

# PORTSMOUTH CATHEDRAL

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**THE CATHEDRAL CHURCH OF  
ST THOMAS OF CANTERBURY  
PORTSMOUTH**

**ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2018**

**PORTSMOUTH CATHEDRAL**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**PORTSMOUTH CATHEDRAL**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**PREFACE**

This year's Annual Report and Audited Accounts has been produced in accordance with the 2015 Accounting and Reporting Regulations for English Anglican Cathedrals, prepared for the Cathedrals Administration and Finance Association and specified by the Church Commissioners, under Section 27 of the Cathedrals Measure 1999. A copy of the Regulations may be read in the reception area of the Cathedral office.

A simplified version of the accounts is again being made available at the Annual Parochial Church Meeting this year, together with a full report of the activities of the Cathedral and its various groups.

To reduce printing costs, this formal version of the report will be made available on the Cathedral website: [www.portsmouthcathedral.org.uk](http://www.portsmouthcathedral.org.uk).

Paper and large print copies can be made available for those who wish to have them; please ask for a copy from the Cathedral Office, telephone: 023 9289 2963, email: [liz.snowball@portsmouthcathedral.org.uk](mailto:liz.snowball@portsmouthcathedral.org.uk)

**The Very Reverend Dr Anthony Cane**

**Dean of Portsmouth**

## PORTSMOUTH CATHEDRAL

### ANNUAL REPORT OF THE CHAPTER

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### STATEMENT OF PURPOSE

*Encountering God through transformative worship, challenging discipleship, generous hospitality and prayerful engagement.*

Portsmouth Cathedral is a distinctively spiritual and prayerful space, into which everyone is welcome to come; a Christian community committed to promoting social justice, equality and compassion. In grateful response to God's goodness we will act ethically and responsibly in managing our resources and in caring for the environment.

#### **Transformative Worship**

We will be a centre of excellence for liturgy and music. Our worship will be beautiful, relevant, creative and engaging. It will be transformative in that each act of worship offered and experienced will leave us changed and better prepared to serve God in the world.

#### **Challenging Discipleship**

We will provide a wide range of educational opportunities for children, young people and adults which will deepen our understanding of the Christian faith and how it relates to the world in which we live. It will develop our spirituality and challenge us to model our lives after the example of Jesus Christ.

#### **Generous Hospitality**

We will be an inclusive Christian community where all are welcomed. We will model our life together so that we can offer not only an initial welcome but ongoing hospitality to regular members, occasional visitors, concert goers, exhibition visitors, the local community, the City and the Diocese of Portsmouth.

#### **Prayerful Engagement**

Our pattern and rhythm of prayer and worship will equip us to serve our local parish community, the City of Portsmouth, the Bishop, the Diocese and beyond in relevant practical ways which have a positive impact on the lives of others and help to build the Kingdom of God.

#### **Responsible Stewardship**

We will be responsible stewards of all that God has given to us: money, property, time, talents and natural resources. Funds will be invested in accordance with the Statement of Ethical Investment Policy issued by the Church of England Investment Advisory Group and we will maintain and protect all the Cathedral's properties and review our energy policies and practices in line with the Church of England's commitment to reduce its carbon emissions by 80% by 2050, see section **Responsible Stewardship – Carbon Footprint** below.

Chapter in furthering its purpose has had regard to the Charity Commission's guidance on public benefit and further details of our Development Plan and its outworking are available on the website.

## **PORTSMOUTH CATHEDRAL**

### **ANNUAL REPORT OF THE CHAPTER (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **MISSION AND REVIEW OF ACTIVITIES**

#### **The Role of the Cathedral in the Diocese**

Every day throughout the year prayers are offered in the Cathedral for the parishes in the Diocese, their clergy, office holders and parishioners. The Cathedral provides the venue (and the organisational, administrative and musical support) for a number of Diocesan services, such as ordinations and confirmations, and including the School Leavers' service and other major events. The Cathedral also hosts civic occasions locally, nationally and internationally.

Chapter members and Cathedral Staff actively participate in the Mission and Ministry of the Diocese, serving on the Bishop's Staff and many Diocesan committees and working groups including Canon Peter Leonard and Sarah Page on the Diocesan Board of Education. Time spent by Chapter Clergy and staff members on Diocesan tasks (which can be significant) in the regular and normal course of their work, whether for formal joint events or work which they undertake voluntarily, is not charged to the Diocese. It is felt that to do so would be inconsistent with our common mission and ministry. Cathedral clergy and lay ministers regularly take services in churches throughout the diocese to cover sickness, leave and interregnum and are happy to do so where Cathedral duties permit.

Besides the regular duties of singing for services at the Cathedral our choirs have contributed to BBC broadcasts, concerts in and beyond the Diocese including two choir tours one to Norway and the other to Antwerp.

In June we were pleased to act as the venue for the launching of the Gosport Independent Panel's Report concerning the deaths of patients at Gosport War Memorial Hospital and to be a neutral safe space for this.

Our education and music staff deliver regular workshops to schools in the Cathedral and across the Diocese and we work closely in partnership with the Portsmouth Grammar School annual 'Festivities' programme.

The Very Reverend David Brindley retired in the summer after over 16 years as Dean, his mission and ministry here is missed. The Reverend Canon Peter Leonard, Canon Chancellor, took on the responsibility of Acting Dean from 01 August 2018 and we welcomed The Very Reverend Dr Anthony Cane as our new Dean on 16 March 2019 and we look forward to his leadership in taking us forward onto the next stage of our 'Development Plan' and moving us towards sustainability.

The reports of activities of the various groups in the booklet issued at the APCM show a high level of commitment and we are grateful to staff and volunteers for their hard work and support.

Following a review of its mission and vision with key stakeholders, Chapter launched its 2015-19 'Development Plan' in September 2014 and has throughout 2018 continued to work through its 'Goals and Key Actions' (as set out below). A review of the Development Plan will be undertaken in 2019. Significant outcomes from our Development Plan in 2018 were:

#### **Transformative Worship**

- In line with other cathedrals nationally, attendance at services in Portsmouth have been maintained and attendance at the major festivals remains strong with around 7,000 people attending events and services at the Cathedral throughout Advent and Christmas.
- Messy Cathedral – this continued through to the autumn, however, with numbers having dropped a little, new volunteers needed and pending changes in staff in 2019 this activity has temporarily been put on hold.
- Toddlers' Service – this continues to do well with new families most weeks and demonstrates a valuable support network.
- The Cathedral Consort continues to sing regularly which has helped in the development of a regular pattern of Choral Evensong on Saturdays.

## PORTSMOUTH CATHEDRAL

### ANNUAL REPORT OF THE CHAPTER (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### MISSION AND REVIEW OF ACTIVITIES (continued)

- The choir worked with the Director of the National Youth Choir, Ben Parry, on a new commission, the Peace Mass, for Remembrance by Norwegian composer, Ola Gjeilo, in partnership with the Portsmouth Grammar School (PGS). The annual Remembrance Concert with PGS and the London Mozart Players was a very moving conclusion of the 100th Anniversary of the First World War.

#### Challenging Discipleship

- Annual Theme – this focus has grown with each successive year's theme and during 2018 our 'Time' theme has been explored through: science, faith and the arts with a series of events lectures and exhibitions, culmination with the very successful 'Soup of Souls' exhibition by Pete Codling which has extended into 2019. We have been very grateful for the support of the Arts Council in funding this artist in residence.
- The 'Living Faith' course introduced to the Diocese by Canon Rustell, pioneered in the Cathedral in 2016, has continued through 2018 attracting attendance from across the Diocese in addition to nurturing vocations.

#### Generous Hospitality

- The Quiet Room continues to be used regularly as a recognised space for personal prayer and small prayer meetings in the Cathedral.
- We have offered real coffee, supplied through The Sailors' Society, for some years now at services and events and in 2018 changed to this supplier for our drinks making machine in our Shop. The small kitchenette fitted in the in the Cloister in 2017 continues to enabled us to offer hospitality more easily in the Cathedral.
- We continue to encourage 'Fairtrade' principles and where possible use or sell 'Fairtrade' goods and items.
- Our enthusiastic team of Welcomers work alongside our Sidespeople to ensure that all people, especially visitors and newcomers are welcomed and introduced to others.
- We continue to work with the 'Inclusive Church' scheme, which seeks to address the issues of accessibility, age, gender and sexuality which fit with our Development Plan aims.
- We continued to work to develop an employability scheme through the means of volunteering, based on the successful Manchester Cathedral 'Volition' project, but unfortunately were not able to attract sufficient funds to make this a viable project and so reluctantly Chapter agreed to let this project go. It is hoped, should funding become available, to resurrect the project.
- The Cathedral Shop continues to be a source of income and often a 'signpost' to visitor and pastoral care.
- The annual College of Canons dinner was well received and this year was an opportunity to say goodbye to the out going Dean David Brindley.
- Parishes are invited to the Cathedral for a visit, tea and to attend the evening service.
- Communications continue through notices, email, social media and leaflets, but there is still some work to be done in this area.

## PORTSMOUTH CATHEDRAL

### ANNUAL REPORT OF THE CHAPTER (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### MISSION AND REVIEW OF ACTIVITIES (continued)

##### Prayerful Engagement

- Cathedral Sing – this continues to go from strength to strength delivering a high quality experience of group singing to schools across the Diocese and, through our Head of Fundraising, we have attracted some new funding to this activity relieving, to some extent, the financial cost to the Cathedral of this excellent provision.
- Church Plant/Choir Church – plans to establish this project, in conjunction with St James' Church Milton, through funding from the Portsmouth Deanery and Strategic Grant Funding from the Church Commissioners, came to fruition at the end of the year with the appointment of Alastair Ross as Musical Director & Administrator.
- Education – our educational workshops, managed by our Education Officer and experienced volunteers, continue to be very well received with demand outstripping capacity. We have had just over 4,000 children either experience our workshops, visited or taken part in Cathedral events at their own schools and churches.
- Portsmouth Deanery – we support a number of Deanery initiatives, specifically the 'Older Person's Champion' scheme.
- Cathedral Innovation Centre – part of Cathedral House is leased to the CIC to promote, develop and assist fledgling businesses.
- Each year the Cathedral is the venue for a variety of concerts and exhibitions, and in 2018 this important outreach continued, with an increased number of art exhibitions and lectures focused by the Annual Theme.

##### Responsible Stewardship

- Fundraising Strategy and the appointment of a Head of Fundraising – following assistance from an external consultant and internal consultation and review we implemented our Fundraising Strategy in April and appointed our first Head of Fundraising in May. This has given focus and deliverability to our efforts to generate new income. The Cathedral raises funds primarily through institutions, trust and foundations together with event-based fundraising and some individual donations. The Cathedral does not engage in cold-calling or street-based fundraising or use third party fundraisers and all activities undertaken are directly monitored and controlled by Cathedral staff. It has not received any complaints in the year in connection with the propriety of its fundraising. The Cathedral is aware of the need to protect potentially vulnerable donors and in the small number of cases where this may be applicable it does so through their families.
- Essential Repair Work – following on from the First World War Centenary Cathedral Repairs Fund (FWWCCRF) work to the Cloister and north side elevation of the Cathedral, completed in March 2018, similar repair work to: windows, stonework and roofing, including fitting a 'warm roof' (external insulation) to the south side elevation was commenced in the summer and completed in December. This work was funded from the Cathedral's reserve funds.
- Cathedral House – In conjuncture with the above works essential repairs to: the parapet brickwork and cavity trays above Flat 2, the stone lintel above the entrance and roof leadwork, along with the replacement of the flat roof, including insulation, above Flat 2 were undertaken in the summer. At the same time an array of 6.6kw solar photovoltaic panels were fitted to the roof with the electricity generated fed into the Flats and Cathedral House and the 'spare' generation put into the national grid, which generates a small income from the Feed In Tariff (FIT) payments. This work was done in conjunction with the Portsmouth City Council's Energy Team and funded from the Cathedral's reserve funds.  
New gates, one to replace the unrepairable one at the west end of the building and one completely new one at the east end of the building were designed and fitted giving clear indication of the entrance to the Flats and the Offices. These were partly funded through donations.
- Energy Management – We continued throughout 2018 to monitor our Cathedral Heating system through our energy consultant and Portsmouth University, the results of this will inform future decisions on the upkeep and maintenance of the Cathedral.

## PORTSMOUTH CATHEDRAL

### ANNUAL REPORT OF THE CHAPTER (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

### MISSION AND REVIEW OF ACTIVITIES (continued)

#### Responsible Stewardship (continued)

- Parish Giving Scheme – we continued throughout 2018 to encourage regular giving through the ‘Parish Giving Scheme’, a donation management scheme that optimises the collection of Gift Aid and gives the option of automatic annual increases in line with inflation.
- Eco Church – we were granted A Rocha’s bronze award in 2016 and are working towards the silver award, which we hope to achieve in 2019.

#### Responsible Stewardship – Energy Carbon Footprint

Since 2015, with support from Portsmouth University, we have been monitoring and actively reducing our energy carbon footprint for the Cathedral and Cathedral House in support of the Church of England’s *Shrinking the Footprint* initiative. Our target of 20% gross emissions reduction by 2020 measured against a 2013 base year footprint is reinforced by our Eco Church pledge (member since Nov 2016) to reduce gross emissions by 5% annually. The active measures we have taken to date include:

- regular monitoring of energy use and housekeeping procedures
  - roof insulation
  - LED lighting installations
  - 1.5kWp micro CHP installation supplying 80% of power to the community hall
  - 6.6kWp solar PV installation supplying the administrative offices and flats above
- all funded in part by reinvesting feed-in tariff income and energy bill savings. In publishing the related data as part of this report we hope it will encourage other cathedrals and churches to do similarly.

<b>Greenhouse Gas (GHG) emissions data for years 2015-18 compared with base year 2013</b>					
	<b>Tonne CO2e</b>				<b>Base year</b>
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2013</b>
Scope 1 – Gas consumption	109.41	107.28	98.41	123.65	104.62
Scope 2/3 – Purchased electricity	21.40	32.83	51.50	48.97	46.68
<b>Total gross emissions</b>	<b>130.81</b>	<b>140.11</b>	<b>149.91</b>	<b>172.62</b>	<b>151.30</b>
Change v 2013 base year	-13.54%	-7.40%	-0.92%	+14.09%	Base year
Purchased Green electricity tariff	-21.72	-32.83	-9.31	0	0
<b>Total net emissions</b>	<b>109.09</b>	<b>107.28</b>	<b>140.60</b>	<b>172.62</b>	<b>151.30</b>
Change v 2013 base year	-27.90%	-29.10%	-7.08%	+14.09%	Base year
<b>Onsite low carbon power generation kWh (PV/mCHP)</b>	<b>13,787</b>	<b>7,854</b>	<b>2,960</b>	<b>9,092</b>	<b>0</b>
Energy expenditure gross	£27,741	£28,217	£33,484	£34,112	£37,868
Feed-in tariff income earned	£2,178	£2,151	£2,053	£1,362	£0
<b>Energy expenditure net</b>	<b>£25,563</b>	<b>£26,066</b>	<b>£31,431</b>	<b>£32,750</b>	<b>£37,868</b>

We plan to create in 2019 a dedicated area on our website for carbon footprint information.



## **PORTSMOUTH CATHEDRAL**

### **ANNUAL REPORT OF THE CHAPTER (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **MISSION AND REVIEW OF ACTIVITIES (continued)**

The maintenance and repair of the Cathedral and its various properties has continued. All of these works, (except the FWWCCRF work to the Cloister and north side elevation of the Cathedral) as part of Chapter's commitment to maintain, repair and upgrade its buildings, making them fit for purpose and ongoing use, have, in line with our 'Development Plan' and budget, been funded from the Cathedral's resources.

#### **FINANCE**

##### **Statement of Financial Activities**

Both our income and expenditure is a little down on last year but we have followed through on our commitment to maintain and repair the Cathedral and its various properties. In line with our 'Development Plan' and 2018 budget we have delivered on our planned programme of renovation and upgrading of our buildings, rectifying the neglect of these over the last 25 years, because of previous lack of funds, and made them fit for purpose and ongoing use. All of these works, except the FWWCCRF work to the Cloister and north side elevation of the Cathedral, have been funded from the Cathedral's resources, which have contributed to our net figure of expenditure over income of £339,948. Chapter recognises that this level of deficit is not sustainable and has worked hard to address this: reducing the budgeted deficit in 2019 to £200,000 and aims to reduce the deficit to £135,000 in 2020, £65,000 in 2021 with the aim of delivering a balanced budget in 2022.

##### **Balance Sheet**

The investment property figure of £365,000 is as a result of the reclassification of 84 Penny Street, which is let commercially, as an investment property. Our other investments are valued, as of 31 December, at £1,614,997 and result from the William Groves and other legacies. See Reserves Policy below for the designation of these funds. It should be noted that the just over £3 million of tangible fixed assets, identified as property, comprises of Cathedral House community facilities, our offices, staff flats and clergy housing. The total of our investments and property coming to just under £5.2 million and with shop stock, debtors (outstanding invoices and prepayments at point of audit) giving our total Cathedral funds of just over £5.2 million.

##### **General**

Legacy income of £27,230 (as shown in note 2) is less than the annually budgeted figure of £40,000; income from investments is slightly less on the previous year because of some reduction in our total investments; the net book value of our properties has primarily due to the transfer of 84 Penny Street to investment property, together with the net effect of additions of £109,139 and depreciation charges of £12,345

##### **Investment Policy**

Chapter aims to keep a portfolio of investments that adopts a balanced approach to risk. The attainment of long-term objectives requires the acceptance of a level of investment risk, which manifests itself primarily in the fluctuation of the capital value.

## PORTSMOUTH CATHEDRAL

### ANNUAL REPORT OF THE CHAPTER (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### FINANCE (continued)

Chapter, holds its investments with CCLA. The Funds, required to be invested in accordance with the Statement of Ethical Investment Policy issued by the Church of England Advisory Group, continued to perform well up until the last quarter of the year when there was some general dip in the financial markets. This downward trend has recovered in the first quarter of 2019 but the outlook, with changes nationally and internationally, is uncertain. Responsibility for the management of this policy rests with Chapter, but it is advised by its FIC to which Chapter has delegated decision making on investment matters.

#### Reserves Policy

Reserves are needed both to maintain the level of the Cathedral's current activities and to enable the completion of long-term projects. Maintaining general and designated reserves protects the Cathedral against a sudden deterioration in its financial results (e.g. a significant drop in income or a major repair project). It also provides a buffer in the event of long-term planning or restructuring. Chapter has designated those reserves represented by investments, identified in these accounts as 'Investment Property' and 'Other Investments' and as of 31 December 2018 valued at £365,000 and £1.6 million in the following manner:

- to retain until such time as needed a reserve of at least six months of ordinary activity (£500,000) to protect the Cathedral's operations
- to allocate the remaining reserve (£1.4 million) over seven years for the following purposes:
  - 20% for fabric works
  - 20% for 'Transformative Worship'
  - 20% for 'Challenging Discipleship'
  - 20% for 'Generous Hospitality'
  - 20% for 'Prayerful Engagement'

Whilst the general fund shows a net current asset position of £16,274, given that the designated fund holds in excess of £1.5 million in readily realisable investments, the Chapter is content that any liabilities can be met.

#### Risk Management

Chapter has identified the major risks to which it may be exposed to and has set in place systems and procedures to mitigate them. There are sound internal controls in force to safeguard the Cathedral's assets. Suitable accounting policies and practice are long established and appropriate and required insurance is held. Budgets are set annually and measured monthly against actual outcomes. A five-year Development Plan (2014-2019) is in place and is to be reformulated in 2019.

The principal risks and uncertainties facing the Cathedral and the strategies in place for managing them are as follows:

- *Failure to accomplish our purpose* – Our Development Plan gives direction to our worship and work and this is regularly monitored by staff and Chapter.
- *Failure to manage our financial resources appropriately* – Our Development Plan gives direction to our activity, monthly management accounts are produced and used to monitor income against expenditure and action taken if required to keep accounts within planned budget.
- *Failure to achieve balanced budget by 2022* – Chapter is committed to seeking ways to generate new income and reduce spending with our Head of Fundraising proactively and successfully making grant applications and organising income generating events. Our Heads of Departments and Finance and Investment Committee with Chapter have reduced expenditure for 2019 and are committed to doing so in forthcoming years as required.

## PORTSMOUTH CATHEDRAL

### ANNUAL REPORT OF THE CHAPTER (continued)

#### FORTHEYEAR ENDED 31 DECEMBER 2018

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#### Risk Management (continued)

- *Failure to meet statutory and regulatory requirements* – Our accounts are audited annually, safeguarding issues and health and safety matters are regularly monitored through the senior staff team and by Chapter and we are advised on employment and HR matters by an independent specialist advisor.
- *Negative publicity and damage to reputation* – A formal complaints procedure is in place, publications are checked by senior staff, and Chapter receives and responds to criticism.

#### Future Plans

The Cathedral's Development Plan draws to a close in 2019 and Chapter will be working on a strategy for successive years. In 2019 the following developments are planned:

- *Worship and Service* – maintain its rhythm of daily liturgy, continue to develop Fresh Expressions of worship and discipleship courses and continue its education workshops.
- *Annual Theme* – work through its annual theme programme focusing on 'Living Well', exploring this theme through a range of specialist talks, worship, workshops, family activities and art exhibitions.
- *Sustainability* – continue to review of our budget and Reserves Policy over the next 5-10 years with a view to how income can be increased, costs reduced and develop our strategy for long term sustainability. To this end we will develop our Fundraising Strategy and pro-actively seek to develop alternative income generation streams into the Cathedral's operations.
- *Mindful Employer* – implement, in line with our 'Living Well' annual theme, and to establish ongoing good practice, Chapter's agreement to sign up to the 'Mindful Employer' charter for employers who are positive about mental health. The scheme promotes good practice in relation to the wellbeing of staff and includes appropriate sign posting for help.
- *Church Plant/Choir Church* – in conjunction with St James' Church Milton, develop this innovative project.
- *Centenary Project* – begin to explore and plan a 'Centenary Project' and appeal in relation to the conferring of city status on Portsmouth in 1926 and the creation of the Diocese of Portsmouth and St Thomas's as a Cathedral in 1927. The idea being to involve the civic as well as church institutions, community groups and schools in the celebration.
- *Election of two Lay Members to Chapter* – implement Chapter and Cathedral Council's approval of changes to our Constitution and Statutes, supported by the Bishop of Portsmouth, to elect two Lay Members to Chapter at the Annual Parochial Church Meeting, one of whom to be one of the Churchwardens.
- *Policies* – we will continue to review and revise our policies with advice from our HR Adviser.

## PORTSMOUTH CATHEDRAL

### ANNUAL REPORT OF THE CHAPTER (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

The authorities listed in this section each have a specific role in the governance of the Cathedral.

##### **The Chapter of the Cathedral**

The Chapter of the Cathedral comprises: the Dean *ex officio*, who is chairman and has a casting vote; all Residentiary Canons of the Cathedral *ex officio*; the Chairman of the Finance and Investment Committee *ex officio*; and up to three lay persons appointed by the Bishop of Portsmouth after consultation with the Dean and the Cathedral Council, which is described on page 13.

Following changes to our Constitution and Statutes from April 2019 this will change to:

The Chapter of the Cathedral comprises: the Dean *ex officio*, who is chairman and has a casting vote; all Residentiary Canons of the Cathedral *ex officio*; the Chairman of the Finance and Investment Committee *ex officio*; and five lay persons two appointed by the Bishop of Portsmouth after consultation with the Chapter, one appointed by the Chapter after consultation with the Bishop of Portsmouth, one Churchwarden and one elected by the Annual Parochial Church Meeting who may also be a Churchwarden.

The Vicar of the Parish is *ex officio* the Dean, whilst the Residentiary Canons are appointed by the Bishop after consultation with the Chapter.

New members of Chapter receive induction and training from the Chapter Clerk and are also encouraged to attend external training provided by the Association of English Cathedrals (AEC). There is specific training provide by the Church Commissioners and the AEC for new Deans, which The Very Reverend Dr Anthony Cane will be following.

The Cathedrals Measure 1999 requires that it shall be the duty of the Chapter to direct and oversee the administration of the affairs of the Cathedral and in particular, to:

- Order the worship and promote the mission of the Cathedral;
- Formulate, after consultation with the Bishop, proposals in connection with the general direction and mission of the Cathedral and submit them to the Council for its advice;
- Prepare an annual budget for the Cathedral;
- Submit to the Council the annual report and audited accounts prepared by the Chapter and such other reports as may be requested by the Council on any matter concerning the Cathedral;
- Submit to the College of Canons the annual report and audited accounts prepared as aforesaid;

The national Cathedrals Working Group delivered its report to the General Synod in July last year and the NCI's Legal Office have started the drafting process for possible new legislative changes to the Cathedrals Measure planned to go to Synod for its First Reading in July 2019 and a Final Drafting/Final Approval at the July 2020 General Synod.

## **PORTSMOUTH CATHEDRAL**

### **ANNUAL REPORT OF THE CHAPTER (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

- Keep under review the Constitution and Statutes of the Cathedral and submit any proposals for their revision to the Council;
- Manage all property vested in the Cathedral and the income accruing from it and, in particular, ensure that necessary repairs and maintenance in respect of the Cathedral and its contents and other buildings and monuments are carried out, and
- Perform such other functions as may be prescribed.

The Chapter is the ultimate decision-making body of the Cathedral and responsible for all strategic matters. The Chapter also has the responsibilities in relation to the accounts as set out on page 17.

A list of Chapter members is shown on page 14.

#### **Staff and volunteers**

The Chapter is assisted in the day-to-day implementation of its decisions by a team of paid staff led by the Chapter Clerk, together with numerous volunteers.

The policy on the remuneration of paid staff, including the Chapter Clerk, is determined by the Chapter.

#### **Finance and Investment Committee**

The Constitution requires the setting up of a Finance Committee, known as the Finance and Investment Committee (FIC), with the function of advising the Chapter in connection with its responsibilities in the field of financial and investment management. Chapter receives and acts with the guidance and the advice given to it by FIC. The Chapter appoints the members of this Chapter sub-committee. This committee was chaired by John Hill throughout 2018, when his period in office came to an end, and Caroline Hewitt was appointed as Chair in March 2019.

The Members of the Committee are listed on page 14.

## **PORTSMOUTH CATHEDRAL**

### **ANNUAL REPORT OF THE CHAPTER (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **Fabric Advisory Committee**

Under the Care of Cathedrals Measure 1990, the Fabric Advisory Committee (FAC) is responsible to the Cathedrals Fabric Commission for England and considers applications from the Chapter in regard to proposed development of and changes to the Cathedral's fabric.

There are eight voting members of the Fabric Advisory Committee, four appointed by the Cathedrals Fabric Commission after consultation with the Chapter, and four by the Chapter after consultation with the Commission. The members appoint a Chairman from among their own number. The Dean and Chapter Clerk attend meetings on behalf of the Chapter, and other Chapter members are free to attend; no members of the Chapter have a vote. The Cathedral Archaeologist, and the Cathedral Architect have, under Section 4 of the Care of Cathedrals Measure 1990, a duty to attend meetings, although neither has a vote.

Members of the Committee are listed on page 14.

#### **Cathedral Council**

It is the duty of Cathedral Council to support the spiritual, pastoral, evangelistic, social, and ecumenical work of the Cathedral Church, to review and to advise Chapter accordingly, and to receive and to consider the annual budget and the report and annual accounts.

Members of Council are listed on page 15.

#### **Portsmouth Cathedral Development Trust (PCDT)**

The Trust was formed originally in the 1980s and exists principally to receive funds from appeals made on the Cathedral's behalf and to make grants to the Cathedral in accordance with the terms of the Trust Deed and the relevant appeal.

The Trust presently holds funds arising from such appeals and releases them to the Cathedral under the terms of the Trust Deed.

As a separate Charity with its own body of trustees, PCDT prepares its own annual accounts which are submitted to the Charity Commission. PCDT was chaired by Major General Sir Martin White, Lord Lieutenant of the Isle of Wight until 25 March 2019 when Mr Nigel Atkinson Esq, Lord Lieutenant of Hampshire became the chairman.

## PORTSMOUTH CATHEDRAL

### ANNUAL REPORT OF THE CHAPTER (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### LEGAL AND ADMINISTRATIVE DETAILS

##### Members of the Chapter

The Very Reverend David Brindley, *Dean of Portsmouth (retired 31 July 2018)*

The Reverend Canon Peter Leonard, *Canon Chancellor*

The Reverend Canon Nicholas Ralph,  
*Director of Social Enterprise and Engagement, Diocese of Portsmouth*

The Reverend Canon Dr Anthony Rustell,  
*Head of Mission, Discipleship and Ministry, Diocese of Portsmouth*

The Reverend Canon Dr Joanna Spreadbury, *Canon Precentor*

Mr John Hill (*Chairman of the FIC*)

Mr Richard Smout (*from June 2017*)

Ms Emma Broome (*from May 2018*)

Mr David Carpenter (*from September 2018*)

##### *In attendance*

The Chapter Clerk

The Churchwardens: Emeritus Professor Michael Purvis (*until April 2018*)

Mrs Sheila Picton

Mrs Susan Ward (*from April 2018*)

The Assistant Curate

The Dean's EA as Secretary

##### Members of the Finance and Investments Committee

Mr John Hill (*Chair of the FIC*)

The Very Reverend David Brindley (*Dean, ex officio – until retirement 31 July 2018*)

Mr Paul Mitchell

Mrs Georgianna Rustell

Mrs Caroline Hewitt

##### *In attendance*

The Chapter Clerk

The Finance Officer

##### Members of the Fabric Advisory Committee

Mrs Jane Jones-Warner (*Chair*)

Mr Deane Clark

The Reverend Canon Jeremy Davies

Mr David English

Dr Karen Fielding

Mr Robert Hunt (*resigned January 2019*)

Emeritus Professor Michael Purvis

Mr Chris Wood (*from April 2018*)

##### *In attendance*

The Dean (*until retirement 31 July 2018*)

Canon Peter Leonard as Acting Dean (*from August 2018*)

The Cathedral Architect

The Cathedral Archaeologist

The Chapter Clerk as Secretary to the FAC

Mrs Finni Robertson-Golden - Observer

The Dean's EA as Assistant Secretary to the FAC

## **PORTSMOUTH CATHEDRAL**

### **ANNUAL REPORT OF THE CHAPTER (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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##### **Members of the Cathedral Council**

Miss Kate Branigan QC, (*Chair*)

The Dean (*until retirement 31 July 2018*)

Canon Peter Leonard as Acting Dean (*from August 2018*)

Canon David Bennison

Councillor Ryan Brent (*to May 2018*)

Councillor Gerald Vernon-Jackson (*from May 2018*)

Mr David Carpenter (*until September 2018*)

Sir John Chadwick (*until August 2018*)

Dr Bryn Hughes (*from September 2018*)

Dr Simon Kolstoe (*from November 2018*)

The Reverend Canon John Draper

Canon Lucy Docherty

Canon Stuart Forster

Mrs Shirley Grayson-Smith

Mrs Sarah Page

The Reverend Canon Dr Anthony Rustell

Mr Nicholas Speller

Captain Philip Nash Royal Navy

Mr Richard Smout

##### *In attendance*

The Bishop of Portsmouth

The Chapter Clerk as Clerk to the Council

The Dean's PA as Secretary

##### **Cathedral Administrator, Chapter Clerk, Clerk to the Cathedral Council and Secretary to the Fabric Advisory Committee**

Mr Peter Sanders

Cathedral Offices

64-68 St Thomas's Street

Old Portsmouth

Hampshire

PO1 2HA

##### **Cathedral Organist and Master of the Choristers**

Dr David Price



**PORTSMOUTH CATHEDRAL**

**ANNUAL REPORT OF THE CHAPTER (continued)**

**FORTHE YEAR ENDED 31 DECEMBER 2018**

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**Cathedral Architect**

Mr Simon L. Ablett  
Ablett Architects  
Kingfisher House  
21-23 Elmfield Road  
Bromley  
Kent  
BR1 1LT

**Archaeological Consultant**

Mr Richard Whinney  
9 Pinegrove Road  
Sholing  
Southampton  
Hampshire  
SO9 2PD

**Bankers**

Lloyds Bank  
2-4 Palmerston Road  
Southsea  
Hampshire  
PO5 3QH

**Investment Managers**

CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

**Solicitors**

Brutton & Co  
West End House  
288 West Street  
Fareham  
Hampshire  
PO16 0AJ

**Auditor**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

## **PORTSMOUTH CATHEDRAL**

### **STATEMENT OF CHAPTER'S RESPONSIBILITIES IN RELATION TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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The Chapter is responsible under requirements laid down by the Church Commissioners under the powers given to them by Section 27 of the Cathedrals Measure 1999 for:

- preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its connected entities;
- stating that they have complied in all material respects with these regulations or describing which regulations have not been complied with and giving reasons for the non-compliance;
- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time; and
- safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Chapter on 1 April 2019 and signed as authorised on their behalf by:



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**The Very Reverend Dr Anthony Cane – Dean of Portsmouth**

**1 April 2019**

## PORTSMOUTH CATHEDRAL

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATHEDRAL CHAPTER OF PORTSMOUTH

FOR THE YEAR ENDED 31 DECEMBER 2018

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#### Opinion

We have audited the financial statements of Portsmouth Cathedral for the year-ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of 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 Cathedrals affairs as at 31 December 2018 and of its net movement in funds 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 regulations specified by the Church Commissioners under the powers given to them by section 27 of the Cathedrals Measure 1999.

#### 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 Cathedral 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.

#### Responsibilities of the members of the Chapter for the financial statements

As explained more fully in the responsibilities statement set out on page 17, the members of the Chapter 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 they 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 members of the Chapter are responsible for assessing the Cathedral'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 they either intend to liquidate the Cathedral or to cease operations, or have no realistic alternative but to do so.

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

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## PORTSMOUTH CATHEDRAL

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATHEDRAL CHAPTER OF PORTSMOUTH (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

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#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members of the Chapter's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members of the Chapter have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Cathedral's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The members of the Chapter are responsible for the other information. The other information comprises the information included in the Annual Report of the Chapter. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

We have nothing to report in respect of the following matters in relation to which we report to you if, in our opinion:

- sufficient accounting records have not been kept by the Cathedral; or
- the Cathedral's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### Use of our report

This report is made solely to the Cathedral Chapter, as a body, in accordance with section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken so that we might state to the Chapter those matters we are required to state to them in an auditor's 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 Cathedral Chapter as a body, for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP  
Statutory Auditors

5 APRIL 2019

10 Queen Street Place  
London  
EC4R 1AG

**PORTSMOUTH CATHEDRAL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	General Fund £	Designated Fund £	Restricted Funds £	Endowment Fund £	Total 2018 £	Total 2017 £
<b>Income and endowments from</b>							
Donations and legacies	2	182,259	-	8,093	-	190,352	193,087
Grants receivable in support of mission	3	62,081	-	450,030	-	512,111	516,393
Charges and fees arising in the course of mission	4	24,412	-	-	-	24,412	-
Trading and fundraising	5	157,591	-	3,378	-	160,969	170,628
Investments	6	72,568	-	3,099	-	75,667	86,535
<b>Total income</b>		<u>498,911</u>	<u>-</u>	<u>464,600</u>	<u>-</u>	<u>963,511</u>	<u>1,001,479</u>
<b>Expenditure on:</b>							
Raising funds	7	105,137	-	26,107	-	131,244	85,954
Ministry	8	340,479	-	187,321	-	527,800	525,735
Cathedral and precincts upkeep	9	158,425	-	279,963	-	438,388	573,844
Education and outreach	10	82,781	-	54,159	-	136,940	112,517
Community, parish and congregation	11	131,212	-	-	-	131,212	123,659
<b>Total Expenditure</b>		<u>818,034</u>	<u>-</u>	<u>547,550</u>	<u>-</u>	<u>1,365,584</u>	<u>1,421,709</u>
<b>Net (expenditure)/income</b>		(319,123)	-	(82,950)	-	(402,073)	(420,230)
Investment property gain		-	65,000	-	-	65,000	-
Net gains on investments		-	(1,251)	(961)	(663)	(2,875)	181,887
<b>Net (expenditure)/income</b>		<u>(319,123)</u>	<u>63,749</u>	<u>(83,911)</u>	<u>(663)</u>	<u>(339,948)</u>	<u>(238,343)</u>
<b>Transfers between funds</b>	20	424,254	(485,378)	61,124	-	-	-
<b>Net movement in funds</b>		<u>105,131</u>	<u>(421,629)</u>	<u>(22,787)</u>	<u>(663)</u>	<u>(339,948)</u>	<u>(238,343)</u>
<b>Reconciliation of funds</b>							
Total funds brought forward	19	3,115,154	2,324,389	93,783	38,139	5,571,465	5,809,808
<b>Total funds carried forward</b>		<u>3,220,285</u>	<u>1,902,760</u>	<u>70,996</u>	<u>37,476</u>	<u>5,231,517</u>	<u>5,571,465</u>

The notes numbered 1 to 24 form part of these financial statements

**PORTSMOUTH CATHEDRAL**

**BALANCE SHEET**

**AT 31 DECEMBER 2018**

	Note	General Fund £	Designated Fund £	Restricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
<b>FIXED ASSETS</b>							
<b>Investment assets</b>							
Investment property	14	-	365,000	-	-	365,000	-
Other investments	14	-	1,537,760	39,761	37,476	1,614,997	2,117,872
<b>Tangible fixed assets</b>							
Property	15	3,068,368	-	-	-	3,068,368	3,265,495
Cathedral inventory and equipment	16	135,643	-	-	-	135,643	164,727
<b>TOTAL FIXED ASSETS</b>		<b>3,204,011</b>	<b>1,902,760</b>	<b>39,761</b>	<b>37,476</b>	<b>5,184,008</b>	<b>5,548,094</b>
<b>CURRENT ASSETS</b>							
Stocks		18,270	-	-	-	18,270	20,622
Debtors	17	40,294	-	21,100	-	61,394	112,515
Cash at bank and in hand		8,724	-	10,135	-	18,859	42,476
<b>TOTAL CURRENT ASSETS</b>		<b>67,288</b>	<b>-</b>	<b>31,235</b>	<b>-</b>	<b>98,523</b>	<b>175,613</b>
<b>LIABILITIES DUE WITHIN ONE YEAR</b>							
Creditors: amounts falling due Within one year	18	(51,014)	-	-	-	(51,014)	(152,242)
<b>NET CURRENT ASSETS</b>		<b>16,274</b>	<b>-</b>	<b>31,235</b>	<b>-</b>	<b>47,509</b>	<b>23,371</b>
<b>TOTAL NET ASSETS</b>		<b>3,220,285</b>	<b>1,902,760</b>	<b>70,996</b>	<b>37,476</b>	<b>5,231,517</b>	<b>5,571,465</b>
<b>FUNDS</b>							
Endowment funds	19	-	-	-	37,476	37,476	38,139
Restricted funds	19	-	-	70,996	-	70,996	93,783
Designated fund	19	-	1,902,760	-	-	1,920,760	2,324,389
General fund	19	3,220,285	-	-	-	3,220,285	3,115,154
<b>TOTAL CATHEDRAL FUNDS</b>		<b>3,220,285</b>	<b>1,902,760</b>	<b>70,996</b>	<b>37,476</b>	<b>5,231,517</b>	<b>5,571,465</b>

The notes numbered 1 to 24 form part of these financial statements.

Approved by the Chapter, and authorised for issue on 1 April 2019

*A. Cane*

.....  
Anthony Cane – Dean

*C. Hewitt*

.....  
Caroline Hewitt – Chair of Finance and Investments Committee

**PORTSMOUTH CATHEDRAL**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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	<b>2018</b>	<b>2017</b>
	<b>Total funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities (note 24)</b>		
Net cash used in operating activities	(487,541)	(321,724)
<b>Cash flows from investing activities</b>		
Investment income received	75,667	86,535
Purchase of tangible fixed assets	(111,743)	(172,543)
Purchase of investments	-	-
Proceeds from sale of investments	500,000	240,000
Net cash provided by investing activities	463,924	153,992
<b>Change in cash and cash equivalents in year</b>	(23,617)	(167,732)
Cash and cash equivalents at the beginning of the year	42,476	210,208
<b>Cash and cash equivalents at the end of the year</b>	<u>18,859</u>	<u>42,476</u>

The notes numbered 1 to 24 form part of these financial statements.

# PORTSMOUTH CATHEDRAL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

---

### I. ACCOUNTING POLICIES

#### **Basis of preparation**

The Cathedral constitutes a public benefit entity as defined by FRS 102. The accounts have been prepared in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals issued in February 2015 by the Cathedral Administration and Finance Association and UK Generally Accepted Practice including the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

#### **Income and endowments**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Cathedral is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations, legacies and grants to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the income and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Investment income is earned through holding assets for investment purposes as outlined in the notes to the accounts. It is included when the amount can be measured reliably. Interest and dividend income is recognised as the Cathedral's right to receive payment is established.

#### **Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties. It is probable that the settlement will be required and the amount of the obligation can be measured reliably.

#### *Support costs and governance costs*

Support costs are those that assist the work of the Cathedral and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the activities of the Cathedral. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a consistent basis as set out below:

- Salaries, recruitment and training costs – apportioned based on time analysis by employees and use of resources
- Administration – apportioned based on approximate use of resources
- Information technology – apportioned based on approximate use of resources

#### **Fixed assets**

In accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals, no value is attributed in the balance sheet to the Cathedral as it is an inalienable and historic building for which no reliable costs information or conventional valuation basis is available.

The Regulations also require that no value is attributed on the balance sheet to items included in the Cathedral's statutory inventory maintained in accordance with the Care of Cathedrals Measure 2011.



## PORTSMOUTH CATHEDRAL

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### I. ACCOUNTING POLICIES (continued)

##### Fixed assets (continued)

Properties held for Cathedral use at 1 January 2015 are recorded at a 2013 valuation which has been adopted as a deemed cost at that date. This treatment was permitted on transition to FRS102 and the deemed cost is not subject to ongoing revaluation.

No depreciation is applied to the deemed cost on the basis that any depreciation would be immaterial; however, the valuation is subject to an annual impairment review. Enhancing works to property, office equipment, fixtures and fittings and other equipment are capitalised at cost.

Depreciation is calculated to write off the cost or valuation less estimated residual value of all tangible fixed assets (other than the deemed cost adopted on transition to FRS102) by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

- Property enhancements	5%
- Office equipment	25%
- Fixtures and fittings	20%
- Other equipment	33 $\frac{1}{3}$ %

##### Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities.

##### Stocks

Retail stocks in the Cathedral Shop are stated at the lower of cost and net realisable value.

In accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals, no value is attributed in the balance sheet to the Cathedral inventory, which comprises items of architectural, archaeological, artistic or historical interest.

##### Pension Schemes

The pension costs charged against the surplus represent the amounts payable to defined contribution pension schemes in respect of the accounting period.

##### Funds

###### *Unrestricted funds – general*

Unrestricted funds are spent or applied at the discretion of the Chapter in furtherance of the ministry of the Cathedral. Where necessary, unrestricted funds can be used to supplement expenditure made from restricted funds.

###### *Unrestricted funds – designated*

Designated funds represent funds earmarked by the Chapter for a specific purpose. They may be un-designated at the Chapter's discretion.

**PORTSMOUTH CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**I. ACCOUNTING POLICIES (continued)**

**Funds (continued)**

*Restricted funds*

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Cathedral for particular purposes. Information on each restricted fund is set out in note 20 of these financial statements.

*Endowment funds*

Permanent endowment funds are funds where the donor has specified that the donation must be retained as capital or where the Cathedral has solicited endowment funds as part of a fundraising appeal. Income arising from the capital may be expended subject to any donor restrictions or restrictions arising from the fundraising appeal.

Expendable endowment funds are funds where the donor has specified that the donation is capital in nature but has granted the Chapter discretion to expend that capital. The income arising from the capital may be expended subject to any donor restrictions.

Further specific information is given in notes 19.

**PORTSMOUTH CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>2. DONATIONS AND LEGACIES</b>				<b>2018</b>
<b>2018</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Fund</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Congregational collections and giving	108,764	-	-	108,764
Donations	22,534	8,093	-	30,627
Tax recoverable under Gift Aid on voluntary donations	23,731	-	-	23,731
Legacies	27,230	-	-	27,230
	<u>182,259</u>	<u>8,093</u>	<u>-</u>	<u>190,352</u>
<b>2017</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>2017 Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Congregational collections and giving	98,690	-	-	98,690
Donations	39,783	1,238	-	41,021
Tax recoverable under Gift Aid on voluntary donations	20,878	-	-	20,878
Legacies	32,498	-	-	32,498
	<u>191,849</u>	<u>1,238</u>	<u>-</u>	<u>193,087</u>
<b>3. GRANTS RECEIVABLE IN THE COURSE OF MISSION</b>				<b>2018</b>
<b>2018</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Fund</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Church Commissioners grants	-	279,830	-	279,830
Diocesan grants	15,800	-	-	15,800
Other revenue and capital grants	46,281	170,200	-	216,481
	<u>62,081</u>	<u>450,030</u>	<u>-</u>	<u>512,111</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**3. GRANTS RECEIVABLE IN THE COURSE OF MISSION (CONTINUED)**

<b>2017</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2017 Total Funds £</b>
<i>Church Commissioners grants</i>	-	275,618	-	275,618
<i>Diocesan grants</i>	15,500	-	-	15,500
<i>Other revenue and capital grants</i>	15,444	209,831	-	225,275
	<u>30,944</u>	<u>485,449</u>	<u>-</u>	<u>516,393</u>

**4. CHARGES AND FEES ARISING IN THE COURSE OF MISSION**

	<b>2018 Total Funds £</b>	<b>2017 Total Funds £</b>
Facility and other fees	<u>24,412</u>	<u>34,836</u>

All funds are unrestricted in the current and preceding year.

**5. TRADING AND FUNDRAISING**

<b>2018</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2018 Total Funds £</b>
Income from fundraising events and appeals	54,097	3,378	-	57,475
Gross income from shop and other trading activities	62,042	-	-	62,042
Income from lettings of Cathedral and other buildings	41,452	-	-	41,452
	<u>157,591</u>	<u>3,378</u>	<u>-</u>	<u>160,969</u>

<b>2017</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2017 Total Funds £</b>
<i>Income from fundraising events and appeals</i>	35,107	39,124	-	74,231
<i>Gross income from shop and other trading activities</i>	56,371	-	-	56,371
<i>Income from lettings of Cathedral and other buildings</i>	40,026	-	-	40,026
	<u>131,504</u>	<u>39,124</u>	<u>-</u>	<u>170,628</u>

**PORTSMOUTH CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**6. INVESTMENTS**

<b>2018</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2018 Total Funds £</b>
Income from investments	72,568	3,099		75,667
	<u>72,568</u>	<u>3,099</u>		<u>75,667</u>
<b>2017</b>	<b>Unrestricted Fund £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2017 Total Funds £</b>
Income from investments	81,359	5,176		86,535
	<u>81,359</u>	<u>5,176</u>		<u>86,535</u>

All funds are unrestricted in the current and preceding year.

**7. RAISING FUNDS**

<b>2018</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2018 Total Funds £</b>
Gross costs of shop and other trading activities	32,145	-	-	32,145
Costs of fundraising events and appeals	62,787	-	-	62,787
Maintenance of and repairs to other buildings	9,390	-	-	9,390
Investment management costs	-	-	-	-
Support costs	815	26,107	-	26,922
	<u>105,137</u>	<u>26,107</u>	<u>-</u>	<u>131,244</u>
<b>2017</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2017 Total Funds £</b>
Gross costs of shop and other trading activities	20,029	-	-	20,029
Costs of fundraising events and appeals	33,700	-	-	33,700
Maintenance of and repairs to other buildings	9,625	-	-	9,625
Investment management costs	-	-	-	-
Support costs	-	22,600	-	22,600
	<u>63,354</u>	<u>22,600</u>	<u>-</u>	<u>85,954</u>

**PORTSMOUTH CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**8 MINISTRY**

<b>2018</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2018 Total Funds £</b>
Clergy stipends and working expenses	-	111,114	-	111,114
Clergy housing costs	10,828	-	-	10,828
Clergy support costs	60,721	-	-	60,721
Services and music	268,930	22,364	-	291,294
Support costs	-	53,843	-	53,843
	<u>340,479</u>	<u>187,321</u>	<u>-</u>	<u>527,800</u>

<b>2017</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2017 Total Funds £</b>
Clergy stipends and working expenses	-	130,237	-	130,237
Clergy housing costs	10,902	-	-	10,902
Clergy support costs	62,265	-	-	62,265
Services and music	257,445	19,686	-	277,131
Support costs	-	45,200	-	45,200
	<u>330,612</u>	<u>195,123</u>	<u>-</u>	<u>525,735</u>

**9. CATHEDRAL AND PRECINCTS UPKEEP**

<b>2018</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2018 Total Funds £</b>
Major repairs and restoration	4,643	235,093	-	239,736
Maintenance and interior upkeep	30,499	-	-	30,499
Cathedral insurance	25,746	-	-	25,746
Garden redevelopment	97,537	-	-	97,537
Other costs	-	44,870	-	44,870
Support costs	<u>158,425</u>	<u>279,963</u>	<u>-</u>	<u>438,388</u>

**PORTSMOUTH CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. CATHEDRAL AND PRECINCTS UPKEEP (CONTINUED)**

**2017**

**2017**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total Funds £</b>
Major repairs and restoration	27,302	329,350	-	356,652
Maintenance and interior upkeep	44,190	75	-	44,265
Cathedral insurance	24,473	-	-	24,473
Garden redevelopment	-	-	-	-
Other costs	110,787	-	-	110,787
Support costs	-	37,667	-	37,667
	<u>206,752</u>	<u>367,092</u>	<u>-</u>	<u>573,844</u>

**10. EDUCATION AND OUTREACH**

**2018**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2018 Total Funds £</b>
Educational activities	44,150	12,573	-	56,723
Charitable and other giving	16,210	5,690	-	21,900
Other costs	22,421	-	-	22,421
Support costs	-	35,896	-	35,896
	<u>82,781</u>	<u>54,159</u>	<u>-</u>	<u>136,940</u>

**2017**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2017 Total Funds £</b>
Educational activities	49,569	-	-	49,569
Charitable and other giving	19,531	600	-	20,131
Other costs	12,684	-	-	12,684
Support costs	-	30,133	-	30,133
	<u>81,784</u>	<u>30,733</u>	<u>-</u>	<u>112,517</u>

**PORTSMOUTH CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**11. COMMUNITY, PARISH AND CONGREGATION**

	<b>2018 Total Funds £</b>	<b>2017 Total Funds £</b>
Direct activity costs	113,264	108,592
Support costs	17,948	15,067
	<u>131,212</u>	<u>123,659</u>

All costs were borne by unrestricted funds in the current year. In the preceding year £9,781 of support costs were borne in the restricted funds.

**12. SUPPORT COSTS**

<b>2018</b>	<b>Raising Funds £</b>	<b>Ministry £</b>	<b>Cathedral and Precincts £</b>	<b>Education and Outreach £</b>	<b>Community, Parish and Congregation £</b>	<b>2018 Total Funds £</b>
Salaries, recruitment and training costs	6,434	12,870	10,724	8,580	4,290	42,898
Administration	17,420	34,839	29,033	23,226	11,613	116,131
Information Technology	3,068	6,135	5,113	4,090	2,045	20,451
	<u>26,922</u>	<u>53,844</u>	<u>44,870</u>	<u>35,896</u>	<u>17,948</u>	<u>179,480</u>

Included within support costs above is auditor's remuneration of £8,900 (2017: £8,600) plus VAT.

<b>2017</b>	<b>Raising Funds £</b>	<b>Ministry £</b>	<b>Cathedral and Precincts £</b>	<b>Education and Outreach £</b>	<b>Community, Parish and Congregation £</b>	<b>2017 Total Funds £</b>
Salaries, recruitment and training costs	7,014	14,028	11,690	9,351	4,676	46,759
Administration	13,156	26,312	21,927	17,542	8,771	87,708
Information Technology	2,430	4,860	4,050	3,240	1,620	16,200
	<u>22,600</u>	<u>45,200</u>	<u>37,667</u>	<u>30,133</u>	<u>15,067</u>	<u>150,667</u>

Included within support costs above is auditor's remuneration of £8,600 (2016: £6,900) plus VAT.



**PORTSMOUTH CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**13. STAFF COSTS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Salary costs were as follows:</b>		
Salary costs	356,410	321,099
Social security costs	23,147	17,314
Pension costs	15,000	16,366
	<u>394,557</u>	<u>354,779</u>

No employee had emoluments above £60,000 in 2018 or 2017.

	<b>Stipend</b>	<b>Levy</b>	<b>NIC</b>	<b>Pension</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>Total</b>
					<b>£</b>
<b>Stipends</b>					
The Very Reverend David Brindley	21,246	89	1,787	6,890	30,012
The Reverend Canon Peter Leonard	28,491	136	2,613	9,460	40,700
The Reverend Canon Joanna Spreadbury	28,491	126	2,323	9,460	40,400
	<u>78,228</u>	<u>351</u>	<u>6,723</u>	<u>25,810</u>	<u>111,112</u>
	<b>Stipend</b>	<b>Levy</b>	<b>NIC</b>	<b>Pension</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>Total</b>
					<b>£</b>
<b>Stipends</b>					
The Very Reverend David Brindley	35,877	113	3,041	11,668	50,699
The Reverend Canon Peter Leonard	27,965	102	2,556	9,334	39,957
The Reverend Canon Joanna Spreadbury	27,965	85	2,196	9,334	39,580
	<u>91,807</u>	<u>300</u>	<u>7,793</u>	<u>30,336</u>	<u>130,236</u>

The stipends of the Dean and the above Residentiary Canons are paid directly from the Church Commissioners along with the related costs sets out above.

Two other Canons, Nicholas Ralph and Anthony Rustell, are remunerated by the Diocese of Portsmouth.

Expenses of £3,833(2017 -£4,685) were reimbursed to members of Chapter.

There was an average of 11 (2017: 8) full time and 13 (2017:13) part time paid staff including clergy paid by the Church Commissioners but excluding the Cathedral Choir. The full time equivalent of the same group in 2018 was 18 (2017: 15).

The aggregate remuneration of Key Management Personnel in 2018, including all benefits, was £151,564 (2017: £164,823). This group is defined as the remunerated members of Chapter and the Chapter Clerk.

**PORTSMOUTH CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**14. INVESTMENTS**

	<b>2018 Total Funds £</b>	<b>2017 Total Funds £</b>
<b>Investment Property</b>		
Fair value brought forward	-	-
Transfer from Cathedral Use	300,000	-
Revaluation	65,000	-
	<u>365,000</u>	<u>-</u>

	<b>2018 Total Funds £</b>	<b>2017 Total Funds £</b>
<b>Other investments</b>		
Fair value brought forward	2,117,872	2,175,985
Additions at cost	-	-
Disposals at proceeds	(500,000)	(240,000)
Gain on revaluation	(2,875)	181,887
	<u>1,614,997</u>	<u>2,117,872</u>

Split of investments between funds:

	<b>£</b>	<b>£</b>
Endowment - Friends of Cathedral Music	37,476	38,139
Restricted – Ritchie bequest	39,761	55,344
Designated – Groves legacy	1,902,760	2,024,389
General	-	-
	<u>1,979,997</u>	<u>2,117,872</u>

Investments are held in pooled managed funds as follows:

	<b>£</b>	<b>£</b>
Property (directly owned)	365,000	-
CBF CoE Investment Fund Income Shares	1,183,774	1,592,100
CBF CoE Property Fund Income Shares	431,223	525,761
Cash	-	11
	<u>1,979,997</u>	<u>2,117,872</u>

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

15. PROPERTY	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2018 Total Funds £	2017 Total Funds £
<b>Cost</b>					
At 1 January 2018	3,271,574	-	-	3,271,574	3,237,467
Reclassification	(300,000)	-	-	(300,000)	-
Additions	109,139	-	-	109,139	34,107
At 31 December 2018	<u>3,080,713</u>	<u>-</u>	<u>-</u>	<u>3,080,713</u>	<u>3,271,574</u>
<b>Depreciation</b>					
Accumulated at 1 January 2018	6,079	-	-	6,079	-
Charge for the year	6,266	-	-	6,266	6,079
At 31 December 2018	<u>12,345</u>	<u>-</u>	<u>-</u>	<u>12,345</u>	<u>6,079</u>
<b>Net Book Value</b>					
At 31 December 2018	<u>3,068,368</u>	<u>-</u>	<u>-</u>	<u>3,068,368</u>	<u>3,265,495</u>
At 31 December 2017	<u>3,265,495</u>	<u>-</u>	<u>-</u>	<u>3,265,495</u>	<u>3,237,467</u>

The properties above are all freehold and applied for Cathedral use. On adoption of the 2015 Cathedral Accounting Regulations a previous valuation of £3,150,000 was adopted as the deemed cost of the assets on transition.

**PORTSMOUTH CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**16. CATHEDRAL INVENTORY AND OFFICE EQUIPMENT – UNRESTRICTED**

	<b>Cathedral Inventory £</b>	<b>Fixtures &amp; fittings £</b>	<b>Office Equipment £</b>	<b>Other Equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2018	-	154,872	49,884	137,930	342,686
Additions	-	394	-	2,210	2,604
Disposals	-	-	-	(4,800)	(4,800)
<b>At 31 December 2018</b>	<b>-</b>	<b>155,266</b>	<b>49,884</b>	<b>135,340</b>	<b>340,490</b>
<b>Depreciation</b>					
Accumulated at 1 January 2018	-	115,681	49,884	12,394	177,959
Charge for the year	-	15,319	-	15,569	30,888
On disposals	-	-	-	(4,000)	(4,000)
<b>At 31 December 2018</b>	<b>-</b>	<b>131,000</b>	<b>49,884</b>	<b>23,963</b>	<b>204,847</b>
<b>Net Book Value</b>					
At 31 December 2018	-	24,266	0	111,377	135,643
At 31 December 2017	-	39,191	0	125,536	164,727

**17. DEBTORS**

<b>2018</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2018 Total Funds £</b>
Invoiced debtors	24,376	-	-	24,376
Prepayments	9,225	-	-	9,225
Accrued income	6,693	21,100	-	27,793
	<b>40,294</b>	<b>21,100</b>	<b>-</b>	<b>61,394</b>
<b>2017</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2017 Total Funds £</b>
Invoiced debtors	13,342	-	-	13,342
Prepayments	725	-	-	725
Accrued income	21,550	76,898	-	98,448
	<b>35,617</b>	<b>76,898</b>	<b>-</b>	<b>112,515</b>

**PORTSMOUTH CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**18. CREDITORS: amounts falling due within one year**

<b>2018</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2018 Total Funds £</b>
Trade creditors	14,082	-	-	14,082
Social security and other taxes	7,927	-	-	7,927
Other creditors	29,005	-	-	29,005
	<u>50,014</u>	<u>-</u>	<u>-</u>	<u>51,014</u>
<b>2017</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2017 Total Funds £</b>
Trade creditors	49,117	76,898	-	126,015
Social security and other taxes	5,796	-	-	5,796
Other creditors	20,431	-	-	20,431
	<u>75,344</u>	<u>76,898</u>	<u>-</u>	<u>152,242</u>

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

19. ANALYSIS OF NET MOVEMENTS IN FUNDS

2018

	Total funds brought forward 1 January 2018	Total income	Total expenditure	Gains	Transfer between funds	Total funds carried forward 31 December 2018
	£	£	£	£	£	£
<i>Endowment funds</i>						
Friends of Cathedral Music Choir Scholarship	38,139	-	-	(663)	-	37,476
<i>Restricted funds</i>						
Church Commissioners - stipends	-	111,114	(111,114)	-	-	-
Church Commissioners - other	-	168,716	(160,716)	-	-	8,000
Major Fabric Work	24,779	147,979	(232,339)	-	59,581	-
QARNNS – Chapel of Healing and Reconciliation	5,129	563	-	-	-	5,692
Ritchie bequest	55,344	1,835	(16,457)	(961)	-	39,761
Sunyani	597	3550	(5,690)	-	1,543	-
Monks project	1,000	-	-	-	-	1,000
Let the Building Speak	4,082	-	-	-	-	4,082
Memorial garden	899	-	-	-	-	899
Other restricted funds	953	180	-	-	-	1,133
Organ Stop	-	3,378	(1,754)	-	-	1,624
Cathedral House Gate repairs	1,000	-	(1,000)	-	-	-
Sound System	-	-	-	-	-	-
Friends of Cathedral Music	-	1,264	(1,264)	-	-	-
Choir support income	-	8,443	(4,643)	-	-	3,800
Organ Scholarship (Michael James Trust)	-	-	-	-	-	-
Grant towards Volition costs	-	4,000	-	-	-	4,000
Development plan grant income (Artist in Residence)	-	13,578	(12,573)	-	-	1,005
<i>Total restricted funds</i>	<u>93,783</u>	<u>464,600</u>	<u>(547,550)</u>	<u>(961)</u>	<u>61,124</u>	<u>70,996</u>
<i>General funds</i>	3,115,154	498,911	(818,034)	-	424,254	3,220,285
Designated fund - William Groves legacy	2,324,389	-	-	63,749	(485,378)	1,902,760
<i>Total</i>	<u>5,439,543</u>	<u>498,911</u>	<u>(818,034)</u>	<u>63,749</u>	<u>(61,124)</u>	<u>5,123,045</u>
<b>Total funds</b>	<u><u>5,571,465</u></u>	<u><u>963,511</u></u>	<u><u>(1,365,584)</u></u>	<u><u>62,125</u></u>	<u><u>-</u></u>	<u><u>5,231,517</u></u>

Further information on each of the above funds is given in note 21.

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

19. ANALYSIS OF NET MOVEMENTS IN FUNDS (CONTINUED)

2017

	Total funds brought forward 1 January 2017 £	Total income £	Total expenditure £	Gains £	Transfer between funds £	Total funds carried forward 31 December 2017 £
<i>Endowment funds</i>						
Friends of Cathedral Music						
Choir Scholarship	35,132	-	-	3,007	-	38,139
<i>Restricted funds</i>						
Church Commissioners - stipends	-	130,237	(130,237)	-	-	-
Church Commissioners - other	-	145,381	(145,381)	-	-	-
Cloister Repairs	-	208,831	(184,052)	-	-	24,779
QARNNS – Chapel of Healing and Reconciliation	4,600	529	-	-	-	5,129
Ritchie bequest	90,341	3,727	(16,457)	7,733	(30,000)	55,344
Sunyani	982	215	(600)	-	-	597
Monks project	1,000	-	-	-	-	1,000
Let the Building Speak	4,082	-	-	-	-	4,082
Memorial garden	812	162	(75)	-	-	899
Other restricted funds	953	-	-	-	-	953
Organ Stop	-	35,967	(145,298)	-	109,331	-
Cathedral House Gate repairs	1,000	-	-	-	-	1,000
Sound System	394	2,995	-	-	(3,389)	-
Friends of Cathedral Music	286	1,449	(1,735)	-	-	-
Choir support income	-	494	(494)	-	-	-
Organ Scholarship (Michael James Trust)	-	1,000	(1,000)	-	-	-
<b>Total restricted fund</b>	<b>104,450</b>	<b>530,987</b>	<b>(625,329)</b>	<b>7,733</b>	<b>75,942</b>	<b>93,783</b>
<i>General funds</i>						
Designated fund - William Groves legacy	3,084,148	468,836	(796,380)	14,894	343,656	3,115,154
	2,586,078	1,656		156,253	(419,598)	2,324,389
<b>Total</b>	<b>5,670,226</b>	<b>470,492</b>	<b>(796,380)</b>	<b>171,147</b>	<b>(75,942)</b>	<b>5,439,543</b>
<b>Total funds</b>	<b>5,809,808</b>	<b>1,001,479</b>	<b>(1,421,709)</b>	<b>181,887</b>	<b>-</b>	<b>5,571,465</b>

Further information on each of the above funds is given in note 21.

**PORTSMOUTH CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>20. TRANSFERS BETWEEN FUNDS</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
<b>2018</b>			
Net transfer to restricted funds to cover repairs and works from unrestricted funds	(61,224)	61,224	-
<b>2017</b>			
Net transfer to restricted funds to cover repairs and works from unrestricted funds	(75,942)	75,942	-

**21. DESCRIPTION OF FUNDS**

**Endowment funds**

Friends of Cathedral Music

This a capital fund to be retained permanently. Income arising from the fund is to be applied to a restricted income fund for a choral scholarship.

**Restricted funds**

Church Commissioners' Stipend grant

These funds represents the payment of stipends by the Church Commissioners directly. No cash is received by the Chapter.

QARNNS – Chapel of Healing and Reconciliation

This fund represents monies raised to fund improvements and enhancements to the chapel of healing and reconciliation.

Ritchie Bequest

This fund was created on receipt of a legacy, and is restricted for use in support of music.

Sunyani

These funds, raised from events and congregational giving, are used to support the St. Anselm's Cathedral and Diocese of Sunyani, Ghana.

Monks Project

This fund is for the purchase of equipment relating to education workshops.

Let the Building Speak

This fund is for the purchase of resources associated with Cathedral history and interpretation.

Memorial Garden

Funds to be spent on the memorial garden.

Cathedral Tower

Funds received towards the cost of repairs to the Cathedral's Tower.

Cathedral Windows

Funds received towards the cost of repairs to the Cloister's windows and roof drainage.

Organ Stop

Funds solicited towards the named project

Cathedral House Gate Repairs

Funds solicited towards the named project

Sound System

Funds solicited towards the named project

Friends of Cathedral Music – Choral Scholarship

Restricted income fund arising from the related endowment. The income is to be spend on providing a Choral Scholarship.

**Designated fund**

Funds originally arising from the legacy of William Groves and earmarked by Chapter for longer term application.

**General fund**

These funds are unrestricted and available for the Cathedral's use.



**PORTSMOUTH CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**22. CAPITAL COMMITMENTS**

There were no material amounts contracted for but not provided for at 31 December 2018 or 31 December 2017.

**23. PENSION SCHEMES**

The Cathedral participates in the Church of England Defined Contributions Scheme, part of the Church Workers Pension Fund. The Cathedral also operates a stakeholder defined contribution scheme for the benefit of employees not in the Church of England scheme. The Cathedral's contributions to these schemes are disclosed in Note 13 to these financial statements.

<b>24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO OPERATING CASH FLOW</b>	<b>2018</b>	<b>2017</b>
	<b>Total Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>
Net (expenditure) excluding investment gains and losses	(402,073)	(420,230)
Investment income	(75,667)	(86,535)
Loss on disposal of other equipment	800	-
<b>Operating (deficit)</b>	<b>(476,940)</b>	<b>(506,765)</b>
Depreciation charges	37,154	34,370
Decrease/(increase) in stocks	2,352	(1,787)
Decrease in debtors	51,121	70,200
(Decrease)/increase in creditors	(101,228)	82,258
<b>Net cash (outflow) from operations</b>	<b>(487,541)</b>	<b>(321,724)</b>