

St John's Cornerstone Bookshop
A Company Limited by Guarantee
Annual Report and Financial Statements
for the year ended
31 July 2023



Company Registration Number SC 143356

Charity Reference Number SC 021295

St John's Cornerstone Bookshop
Annual Report and Financial Statements
Year ended 31 July 2023

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**St John's Cornerstone Bookshop
Annual Report and Financial Statements
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Legal & Administrative Information

St John's Cornerstone Bookshop is a Company Limited by Guarantee and also a Registered Charity.

Company No: SC 143356
Scottish Charity No: SC 021295

Directors

The following were registered directors during the year:

Susan Stevenson	(Chair) (Resigned 31 January 2023)
Mark Hoskyns-Abrahall	(Company Secretary & Treasurer)
Russell Duncan	(Resigned 3 October 2022)
Geraldine Bienkowski	(Resigned 23 November 2022)
Janet Rennie	(Resigned 10 October 2022)
Grace Durham	(Resigned 26 April 2022)
Rosie Addis	
Donna Gilmour	(Appointed 29 March 2022, Chair from 31 January 2023)
Paul Burrows	(Appointed 11 October 2022)
Susan Lyons	(Appointed 7 March 2023)
The Very Reverend Dr Russell Barr	(Appointed 7 March 2023)
The Reverend Markus Dunzkofer	(Appointed 14 September 2023)

The directors of the Company are also the trustees of the Charity.

Independent Examiner

Gordon Mavor, ACMA

Bankers

Bank of Scotland
Princes Exchange
3 Earl Grey Street
Edinburgh EH3 9BN

Business Address & Registered Office

St John's Church
Princes Street
Edinburgh
EH2 4BJ

**St John's Cornerstone Bookshop
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Report of the Directors

The directors are pleased to present their annual directors' report together with the financial statements of the company for the year ended 31 July 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

Purposes & Activities

The company is established for charitable purposes, which are to foster and promote the propagation of religious knowledge and religious education as set out in its memorandum of association. In furtherance of these objects, the company manages the Cornerstone Bookshop at the Episcopal Church of St John The Evangelist in Edinburgh, as a primary purpose trading activity.

Achievements & Performance

The year ended 31 July 2023 saw some recovery in sales, and a reduction in the reported deficit. However, these fell short of our business plan. The economic environment remains extremely challenging for high street retailers generally, and our Bookshop specifically.

While we were planning for the road back to sustainability to be a long one, we need to see an acceleration in our recovery in the coming months. The year saw the return of some events, including, for example, the Church of Scotland General Assembly. In the past this has represented a significant chance for the Bookshop to showcase its offering and make sales. However, the event was significantly scaled back, both in terms of the number of delegates and the number of days, and so we were not able to achieve the turnover at the event we had hoped.

We were fortunate to go into this challenging period with reasonable reserves, but those reserves will not last for ever.

The year to 31 July 2023 saw significant change at Board level with 5 Directors resigning, and 4 being appointed. This was reported in detail in last year's Annual Report. This has continued since the year end with the appointment of Markus Dunzkofer.

We continue to be very fortunate in having two fantastic members of staff, Anna Pitt and Amanda Bruce. The new Board is working closely with them to develop our plans for the future.

Financial Review

The Financial Statements have been prepared in accordance with current statutory requirements. The results for the year and financial position of the company are as shown in the accounts, starting on page 8.

Turnover from charitable trading represents all sales made through the shop. Total sales in the year were £104,207 compared to £91,455 in the prior year. Before the pandemic, our sales were of the order of £150,000 a year.

Grants and donations received in the year were £1,895 compared to £5,015 in the prior year.

Expenditure on Charitable activities increased as we saw our sales increase as well as the well documented impact of inflation and amounted to £120,375 compared to £112,558 in the prior year.

Taking all of this into account, the company recorded a deficit for the year of £14,234 compared to a deficit in the prior year of £16,087.

The company had reserves at the year-end of £50,538 including cash balances of £16,324.

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Report of the Directors (continued)

Financial Review (continued)

While it was pleasing to see some recovery in sales this year, and a reduction in the recorded deficit, these results fell behind our business plan. The economic environment surrounding the economy at large, and especially high street shopping, remains very challenging. The Board remains committed to the Bookshop and its purpose and recognise that sales need to increase significantly to see the Charity return to a position of financial sustainability. Since the year end, St John's has agreed to provide at least six months funding to help cover our rental charges, for which we are very grateful. The Charity welcomed some new directors during the year and the Board is in the process of devising an action plan to secure its long-term future.

Investment Powers & Policy

The directors, having regard to the liquidity requirements of running the company, aim to keep surplus funds in interest-bearing deposit accounts and seek to achieve a rate on deposit which matches or exceeds inflation as measured by the consumer price index. While interest rates have been higher in the past year, due to wider economic circumstances deposit rates have not kept up with inflation and so this aim was not achieved in the year.

Plans for Future Periods

As discussed earlier, the Board remains very focussed on ensuring the long-term financial sustainability of the Charity. We have recruited several new Board members over the past few months, including most recently Markus Dunzkofer, the Rector of St John's, who is also the Company's member. The Board and our staff members are currently working on a strategy to return the Charity to at a break-even position.

As a Board, we feel positive and believe we can secure a sustainable future for the Charity. We have a fantastic location in central Edinburgh which, along with the Red Cockerel Café, One World Shop and Pulse plant-based food kitchen in the same development, offers a great place for customers to visit. We also continue to enjoy the support of St John's and its congregation.

The Charity is in a challenging position, but the Board remain determined to see it through this period.

Reserves Policy & Going Concern

The directors aim to maintain the free reserves of the company at a level sufficient to provide a reasonable level of working capital for the business. The directors have reviewed the circumstances of the company and prepared forecasts under several different scenarios, including reasonably plausible downside cases. The Board has also considered the cash reserves held by the Company at the date of approval of these financial statements.

As a result, the Board believe that the Company will be able to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements, and that, as a result, the company continues to be a going concern.

Structure, Governance and Management

St. John's Cornerstone Bookshop is incorporated as a company limited by guarantee (ref: SC 143356) with the liability of members limited to £1 each. The company is governed by the terms of its Memorandum and Articles of Association and is a registered Scottish company (ref: SC 021295). The company currently has a single member, who is a nominee for the Vestry of St. John's Episcopal Church, Edinburgh ("St John's"). That member is the Revd. Markus Dunzkofer. The directors admit members.

The directors carry out the management of the company. New directors are appointed by a decision of the existing Board of directors.

The Board normally meet every other month to review the business of the company, make strategic decisions and set policy. Day to day management of the business is delegated to the Shop Manager, who reports to the Board at each meeting.

Report of the Directors (continued)

Structure, Governance and Management (continued)

Induction and training of directors takes place mainly through attendance at Board Meetings and through informal contact with the Chairman and staff. This is considered appropriate for the small scale of activities of this company. **Related Parties and relationships with other organisations**

None of the directors receives remuneration from their work for the company. The company has a close relationship with St John's.

Risk Management

The directors believe they are aware of the major risks to which the company is exposed and consider that adequate procedures are in place in order to mitigate those risks.

The directors have a risk management strategy, which comprises:

- an annual review of the principal risks and uncertainties faced by the company; and
- the establishment of policies, systems and procedures to mitigate those risks identified.

Small Company Provisions

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

This report was approved by the directors and signed on their behalf by:


Mark Hoskyns-Abrahall
Director & Company Secretary
10 January 2024

Statement Of Directors' Responsibilities

The company directors are responsible for preparing a directors' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in Scotland requires the company directors to prepare financial statements for each year, which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the company's constitution. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This statement was approved by the directors and signed on their behalf by:



**Mark Hoskyns-Abrahall
Director & Company Secretary
10 January 2024**

**St John's Cornerstone Bookshop
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Year ended 31 July 2023
Report of the Independent Examiner**

I report on the accounts of the company for the year ended 31 July 2023, which are set out on pages 8 to 13.

Respective responsibilities of directors and examiner

The company's directors (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The company directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect the requirements have not been met:

- to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

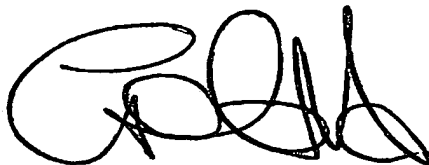
No matter has come to my attention to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name: Gordon Mavor

Relevant Professional qualification: ACMA

Address: 39 Bryce Road
Currie
EH14 5LP

Signed:



Date: 10 January 2024

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Statement of Financial Activities
for the Year Ended 31 July 2022

	Note	Unrestricted Funds	
		2023	2022
		£	£
Income:			
Donations & Grant funding	1	1,895	5,015
Turnover from charitable trading		104,207	91,455
Bank Interest		39	1
Total income		106,141	96,471
Expenditure on:			
Charitable activities	2	120,375	112,558
Other costs		-	-
Total Expenditure		120,375	112,558
Net (expenditure)/income for the year		(14,234)	(16,087)
Fund reconciliation			
Total funds brought forward		64,772	80,859
Total funds carried forward		50,538	64,772

All incoming resources and resources expended are derived from continuing activities.

The company had no recognised gains or losses other than those included in the Statement of Financial Activities above.

The notes on pages 10 to 13 form part of these financial statements.

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Balance Sheet as at 31 July 2023

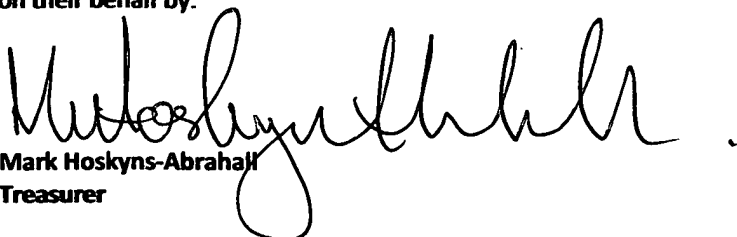
	Note	2023	2022
		£	£
Tangible Fixed Assets	4	-	58
Current Assets			
Stocks		43,101	39,991
Debtors	5	4,766	3,586
Cash in Bank & in hand		16,324	39,593
		64,191	83,170
Current Liabilities			
Creditors: Amounts falling due within one year	6	4,653	9,456
Net Current Assets		59,538	73,714
Non-Current Liabilities			
Creditors: Amounts falling due after one year	7	9,000	9,000
Net Assets		50,538	64,772
The Funds of the Charity			
Unrestricted funds:			
Operating fund	8	50,538	64,772
Total Charity Funds		50,538	64,772

For the year ended 31 July 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 ("The Act") relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements were approved by the directors and authorised for issue on 10 January 2024 and signed on their behalf by:


Mark Hoskyns-Abraham
Treasurer

The notes on pages 10 to 13 form part of these financial statements.

**St John's Cornerstone Bookshop
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Notes to the Financial Statements**

Accounting Policies

Basis of Accounting

The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16th July 2014, the Financial Reporting Standard for Smaller Entities (FRSSE), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

Going Concern

The directors have considered the financial position of the company, and have concluded that it will continue to be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. This is set out in more detail in the Directors' Report on page 4.

Incoming Resources

Turnover represents retail sales of publications and other resources arising from the charitable trading.

Income from grants and donations is recognised on receipt. Where a grant or donation is received for a specific purpose, it is included in restricted income and any unexpended portion carried forward as a restricted fund.

Resources Expended

All expenditure is accounted for on an accruals basis.

Donated Services and facilities

Donated professional services and donated facilities are recognised as income when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the company of the item is probable and that economic benefit can be measured reliably. In accordance with Charities SORP (FRSSE) general time of volunteers is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised as expenditure in the period of receipt.

Stocks

Stocks comprise publications and other products for resale and are valued at the lower of cost and net realisable value.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation, which is provided to write off the cost of the assets at the following rates:

Furniture & fittings	20% of cost per annum
Electronic equipment	33% of cost per annum

Taxation

No provision is required for corporation tax, as it has been accepted that the trading is integral to the main charitable purpose of the company. The company is registered for VAT.

Fund Accounting

The nature and purposes of the funds maintained by the charitable company are set out in note 6.

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Notes to the Financial Statements (continued)

1. Donations	2023	2022
	£	£
Donations	1,895	2,665
Grant from St John's Episcopal Church	-	-
Covid Job Retention Scheme Funding	-	2,350
Other grants	-	-
	<hr/>	<hr/>
Total Donations and legacies	1,895	5,015

All donations in 2023 and 2022 were unrestricted in nature, except for £1,100 in 2023 and £2,350 in 2022 from the Robin Leith Trust which was provided to cover external consultancy services, all of which was utilised by 31 July 2023 and 2022 respectively.

2. Charitable activities

	2023	2022
	£	£
Cost of Sales	56,152	52,810
Staff costs (Note 3)		
Gross Salaries	43,303	40,620
Social Security	-	-
Pension costs	925	844
	<hr/>	<hr/>
	44,228	41,464
Occupancy costs		
Rent & rates	7,500	7,500
Heat & light	918	195
Property maintenance	881	828
Insurance	509	507
	<hr/>	<hr/>
	9,808	9,030
Administrative costs		
Telephone & internet	980	1,225
Office supplies & equipment maintenance	211	76
Subscriptions & systems support	155	30
Book-keeping & legal advice	2,700	2,050
Promotion & website costs	1,601	1,534
Advertising	1,175	-
Banking & finance charges	1,553	1,194
Independent examination	330	300
Depreciation	58	463
External consultancy support	1,100	2,200
Other expenditure	324	182
	<hr/>	<hr/>
	10,187	9,254
	<hr/>	<hr/>
Total expenditure on charitable activities	120,375	112,558

All charitable trading income and expenditure in 2023 and in 2022 was unrestricted in nature.

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Notes to the Financial Statements (continued)

3. Staff costs

The average number of employees during the year, calculated on the basis of a head count, was as follows:

	2023	2022
Staff numbers	2	2

No employee had employee benefits in excess of £50,000 (2016: nil)

No remuneration or expenses were paid to the directors of the company in the year.

4. Tangible Fixed Assets

	Furniture, fittings & equipment
Cost	£
At 1 August 2022	10,655
Additions	-
Disposals	(200)
At 31 July 2023	<u>10,455</u>
Depreciation	
At 1 August 2022	10,597
Charge for the year	58
Disposals	(200)
At 31 July 2023	<u>10,455</u>
Net Book Value	
At 31 July 2023	<u>-</u>
At 31 July 2022	<u>58</u>

5. Debtors

	2023	2022
	£	£
Trade debtors	1,986	844
Prepayments & accrued income	2,780	2,742
Total Debtors	<u>4,766</u>	<u>3,586</u>

6. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	2,029	7,571
Taxation & social security	509	436
Accruals & other creditors	2,115	1,449
Total Creditors	<u>4,653</u>	<u>9,456</u>

Notes to the Financial Statements (continued)

7. Creditors: Amounts falling due after one year	2023	2022
	£	£
Loans	<u>9,000</u>	<u>9,000</u>

The loans comprise £4,500 each from Edinburgh Diocese and Edinburgh City Centre Churches Together ("ECCCT"). Both loans are interest free with no fixed repayment term. Since the year end, ECCT requested repayment of their loan, which was completed in December 2023..

8. Unrestricted General Funds

	1 August 2022	Income	Expenditure	Transfers	31 July 2023
	£	£	£	£	£
Operating fund	64,772	106,141	(120,375)	-	50,538
Total unrestricted funds	<u>64,772</u>	<u>106,141</u>	<u>(120,375)</u>	<u>-</u>	<u>50,538</u>
Total funds	<u>64,772</u>	<u>106,141</u>	<u>(120,375)</u>	<u>-</u>	<u>50,538</u>

The operating fund represents the accumulated surplus from the charitable trading activities.