

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY

Company number - 7717141

Registered charity number – 1145162

Our brands:



Working with:



Hampshire
County Council



Portsmouth
CITY 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 2018.

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

LEGAL OBJECTS

The PDCSR can trace its origins at least back to 1920. It has been a registered charity since 1963. It was incorporated on 1st Jan 2012. Its objects, which comply with the requirements of the Charity Commission and Companies House, form part of the Memorandum and Articles of Association, and are as follows:

- 4.1 The advancement of charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales carried out in connection with the religious and other charitable work of the Church of England in the Diocese of Portsmouth.
- 4.2 The advancement of education and training for men and women so as to encourage them to undertake voluntary work, social service and similar charitable activities for the benefit of the wider community: The expression "Social Service" being defined as meaning any and all organisations or persons providing (whether under statutory obligations to do so or voluntary) services to the community at large for the assistance and advice of persons suffering ill health, poverty, physical or mental distress or generally being handicapped or socially or economically disadvantaged; or to prevent or alleviate ill health, poverty, mental or physical distress or any handicapped or socially or economically disadvantaged condition.
- 4.3 The promotion of research into the moral and social welfare needs of the community of the said area and the publication of the useful results of all such research.
- 4.4 The relief of persons who are in need, hardship or distress through the development of the capacity of the Church at parish, deanery and diocesan levels to address, in partnership with others, issues of social and economic disadvantage in communities in Portsmouth, Hampshire and the Isle of Wight including the provision of confidential counselling services at suitable premises.
- 4.5 The promotion of the voluntary sector for the public benefit by the provision of information, advice, instruction and other services in any Diocese of the Church of England including the publication of material in written or electronic forms and the holding of meetings, conferences, courses and lectures.

STRATEGIC AIMS

In 2018 CSR came to the end of a 3 year business strategy covering 2016-2018. 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.

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

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

A great range of work was undertaken in 2018 from workshop based engagements with parishes and voluntary groups to in depth support for exciting parish projects. Good Neighbours continues to flourish at a time when many other organisations are struggling. We describe our work in five main areas, governance and then Social Action, Social Engagement, Social Business, and Social Transformation.

CSR Governance

The detailed work of CSR is undertaken by officers reporting to the CSR Steering Group which met five times over the year. This was also a year in which the first review for some years of CSR's work was undertaken by the CSR Directors. This review was chaired by one of the trustees, The Revd Dr Paul Chamberlain, and the group reported initially in the autumn. The main element of this work was to update CSR's governance arrangements which, following legal advice, will be implemented in 2019.

In addition to the items below, work was undertaken in 2018 to explore the possibility of a formal link with All Saints Counselling Service (ASCS) so that it would come under CSR's umbrella. An extended period of discussion, consultation and due diligence was undertaken, including a review of the risks, mitigations and opportunities, leading to a recommendation to go ahead. This was agreed by the CSR trustees in 2018 for implementation in 2019 with suitable insurance arrangements set in place.

SOCIAL ACTION

Good Neighbours Network (GNN)

www.goodneighbours.org.uk



Good Neighbours governance was subject to a review in 2018 as it had not been examined for over 10 years. In essence, GNN is a partnership of the Dioceses of Portsmouth, Winchester and Guildford that cover Hampshire, hosted by CSR. The new arrangements involve splitting the old Co-

ordinating committee into two groups, a Strategic Liaison Group chaired by Canon Nick Ralph which meets with funders including members of Hampshire County Council essentially for monitoring updates, and a Strategic Development Group, chaired by Andrew Robinson, Chief Executive of the Diocese of Winchester, which will scope out new opportunities for expanding Good Neighbours in new directions, and includes a number of external supporters who bring wider knowledge, networks and experience.

GNN work in 2018 has been supported largely by a new staff team, notably Karen Jordan joined as Team Leader in February with other staff leaving and new staff arriving towards the end of the year. GNN work in Portsmouth continued with new staff member, Lisa O’Clee, funded by Portsmouth City Council, Portsmouth CCG and Public Health, and focussed particularly on three localities in the city.

The total number of volunteers this year went up slightly to 4,061 (+2%) but significantly the number of new volunteers recruited as a proportion of the total number of volunteers went up to 10.8% (from 7%) which is a positive sign for the future. The number of tasks also increased by 6% to 171,216 showing again a significant increase in demand. The main challenges are volunteer recruitment and governance. In common with many other organisations, it is easier to find people to do the frontline work than to serve on committees.

The work of the Network is funded by Hampshire County Council, Portsmouth City Council and six NHS Clinical Commissioning Groups. Their continued support in the face of cuts to their funding is a key indicator of the value they attach to the work done by our team and the front-line groups. One health commissioner commented significantly that she felt this was the best value money they spend!

With several staff gaps over the year, the restricted GNN fund has ended up with a higher surplus than intended and this will be expended in a budgeted way over the coming two years. These funding streams are usually renewed annually but following a successful bid for 18 months’ funding now due partly in April 2019 and partly April 2020. As this also differs from CSR’s financial year, in all cases, the indicated reserves in this report for GNN (restricted fund) always include an element for the succeeding year and cannot be taken as the level of unallocated funding available to GNN for investing in the service.

SOCIAL ENGAGEMENT

rapid development programme (rdp)

www.rapiddevelopment.org.uk

In 2018, one rdp was undertaken in the parish of **Forton** in Gosport which contributed positively to wider plans for reorganisation. Significant work has been undertaken over the year with the parish of **Paulsgrove** which was successful, with our support, in gaining a large grant from the Big Lottery to set up a community events co-operative. Gambol Parker has taken the lead on this, working with the parish, the Big Lottery, and contractors on plans and this will bear fruit in 2019. It has highlighted the significant levels of support needed in some areas with processes which are unfamiliar to many parish members, and for which they have little or no expertise. CSR made a deliberate decision to contribute £10,000 from its Business Development Fund towards the work and to aid cash flow for the project.



SOCIAL TRANSFORMATION

Leadership and Innovation

www.kaospilot.dk

We have continued to connect with the work of the Kaospilot School in Aarhus, Denmark with its unique inspiring approach to creativity and enterprise. This year, we hosted two Kaospilot Trainers, who now run Sager de Samler (Communities that Connect) to undertake some work with a group from the local voluntary and statutory sector in Portsmouth to reinvent the city’s approach to mutual working along more equitable lines and for the common good of all.



KAOSPILOT

SOCIAL BUSINESS

Following its purchase at the end of 2017, CSR promoted the use of the 'Holy Roast' horsebox this year in parishes as a mission tool. It has been loaned out for use by the Good Neighbours Network and several parishes both within Portsmouth and beyond. It has proved very effective. Parishes have the choice to operate it themselves or to ask us to work with them. We have offered up to 15 parishes, its use free-of-charge for mission purposes.



OTHER

This was the third full year of the current arrangement where Canon Nick Ralph is shared for 50% of his time with Winchester Social Enterprise (WSE) in the Winchester Diocese. Following the CSR review, this was further cemented as a working approach. Over 2018, 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 aims to offer an alternative rather than traditional approach to social engagement and transformation based on communities working together and looking outward, underpinned by a renewed Anglican approach of building the common good.

As there has been a governance review in 2018 which will be implemented in 2019, the 2019 business strategy has simply rolled forward the previous three year strategy so that the new trustees can be part of the development of a new strategy from 2020. In essence, this means a continuing focus on Good Neighbours, community engagement follow-up and continuing to work

with local partners with the Holy Roast horsebox café, and more distant partners such as the Kaospilots on creative leadership approaches.

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 deficit of £10,895 (2017: £7,388 surplus) after transfers and revaluations. This deficit is amply covered by other unrestricted funds in the two designated funds and there is no risk to the restricted funds. In line with the budget, funds totalling £13,500 were drawn from the Business Development fund to support special projects and additional transfers from the business development fund are to be made in 2019 to clear this deficit. There were also revaluation gains of £4,913 on the financial investments

The GNN Fund, which is a restricted fund, showed a surplus of £15,450 (2017: £24,297). The grants themselves come in at different times, and for the funders relates to a year of April – March, or October – September.

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 £1,086,214 (2017: £1,093,392).

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 2018 the balance on the general fund appears as a negative £10,895 due to the delay in drawing funds from the designated fund for some of the expenditure (2017: £7,388). 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 £68,569 (2017: £79,689) and the Investment for Income fund of £966,935 (2017: £960,160).

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% (2017: 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% (2017: 4.89%) was achieved giving an overall total return of 4.81% (2017: 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 2018)
Good Neighbours Network Adviser (Portsmouth) – Lisa O’Clee (from May 2018)
Good Neighbours Network Adviser – Andy Fitchett (from Dec 2018)
Good Neighbours Network Adviser – Lisa Smith (from Jan 2019)
Social Enterprise Developer – Sandie Davis (from Dec 2018)

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.

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. The Trustees were provided with trustee training during 2015.

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

Trustees

No Trustee had any beneficial interest in the company during 2018. The following are the Trustees who served at any time during 2018 up to the date of this report:

Chairman:	The Rt Revd Christopher Foster – Lord Bishop of Portsmouth	
Ex-officio	The Very Revd D C Brindley (The Dean of Portsmouth) (res 31.08.18) The Ven G A Collins (Archdeacon of the Meon) The Ven Dr J W Grenfell (Archdeacon of Portsdown) The Ven P A Sutton (Archdeacon of the Isle of Wight) The Revd Canon R C White (Chair of the House of Clergy) Canon D Sutton (Chair of the House of Laity) Mrs V James (Diocesan Secretary) (from 8.10.18) Mrs J Hollingsworth (Acting Diocesan Secretary) (resigned 8.10.18)	
Bishop's Nominee:	Canon J Gwynn (Chairman of Diocesan Finance Committee)	
Elected by:		
Synod House of Clergy	The Revd P Armstead The Revd M Bagg The Revd A Kerr (res 31.12.18) The Revd Dr P Chamberlain The Revd I Snares	The Revd Canon W Hughes Revd J Hunt (fr 1.1.19) The Revd Canon G Morris(res 17.07.18) The Revd M Duff The Very Revd A Cane (fr 16.3.19)
Synod House of Laity	Mr W Berry (res 31.12.18) Mr G Barwick (res 31.12.18) Canon D Bennison Mr N Chapman Mrs L Clay (res 31.12.18) Mrs M Crittenden Mrs E Davidson (fr 1.1.19) Canon L Docherty Mr K Doyle (res 31.12.18)	Mr M Emerton (fr 1.1.19) Canon S Forster Mrs I James Mr A Jordon (fr 1.1.19) Cdre M Lane (01.03.2018) Canon Dr H Mason Mr E Organ (fr 1.1.19) Mr R Solomon (9.4.18) Canon H Spurgeon
CSR Steering Group	Canon L Docherty – Chair The Revd Canon N Ralph Mr E Phillips Mrs G Parker Mr P O'Beirne Mrs V James	The Ven Dr J W Grenfell Canon H Mason Mr R Solomon The Revd Paul Chamberlain

**PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
ANNUAL REPORT
For the year ended 31 December 2018**

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:	Mr C Daniells, 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 Right Revd Christopher Foster
Chairman
8TH May 2019

Victoria James
Diocesan Secretary
8th May 2019

I report on the accounts of the company for the year ended 31 December 2018 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 Charitieshave 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

Date: 8th May 2019

STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2018

	Note	General fund £	Designated funds £	Restricted fund £	Total funds 2018 £	Total funds 2017 £
Incoming and endowments from:						
Donations	2	5,000	-	168,961	173,961	165,553
Charitable Activities	3	19,435	-	1,160	20,595	23,143
Other income	3a	-	-	-	-	347,963
Investment income	4	41,874	4,242	1	46,117	45,760
		66,309	4,242	170,122	240,673	582,419
Expenditure on:						
Charitable activities	5	98,092	-	154,672	252,764	245,252
		98,092	-	154,672	252,764	245,252
Net income/(expenditure) before transfers		(31,783)	4,242	15,450	(12,091)	337,167
Transfers between funds	6	13,500	(13,500)	-	-	-
Other recognised gains/(losses)						
Unrealised investment gains		-	4,913	-	4,913	47,871
Net movement in funds	7	(18,283)	(4,345)	15,450	(7,178)	385,038
Total funds at 1 January		7,388	1,039,849	46,155	1,093,392	708,354
Total funds at 31 December		(10,895)	1,035,504	61,605	1,086,214	1,093,392

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 2018

Company Number –7717141

	Note	2018 £	2017 £
Fixed Assets			
Investments	8	1,065,387	1,060,475
		<u>1,065,387</u>	<u>1,060,475</u>
Current Assets			
Debtors	10	20,946	48,682
Short term Investments		13,339	9,137
Cash at bank and in hand		47,212	4,055
		<u>81,497</u>	<u>61,874</u>
Creditors: amounts falling due within one year	11	60,670	28,957
Net current assets		<u>20,827</u>	<u>32,917</u>
Total assets less current liabilities		<u><u>1,086,214</u></u>	<u><u>1,093,392</u></u>
The funds of the charity:			
General fund		(10,895)	7,388
Designated funds		1,035,504	1,039,849
Restricted income funds		61,605	46,155
Total funds	12	<u><u>1,086,214</u></u>	<u><u>1,093,392</u></u>

The accounting policies and notes on pages 15-19 form an integral part of these accounts.

For the year ended 31 December 2018 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 8th May 2019 and signed on its behalf by

The Right Revd Christopher Foster
Chairman

Victoria James
Diocesan Secretary

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
CASHFLOW STATEMENT
For the year ended 31 December 2018

	2018		2017	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		1,242		208,943
Cash flows from investing activities				
Dividends, interest and rent from investments	46,117		45,760	
Purchase of investments	-		(311,002)	
Net cash provided by/(used in) investing activities		46,117		(265,242)
Change in cash and cash equivalents in the reporting period		47,359		(56,299)
Cash and cash equivalents at 1 January		13,192		69,491
Cash and cash equivalents at 31 December		60,551		13,192
Reconciliation of net income to net cash flow from operating activities				
		<u>2018</u>		<u>2017</u>
Net income for the year ended 31 December		(7,178)		385,038
Adjustments for:				
Gains on investments		(4,912)		(47,871)
Dividends, interest and rent from investments		(46,117)		(45,760)
(Profit)/Loss on sale of investments		-		-
Decrease/(Increase) in operating debtors		27,736		(27,313)
(Decrease)/Increase in operating creditors		31,713		(55,151)
Net cash provided by operating activities		1,242		208,943
Analysis of cash and cash equivalents				
Cash at bank and in hand		47,212		4,055
Cash on deposit		13,339		9,137
		60,551		13,192

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), 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 GNSS activities where they are time-apportioned to align on a quarterly basis with the costs towards which they are contributing.

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.

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

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

* This includes a management fee of £14,928

	General fund £	Designated funds £	Restricted fund £	Total funds 2017 £
Donations				
Other grants	5,000	-	-	5,000
* GNN funding	-	-	160,553	160,553
	5,000	-	160,553	165,553

	General fund £	Designated funds £	Restricted fund £	Total funds 2018 £
3. 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 2017 £
Charitable Activities				
Activity Income	22,583	-	-	22,583
Sundry Income	300	-	260	560
	22,883	-	260	23,143

	General fund £	Designated funds £	Restricted fund £	Total funds 2018 £
3a. Other Income				
Sale of land adjoining 145 Stakes Road, Waterlooville				-
	-	-	-	-

	General fund £	Designated funds £	Restricted fund £	Total funds 2017 £
Other Income				
Sale of land adjoining 145 Stakes Road, Waterlooville	347,963			347,963

	General fund £	Designated funds £	Restricted fund £	Total funds 2017 £

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

	£	£	£	£
Other Income				
Sale of land adjoining 145 Stakes Road, Waterlooville	347,963			347,963
	347,963	0	0	347,963

	General fund £	Designated funds £	Restricted fund £	Total funds 2018 £
4. 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

	General fund £	Designated funds £	Restricted fund £	Total funds 2017 £
Investments				
CBF Deposit Interest	43	39	1	83
CBF Investment fund	15,047	4,106	-	19,153
CBF Property fund	26,524	-	-	26,524
	41,614	4,145	1	45,760

	General fund £	Designated funds £	Restricted fund £	Total funds 2018 £
EXPENDITURE ON				
5. Charitable activities				
Special Publications	1,014	-	6,023	7,037
Training	-	-	94	94
Monitoring & Evaluation	-	-	1,923	1,923
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

	General fund £	Designated funds £	Restricted fund £	Total funds 2017 £
Charitable activities				
Special Publications	1,896	-	4,159	6,055
Training	-	-	101	101
Monitoring & Evaluation	-	-	260	260
rdp programme	-	-	-	-
Other Activity costs	45,302	-	48,028	93,330
Conference expenses	-	-	-	-
Grant to PDBF for Salary costs	41,916	-	64,186	106,102

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

Other staff expenses	5,301	-	5,187	10,488
Office support costs	106	-	-	106
Independent examiner's costs	1,914	-	-	1,914
Legal Costs	12,300	-	-	12,300
Management costs	-	-	14,596	14,596
	108,735	-	136,517	245,252

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

11. Assets by Fund

	Investment Assets £	Current Assets £	Current Liabilities £	Net Assets £
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

	Investment Assets £	Current Assets £	Current Liabilities £	Net Assets £
General fund				
General fund	500	23,624	(16,736)	7,388
Designated funds				
Business Development fund	124,777	(45,088)	-	79,689
Investment for Income fund	935,198	24,962	-	960,160
	1,059,975	(20,126)	-	1,039,849
Restricted funds				
GNN	-	58,376	(12,221)	46,155
Total Funds at 31st December 2017	1,060,475	61,874	(28,957)	1,093,392

Staff Costs

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

At the end of 2018 there were 3.62 fte employees [2017: 2.94]

The trustees received no expenses during the year [2017: £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 2018 this was:

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

Remuneration, pensions and expenses amounted to 32,484 [2017: 31,656]

	General fund £	Designated funds £	Restricted funds £	Total funds 2018 £
6. Analysis of Transfers between Funds				

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

* To transfer costs for special projects from the Business Development as per the 2018 budget

13,500	(13,500)	-	-
13,500	(13,500)	-	-

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

7. Movement of Funds

	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						
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
	At 1st January 2017	Income	Expenditure	Transfers	Gains/ (Losses)	At 31st December 2017
	£	£	£	£	£	£
General fund						
General Fund	21,287	417,460	(108,735)	(322,624)	-	7,388
Designated funds						
Mission Fund	-	-	-	-	-	-
Industrial Mission	-	-	-	-	-	-
Business Development	78,837	4,145	-	(13,339)	10,046	79,689
Investment for Income	586,372	-	-	335,963	37,825	960,160
	665,209	4,145	-	322,624	47,871	1,039,849
Restricted						
GNSS	21,858	160,814	(136,517)	-	-	46,155
	21,858	160,814	(136,517)	-	-	46,155
Total Funds	708,354	582,419	(245,252)	-	47,871	1,093,392

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

8. Investments	At 1st	Additions	Disposals	Change in	At 31st
	January			Market	December
	2018			Value	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

	At 1st	Additions	Disposals	Change in	At 31st
	January			Market	December
	2017			Value	2017
	£	£	£	£	£
Unquoted investment	500	-	-	-	500
General Fund	500	-	-	-	500
CBF Property fund	199,860	276,000	-	2,043	477,903
CBF Investment fund units	501,244	35,000	-	45,828	582,072
Designated Funds	701,104	311,000	-	47,871	1,059,975
Total Funds	701,604	311,000	-	47,871	1,060,475

8. Investments	At 1st	Additions	Disposals	Change in	At 31st
	January			Market	December
	2018			Value	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

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

9. Debtors

	2018	2017
	£	£
Sundry Debtors	9,341	14,065
Accrued investment income	11,605	11,414
Accrued GNN grant income	-	23,203
	20,946	48,682

10. Creditors : amounts falling due within one year

	2018	2017
	£	£
Sundry Creditors	4,214	6,509
Due to PDBF for CSR & costs	6,456	21,198
Deferred GNN Income	50,000	1,250

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

	<u>60,670</u>	<u>28,957</u>
--	---------------	---------------

11. Assets by Fund

	Investment Assets £	Current Assets £	Current Liabilities £	Net Assets £
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
	<u>1,064,887</u>	<u>(29,383)</u>	-	<u>1,035,504</u>
Restricted funds				
GNN	-	113,601	(51,996)	61,605
Total Funds at 31st December 2018	<u>1,065,387</u>	<u>81,497</u>	<u>(60,670)</u>	<u>1,086,214</u>

PORTSMOUTH DIOCESAN COUNCIL FOR SOCIAL RESPONSIBILITY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

	Investment Assets £	Current Assets £	Current Liabilities £	Net Assets £
General fund				
General fund	500	23,624	(16,736)	7,388
Designated funds				
Business Development fund	124,777	(45,088)	-	79,689
Investment for Income fund	935,198	24,962	-	960,160
	1,059,975	(20,126)	-	1,039,849
Restricted funds				
GNN	-	58,376	(12,221)	46,155
Total Funds at 31st December 2017	1,060,475	61,874	(28,957)	1,093,392

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.

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 2018 [2017: Nil]

13. Contingent liabilities

There were no contingent liabilities at 31st December 2018 [2017: 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 [2017 – £75,049]. The PDBF has also supported the work of the PDCSR for several years and in 2018 provided office space for the use of PDCSR.

15. Post Balance Sheet Event

There are no significant Post Balance Sheet events to report.