadbridge Business Centre
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Bosham
West Sussex
PO18 8NF

17th July 2024

GOSPORT CORNERSTONE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
INCOMING RESOURCES	3	25,592	-	25,592	41,583
TOTAL INCOME		25,592	-	25,592	41,583
EXPENDITURE ON:	4	26,443	-	26,443	40,227
TOTAL EXPENDITURE		26,443	-	26,443	40,227
NET INCOME/(EXPENDITURE)		(850)	-	(850)	1,356
NET MOVEMENT IN FUNDS		(850)	-	(850)	1,356
RECONCILIATION OF FUNDS:		-	-	-	-
Total Funds Brought Forward		81,532	-	81,532	80,176
Opening Balance Adjustment	11	616		616	-
TOTAL FUNDS CARRIED FORWARD		81,298	-	81,298	81,532

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

The notes on pages 10 to 15 form part of these financial statements.

GOSPORT CORNERSTONE TRUST

BALANCE SHEET AS AT 31ST DECEMBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	31-Dec-23 Total £	31-Dec-22 Total £
Fixed Assets					
Tangible Assets	2	17,053		17,053	17,053
Current Assets					
Stocks	6	30,053		30,053	31,665
Debtors & Prepayments	7	960		960	81
Cash at Bank and in Hand	5	35,471		35,471	34,532
Total Current Assets		66,484	-	66,484	66,278
Creditors: amounts falling due within one year	8	2,239		2,239	1,799
NET CURRENT ASSETS		64,244		64,244	64,478
TOTAL ASSETS less current liabilities		81,298	-	81,298	81,532
NET ASSETS		81,298	-	81,298	81,532
Funds of the Charity					
General Funds		81,298	-	81,298	81,532
Restricted Funds		-	-	-	-
Total Funds		81,298	-	81,298	81,532

The notes on pages 10 to 15 form part of these financial statements.

TRUSTEES RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

Charity Law requires the Trustees to prepare financial statements for each financial year which comply with the regulations set out in the Charities Act 2011. The Trustees have elected to take advantage of the provisions that apply to small charities and have prepared a Receipts and Payments Account and Statement of Assets and Liabilities which are set out on pages 8 and 9.

Approved by the Trustees on 10th July 2024

Signed on their behalf by Mr C R Atkinson

Signature: C. R. Atkinson

GOSPORT CORNERSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

1. ACCOUNTING POLICIES

Basis of Preparation

The accounts have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)).

The Charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

Income

Recognition of Income

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the resources;
- the trustees believe it is probable they will receive the resources; and
- the monetary value can be measured with sufficient reliability

Income with Related Expenditure

Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the income.

Tax Reclaims on Donations and Gifts

Income from tax reclaims are included in the SOFA during the same period as the gift to which they relate.

Contractual Income and Performance Related Grants

This is only included in the SOFA once the related goods or services has been delivered.

Gifts in Kind

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SOFA as income when receivable.

Donated Services and Facilities

These are only included in income (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

GOSPORT CORNERSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

1. ACCOUNTING POLICIES (continued)

Investment Income

This is included in the accounts when receivable.

Investment Gains and Losses

This included any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

Expenditure and Liabilities

Liability Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the trustees meetings and cost of any legal advice to trustees on governance or constitutional matters.

Grants with Performance Conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specified service or output.

Grants Payable Without Performance Conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to a grant which remain in control of the charity.

Assets

Tangible Fixed Assets

These are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost or, if gifted, at the value to the charity on receipt.

Depreciation is calculated at a rate to write off the cost of tangible fixed assets basis over their estimated useful lives. The rates applied per annum are as follows:

Fixtures and Fittings	20%
Equipment	20%
Motor Vehicles	20%

No depreciation is charged to freehold property (land and buildings) as the property is maintained to such a standard that the estimated residual value is not less than cost.

Stocks and work in progress

Stocks held for sale as part of non-charitable trade are measured at the lower of cost or net realisable value.

GOSPORT CORNERSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 2023

2. TANGIBLE FIXED ASSETS	Notes	Land & Buildings £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
Cost	01-Jan-23	17,053	9,386	-	26,439
Additions					-
Disposals					-
Cost at	31-Dec-23	<u>17,053</u>	<u>9,386</u>	<u>-</u>	<u>26,439</u>
Depreciation	01-Jan-23	-	9,386	-	9,386
Charge			-		-
Disposal					-
Depreciation at	31-Dec-23	<u>-</u>	<u>9,386</u>	<u>-</u>	<u>9,386</u>
Net Book Value	31-Dec-23	<u>17,053</u>	<u>-</u>	<u>-</u>	<u>17,053</u>
Net Book Value	31-Dec-22	<u>17,053</u>	<u>-</u>	<u>-</u>	<u>17,053</u>

The annual commitments under non-cancelling operating leases and capital commitments are as follows:

31st December 2023:	None
31st December 2022:	None

3. INCOME FROM:	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
Office Let Income		170	-	170	1,271
Shop Trading Income		25,209	-	25,209	40,056
Other Income		213	-	213	256
		<u>25,592</u>	<u>-</u>	<u>25,592</u>	<u>41,583</u>

GOSPORT CORNERSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 2023

4. EXPENDITURE

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
Expenditure on Charitable Activities					
Cost of Goods for Trading		15,178	-	15,178	28,672
Amazon Fees		-	-	-	418
Advertising and Promotion		23	-	23	-
Cash Expenses		22	-	22	84
Comestibles		85	-	85	-
Staff Costs	9	3,540	-	3,540	3,120
Bank charges		619	-	619	575
Computer & Internet		390	-	390	65
Depreciation		-	-	-	112
Charitable Donations		-	-	-	15
Insurance		1,223	-	1,223	1,128
Dues & Subscriptions		777	-	777	384
Utilities		481	-	481	2,156
Electricity		1,428	-	1,428	-
Rent & Rates		748	-	748	942
Office Expenses		465	-	465	237
Repairs and Maintenance		501	-	501	1,363
Sundry items		-	-	-	31
Telephone		-	-	-	273
Transport		31	-	31	-
Independent Examiner's Fee		870	-	870	650
Other Expenses		63	-	63	-
		26,443	-	26,443	40,227

5. CASH AT BANK AND IN HAND

	Unrestricted Fund £	Restricted Fund £	Total 31-Dec-23 £	Total 31-Dec-22 £
Current Account	13,963	-	13,963	12,873
Savings Account	21,326	-	21,326	21,138
Cash in Hand	182	-	182	521
	35,471	-	35,471	34,532

GOSPORT CORNERSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 2023

6. STOCKS

	Stock for Resale £	TOTAL 2023 £	TOTAL 2022 £
Opening stock	31,665	31,665	31,744
Purchases	13,566	13,566	28,593
	<hr/>	<hr/>	
	45,231	45,231	60,337
less Cost of Goods Sold	15,178	15,178	28,672
	<hr/>	<hr/>	
Closing Stock	<u>30,053</u>	<u>30,053</u>	<u>31,665</u>

7. DEBTORS & PREPAYMENTS

	Unrestricted Fund £	Restricted Fund £	Total 2023 £	Total 31-Dec-22 £
Trade Debtors	-	-	-	81
Overpayment Held On Account	960	-	960	-
	<hr/>	<hr/>	<hr/>	<hr/>
	960	-	960	81

8. CREDITORS, ACCRUALS AND DEFERRED INCOME: AMOUNTS DUE WITHIN ONE YEAR

	Unrestricted Fund £	Restricted Fund £	Total 2023 £	Total 31-Dec-22 £
Accounts Payable	890	-	890	504
Taxation Creditors	479	-	479	645
Independent Examiner's Fees	870	-	870	650
	<hr/>	<hr/>	<hr/>	<hr/>
	2,239	-	2,239	1,799

GOSPORT CORNERSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 2023

9. ANALYSIS OF EMPLOYMENT COSTS

	2023 £	2022 £
Gross Wages and Salaries	3,540	3,120
	3,540	3,120

The average number of employees who were engaged in each of the following activities:

	2023 TOTAL	2022 TOTAL
Charitable activities	1	1

No employees received emoluments in excess of £60,000.

10. TRUSTEES AND OTHER RELATED PARTIES

No payments were made to trustees or any persons connected with them during this financial period. No material transaction took place between the organisation and a trustee or any person connected with them.

11. OPENING BALANCE ADJUSTMENT

Two adjustments to the opening balances were necessary on the balance sheet due to a clerical error in the prior year. First, a credit balance (overpayment) held by a utility company amounting to £1,034 was not recorded in the previous year's accounts. Second, the cash in hand, which should have been reported as £104 at year-end, was overstated by £417 due to a clerical error. These discrepancies arose partly due to the charity's transition from desktop accounting software to a cloud-based accounting system.

	Balance at 31.12.22 As originally calculated £	Adjustment £	Balance at 31.12.22 As Recalculated £
Tangible Fixed Assets	17,053	-	17,053
Cash in Hand	34,532	(417)	34,115
Stock	31,665	-	31,665
Debtors	81	-	81
Creditors	(1,799)	1,033	(766)
Total	81,532	616	82,148