

Charity registration number SC004780 (Scotland)

Company registration number SC070762 (Scotland)

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# **CORNERSTONE COMMUNITY CARE**

## **OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Directors</b>	Mr T Dinozzi	
	Mr A Forbes	
	Mr G Huggins	
	Dr S Lynch	
	Mrs H L Stuart	
	Mr P Bailey	
	Mr R M Kay	(Appointed 27 October 2021)
	Mr A Murray	(Appointed 27 October 2021)
	Mr R Webster	(Appointed 27 October 2021)
	Ms S Park	(Appointed 17 February 2022)

<b>Secretary</b>	Ledingham Chalmers LLP
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<b>Charity number (Scotland)</b>	SC004780
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<b>Company number</b>	SC070762
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<b>Principal address</b>	Centurion Court North Esplanade West Aberdeen United Kingdom AB11 5QH
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<b>Registered office</b>	Johnstone House 52-54 Rose Street Aberdeen United Kingdom AB10 1HA
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<b>Auditor</b>	Azets Audit Services 37 Albyn Place Aberdeen United Kingdom AB10 1JB
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<b>Bankers</b>	The Royal Bank of Scotland PLC 78 Union Street Aberdeen United Kingdom AB10 1HH
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<b>Solicitors</b>	Ledingham Chalmers LLP Johnstone House 52-54 Rose Street Aberdeen United Kingdom AB10 1HA
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# **CORNERSTONE COMMUNITY CARE OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The directors, who are also the trustees for the purposes of charity law, present their report and the financial statements of the charity for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the companies act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

## **Objectives and activities**

By adopting a person-centred approach, we work closely with individuals, families and guardians to agree what type of support will help people to live the best life possible. This could be anything from providing specialist accommodation on a full-time basis to meet the needs of people with more complex conditions, to just a few hours of support a week to help an individual build confidence and make friends.

We identify goals and measure outcomes based on four key areas:

- increased social inclusion
- improved health
- improved independence
- improved wellbeing

Cornerstone supports individuals of all ages and our services include, but are not limited to:

- Children's Play Schemes
- Community Support
- Day Opportunities
- Housing Support
- Care at Home
- Residential Care Homes
- Self-Directed Support
- Shared Lives
- Short Breaks & Respite
- Specialist Residential Services for Complex Needs
- Supported Living
- Young Carers
- Technology Enabled Care and Support

Our operating model comprises Support Practitioners, Lead Practitioners, Service Leads and Branch Leaders, all supported by central Business Support and Branch Administration teams. The model provides a clear framework of responsibilities, resources and support around each team and their roles. We embrace an empowering and mentoring culture that promotes best practice and offers clear career pathways and professional development opportunities, in line with a skills matrix.

We have over 40 years experience of delivering great care and support across Scotland and it is our vision to be the first choice for expert care and support for people with learning disabilities, autism and complex care needs in Scotland.

## **Strategic report**

The following sections for achievements and performance and financial review form the strategic report of the charity.

# **CORNERSTONE COMMUNITY CARE OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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## **Achievements and performance**

During 2021/22 Cornerstone continued to deliver a wide range of services and in March 2022 was providing services for over 1,300 individuals and their families.

Highlights include:

- We launched our new 2021-25 strategy 'Future-proofing Cornerstone' strategy, presenting a refreshed and refined vision – "to be the first choice for expert care and support for people with learning disabilities, autism and complex care needs in Scotland". The new, four year strategy focusses on what we do best, making sure the people we support are able to live the best life possible.
- We rolled out a new operating model integral to the new strategy and identified a number of new role profiles including; Support Practitioner, Lead Practitioner and Service Lead. The new model has been designed to address the disparity and diversity of roles across the organisation, simplify structures and provide a clear framework of responsibilities and support around each team and their roles.
- We also created two Depute Directors of Delivery posts to strengthen the Executive Leadership Team and enhance service and strategy delivery.
- We established two Culture Lead roles to work closely with leaders across the organisation, supporting them to enhance their leadership skills through a Leadership Development Programme and encouraging them to embrace a coaching approach whilst also promoting a culture of empowerment and high performance.
- We established our Fair Work Partnership Forum as the designated, representative and central forum where colleagues work together to effect change and improvements. The forum is guided by the nationally recognised Fair Work Convention's Framework and its five key dimensions: effective voice, opportunity, security, fulfilment and respect.
- In a prior year we received a very generous legacy from the late Mary Williamson and in 2021/22 established the inaugural Mary Williamson Awards in her memory. The awards recognise the personal goals of the people we support, resulting in 12 awards across our ten branches.
- Our North Lanarkshire Supported Living service and West Park Care Home in Montrose were awarded impressive grade 5's, following unannounced visits from the Care Inspectorate. There was a marked downturn in the number of visits carried out by the Care Inspectorate during 21-22 due to COVID.
- We launched a new website providing the people we support, families, supporters, partners and key stakeholders with a much-enhanced online experience including greater fundraising functionality.
- Our recruitment team also launched a new online portal called Jobtrain, offering hiring colleagues and potential candidates a much more streamlined recruitment process, with enhanced job adverts, better engagement and tracking opportunities, and quicker turnaround times.
- We welcomed a Speech and Language Therapist to the team on secondment from NHS Lanarkshire. They have been working on developing an accessible, Supported Communication Strategy as well as providing enhanced training opportunities for staff and supporting individuals to be even more involved in their own decision making.
- We celebrated Employee Appreciation Day with a well-attended, heart-warming session with colleagues on Teams, spotlighting stories from across the Branches, celebrating success and offering thanks. We also recognised the contribution of our long service colleagues of 10, 20 and 25 years.
- We marked Modern Apprenticeship Week and celebrated the success and contribution made by our modern apprenticeships across the country. We also shone a spotlight on future opportunities for others to consider committing to a Modern Apprenticeship.

# **CORNERSTONE COMMUNITY CARE OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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- We opened a brand new service called Highland Way in Buckie. Highland Way is the first service of its kind for Cornerstone in Moray as it comprises a number of individual properties including three bungalows and three flats as well as a communal flat. The homes also include state of the art telecare technology, supporting tenants to further develop their independence.
- We continue to campaign directly and alongside the Coalition of Care and Support Providers in Scotland (CCPS) and our trade union colleagues, to ensure the Scottish Government remains committed to its Fair Work agenda and addressing recruitment, retention and rate of pay challenges still prevalent within the sector.
- We undertook a Governance Review and reviewed and refreshed the remit of our Board sub-committees. We also established a new committee to oversee strategy implementation and business development.

## **Volunteering in Cornerstone**

Cornerstone is immensely grateful for the support received from volunteers. Owing to the Coronavirus pandemic volunteering opportunities in both operations and fundraising remained restricted during 2021/22. We continue to be grateful to our Board of Trustees, all of whom volunteer their services and support.

## **Employee involvement**

Cornerstone is the only large social care charity in Scotland to have employee directors on the Board.

Employees are kept well informed about the progress and position of the company by means of regular team meetings, access to a company-wide intranet and video communications tool, a staff newsletter and briefings from the Chief Executive.

In addition, Cornerstone holds regular meetings of the Engagement Forum, at which staff are invited to give their views on a range of issues directly to senior management. The Forum met more frequently during 2021/22, virtually in line with government regulations.

During the reporting period there were two employees who were directors of the charity.

## **People with a disability**

The company's policy is to give full and fair consideration to applications for employment made by people with a disability, having regard to their particular aptitudes, and abilities. Cornerstone is an 'Employer Confident' within the Disability Confident scheme, previously the "double tick" scheme, which means applicants with a disability who meet the essential criteria in the job specification will be guaranteed an interview.

People with a disability receive appropriate training to promote their career development within Cornerstone. Employees who become disabled are retained in their existing posts where possible or re-trained for suitable alternative posts.

## **Coronavirus**

With the arrival of the Coronavirus pandemic in early 2020 followed by the imposition of lockdown in March 2020, we undertook robust pandemic planning which included the suspension of non-essential services, limiting of movement of staff between services, purchasing and disbursement of additional PPE supplies, and workforce planning in preparation for increased sickness absence. Cornerstone has continued to deliver services and support during the extended pandemic, responding to new measures quickly and appropriately. A staff working group was convened to respond and react to changing requirements and to keep staff updated and informed.

# **CORNERSTONE COMMUNITY CARE OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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## **Financial review**

2021/22 saw incoming resources increase to £46.7m (2020/21 £44.5m). Donations and legacies increased by £956k as a result of funding received from Scottish Government. Income from charitable activities increased by £1.2m. Operations income increased by £2.4m, employment and training income increased by £254k, and self directed support income increased by 222k. These income increases were off-set by reductions to social firm activity income of £907k and a reduction in covid grants of £669k.

The accounts show a surplus of £604,996 (2020/21 deficit £41,227). The surplus results from a number of factors; 1) the grant received during the year from Scottish Government, and 2) Cornerstone's actions taken during the year to reduce expenditure in its business support activities. During the year Cornerstone instructed a valuation report on its properties following which it was identified that three properties had a carrying value higher than the valuation survey. As a result, an impairment totalling £587k has been reflected in the financial statements.

With the introduction of the team member rate, in excess of the SLW, services continue to experience funding pressures. This will be addressed from April 2022 with the introduction of the adult social care hourly rate of £10.50 per hour. Cornerstone took the decision to include children's services at this increased hourly rate. Cornerstone seeks to achieve a financially sustainable way of increasing pay, although regular reviews are conducted to analyse service operations and put into place local strategies and actions to ensure services remain financially viable to operate.

## **Reserves Policy**

The Finance and Audit Committee has established a policy to hold unrestricted free reserves at a level which equates to between three to six months of the resources expended. Whilst reserves may not reach this level in the near future, it is considered desirable to work towards this to enable the current activities of the company to continue in the event of a significant reduction in funding.

Restricted funds are held for a specific purpose determined externally by third party funders and cannot be used for alternative purposes. Designated and unrestricted funds are earmarked by the Board to cover future commitments. A breakdown of funds is provided at notes 22 and 23.

Restricted funds total £337,813 (2020/21 £278,864) and represents fundraising monies held for specific purposes.

Unrestricted reserves total £4,990,165 (2020/21 £4,444,118) of which £4,757,271 (2020/21 £5,697,813) is designated for fixed assets and can only be realised by disposing of tangible fixed assets. The remaining unrestricted reserves total £232,894 (2020/21 deficit £1,253,695).

## **Principal Funding Sources**

96.8% of the income is payments received from Health and Social Care Partnerships and others for the provision of social care services of which 4.3% relates to Self-Directed Support. The remaining 3.2% is from other sources including charitable fundraising, rental and trading income.

## **Investment Policy**

The Resources Committee had previously considered that the most appropriate policy for investing funds was in a Managed Fund which best met the requirement for capital growth and income, but the decision was made to dispose of the investments during 2019/20.

# **CORNERSTONE COMMUNITY CARE OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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## **Risk Management**

The Directors, along with members of the Leadership Team, have identified the major risks to which Cornerstone is exposed. These are regularly reviewed and systems established to mitigate against those risks.

Funding constraints allied to externally driven cost pressures present the most significant risk. Every effort is made to try to ensure that services operate in a financially viable way. In addition, Cornerstone continues to lobby both individually and collectively with other care providers to put forward the case for a strong social care sector which is properly and sustainably funded to care for vulnerable people in Scotland.

Cornerstone will continue to ensure that services are sustainable. To this end we will work with commissioners to achieve sustainability for the continued benefit of the people we support.

## **Health and Safety**

The charity recognises and accepts its responsibilities as an employer under the Health and Safety at Work Act 1974 and other relevant legislation. Cornerstone seeks to implement the Act and other legislative requirements in all activities under its control. Cornerstone aims to achieve a balanced approach whereby Health and Safety is given the relevant importance in the workplace and a positive culture of Health and Safety is promoted in all business and service areas.

## **Financial Instruments**

Cornerstone's financial instruments comprise borrowings, cash and liquid resources and trade debtors and trade creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for Cornerstone's activities.

The principal risks arising from Cornerstone's financial instruments are interest rate risk, market risk, inflation rate risk and credit risk. The Board manages each of these risks as summarised below:

### *Interest rate risk*

Cornerstone has financed the purchase of property through long term variable rate borrowing. Cornerstone is exposed to risks in fluctuations in the bank base rate of interest. The Directors are of the opinion that as borrowings are from recognised financial institutions then interest risk is managed to the extent that it is within the Directors' control.

### *Credit risk*

Cornerstone's borrowings are from the Royal Bank of Scotland plc, a recognised high street lender, the Scottish Investment Fund, Big Issue Invest and Lombard Technology Services Ltd. The Directors are satisfied that Cornerstone is not exposed to any significant risk from its financing arrangements.

Cornerstone's borrowings were obtained following production of forecasts that indicated it was capable of meeting the debt repayments and the Directors are satisfied that this is still the case. The Directors do not consider that the borrowings are exposed to risk as a result of its own credit position.

Credit risk on short term deposits is managed by placing deposits only with major UK financial institutions which are regulated by the Financial Services Authority.

Cornerstone's operational cash flows are dependent on the finance it receives from the funding bodies and the credit terms offered by its suppliers. As most of Cornerstone's dealings are with Health and Social Care Partnerships, and it is not dependent on donations to meet its obligations, the Directors are satisfied that credit risk is not significant for revenue income.

## **Plans for future periods**

Fundamentally, Cornerstone exists to enable the people it supports to enjoy a valued life, a life they choose. Without a clear understanding of their needs, desires, aspirations and dreams the charity cannot effectively design and deliver services fit for purpose. Cornerstone continues to develop new models of care and support in response to the changes in public service priorities and most importantly in response to the changing needs of the people it supports. The charity is therefore committed to actively involving the people it supports.



# **CORNERSTONE COMMUNITY CARE OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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In 2021 Cornerstone launched a new five-year new strategy – Future Proofing Cornerstone which has three strategic aims:

- to be an expert provider of services to people with learning disabilities, autism and complex care needs
- to be the best employer in social care in Scotland
- to achieve stability and sustainability which supports future developments

A new operating model has been implemented to ensure consistency of roles across all our services. Work is underway on defining a skills matrix that will support best practice and continued professional development. Cornerstone will continue to work collaboratively and openly with Health & Social Care Partners to address funding issues.

We will continue to ensure that care of the people we support is at the heart of what we do, delivered by an upskilled and valued workforce.

## **Structure, governance and management**

### **Governing Document**

The organisation is a charitable company limited by guarantee, incorporated on 28th February 1980 and is a Scottish charity, number SC004780. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.00.

Mr M D Laing	(Resigned 26 October 2022)
Mr T Dinozzi	
Mr A Forbes	
Mr G Huggins	
Ms S L Irvine	(Resigned 31 October 2022)
Ms H D Munro	(Resigned 26 October 2022)
Ms E M Thomson	(Resigned 20 December 2021)
Dr S Lynch	
Mrs H L Stuart	
Mr P Bailey	
Mr R M Kay	(Appointed 27 October 2021)
Mr A Murray	(Appointed 27 October 2021)
Mr R Webster	(Appointed 27 October 2021)
Ms S Park	(Appointed 17 February 2022)

### **Recruitment and Appointment of Board of Directors**

The Directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, one third of the members of the Board of Directors must retire each year through voluntary retirement or on a rotational basis. Those retiring by rotation can seek re-election at the next Annual General Meeting.

Potential Directors are identified through their association with Cornerstone or by recommendation. Directors currently include health care professionals and individuals with particular relevant skills and experience.

# **CORNERSTONE COMMUNITY CARE OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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## **Key Management Personnel**

Chief Executive	Hazel Brown
Chief Finance Officer – from 05 January 2021 until 23 April 2021	Gordon Slessor
Director of Finance – from 16 August 2021	Lynn Wallace
Director of Delivery (North) – to 08 October 2021	Sara Murphy
Director of Delivery – from 09 October 2021 until 05 January 2023	Sara Murphy
Depute Director of Delivery (North) – from 01 April 2022	Nikki O'Brien
Depute Director of Delivery (South) – from 15 June 2022	Fiona Barrie-Higgins
Director of Delivery (South) – left 08 October 2021	Kenneth Stirling
Director of Development	Jayne Findlay
Director of People & Culture – left 07 January 2022	Marie Hernandez
Director of People & Culture – from 09 May 2022	Lesley DeJager

## **Organisational Structure**

Cornerstone has a Board of Directors who meet five times per year and are responsible for the strategic direction and overall governance of the charity. The Board currently has 10 members from a variety of professional and other backgrounds relevant to the work of the charity, including two employee directors. The Chief Executive and other senior staff attend Board and sub-committee meetings in an advisory capacity.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with the Chief Executive and the Leadership Team. The Chief Executive has overall responsibility for ensuring that Cornerstone delivers the services specified and that key performance indicators are met.

## **Director Induction and Training**

Newly appointed Directors are apprised of their role and responsibilities by the Chair of the Board and the Chief Executive. Most Directors are already familiar with the work of the charity having visited Cornerstone services. Both new and longer serving Directors have regular opportunities to meet with people Cornerstone supports, families, carers and staff and to visit services.

Additionally, new Directors are invited and encouraged to meet with senior staff to familiarise themselves with the charity and the context within which it operates. The Chair of the Board and the Chief Executive play a lead role in this.

## **Pay Policy for Directors and Senior Staff**

All Directors are volunteers give their time freely and no director received remuneration for their governance role in the year. Details of directors expenses and related party transactions are disclosed in notes 12 and 27 of the accounts.

The pay of senior staff is reviewed annually by the Board of Directors. The Directors consider increases in conjunction with increases awarded to the wider staff group. In addition, the Directors benchmark pay levels against those in other third sector organisations of comparable size and industry.

## **Related Parties**

In so far as it is complementary with the charity's objectives, the charity is guided by local, Scottish and UK national policy of both Government and care regulators.

Cornerstone is a member of several national organisations who act as representative bodies for the sector. In addition, Cornerstone is also a member of local partnerships in a number of its areas of operation, a number of local Chambers of Commerce and Third Sector Interfaces.

## **Post balance sheet event**

Subsequent to the balance sheet date the property at 91 Drum Road was sold on 1st April 2022. The net book value of this property at the balance sheet date was £499,292.

# **CORNERSTONE COMMUNITY CARE OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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## **Auditor**

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

## **Streamlined Energy & Carbon Reporting Environment and SECR compliance**

We fully recognise our responsibility to protect the environment and we have a strong environmental policy, objectives and guidelines in place which we review and update regularly. Cornerstone complies with all regulations covering the processing and disposal of toxic & non-toxic waste, and uses qualified licensed contractors for the collection and disposal of waste where appropriate. We make every effort to keep our neighbours in the local community safe from any potential harm caused by our activities by closely managing our emissions and waste.

## **UK energy use**

During the reporting period, Cornerstone used a total of 3,732,748kWh of energy and emitted a total of 742.33tonnes of CO<sup>2</sup>e which is categorised as follows:

	kWh	Tonnes of CO <sup>2</sup> e
Electricity	1,321,336	280.56
Gas combustion	1,824,702	334.21
Transport	586,710	127.56
Total	3,732,748	742.33

Due to this being the first year of reporting, there are no prior year figures available.

Energy usage for electricity and gas is the usage in our owned and leased properties and estimates of the energy usage based on the square footage of the properties or the number of beds in the case of care homes. The split between gas and electricity has been estimated based on the average non domestic consumption in Scotland from 2018 to 2021.

The figures above for transport relates to staff use of privately owned vehicles for business use, where Cornerstone has reimbursed the cost of this mileage as well as estimates for the energy usage in the Cornerstone fleet of vehicles.

## **Energy efficiency action**

We are committed to energy efficiency and have a number of initiatives aimed at reducing our energy usage where possible. For instance, procuring electric vehicles where appropriate, unifying our energy supply contracts, operating on a hybrid basis with staff working from home and in the office to help reduce office running costs as well as energy consumption from travel to and from offices.

## **Intensity ratio and methodologies**

The annual quantity of emissions in tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) was 742.33tonnes (no comparatives are provided as this is the first year of disclosure. This equates to 0.85 tonnes per person being supported by Cornerstone.

**CORNERSTONE COMMUNITY CARE  
OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE  
DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC  
REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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**Disclosure of information to auditor**

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The directors' report, including the strategic report, was approved by the Board of Directors.

A handwritten signature in black ink, appearing to be 'T. Dinozzi', with a long horizontal line extending to the right.

Mr T Dinozzi

**Director**

28 March 2023

**CORNERSTONE COMMUNITY CARE  
OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE  
STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 MARCH 2022**

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The directors, who also act as trustees for the charitable company, are responsible for preparing the Directors' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure, of the charitable company for that year.

In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE DIRECTORS OF CORNERSTONE COMMUNITY CARE**

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**Opinion**

We have audited the financial statements of Cornerstone Community Care (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**CORNERSTONE COMMUNITY CARE  
OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE DIRECTORS OF CORNERSTONE COMMUNITY CARE**

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report (incorporating the strategic report) for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report and the strategic report included within the directors' report (incorporating the strategic report) have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report (incorporating the strategic report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

**CORNERSTONE COMMUNITY CARE  
OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE DIRECTORS OF CORNERSTONE COMMUNITY CARE**

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Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, anti-bribery, environmental, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, regulators and the charitable company's legal advisors.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in these financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.



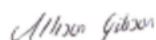
**CORNERSTONE COMMUNITY CARE  
OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE DIRECTORS OF CORNERSTONE COMMUNITY CARE**

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Allison Gibson (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services**

28 March 2023

**Chartered Accountants  
Statutory Auditor**

37 Albyn Place  
Aberdeen  
United Kingdom  
AB10 1JB

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Restated Unrestricted funds 2021 £	Restated Restricted funds 2021 £	Restated Total 2021 £
	Notes						
<b>Income from:</b>							
Donations and legacies	3	1,100,188	395,639	1,495,827	270,128	270,045	540,173
Charitable activities	4	929,816	44,287,538	45,217,354	534,976	43,435,223	43,970,199
Other trading activities	5	7,805	-	7,805	62	-	62
Investments	6	287	-	287	1,304	-	1,304
<b>Total income</b>		<b>2,038,096</b>	<b>44,683,177</b>	<b>46,721,273</b>	<b>806,470</b>	<b>43,705,268</b>	<b>44,511,738</b>
<b>Expenditure on:</b>							
Raising funds	7	347,162	122,768	469,930	157,851	157,767	315,618
Charitable activities							
Charitable Expenditure	8	159,420	44,899,624	45,059,044	298,992	43,938,355	44,237,347
Other - Impairment of fixed assets	8	587,303	-	587,303	-	-	-
<b>Total charitable expenditure</b>		<b>746,723</b>	<b>44,899,624</b>	<b>45,646,347</b>	<b>298,992</b>	<b>43,938,355</b>	<b>44,237,347</b>
<b>Total expenditure</b>		<b>1,093,885</b>	<b>45,022,392</b>	<b>46,116,277</b>	<b>456,843</b>	<b>44,096,122</b>	<b>44,552,965</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>944,211</b>	<b>(339,215)</b>	<b>604,996</b>	<b>349,627</b>	<b>(390,854)</b>	<b>(41,227)</b>
Gross transfers between funds		(398,164)	398,164	-	(382,350)	382,350	-
<b>Net income/(expenditure) for the year</b>							
<b>Net movement in funds</b>		<b>546,047</b>	<b>58,949</b>	<b>604,996</b>	<b>(32,723)</b>	<b>(8,504)</b>	<b>(41,227)</b>
Opening fund balances		4,444,118	278,864	4,722,982	4,476,841	287,368	4,764,209
<b>Closing fund balances</b>		<b>4,990,165</b>	<b>337,813</b>	<b>5,327,978</b>	<b>4,444,118</b>	<b>278,864</b>	<b>4,722,982</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Notes	2022 £	£	Restated 2021 £	£
<b>Fixed assets</b>					
Tangible assets	15		4,757,271		5,697,813
<b>Current assets</b>					
Debtors	16	3,974,574		4,898,466	
Cash at bank and in hand		3,365,684		1,839,747	
		<u>7,340,258</u>		<u>6,738,213</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(6,271,711)</u>		<u>(6,969,578)</u>	
Net current assets/(liabilities)			1,068,547		(231,365)
<b>Total assets less current liabilities</b>			5,825,818		5,466,448
<b>Creditors: amounts falling due after more than one year</b>	19		(497,840)		(743,466)
<b>Net assets</b>			<u>5,327,978</u>		<u>4,722,982</u>
<b>Income funds</b>					
Restricted funds	22		337,813		278,864
Unrestricted funds	23		4,990,165		4,444,118
			<u>5,327,978</u>		<u>4,722,982</u>

The financial statements were approved by the Directors on 28 March 2023



Mr T Dinozzi  
**Director**

**Company Registration No. SC070762**

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

		2022		Restated	
	Notes	£	£	2021	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	29	2,066,798		1,438,643	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(69,209)		(396,416)	
Proceeds on disposal of tangible fixed assets		(178,799)		183,047	
Interest received		287		1,304	
<b>Net cash used in investing activities</b>		(247,721)		(212,065)	
<b>Financing activities</b>					
Repayment of borrowings		(293,140)		(324,395)	
<b>Net cash used in financing activities</b>		(293,140)		(324,395)	
<b>Net increase in cash and cash equivalents</b>		1,525,937		902,183	
Cash and cash equivalents at beginning of year		1,839,747		937,564	
<b>Cash and cash equivalents at end of year</b>		3,365,684		1,839,747	

**CORNERSTONE COMMUNITY CARE  
OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies**

**Charity information**

Cornerstone Community Care is a private company limited by guarantee incorporated in Scotland. The registered office is Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1HA.

**1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

**1.2 Prior period error**

From our audit work we identified income totalling £962,218 received from Aberdeenshire Council on 27 April 2021 which had been received to fund the social care bonus payable to employees who had eligible service during the period between 17 March and 30 November 2020. This income met the income recognition criteria for recording in the 2021 financial statements, and therefore a prior year adjustment has been processed through the 2021 comparatives contained within the financial statements to report this income and the related cost in respect of the staff bonuses into the correct accounting period.

We also identified deferred capital grant income totalling £599,441 as at 31 March 2022 which has historically been reported within creditors in previous years' financial statements. This should be accounted for as income in the year of receipt, and reported within the funds section of the Balance Sheet. As the fixed asset which was acquired with the funding is depreciated a similar amount is released from funds to match against the related depreciation charge. Therefore a prior year adjustment (including restatement of the 2020 closing balance) has been processed through the 2021 comparatives contained within the financial statements to report this income and the related depreciation cost into the correct accounting period.

**1.3 Going concern**

We have yet to receive managements' going concern assessment including budgets, forecasts and supporting documentation covering a 12 month period from the date the financial statements are approved, and therefore we have yet to complete our work in respect of going concern.

We will revert to the Board of directors on our conclusion from this work in due course.

**1.4 Charitable funds**

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies**

**(Continued)**

**1.5 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants, where entitlement is not conditional on the delivery of a specific performance by the organisation, are recognised when the organisation becomes unconditionally entitled to the grant.

Where there are performance related conditions attached to any grants or donations, income is recognised when the conditions have been met or when meeting the conditions is within the organisation's control and there is sufficient evidence that they have been met or will be met, otherwise they are deferred. Where a grant condition allows for the recovery of any unexpended grant, a liability is recognised when repayment becomes probable.

Where there are terms placed on income that limit the organisation's discretion over how that income can be used, that income is shown as restricted income in the accounts.

Fees receivable for care services are accounted for in the period in which the service is provided.

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

Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

Investment income is included when receivable.

**1.6 Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in Note 9.

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies** **(Continued)**

**1.7 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Property	Over 50 years
Property improvements	Over 3 to 15 years
Fixtures and fittings	Over 3 years
Motor vehicles	Over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

**1.8 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the charitable company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.10 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies**

**(Continued)**

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.13 Operating leases**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term.



**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Contingent liability**

The contingent liability relates to inducement claims brought against the company. When estimating the value, management consider the set award per claimant and the number of potential claimants remaining.

**Impairment of debtors**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors, including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

**3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations	65,425	27,802	93,227	47,302	-	47,302
Legacies receivable	21,704	77,031	98,735	222,826	-	222,826
The Big Lottery Fund - Growing Together	-	-	-	-	41,310	41,310
Scottish Government	1,000,000	116,725	1,116,725	-	132,810	132,810
The Big Lottery Fund - Local Cornerstone	-	-	-	-	18,474	18,474
Donated goods and services	-	20,526	20,526	-	19,213	19,213
Trusts and other funders	13,059	153,555	166,614	-	58,238	58,238
	<u>1,100,188</u>	<u>395,639</u>	<u>1,495,827</u>	<u>270,128</u>	<u>270,045</u>	<u>540,173</u>

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**4 Charitable activities income**

	<b>Charitable Income</b>	<b>Restated Charitable Income</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Operations	40,516,209	38,142,593
Employment & Training	274,047	20,143
Children & Family Services	1,447,777	1,529,466
Self Directed Support	1,910,197	1,721,821
Social Firm Activity	79,293	986,626
Rental Income	610,433	510,568
Other income	121,847	132,151
Covid grants	257,551	926,831
	<u>45,217,354</u>	<u>43,970,199</u>
Analysis by fund		
Unrestricted funds	929,816	534,976
Restricted funds	<u>44,287,538</u>	<u>43,435,223</u>
	<u>45,217,354</u>	<u>43,970,199</u>

**5 Other trading activities income**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fundraising events	<u>7,805</u>	<u>62</u>

**6 Investments income**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest receivable	<u>287</u>	<u>1,304</u>

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**7 Raising funds expenditure**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
<u>Cost of voluntary income</u>						
Premises costs	39,876	14,237	54,113	27,249	27,240	54,489
Sundry costs	160,716	57,382	218,098	44,647	44,634	89,281
Staff costs	143,261	51,149	194,410	85,919	85,893	171,812
	<u>343,853</u>	<u>122,768</u>	<u>466,621</u>	<u>157,815</u>	<u>157,767</u>	<u>315,582</u>
<u>Fundraising events</u>						
Premises costs	381	-	381	6	-	6
Sundry costs	1,549	-	1,549	10	-	10
Staff costs	1,379	-	1,379	20	-	20
	<u>3,309</u>	<u>-</u>	<u>3,309</u>	<u>36</u>	<u>-</u>	<u>36</u>
	<u>347,162</u>	<u>122,768</u>	<u>469,930</u>	<u>157,851</u>	<u>157,767</u>	<u>315,618</u>

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**8 Charitable activities expenditure**

	Charitable expenditure	Impairment of fixed assets	Total 2022	Restated Charitable Expenditure 2021
	2022	2022		
	£	£	£	£
Staff costs	36,706,628	-	36,706,628	35,765,606
Impairment	-	587,303	587,303	-
Premises costs	1,265,967	-	1,265,967	1,218,535
Catering	126,562	-	126,562	131,089
Fundraising purchases	42,263	-	42,263	17,941
Donated goods and services	20,526	-	20,526	19,213
Sundry costs	2,804,397	-	2,804,397	2,846,160
	<u>40,966,343</u>	<u>587,303</u>	<u>41,553,646</u>	<u>39,998,544</u>
Share of support costs (see note 9)	3,984,911	-	3,984,911	4,195,078
Share of governance costs (see note 9)	107,790	-	107,790	43,725
	<u>45,059,044</u>	<u>587,303</u>	<u>45,646,347</u>	<u>44,237,347</u>
<b>Analysis by fund</b>				
Unrestricted funds	159,420	587,303	746,723	298,992
Restricted funds	44,899,624	-	44,899,624	43,938,355
	<u>45,059,044</u>	<u>587,303</u>	<u>45,646,347</u>	<u>44,237,347</u>

**9 Support costs**

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	2,208,645	-	2,208,645	2,680,777	2,680,777
Premises costs	323,702	-	323,702	277,564	277,564
Catering	3,511	-	3,511	1,910	1,910
Sundry costs	1,449,053	-	1,449,053	1,234,827	1,234,827
Audit fees	-	59,500	59,500	-	34,950
Legal and professional	-	-	-	-	8,400
Other governance costs	-	48,290	48,290	-	375
	<u>3,984,911</u>	<u>107,790</u>	<u>4,092,701</u>	<u>4,195,078</u>	<u>4,238,803</u>
Analysed between					
Charitable activities	<u>3,984,911</u>	<u>107,790</u>	<u>4,092,701</u>	<u>4,195,078</u>	<u>4,238,803</u>

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<b>10 Net movement in funds</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	243,518	314,558
Impairment of owned tangible fixed assets	587,303	-
Land and buildings lease costs	380,472	487,140
Plant and machinery lease costs	147,843	149,047
Interest and similar charges payable	61,036	93,550
Audit of the annual accounts	51,750	26,950
Other non-audit services	7,750	8,000

**11 Auditor's remuneration**

The analysis of auditor's remuneration is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Audit of the annual accounts	51,750	26,950
<b>Other services to the company</b>		
Other non-audit services	7,750	8,000
<b>Total auditors remuneration</b>	<b>59,500</b>	<b>34,950</b>

**12 Directors**

None of the directors (or any persons connected with them) received any remuneration or benefits from their duties as trustees of the charity during the current and prior year.

There are 2 employees who were appointed as directors of the charity in 2017. They received the following remuneration as employees of the charity. S. Irvine received a salary of £32,732 (2021 - £32,330) and employer pension contributions of £1,240 (2021 - £1,240) and A. Forbes received a salary of £25,368 (2021 - £26,312) and employer pension contributions of £772 (2021 - £880).

Travel and subsistence costs of £nil (2021 - £nil) in total were reimbursed to 0 (2021- 0) directors.

**13 Employees**

The average monthly number of employees during the year was 1,906 (2021 - 1,902)

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Support staff	1,542	1,546
Training and SVQ staff	14	12
Office and administration staff	75	77
Social firm staff	2	7
Relief staff	283	260
<b>Total</b>	<b>1,916</b>	<b>1,902</b>

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**13 Employees**

**(Continued)**

<b>Employment costs</b>	<b>2022</b>	<b>Restated 2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	35,665,152	35,166,823
Social security costs	2,561,862	2,543,747
Other pension costs	884,048	907,645
	<u>39,111,062</u>	<u>38,618,215</u>

Included in staff costs noted above, are redundancy costs of £54,082 (2021 - £173,136) with 12 employees being made redundant in the year (2021 - 33).

**Key Management Personnel**

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £482,600 (2021 - £414,351).

**Banding**

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

	<b>2022 Number</b>	<b>2021 Number</b>
£60,000 to £69,999	2	-
£70,000 to £79,999	1	1
£80,000 to £89,999	1	-
£90,000 to £99,999	-	2
	<u>          </u>	<u>          </u>

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**14 Intangible fixed assets**

	Software licenses £
<b>Cost</b>	
At 1 April 2021	100,320
Disposals	(100,320)
	<hr/>
At 31 March 2022	-
	<hr/>
<b>Amortisation and impairment</b>	
At 1 April 2021	100,320
Disposals	(100,320)
	<hr/>
At 31 March 2022	-
	<hr/>
<b>Carrying amount</b>	
At 31 March 2022	-
	<hr/> <hr/>
At 31 March 2021	-
	<hr/> <hr/>

**15 Tangible fixed assets**

	Property £	Property improvements £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2021	6,439,763	655,320	644,782	41,335	7,781,200
Additions	5,400	63,809	-	-	69,209
Disposals	(63,809)	(104,221)	(391,285)	-	(559,315)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	6,381,354	614,908	253,497	41,335	7,291,094
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation and impairment</b>					
At 1 April 2021	974,859	548,571	520,539	39,418	2,083,387
Depreciation charged in the year	127,699	85,463	28,439	1,917	243,518
Impairment losses	587,303	-	-	-	587,303
Eliminated in respect of disposals	(913)	(76,925)	(302,547)	-	(380,385)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	1,688,948	557,109	246,431	41,335	2,533,823
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>					
At 31 March 2022	4,692,406	57,799	7,066	-	4,757,271
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2021	5,464,904	106,749	124,243	1,917	5,697,813
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Property was independently valued for impairment purposes as at 04 February 2022 by Ken Topping (BSc) MRICS and Katie Craig (BSc) MRICS of DM Hall LLP. The valuation was carried out on a market value basis with the benefit of tenancies/contracts in place.

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**16 Debtors**

	<b>2022</b>	<b>Restated</b>
	<b>£</b>	<b>2021</b>
<b>Amounts falling due within one year:</b>		<b>£</b>
Trade debtors	1,220,373	2,179,942
Accrued income	2,522,984	2,444,486
Other debtors	5,876	79,939
Prepayments	225,341	194,099
	<u>3,974,574</u>	<u>4,898,466</u>

**17 Loans**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other loans	<u>775,622</u>	<u>1,068,762</u>
Payable within one year	277,782	325,296
Payable after one year	<u>497,840</u>	<u>743,466</u>



**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**17 Loans**

**(Continued)**

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
<b>Loan commitments measured at cost less impairment</b>		
Due in one year or less or on demand	277,782	325,296
Due in more than one year but not more than two years	212,976	248,501
Due in more than two years but not more than five years	206,864	376,539
Due in more than five years	78,000	118,426
	-----	-----
	775,622	1,068,762
	=====	=====

During 2008 a loan of £300,000 was advanced by the Royal Bank of Scotland towards the building of a new house at Maud. The loan is secured by a Standard Security over the property at Maud. The loan is repayable over 300 monthly payments, commencing one month after the loan was drawn. The term loan bears interest at 1.95% above the Bank's Base Rate. The amount outstanding at 31 March 2022 was £138,000 (2021: £150,000).

During 2012 a loan of £320,000 was advanced by the Royal Bank of Scotland towards the purchase of properties at New Deer. The loan is secured by a Standard Security over the properties at New Deer. The loan is repayable over 59 equal monthly payments commencing one month after the loan was drawn and a final instalment sufficient to repay the outstanding balance in full. The loan bears interest at 2.25% above the Bank's Base Rate. The loan was refinanced for a further 6 months during the previous year. The amount outstanding at 31 March 2022 was £32,276 (2021: £67,788).

During 2014 a loan of £200,000 was advanced by the Royal Bank of Scotland towards the building of a property at Portlethen. The loan is secured by a Standard Security over the property at Portlethen. The loan is repayable over 59 equal monthly payments commencing one month after the loan was drawn and a final instalment sufficient to repay the outstanding balance in full. The loan was refinanced during the previous year. The loan now bears interest at 2.25% above the Bank's Base Rate. The amount outstanding at 31 March 2022 was £52,217 (2021: £74,530).

During 2016 a loan of £600,000 was advanced by the Royal Bank of Scotland towards the building of a new house at Dumbarton. The loan is secured by a Standard Security over the property at Dumbarton. The loan is repayable over 120 monthly payments, commencing one month after the loan was drawn. The loan bears interest at 2.62% above the bank's base rate. The amount outstanding at 31 March 2022 was £284,512 (2021: £344,490).

During 2017 a loan of £500,000 was advanced by the Big Issue Social Enterprise Investment Fund. The loan is secured by a floating charge. The loan is repayable over 60 monthly payments, commencing two years after the loan was drawn. The loan bears interest at 8.00%. The amount outstanding at 31 March 2022 was £224,161 (2021: £323,528).

During 2018 a loan of £300,000 was advanced by Lombard Technology Services Ltd. The loan is repayable over 60 monthly payments, commencing in the month the loan was drawn. The loan bears interest at 5.00%. The amount outstanding at 31 March 2022 was £44,456 (2021: £108,426).

The Royal Bank of Scotland also has a bond & floating charge over all other monies and undertakings since 2006.

The Big Issue Social Enterprise Investment Fund loan are also secured by a bond & floating charge, ranking behind the Royal Bank of Scotland.

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**17 Loans**

**(Continued)**

**Other securities**

There are securities in place over properties owned in Maud, New Deer and Renton in relation to capital grants awarded to Cornerstone Community Care in prior years. There is also a security in place over a property owned in Airdrie in relation to restrictions on the purchaser if the property is to be sold by Cornerstone Community Care in the future.

**18 Creditors: amounts falling due within one year**

	Notes	2022 £	Restated 2021 £
Borrowings	17	277,782	325,296
Other taxation and social security		580,375	1,615,114
Deferred income	20	215,158	-
Trade creditors		318,645	204,528
Other creditors		813,173	470,304
Accruals		4,066,578	4,354,336
		<u>6,271,711</u>	<u>6,969,578</u>

**19 Creditors: amounts falling due after more than one year**

		2022 £	2021 £
Borrowings	17	<u>497,840</u>	<u>743,466</u>

**20 Deferred income**

	2022 £	2021 £
Other deferred income	<u>215,158</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	<u>215,158</u>	<u>-</u>
Movements in the year:		
Deferred income at 1 April 2021	-	-
Resources deferred in the year	<u>215,158</u>	<u>-</u>
Deferred income at 31 March 2022	<u>215,158</u>	<u>-</u>

**CORNERSTONE COMMUNITY CARE  
OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

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**21 Retirement benefit schemes**

**Defined contribution schemes**

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

The charge to profit or loss in respect of defined contribution schemes was £884,048 (2021 - £907,645).

**CORNERSTONE COMMUNITY CARE  
OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

**22 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				Balance at 31 March 2022
	Balance at 1 April 2020	Restated Incoming resources	Restated Resources expended	Transfers	Restated Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£	£	£	£	£
Operations and other services	-	43,435,223	(43,938,354)	503,131	-	44,143,519	(40,806,923)	(3,336,596)	-
General fund	262,915	270,045	(157,768)	(120,703)	254,489	539,658	(4,215,469)	3,759,135	337,813
Jigsaw (Helensburgh) fund	24,453	-	-	(78)	24,375	-	-	(24,375)	-
	<u>287,368</u>	<u>43,705,268</u>	<u>(44,096,122)</u>	<u>382,350</u>	<u>278,864</u>	<u>44,683,177</u>	<u>(45,022,392)</u>	<u>398,164</u>	<u>337,813</u>

Restricted funds are created when income is received either for a particular area or purpose, the use of which is restricted to that area or purpose. Transfers are made from the unrestricted funds to restricted funds to compensate fully all restricted funds which would otherwise be in deficit at the accounting date.

**Purpose of restricted funds**

Operations - Funds used to support individuals to live a valued life in their own homes.

General - Represents fundraising monies designated for particular purposes.

Jigsaw (Helensburgh) Fund - Funds transferred from Jigsaw (Helensburgh) to be used for the provision of children's services.

**CORNERSTONE COMMUNITY CARE  
OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

**23 Unrestricted funds**

	Movement in funds				Movement in funds				
	Restated Balance at 1 April 2020	Restated Incoming resources	Restated Resources expended	Transfers	Restated Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£	£	£	£
General unrestricted funds	(1,124,144)	806,470	(456,843)	(469,858)	(1,244,375)	1,788,096	(1,093,885)	709,240	159,076
Designated fixed asset NBV fund	5,774,047	-	-	(76,234)	5,697,813	-	-	(940,542)	4,757,271
Designated loan creditor fund	(1,393,157)	-	-	324,396	(1,068,761)	-	-	293,139	(775,622)
Designated Big Issue loan revenue fund	415,280	-	-	(91,752)	323,528	-	-	(323,528)	-
Designated Lombard loan revenue fund	169,281	-	-	(60,855)	108,426	-	-	(108,426)	-
Designated training surplus funds	-	-	-	-	-	250,000	-	-	250,000
Designated capital creditors	655,535	-	-	(28,047)	627,488	-	-	(28,047)	599,441
	(20,000)	-	-	20,000	-	-	-	-	-
	<u>4,476,841</u>	<u>806,470</u>	<u>(456,843)</u>	<u>(382,350)</u>	<u>4,444,118</u>	<u>2,038,096</u>	<u>(1,093,885)</u>	<u>(398,164)</u>	<u>4,990,165</u>

Transfers are made from Unrestricted funds to Designated funds to account for net fixed asset, related bank loan movements and release of property grant funds in the period.

**Purpose of designated funds**

Fixed Asset NBV Fund - Surplus funds held in relation to the tangible fixed asset carrying value.

Loan Creditor Fund - Deficit funds in relation to the total loans due to be repaid by Cornerstone Community Care.

Big Issue Loan Revenue Fund - Remaining cash held in relation to the Big Issue loan.

Lombard Loan Revenue Fund - Remaining cash held in relation to the Lombard loan.

Training Surplus Fund - Funds held for the purpose of training costs.

Capital Creditors Fund - Funds held for the purpose of capital expenditure.

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**24 Analysis of net assets between funds**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total 2022 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Restated Total 2021 £</b>
Fund balances at 31 March 2022 are represented by:						
Tangible assets	4,757,271	-	4,757,271	5,697,813	-	5,697,813
Current assets/(liabilities)	730,734	337,813	1,068,547	(510,229)	278,864	(231,365)
Long term liabilities	(497,840)	-	(497,840)	(743,466)	-	(743,466)
	<u>4,990,165</u>	<u>337,813</u>	<u>5,327,978</u>	<u>4,444,118</u>	<u>278,864</u>	<u>4,722,982</u>

**25 Operating lease commitments**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2022 £</b>	<b>2021 £</b>
Within one year	414,521	338,796
Between two and five years	733,045	636,289
In over five years	223,604	253,851
	<u>1,371,170</u>	<u>1,228,936</u>

**26 Events after the reporting date**

Subsequent to the balance sheet date the property at 91 Drum Road was sold on 1st April 2022. The net book value of this property at the balance sheet date was £499,292.

**27 Related party transactions**

There were no disclosable related party transactions during the year (2021 - £Nil).

**28 Limited by Guarantee**

The company is limited by guarantee not exceeding £1 per member. At 31 March 2022 there were 31 members (2021 - 31).

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<b>29 Cash generated from operations</b>	<b>2022</b>	<b>Restated</b>
	<b>£</b>	<b>2021</b>
		<b>£</b>
Surplus/(deficit) for the year	604,996	(41,227)
Adjustments for:		
Investment income recognised in statement of financial activities	(287)	(1,304)
Depreciation of tangible fixed assets	243,518	314,558
Loss/(gain) on disposal of tangible fixed assets	64,589	(24,955)
Impairment of tangible fixed assets	587,303	-
Movements in working capital:		
Decrease/(increase) in debtors	923,892	(1,082,211)
(Decrease)/increase in creditors	(572,371)	2,273,782
Increase in deferred income	215,158	-
<b>Cash generated from operations</b>	<b>2,066,798</b>	<b>1,438,643</b>

<b>30 Analysis of changes in net funds</b>	<b>At 1 April 2021</b>	<b>Cash flows</b>	<b>At 31 March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,839,747	1,525,937	3,365,684
Loans falling due within one year	(325,296)	47,514	(277,782)
Loans falling due after more than one year	(743,466)	245,626	(497,840)
	<u>770,985</u>	<u>1,819,077</u>	<u>2,590,062</u>

**31 Funds held for beneficiaries**

The charity acted as custodian of beneficiary bank accounts during the year. These bank accounts are maintained separately to those of the charity's own bank accounts and there are arrangements in place to ensure these are reconciled and reviewed regularly.

**32 Contingent liability**

Cornerstone has received notification that a number of employees have brought inducement claims against their employer. These inducement claims have been raised under section 1458 of the Trade Union & Labour Relations (Consolidation) Act 1992 alleging that Cornerstone implemented changes to terms and conditions of employment and pay increases directly to employees to avoid collective bargaining. Cornerstone estimates that the total amount of these claims, were they to be successful, may be as much as £1.3m.

However, Cornerstone has received legal advice that supports our defence and therefore intends to fully resist these claims and robustly defend its position.

**CORNERSTONE COMMUNITY CARE**  
**OPERATING AS CORNERSTONE COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**33 Prior period adjustment**

**Changes to the balance sheet**

	<b>At 31 March 2021</b>		
	<b>As previously reported</b>	<b>Adjustment</b>	<b>As restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Current assets</b>			
Debtors due within one year	3,936,248	962,218	4,898,466
<b>Creditors due within one year</b>			
Other creditors	(4,094,997)	(934,171)	(5,029,168)
<b>Creditors due after one year</b>			
Other creditors	(599,441)	599,441	-
	<u>4,095,494</u>	<u>627,488</u>	<u>4,722,982</u>
Net assets			
	<u>4,095,494</u>	<u>627,488</u>	<u>4,722,982</u>
Restricted funds	278,864	-	278,864
Unrestricted funds	3,816,630	627,488	4,444,118
	<u>4,095,494</u>	<u>627,488</u>	<u>4,722,982</u>
<b>Total funds</b>	<u>4,095,494</u>	<u>627,488</u>	<u>4,722,982</u>

**Changes to the statement of financial activities**

	<b>Period ended 31 March 2021</b>		
	<b>As previously reported</b>	<b>Adjustment</b>	<b>As restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income from:</b>			
Charitable activities	43,007,981	962,218	43,970,199
<b>Expenditure on:</b>			
Charitable activities	43,247,082	990,265	44,237,347
	<u>(13,180)</u>	<u>(28,047)</u>	<u>(41,227)</u>
Net movement in funds			
	<u>(13,180)</u>	<u>(28,047)</u>	<u>(41,227)</u>

Please refer to note 1.2 for further details.