

# **KENDAL AND DISTRICT CHRISTIAN LITERATURE SOCIETY**



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**Trustees Annual Report & Financial  
Statements for the year ended  
31<sup>st</sup> January 2010**

# KENDAL AND DISTRICT CHRISTIAN LITERATURE SOCIETY

***Promoting Christ, Providing Resources, Supporting the Church***

Registered Charity Number 505981

An unincorporated association established in 1977 governed by Trustees under Rules

You can contact the Charity at its principal office or by telephone during shop opening hours:

Principal Office: 35 Market Place, Kendal, Cumbria, LA9 4TP

Telephone: 01539 724532

Opening Hours: Mon – Sat 9.30am – 5.00pm

## TRUSTEES

The following held office throughout the year:

➤ Chairman	➤ Mr William Allen ( <i>appointed June 2009</i> )
	➤ Mrs Joy Bell ( <i>appointed June 2009</i> )
➤ Co-Vice-Chairman	➤ Mr Jonathan Brook
	➤ Mrs Iris Diggle ( <i>resigned June 2009</i> )
	➤ Mrs Chrissie Greaves ( <i>appointed June 2009</i> )
	➤ Mrs Sue Grime
➤ Hon Secretary	➤ Mr Mark Houston ( <i>appointed June 2009</i> )
	➤ Mrs Carole Johnson
	➤ Mr Malcolm Leftwich ( <i>resigned June 2009</i> )
➤ Co-Vice Chairman	➤ Mrs Paula Pearson ( <i>resigned April 2009</i> )
	➤ Mr Ted Newbold
➤ Hon Treasurer	➤ Mr Alan Whitmore ( <i>resigned April 2009</i> )
	➤ Mrs Sarah Woodhouse
➤ Co-opted Members	➤ None

*Trustees are either elected at the Annual General Meeting,  
or co-opted or appointed to fill casual vacancies during the year*

➤ Bankers	➤ Barclays Bank PLC, 9 Highgate, Kendal, Cumbria, LA9 4DF
➤ Independent Examiner	➤ Helen Holmes, B.Sc., F.C.A., Stables Thompson & Briscoe, Lowther House, Lowther Street, Kendal, Cumbria, LA9 4DX
➤ Solicitor	➤ Mr John Cooke, Thompson, Wilson and Pattinson, 116 Stricklandgate, Kendal, Cumbria, LA9 4QA

## Staff

➤ Shop Manager	➤ Mrs Gill Chaldecott
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## OBJECTS

The Objects of the Charity are  
*“to advance the Christian religion in Kendal and the surrounding area”*  
and in furtherance of this the Society has powers  
*“to publish and distribute, by sale or otherwise,  
Christian literature and other material of a religious nature”.*

Extracted from the Charity’s “Rules”

The policies adopted by the Trustees to further these Objects have continued to be the running of the shop known as “Market Place Books”, in addition to which is the attendance at conventions held in the area and the operation of bookstalls, both large and small, by invitation of the churches concerned.

The Trustees also have power to use part of the surplus from the shop’s trading and associated activities to make grants to assist in other local Christian work.

The Trustees have had regard to the Charity Commission guidance on public benefit in pursuing the Charity’s objectives and planning future activities and believe that in advancing the Christian religion we are benefitting society in general.

## STATEMENT OF TRUSTEES’ RESPONSIBILITIES

Charity law requires the Trustees’ to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those financial statements, the Trustees 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 charity will continue in operation.

Trustees are responsible for keeping proper accounting records which 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 Act 1993, the Charity (Accounts Reports) Regulations 2008 and trust deed. 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.

## ORGANISATIONAL STRUCTURE

The Society is managed by its Trustees (*listed on page 2 of this Report*). Of the nine elected Trustees, three retire by rotation each year and Support Partners present at the Annual General Meeting elect three new Trustees from the nominations made in writing to the Secretary by any Support Partner prior to the AGM. The Elected Trustees subsequently make any co-options and fill any casual vacancies amongst the elected membership.

Support Partners are individuals who wish to help the Society fulfil its Objects. They pay an annual fee and receive updates on the progress and activities of the Society.

The Trustees meet regularly throughout the year to manage the affairs of the Society and its trading activities; through sub-committees where this is appropriate. The Trustees normally consider grants/donations once a year. The day to day running of the Bookshop and the supervision of all outside events is delegated by the Trustees to the Bookshop Manager who is assisted by a team of dedicated and valued volunteers.

## REVIEW OF ACTIVITIES

### Shop Manager's Report

This year has been just as busy as the last and has gone very quickly. We have provided 21 bookstalls at various events, including two weeks at Keswick Convention in the rain, regularly serviced six church bookstalls, provided 13 schools with bibles for leavers and regularly provided Sunday school material for 13 churches.

We have 20 regular volunteers at the shop who help and serve approximately 30-50 customers a day and we have sold approximately 600 bibles and 5000 books this year. That's a lot of Christian literature going out and into the hands of local people.

### Chairman's Report

The Society's year ended on 31st January 2010. Again, transition has been a watchword for the Society in this period. The Trustees have taken a number of key strategic decisions. Foremost amongst these was the decision not to provide a bookstall at the Keswick Convention in 2010. This decision was taken after extensive consultation with those who have been directly involved with this outreach for many years and was not taken lightly.

The Trustees continue to assess what further changes will be necessary to face both current and future challenges. Our Strategy Working Group continues to meet to develop our options and make recommendations for consideration by the Trustees.

The year has seen significant challenges in terms of the general economic situation, changes within the UK book market and the Christian book market in particular and, in addition to this, the challenges brought about by the adverse winter weather conditions. I am pleased to be able to report that Market Place Books continues to buck the trend in the Christian and wider retail market. We rejoice in the faithfulness of our Lord. We also recognise and celebrate the commitment of our staff and volunteers, who work unselfishly for the Society. On behalf of the Trustees, I want to thank everyone who has helped in whatever capacity over the last year. It bears repeating that as an organisation we simply could not continue without the many and diverse gifts and talents of our staff, volunteers, trustees and supporters.

Looking briefly at finances, Bookshop sales have fallen slightly during the year by £629 to £110,678. The Society made a modest profit of £275. A revaluation of the shop premises resulted in a valuation of £75,000. This is reflected in the accounts as a reduction in value of £25,000 in the property fund. The Society has not made any charitable donations in the year.

The Trustees remain keen to see the Society move to a position where sales increase once again – not for their own sake, but in order that we can see life changing Christian resources in the hands of many people in our community. We continue to explore fresh ideas and seek to bring renewed vigour to our operation and to help us fulfil our mandate as outlined the objects of the Society. Having said this, we remain very much aware both of the overall trading conditions in the UK, and particularly the market for Christian literature. These are challenging times and we need to continue to work prayerfully together in order to see the fruit we so eagerly desire.

It is our hope that we will be able to build on the foundations already laid, and adding to these the changes that will be necessary, in order to enable the Kendal and District Christian Literature Society to play its full part in the radical transformation of our Community for Christ. It is in this light that we look forward to the year to come!

## **FINANCIAL REVIEW**

The Charity has generated a surplus for the year of £275. The Trustees are pleased with this result given the fact that many bookshops have had to close in the last year. The shop also saw sales drop by about 20% during December and January because of the weather. The Bookshop only had to close for two days during this time, however, trade in the town was affected badly with customers staying at home rather than braving the elements.

In April 2009 the building was re-valued. The market valuation of the property was given as £75,000. This is a £25,000 decrease in the value carried in the accounts. As a result the property fund has been reduced to reflect this value.

## **RESERVES POLICY**

The Society holds a designated reserve of £40,000 to cover the value of stock and debtors throughout the year. This leaves a free reserve of about £30,000. This can be used to fund future developments of the work of the Society.

## **PLANS FOR THE FUTURE**

The Trustees are keen to make best use of the resources of the Charity to fulfil its objects. The Trustees have commissioned a Strategy Working Group to explore options and make recommendations to the Trustees.

One of the biggest challenges facing the Trustees is the question of whether to move to new larger more user-friendly and accessible premises. The Trustees are committed to see the Bookshop fulfil its potential for bringing positive change and hope in our community.

Jonathan Brook  
Chairman of Trustees  
May 2010

# **INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF THE KENDAL AND DISTRICT CHRISTIAN LITERATURE SOCIETY**

I report on the accounts of the trust for the year ended 31st January 2010 which are set out on pages 7 to 11.

## **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the Act; and
- state whether particular matters have come to my attention.

## **Basis of independent examiner's statement**

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

## **Independent examiner's statement**

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

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
  - to keep proper accounting records in accordance with section 41 of the Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act;have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Helen Holmes B.Sc FCA**  
**Chartered Accountant**

**Lowther House**  
**Lowther Street**  
**Kendal**  
**LA9 4DX**

# KENDAL AND DISTRICT CHRISTIAN LITERATURE SOCIETY

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST JANUARY 2010

	<u>Note</u>	<u>2010</u> £	<u>2009</u> £
<b>Income and Expenditure</b>			
Incoming Resources			
Shop and External Sales	3	110,678	111,307
Deposit Interest		474	2,464
Donations		108	81
Members Subscriptions		330	377
		-----	-----
		111,590	114,229
		-----	-----
<b>Resources Expended</b>			
Direct Charitable Expenditure			
Shop Purchases	4	70,670	71,669
Shop Expenses	5	40,110	40,397
		-----	-----
		110,780	112,066
		-----	-----
Grants	6	-	-
		-----	-----
<b>Total</b>		110,780	112,066
Governance of the Charity			
	7	535	700
		-----	-----
		111,315	112,766
		-----	-----
<b>Net (Outgoing)/Incoming Resources for the Year</b>		275	1,463
<b>Fund Balance brought forward at 1st February 2009</b>		189,645	188,181
		-----	-----
<b>Funds Balance carried forward at 31st January 2010</b>		189,920	189,644
		=====	=====

# KENDAL AND DISTRICT CHRISTIAN LITERATURE SOCIETY

## BALANCE SHEET AS AT 31ST JANUARY 2010

	<u>Note</u>	<u>2010</u> £	<u>2009</u> £
<b>FIXED ASSETS</b>			
Tangible Fixed Assets	8	82,213	108,841
		-----	-----
<b>CURRENT ASSETS</b>			
Debtors	9	3,146	913
Stock		35,404	36,498
Deposits	10	39,185	38,711
Cash at bank and in hand		9,987	11,844
		-----	-----
		87,722	87,966
<b>Liabilities:</b> amounts falling due within one year	11	5,015	7,162
		-----	-----
<b>NET CURRENT ASSETS</b>		82,707	80,804
		-----	-----
<b>NET ASSETS</b>		164,920	189,645
		=====	=====
<b>REPRESENTED BY:</b>			
Designated Funds	12	135,000	160,000
General Funds	12	29,920	29,645
		-----	-----
<b>TOTAL FUNDS</b>		164,920	189,645
		=====	=====

Approved by the board of trustees on 19<sup>th</sup> May 2010 and signed on its behalf by:-

.....  
**J Brook**  
Chairman, Trustee

.....  
**S Woodhouse**  
Treasurer

The notes on pages 9 to 11 form part of these accounts.

# KENDAL AND DISTRICT CHRISTIAN LITERATURE SOCIETY

## NOTES TO THE ACCOUNTS

### 1. Accounting policies

#### a) Basis of preparation

The accounts have been prepared on the historic cost convention, with the exception that freehold property is included at its revalued amount. The accounts are in accordance with applicable accounting standards, the Charities SORP 2005 (Accounting and Reporting by Charities) and comply with the Charities (Accounts and Reports) Regulations 2005 issued under the Charities Act 1993.

#### b) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

#### c) Resources expended

Expenditure is included in the accounts on an accruals basis.

#### d) Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Depreciation is charged on furniture and equipment which is written off on a straight-line basis over their estimated useful life of between 5 and 10 years.

#### e) Stock

Stock is valued at the lower of its net realisable value and cost.

#### f) Going concern

The financial statements have been prepared on a going concern basis.

### 2. Taxation

The Society is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

### 3. Shop and External Sales

The figures represent the gross proceeds of all sales, less VAT.

### 4. Shop Purchases

	<u>2010</u>	<u>2009</u>
	£	£
Purchases of goods for sale	69,575	85,747
Stock Change		
2009 increase	-	(14,078)
2010 decrease	1,095	-
	-----	-----
Net Purchases	70,670	71,669
	=====	=====

### 5. Shop Expenses

	<u>2010</u>	<u>2009</u>
	£	£
Salaries and National Insurance	23,903	23,673
Depreciation of Fixtures & Fittings	1,627	1,627
Other Ordinary Expenses	12,685	12,956
	-----	-----
	38,215	38,256
Costs of External Sales (excl. Depreciation)	1,895	2,141
	-----	-----
	40,110	40,397
	=====	=====

**KENDAL AND DISTRICT CHRISTIAN LITERATURE SOCIETY**  
**NOTES TO THE ACCOUNTS CONT'D**

**6. Grants**

No Grants were made in 2010.

**7. Governance of the Charity**

The administrative costs relating to the running of the shop, Market Place Books, are included in shop expenses.

The costs of administering the Society itself, include the Independent Examiner's fee of £435 and the cost of support partner events and printing of £100.

**8. Tangible Fixed Assets**

	<u>Freehold Property</u>	<u>Fixtures &amp; Fittings</u>	<u>Total</u>
<b>Cost or Valuation</b>	£	£	£
At 1st February 2009	100,000	16,924	116,924
Less Revaluation of Building	(25,000)		(25,000)
Additions	-	-	-
At 31st January 2010	<u>75,000</u>	<u>16,924</u>	<u>91,924</u>
<b>Depreciation</b>			
At 1st February 2009	Nil	8,084	8,084
Charge in year	Nil	1,627	1,627
At 31st January 2010	<u>Nil</u>	<u>9,711</u>	<u>9,711</u>
<b>Net Book Amount</b>			
At 31st January 2010	<u>75,000</u>	<u>7,213</u>	<u>82,213</u>
	=====	=====	=====
<b>Net Book Amount</b>			
At 31st January 2009	<u>100,000</u>	<u>8,841</u>	<u>108,841</u>
	=====	=====	=====

The Society owns the freehold of the shop, 35 Market Place, Kendal. This was revalued in 2009 at £75,000. No depreciation is provided for as the trustees consider that the residual value will never be less than the revalued amount. Fixtures and fittings are depreciated annually according to their estimated remaining useful lives.

**9. Analysis of debtors**

	<u>2010</u>	<u>2009</u>
	£	£
Trade debtors	2,831	913
Prepayments	<u>315</u>	<u>0</u>
	<u>3,146</u>	<u>913</u>
	=====	=====

**10. Deposits**

Deposits are represented by the £39,184.58 held in the COIF deposit fund.

**KENDAL AND DISTRICT CHRISTIAN LITERATURE SOCIETY**  
**NOTES TO THE ACCOUNTS CONT'D**

**11. Analysis of creditors**

	<u>2010</u>	<u>2009</u>
	£	£
Trade creditors	3,666	6,226
Amounts due to HMRC	<u>1,349</u>	<u>937</u>
	5,015	7,162
	=====	=====

**12. Funds**

	<u>General</u>	<u>Designated</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
	£	£	£
At 1st February 2009	29,645	160,000	189,645
Surplus for the Year	275	-	275
Less Devaluation of building		(25,000)	(25,000)
At 31st January 2010	<u>29,920</u>	<u>135,000</u>	<u>164,920</u>
	=====	=====	=====

The Society has established three designated funds. The property fund of £75,000 represents the value of the freehold property and does not constitute a "free reserve". The repairs and maintenance fund stands at £20,000 and is earmarked for cyclical repairs such as roof repairs. The working capital fund of £40,000 approximately represents the monies tied up in stock and debtors during the year.

**13. Staff Costs**

	<u>2010</u>
	£
Wages and salaries	22,296
Social security costs	<u>1,607</u>
	23,903
	=====

The average number of employees, calculated on a full-time equivalent basis, analysed by function was:

	<u>2010</u>
Shop staff	1.8

No employee earned over £60,000.

No expenses or remuneration were paid to any of the trustees during the year.