

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2019

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY

Company number - 7717141

Registered charity number – 1145162

Our brands:



**ALL SAINTS
COUNSELLING
SERVICE**

Working with:



**Hampshire
County Council**



KAOSPILOT

Affiliated to:



A large print version is available on request from Portsmouth Diocesan Office
Peninsular House, Wharf Road, Portsmouth, PO2 8HB

www.csrnet.org.uk

TABLE OF CONTENTS

Page Number

Annual Report

Legal Objects	1
Strategic Report:	
Strategic Aims	2
Activities and Achievements in the year	2
Future plans	4
Financial review	5
Principal risks and uncertainties	6
Structure and Governance	6
Trustees Responsibilities	7
Administrative details	8
Independent Auditors Report	10
Statement of Financial Activities	11
Balance Sheet	12
Cashflow Statement	13
Notes to the Financial Statements	14 - 22

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2019.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors.

This combined report satisfies the legal requirements for:

- a Directors Report of a charitable company,
- a Strategic Report under the Companies Act 2006 and
- a Trustees Annual Report under the Charities Act 2011

OBJECTS

PDCSR is a registered charity and incorporated at Companies House. Its charitable objects, part of the Memorandum and Articles of Association, include: the advancement of charitable purposes for the public benefit; education and training for people to undertake voluntary work for community benefit; the promotion of research into the moral and social welfare needs of the community; community capacity building for the relief of need including the provision of counselling; and the provision of information, advice, instruction and other services in any Diocese of the Church of England.

STRATEGIC AIMS

In 2019 CSR came to the end of a 3 year business strategy covering 2016-2019. The overall aim of this was:

1. To develop and promote wider engagement strategies with local Anglican communities in order to demonstrate impact, growth and resonance.
2. To support local socially enterprising and transforming activity, making engagement sustainable.

The directors are confident (having had regard to Charity Commission guidance) that the Charity delivers public benefit through carrying out these aims and business strategies.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

A significant range of work was undertaken in 2019 including the support and subsequent incorporation of All Saints Counselling service into CSR, the resetting of CSR's governance structures, delivery of phase 1 of a major National Lottery project in Paulsgrove managed by CSR, alongside workshop and training engagements with parishes. The Good Neighbours Network continues to flourish at a time when many other similar organisations are struggling. Our work is focused in five main areas, governance and then Social Action, Social Engagement, Social Business, and Social Transformation.

CSR Governance

The operational side of CSR is undertaken by officers who in the past reported to the CSR Steering Group which then reported to the CSR board. The Steering Group met twice last year before implementation of a new restructure.

In 2018 a review was commissioned, chaired by The Revd Dr Paul Chamberlain, a director of CSR, following advice from auditors. Its findings were accepted by the Board and implemented from September 2019. A new smaller board was then established, separate to and independent of

Portsmouth Diocesan Board of Finance; officers now report directly to this body. The new board met twice in the last quarter of 2019.

The other significant change in 2019 was that All Saints Counselling (ASC) formally became part of CSR from 1st Jan 2019. This followed a consultation period, extended discussions, and due diligence, including updated training so that its policies and procedures were compatible with CSR's.

SOCIAL ACTION

Good Neighbours Network (GNN)

www.goodneighbours.org.uk

GNN is a unique Network based around the simple principle of local people looking after one another.

In 2019 Good Neighbours promoted 'a year of kindness' across the Network. All groups were encouraged to take part in it and use the campaign as an opportunity successfully to message the 'people helping people' ethos of Good Neighbours. The year culminated in the annual event where many of the ideas and activities undertaken were showcased and groups benefitted from a range of informative speakers and presentations including our keynote speaker Dr Dev Chauhan (Clinical Fellow at The Academy of Medical Royal Colleges).



GNN work is primarily based in Hampshire with some groups in Portsmouth and Southampton and around the edges of Hampshire for historic reasons. 2019 saw a further increase in the total number of volunteers involved to 4,273 (+5%) with 416 of these new volunteers.



The number of tasks and activities across the Network saw a substantial leap in numbers to 208,659, representing an increase of almost 22%, - a significant upward trend in demand. Given the lower proportionate increase in actual volunteers, this indicates just how much each Good Neighbour is prepared to give.

The main challenges continue to be around volunteer recruitment and governance. Tasks vary from group to group, with most groups covering critical things like driving people to and from healthcare settings, collecting prescriptions, helping with shopping and connecting with people who are lonely or isolated by creating and involving them in local social activities.

The work of the Network is funded by Hampshire County Council and the five NHS Clinical Commissioning Groups in Hampshire. Their continued support highlights the value they attach to the work done by our team and the front-line groups.

As indicated last year, due to staff changes in recent years, an unbudgeted surplus arose on the GNN restricted fund. It was a deliberate policy this year to invest some of that surplus in furthering GNN's work in Hampshire incurring a planned deficit until GNN's specific reserves were at a suitable and justifiable level. GNN's funding year accords with the public sector reporting periods of its funders. As this differs from CSR's accounting year, it is not always apparent from the CSR annual accounts what level this is at, based as they are on calendar years, with accruals for grants received but not yet used.

SOCIAL ENGAGEMENT

rapid development programme (rdp)

www.rapiddevelopment.org.uk

Operational commitments meant 2019 was a quieter year for rdp although engagement training was conducted with the parish of Locks Heath, and the Deanery Chapter for Havant based on the Mosaic Segmentation tool produced by Experian. CSR has supported and promoted the diocesan investment in this information as a useful tool for understanding whole communities better.

CSR was invited to host a Diocesan training day with [HeartEdge](#) from St Martin-in-the-fields on asset-based engagement and transformation combined with commerce. HeartEdge's values closely align with those of CSR and it was a good opportunity to showcase their approach, work with Dr Sam Wells and highlight the connections.

SOCIAL TRANSFORMATION

Leadership and Innovation

www.kaospilot.dk



In the summer of 2019, another group of socially minded activists were hosted by CSR as they participated in a Kaospilot training programme in Aarhus, Denmark

and came back as inspired as previous cohorts. There were representatives from CAB Portsmouth, The Portsmouth Hive, Southampton Solent University, Highbury College and The You Trust as well as four from the Diocese of Winchester.

The Kaospilot and CSR relationship is ongoing and fruitful, promoting spin offs for other projects. Two projects are currently being worked on as a direct result of these links.



SOCIAL BUSINESS

CSR has continued to promote the use of the 'Holy Roast' horsebox café and it has been utilised and adapted to a variety of settings. Parishes have the choice to operate it themselves or to ask us to work with them. They receive support and guidance, and many have embraced the opportunity to connect with local people in new and inspiring ways.

In 2019 we offered the Holy Roast for use in up to 15 parishes, free-of-charge, for mission purposes, this was successfully embraced across the diocese and we will take the approach forward for 2020, as much as we are able in the circumstances.

Throughout the month of August 2019, the Holy Roast café was used as part of the engagement and enterprise awareness at the St M's project in Paulsgrove. The connection with local people was genuine and enabled a fun opportunity to inform local people about what was happening in their church and what they could expect and how they could get involved with St M's



CSR has been working closely with the parish of St Michael and All Angels, Paulsgrove for the last 4 years. This all started as an rdp engagement programme which developed into a £400,000 bid to the Big Lottery to set up an events co-operative (St M's Events) based at the church. CSR has management responsibility and supports the delivery of the project with staff time. In 2019, the first phase, the major building works, were implemented with the refurbishment of the spaces to be used for the co-operative and a project manager was appointed to help deliver it.

The building work was completed on time and on budget and has resulted in a transformation of the previously tired and austere space to a bright new welcoming and flexible space.

The St M's initiative was launched in October 2019 around Harvest Festival, with over 200 local families attending the opening event at the church, with a community BBQ on offer. The sun shone and the initial responses have been positive and exciting.

As part of St M's first regular activity with the community and in response to local demand, a new St M's toddler group was started in the church every Wednesday morning. Initial uptake was a respectable 10 per session, by week four this had increased to 29 and continued to stay at this level, making great use of the new flexible spaces.



OTHER

Canon Nick Ralph's time is shared 50% with the Winchester Social Enterprise (WSE) in the Winchester Diocese. Following the CSR review, this was further cemented as a more permanent working approach. Over 2019, collaborations with Winchester included Good Neighbours, advice for those interested in running Community Cafés, and WSE's work around Church-based Early Years support for parishes.

FUTURE PLANS

CSR offers an approach to social engagement and transformation based on communities working together and looking outward, built on developing new sustainable income streams, and underpinned by a renewed Anglican approach of building the common good. This is being increasingly taken up in other areas of the church as seen in the work of HeartEdge, Oasis and CapitalMass in London.

Once the new board had settled in and undertaken its initial work resetting the governance of the organisation, the intention was then to develop a new strategic plan. The interruption to normal work caused by Covid-19 in 2020 have meant that this work has been delayed. Covid has, however, also served to highlight the importance of the sort of work done by churches as they rediscover their vocation to serve their whole communities and not just congregations. Good Neighbours groups have been particularly busy.

While 2020 is not formally part of this report, it is required that we report on post-balance sheet events that have an impact on CSR and there has not been anything more significant in recent times than Covid-19. Of the importance of this sort of work, there is little doubt. How it will be sustainably funded in the longer term is of the essence of the issue that needs to be faced coming out of the Covid situation but CSR is well placed to do that with a substantial income from investments as well as substantial underlying assets in themselves.

CSR's Vision

CSR's Vision is for the development, renewal and flourishing of local communities, building the kingdom of God. This will be done in a positive partnership with local Anglican communities and key aligned allies, through generous acts of transformative investment and action, in socially, financially and environmentally sustainable ways for the common good.

CSR's Values

Our values are based on a strong social vision – living the gospel – in which we work alongside (with) local communities; identifying new opportunities; joining in with what God is already doing; co-designing and working out what will resonate and transform them for the good of all, developing new relationships based on local Anglican communities. CSR will encourage change, challenge the status quo, and aim to do so with fun, creativity, passion, energy and commitment.

CSR's Mission

CSR will achieve its vision by offering targeted encouragement, coaching, infrastructure, investment and other resources to aid active local Anglican, and wider, communities, to achieve this vision through social action, social engagement, social business and social transformation:

FINANCIAL REVIEW

Financial Performance

The accounts show the unrestricted General Fund with a net surplus of £17,320 (2018: £18,283 deficit) after transfers and revaluations. In line with the budget, funds totalling £37,577 were drawn from the Business Development fund (See notes 6 and 7) to support planned projects. There were also revaluation gains of £87,907 on the financial investments.

The GNN Fund, which is a restricted fund, showed a deficit of £21,007 (2018: £15,450 surplus). The

grants themselves come in at different times, and for the funders relates to a year of April – March, or October – September. Due to underspends in previous years, there was a requirement to use them in delivering the service and there was, therefore, a deliberate policy to run a deficit for a limited time in order to do so. This was monitored throughout.

Balance sheet position

The Trustees consider that the balance sheet together with details in note 11 show broadly that the assets are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. The net assets at the balance sheet date totalled £1,132,857 (2018: £1,086,214).

Reserves policy

Free reserves

Having considered financial risk, liquidity requirements and the timing of cash flows throughout the year, the Trustees' policy is to hold a very small balance of readily realisable assets in the general fund in order to maximise the income derived from investments. At the end of 2019 the balance on the general fund appears as a positive £6,425 due to the delay in drawing funds from the designated fund for some of the expenditure (2018: £10,895 negative). The financial risks of this policy are negligible since the largest expense is the reimbursement of costs to the Portsmouth DBF and the timing of such payments are controllable.

Designated funds

The Trustees may, with the approval of the board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention.

Funds currently designated within the PDCSR accounts are the Business Development fund of £72,439 (2018: £68,569) and the Investment for Income fund of £1,013,395 (2018: £966,935).

Investment policy

CSR has the power to:

- Purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges required for the purposes of the Council
- Sell, let, mortgage, dispose of or turn into account all or any of the property and funds of the Council
- Undertake, execute, and manage any charitable trusts which may lawfully be accepted by the Council
- Raise or borrow money for the purposes of the Council on such terms and on such security as shall be thought fit.

The directors continue to be guided in their investment decisions by the Investment Advisory Group of the Portsmouth Diocesan Board of Finance. The portfolio as a whole experienced a very small overall rise in market values of 0.46% (2018: 5.12%) with the rise in property fund values counteracting the fall in the investment fund. Thanks to the investments in the property fund an income yield of 4.35% (2018: 4.89%) was achieved giving an overall total return of 4.81% (2018: 10.01%).

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable periodic reports to be produced so that the necessary steps can be taken to lessen these risks.

The principal risk for CSR would be the loss of a major grant or contract. As these are governed by clear rules, and notice periods the risk of that happening unexpectedly is remote. Reserves have been set aside to cover any liabilities that might result.

STRUCTURE AND GOVERNANCE

Organisational structure

PDCSR is a Company limited by guarantee, incorporated the 25th July 2011 and operating under a Memorandum and Articles of Association altered pursuant to Special Resolution on the 7th day of December 2011. (Company no. 7717141; Charity no.1145162). The trustees, who were directors for the purpose of company law, who served during the year are set out on page 9. Members of the charitable company guarantee an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

The Council for Social Responsibility (CSR) is an independent charity based at the Diocese of Portsmouth that seeks to facilitate sustainable and innovative approaches to locally based social action, especially, though not exclusively, at the parish level in South East Hampshire, Portsmouth and the Isle of Wight, and beyond. It works with people of all faiths and none without preference or prejudice, and is committed to working in a fully inclusive way. The Bishop of Portsmouth appoints the chief officer, the Director of Social Enterprise and Engagement. He is currently an ordained member of the Diocesan staff. The staff responsible for working with the Council in bringing its policy and plans to life are:

Director of Social Enterprise and Engagement – The Revd Canon Nick Ralph
Assistant Director of Social Enterprise and Engagement – Gambol Parker
Good Neighbours Network Leader – Karen Jordan (from Feb 2019)
Good Neighbours Network Adviser (Portsmouth) – Lisa O’Clee (from May 2019)
Good Neighbours Network Adviser – Andy Fitchett (from Dec 2019)
Good Neighbours Network Adviser – Lisa Smith (from Jan 2019)
Social Enterprise Developer – Sandie Davis (from Dec 2019)
Good Neighbours Network Hub Administrator: Nicky Dodd (from Jan 2019)

As of 1st Nov 2015, the DSEE was seconded for 50% of his time to the Winchester Social Enterprise in a positive partnership which also frees up some funds for other work. He is also a residentiary canon at Portsmouth Cathedral.

Decision making structure

The Directors are responsible for strategy, financial management and all major decisions. Oversight of day to day detailed work and management of the charity’s activities is undertaken by the CSR Steering Group appointed by the Directors, and listed on page 9 of this report.

Trustee recruitment, selection and induction

Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of ‘Director’, but this relates to their function

within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to maintain their entry in the record of declarations of interest and loyalty and this is a standing item on the agenda of Directors' meetings as is safeguarding.

Delegation of day to day delivery

The Trustees and the sub-committee which assist them in the fulfilment of their responsibilities, rely upon the Director of Social Enterprise and Engagement, and his colleagues for the delivery of the day to day activities of the company and the Portsmouth Diocesan Board of Finance acts as agent for CSR for employment, finance and administrative matters.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the PDCSR and of the surplus or deficit of the PDCSR for that period.

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe 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 assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the PDCSR and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the PDCSR and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the PDCSR's website. Legislation in England/Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

ADMINISTRATIVE DETAILS

President: The Bishop of Portsmouth

Trustees

No Trustee had any beneficial interest in the company during 2019. The following are the Trustees who served at any time during 2019 up to the date of this report:

Chairman: The Venerable Peter Leonard

Other Trustees: The Revd Dr Paul Martin Chamberlain
Mrs Lucy Clare Docherty
Mrs Victoria Louise James
Mr Edward Timothy Phillips (from 11.09.19)
Canon Andrew Robinson (from 11.09.19)
Mr Jonathan Smith (from 11.09.19)
Mr Robert Graham Brooke Solomon (from 11.09.19)

Retired 09.07.19: The Ven Dr Joanne Grenfell

Retired 11.09.19:

Revd Canon Paul Armstead	The Revd Canon William Hughes
The Revd Marcus Bagg	The Revd James Hunt
Mr Dennis Bennison	Mrs Irene James
The Very Revd Anthony Cane	Mr Adrian Jordan
Mr Norman Chapman	Canon Hugh Mason
The Very Revd Gavin Collins	Mr Eugene Organ
Mrs Mary Crittenden	The Revd Ian Snares
Mrs Elizabeth Davidson	Canon Hilary Spurgeon
The Revd Michael Duff	Mrs Deborah Sutton
Mr Mark Emerton	The Revd Canon Robert White
Mr John Gwynn	

Company Secretary: The Revd Canon Nicholas Robert Ralph (non trustee)

Senior staff and advisers

Director of Social Enterprise and Engagement	Nick Ralph
Assistant Director of Social Enterprise and Engagement	Gambol Parker

Registered Office: Diocesan Office, Peninsular House, Wharf Road, Portsmouth, PO2 8HB

Bankers: Barclays PLC, PO Box 165, Crawley, RH10 1YX

Independent Examiner: haysmacintyre, 10 Queen Street Place, London EC4R 1AG

Solicitors: Messrs Brutton & Co, West End House, 288 West Street, Fareham, PO16 0AJ

Investment advisers: Investment Advisory Group, Diocese of Portsmouth and, CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Surveyor: Daniells Harrison, The Old Manor House, Wickham Road, Fareham, PO16 7AR

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 1 - 9 within their capacity as company directors.

BY ORDER OF THE TRUSTEES



The Venerable Peter Leonard
Chair
16th November 2020



The Revd Canon Nicholas Robert Ralph
Company Secretary
16th November 2020

I report on the accounts of the company for the year ended 31 December 2019 which are set out on pages 12 to 22.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with 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 accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities 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.



Adam Halsey FCA
Haysmacintyre LLP
10 Queen Street Place,
London EC4R 1AG

10 December 2020

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2019

	Note	General fund £	Designated funds £	Restricted fund £	Total funds 2019 £	Total funds 2018 £
Incoming and endowments from:						
Donations	2	-	-	159,539	159,539	173,961
Charitable Activities	3	40,079	-	1,764	41,843	20,595
Other income	3a	-	-	-	-	-
Investment income	4	45,326	-	2	45,328	46,117
		85,405	-	161,305	246,710	240,673
Expenditure on:						
Charitable activities	5	105,662	-	177,385	283,047	252,764
		105,662	-	177,385	283,047	252,764
Net income/(expenditure) before transfers		(20,257)	-	(16,080)	(36,337)	(12,091)
Transfers between funds	6	37,577	(37,577)	-	-	-
Other recognised gains/(losses)						
Unrealised investment gains		-	87,907	-	87,907	4,913
Net movement in funds	7	17,320	50,330	(16,080)	51,570	(7,178)
Total funds at 1 January		(10,895)	1,035,504	61,605	1,086,214	1,093,392
Total funds at 31 December		6,425	1,085,834	45,525	1,137,784	1,086,214

All amounts derive from continuing activities. The statement of financial activities incorporates an income and expenditure account for the purposes of the Companies Act 2006.

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
BALANCE SHEET
For the year ended 31 December 2019

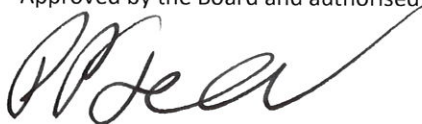
Company Number –7717141

	Note	2019 £	2018 £
Fixed Assets			
Investments	8	1,086,085	1,065,387
		<u>1,086,085</u>	<u>1,065,387</u>
Current Assets			
Debtors	10	37,503	20,946
Short term Investments		83,819	13,339
Cash at bank and in hand		64,143	47,212
		<u>185,465</u>	<u>81,497</u>
Creditors: amounts falling due within one year	11	133,766	60,670
Net current assets		<u>51,699</u>	<u>20,827</u>
Total assets less current liabilities		<u>1,137,784</u>	<u>1,086,214</u>
The funds of the charity:			
General fund		6,425	(10,895)
Designated funds		1,085,834	1,035,504
Restricted income funds		45,525	61,605
Total funds	12	<u>1,137,784</u>	<u>1,086,214</u>

The accounting policies and notes on pages 18-24 form an integral part of these accounts.

For the year ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

Approved by the Board and authorised for issue on 16th November 2020 and signed on its behalf by



The Venerable Peter Leonard
Chair



The Revd Canon Nicholas Robert Ralph
Company Secretary

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
CASHFLOW STATEMENT
For the year ended 31 December 2019

	2019		2018	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		(25,126)		1,242
Cash flows from investing activities				
Dividends, interest and rent from investments	45,328		46,117	
Disposal of investments	67,209		-	
Net cash provided by/(used in) investing activities		112,537		46,117
Change in cash and cash equivalents in the reporting period		87,411		47,359
Cash and cash equivalents at 1 January		60,551		13,192
Cash and cash equivalents at 31 December		147,962		60,551
Reconciliation of net income to net cash flow from operating activities				
	2019		2018	
Net income for the year ended 31 December	51,570		(7,178)	
Adjustments for:				
Gains on investments	(87,907)		(4,912)	
Dividends, interest and rent from investments	(45,328)		(46,117)	
Decrease/(Increase) in operating debtors	(16,557)		27,736	
(Decrease)/Increase in operating creditors	73,096		31,713	
Net cash provided by operating activities		(25,126)		1,242
Analysis of cash and cash equivalents				
Cash at bank and in hand	64,143		47,212	
Cash on deposit	83,819		13,339	
	147,962		60,551	

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second edition, effective 1 January 2019), the Companies Act 2006 and FRS102 Section 1A.

The principal accounting policies and estimation techniques are as follows:

a) Income

All income is included in the Statement of Financial Activities (SOFA) when the PDCSR is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

Income from investments includes all dividends on securities for which the date of payment falls within the period. Investment income includes tax recoverable thereon.

Grants are accounted for on a receivable basis with the exception of the funding restricted for the GNN activities where they are time-apportioned to align on a quarterly basis with the costs towards which they are contributing.

The Trustees have a reasonable expectation that the charity has adequate resources to meet its liabilities as they fall due for the foreseeable future. The Trustees consider that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern and they therefore continue to prepare the financial statements on the going concern basis.

b) Expenditure

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category.

c) Fund balances

Fund Balances are split between unrestricted (general and designated), restricted and endowment funds.

- **General funds** are the unrestricted corporate funds that are freely available for any purpose within the charitable company's objects and which the PDCSR intends to use for its general purposes.
- **Designated funds** are set aside out of unrestricted funds by the PDCSR for a purpose specified by the Trustees.
- **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

d) Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. The charity only has financial assets and liabilities which qualify as basic financial instruments.

e) Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

	General fund £	Designated funds £	Restricted funds £	Total funds 2019 £
INCOMING RESOURCES				
2. Donations				
Other grants	-	-	-	-
* GNN funding	-	-	147,016	147,016
ASC	-	-	12,523	12,523
	-	-	159,539	159,539

* This includes a management fee of £14,928

	General fund £	Designated funds £	Restricted fund £	Total funds 2018 £
Donations				
Other grants	5,000	-	-	5,000
* GNN funding	-	-	168,961	168,961
	5,000	-	168,961	173,961

	General fund £	Designated funds £	Restricted funds £	Total funds 2019 £
3. Charitable Activities				
Activity Income	40,079	-	1,040	41,119
Sundry Income	-	-	724	724
	40,079	-	1,764	41,843

	General fund £	Designated funds £	Restricted fund £	Total funds 2018 £
Charitable Activities				
Activity Income	19,435	-	-	19,435
Sundry Income	-	-	1,160	1,160
	19,435	-	1,160	20,595

	General fund £	Designated funds £	Restricted fund £	Total funds 2019 £
4. Investments				
CBF Deposit Interest	304	-	2	306
CBF Investment fund	18,498	-	-	18,498
CBF Property fund	26,524	-	-	26,524
	45,326	-	2	45,328

	General fund £	Designated funds £	Restricted fund £	Total funds 2018 £
Investments				
CBF Deposit Interest	1	54	1	56
CBF Investment fund	15,349	4,188	-	19,537
CBF Property fund	26,524	-	-	26,524
	41,874	4,242	1	46,117

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

	General fund £	Designated funds £	Restricted funds £	Total funds 2019 £
EXPENDITURE ON				
5. Charitable activities				
Special Publications	1,714	-	3,586	5,300
Training	-	-	5,832	5,832
Monitoring & Evaluation	-	-	40	40
Other Activity costs	33,992	-	38,954	72,946
Conference expenses	-	-	-	-
Grant to PDBF for Salary costs	64,850	-	101,351	166,201
Other staff expenses	4,587	-	5,857	10,444
Office support costs	(7,484)	-	8,400	916
Independent examiner's costs	2,004	-	-	2,004
Legal Costs	5,999	-	-	5,999
Management costs	-	-	13,365	13,365
	105,662	-	177,385	283,047

	General fund £	Designated funds £	Restricted fund £	Total funds 2018 £
Charitable activities				
Special Publications	1,014	-	6,023	7,037
Training	-	-	94	94
Monitoring & Evaluation	-	-	1,923	1,923
rdp programme	-	-	-	-
Other Activity costs	33,459	-	45,566	79,025
Conference expenses	99	-	-	99
Grant to PDBF for Salary costs	66,120	-	72,967	139,087
Other staff expenses	4,470	-	4,771	9,241
Office support costs	(8,301)	-	8,400	99
Independent examiner's costs	1,231	-	-	1,231
Legal Costs	-	-	-	-
Management costs	-	-	14,928	14,928
	98,092	-	154,672	252,764

All staff are employed by the Portsmouth Diocesan Board of Finance on behalf of CSR.

At the end of 2019 there were 4.74 fte employees [2018: 3.62]

The trustees received no expenses during the year [2018: £nil]

Remuneration of Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility delegated to them by the trustees, for planning, directing and controlling the activities of the organisations.

During 2019 this was:

Director of Social Enterprise and Engagement - The Revd Canon Nick Ralph (50%)

Remuneration, pensions and expenses amounted to 34,464 [2018: 32,484]

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

	General fund	Designated funds	Restricted funds	Total funds 2019
	£	£	£	£
6. Analysis of Transfers between Funds				
Agreed transfer to support the Paulsgrove project	25,000	(25,000)	-	-
Business Development fund support for Holy Roast Horsebox	12,577	(12,577)		
Authorised transfer from Investment for Income fund				
	37,577	(37,577)	-	-

7. Movement of Funds

	At 1st January 2019	Income	Expenditure	Transfers	Gains/ (Losses)	At 31st December 2019
	£	£	£	£	£	£
General fund						
General Fund	(10,895)	85,405	(105,662)	37,577	-	6,425
Designated funds						
Business Development	68,569	-	-	(12,577)	16,447	72,439
Investment for Income	966,935	-	-	(25,000)	71,460	1,013,395
	1,035,504	-	-	(37,577)	87,907	1,085,834
Restricted						
GNSS	61,605	147,742	(168,749)	-	-	40,598
ASC	-	13,563	(8,636)	-	-	4,927
	61,605	161,305	(177,385)	-	-	45,525
Total Funds	1,086,214	246,710	(283,047)	-	87,907	1,137,784

	At 1st January 2018	Income	Expenditure	Transfers	Gains/ (Losses)	At 31st December 2018
	£	£	£	£	£	£
General fund						
General Fund	7,388	66,309	(98,092)	13,500	-	(10,895)
Designated funds						
Mission Fund	-	-	-	-	-	-
Industrial Mission	-	-	-	-	-	-
Business Development	79,689	4,242	-	(13,500)	(1,862)	68,569
Investment for Income	960,160	-	-	-	6,775	966,935
	1,039,849	4,242	-	(13,500)	4,913	1,035,504
Restricted						
GNSS	46,155	170,122	(154,672)	-	-	61,605
	46,155	170,122	(154,672)	-	-	61,605
Total Funds	1,093,392	240,673	(252,764)	-	4,913	1,086,214

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

8. Investments	At 1st January 2019 £	Additions £	Disposals £	Change in Market Value £	At 31st December 2019 £
Unquoted investment	500	-	-	-	500
General Fund	500	-	-	-	500
CBF Property fund	491,504	-	-	(12,887)	478,617
CBF Investment fund units	573,383	-	(67,209)	100,794	606,968
Designated Funds	1,064,887	-	(67,209)	87,907	1,085,585
Total Funds	1,065,387	-	(67,209)	87,907	1,086,085

	At 1st January 2018 £	Additions £	Disposals £	Change in Market Value £	At 31st December 2018 £
Unquoted investment	500	-	-	-	500
General Fund	500	-	-	-	500
CBF Property fund	477,903	-	-	13,601	491,504
CBF Investment fund units	582,071	-	-	(8,688)	573,383
Designated Funds	1,059,974	-	-	4,913	1,064,887
Total Funds	1,060,474	-	-	4,913	1,065,387

All investments are held within the UK

CSR continues to hold £500 of shares in the Cathedral Innovation Centre (CIC).

9. Debtors

	2019 £	2018 £
Sundry Debtors	26,140	9,341
Accrued investment income	11,363	11,605
Accrued GNN grant income	-	-
	37,503	20,946

10. Creditors : amounts falling due within one year

	2019 £	2018 £
Sundry Creditors	24,635	4,214
Paulsgrove Big Lottery funds	18,609	-
Due to PDBF for CSR costs	40,689	6,456
Due to PDBF for GNN costs	24,833	-
Deferred GNN Income	25,000	50,000
	133,766	60,670

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

11. Assets by Fund

	Investment Assets £	Current Assets £	Current Liabilities £	Net Assets £
General fund				
General fund	500	89,858	(83,933)	6,425
Designated funds				
Business Development fund	72,152	287	-	72,439
Investment for Income fund	1,013,433	(38)	-	1,013,395
	1,085,585	249	-	1,085,834
Restricted funds				
GNN	-	90,431	(49,833)	40,598
ASC	-	4,927	-	4,927
	-	95,358	(49,833)	45,525
Total Funds at 31st December 2019	1,086,085	185,465	(133,766)	1,137,784
2018				
General fund				
General fund	500	(2,721)	(8,674)	(10,895)
Designated funds				
Business Development fund	122,914	(54,345)	-	68,569
Investment for Income fund	941,973	24,962	-	966,935
	1,064,887	(29,383)	-	1,035,504
Restricted funds				
GNN	-	113,601	(51,996)	61,605
Total Funds at 31st December 2018	1,065,387	81,497	(60,670)	1,086,214

Description of Funds:

General Fund

These funds are unrestricted and to be used for the furtherance of the charitable objectives of the PDCSR as detailed on page 1 of the annual report.

Business Development Fund

This fund arose from the sale of a piece of land in 2012 at which point the trustees agreed that this windfall should be used specifically to support new projects and each year since then has been utilised for such activities under the direction of the steering committee/board.

Investment for Income Fund

These funds were designated by the trustees in 2015 to generate income to support the continued operations of PDCSR.

GNN Fund

These are the funds received from external sources and restricted for the sole purpose of supporting the activities of the Good Neighbours Network, Hampshire.

12. Capital commitments

There were no capital commitments at 31st December 2019 [2018: Nil]

13. Contingent liabilities

There were no contingent liabilities at 31st December 2019 [2018: Nil]

14. Related Party transactions

The Portsmouth Diocesan Board of Finance (PDBF) is the direct employer of all PDCSR staff and payment was made to it in respect of these costs of £97,709 [2018 – £75,049]. The PDBF has also supported the work of the PDCSR for several years and in 2019 provided office space for the use of PDCSR.

15. Post Balance Sheet Event

Since the reporting date, the impact of the COVID-19 coronavirus on financial markets led to an initial decrease in value of 10% at March, which fully recovered by September, for the value of the charity's listed investments. This volatility in global markets is to be expected considering the impact social distancing restrictions is having on the economy, covid-19 is a non-adjusting event.