

PORTSMOUTH
CATHEDRAL

PORTSMOUTH CATHEDRAL

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

ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

PORTSMOUTH CATHEDRAL
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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PORTSMOUTH CATHEDRAL
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

PREFACE

This year's Annual Report and Audited Accounts has been produced in accordance with the 2019 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.

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: info@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 2019

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. We will maintain and protect all the Cathedral's properties and review our energy policies and practices as we work toward the Church of England's commitment to reduce its carbon emissions to zero by 2030: 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.

LOOKING AHEAD TO 2027 – the one hundredth anniversary of the Cathedral

2019 was the last year of the Cathedral's five year Development Plan. Much has been accomplished under the five themes outlined above.

In the ever changing times these guiding principles have anchored the work and mission of the Cathedral since 2014. The Cathedral community now looks forward as a new Vision and Strategy is developed over the first half of 2020.

This new strategy and vision will guide our energies and actions in making the love of God known more widely within the parish, the City of Portsmouth and across the whole Diocese of Portsmouth including the Isle of Wight. As we enter a new decade, it makes sense to have a seven year strategy that will take us to the centenary of the Church of St. Thomas of Canterbury becoming, in 1927, the Cathedral and the Mother Church of the new Diocese of Portsmouth.

PORTSMOUTH CATHEDRAL

ANNUAL REPORT OF THE CHAPTER continued

FOR THE YEAR ENDED 31 DECEMBER 2019

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' services and other major events. The Cathedral also hosts civic occasions of local, national and international importance.

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. The Organist advises colleagues across the Diocese in his role with the RSCM and the Cathedral Organists Association Council.

Besides the regular duties of singing for services at the Cathedral our choirs have contributed to BBC broadcasts, and concerts in and beyond the Diocese including those given on two choir tours one to Iceland and one to Belgium.

With funding from the Radcliffe Trust, the Choir commissioned a Jubilate by Thomas Hewett-Jones. This will be premiered in 2020.

Our education and music staff deliver regular workshops to schools in the Cathedral and across the Diocese.

We are a creative partner of Portsmouth Festivities, the annual series of cultural events held across the city and local area in June.

The Very Reverend Dr. Anthony Cane became the new and third Dean of Portsmouth on 16 March 2019 at a packed installation service, with the choir of Chichester Cathedral singing with our own choirs. The Cathedral community offered a warm welcome, looking forward to his leadership in taking us forward onto the next stage of our Development Plan and moving us towards sustainability.

The year also saw the departure of the Reverend Canon Peter Leonard, Canon Chancellor, who had ably served as Acting Dean from 1 August 2018 until the installation of the new Dean. Canon Peter was licensed, collated and installed as Archdeacon of the Isle of Wight in May 2019 at a service at Newport Minster and welcomed at the Cathedral in September.

On 15 December 2019, the Reverend Canon Kathryn Percival was installed as our new Canon Chancellor. She and her husband James and two children Dominic and Eliza were warmly welcomed during a joyful installation service in the context of Evensong.

2019 also saw the retirement of Peter Sanders after six years as Chapter Clerk. His leaving party including a huge cake in the shape of the Cathedral was an opportunity for everyone to thank him for all he had accomplished over his term. Richard Abraham, previously a business transformation consultant with the Diocese in Europe, began as the new Chief Operating Officer (Chapter Clerk) in early September 2019.

Additionally Tim Sledge, the Cathedral's Head of Fundraising moved on to new challenges during the year. The Cathedral was pleased to appoint Sophie Henstridge-Brown, currently Senior Development Manager for the Royal Opera House, as our new Head of Fundraising and Events. External funding from the Cathedral's Sustainability Fund will cover 90% of the costs of this appointment for three years and the Cathedral is most grateful for this practical assistance from the Church of England. Ms. Henstridge-Brown starts early in 2020.

PORTSMOUTH CATHEDRAL

ANNUAL REPORT OF THE CHAPTER continued

FOR THE YEAR ENDED 31 DECEMBER 2019

MISSION AND REVIEW OF ACTIVITIES (continued)

John Bolt, our Marketing Coordinator, Tim Burnett, from the Liturgy and Music team, Bradley Hill, the Cathedral's maintenance operative, and Sarah Lovatt, from the Education and Outreach team, also moved on to new challenges in 2019. Lay Clerk David Alcindor left the choir in July 2019 to become UK Naval Attaché in Kiev, Ukraine. We thank them all for their service.

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

Transformative Worship

- In line with other cathedrals nationally, attendance at services in Portsmouth has been maintained and attendance at the major festivals remains strong with over 8,000 people attending events and services at the Cathedral throughout Advent and Christmas.
- The Cathedral took part in the national reflection during the period when D-Day 75 was commemorated on Southsea Common in the presence of Her Majesty The Queen and a number of Heads of State and Government. A special act of worship was broadcast live on BBC Radio 4 on Sunday 2 June, and Evensong was recorded on the same day and broadcast later that week.
- The worldwide Mothers' Union met in Portsmouth this year with delegates from around the world attending one of two Eucharists in the Cathedral.
- To mark 100 years since the Baltic Campaign, the Cathedral held a special service of remembrance in the presence the Ambassadors of Estonia and Latvia.
- The Cathedral continues to provide a worshipful centre for our civic life including the Annual City Service, the Service for Seafarers with its procession to Nelson's statue and wreath laying in the Solent, and the annual Royal Marines Band Service Memorial Day Service in October, this year remembering those who died in Deal thirty years ago.
- There was also a special service to celebrate the 25 years of Rowans Hospice and the care they provide for individuals and their families in the local area.
- Toddlers' Service – this continues to do well, with new families most weeks, and provides a valuable support network.
- The Taizé service, held once a month, provides another and different service to draw people in to the knowledge of the love of God for them.
- The Diocesan School Leavers' Services in July under the theme of "Be Inspired" drew schools from across the Diocese.
- The Cathedral Choirs continue to sing regularly each week bringing excellence in choral music to Cathedral worship. The Choirs sang at two Carol Services on-board HMS Victory in the lead up to Christmas.
- Federation of Cathedral Old Choristers' Association met in Portsmouth and the Cathedral was pleased to host its annual festival in June.

Challenging Discipleship

- Annual Theme – this focus has grown with each successive year's theme and during 2019 our 'Living Well' theme explored wellbeing in the modern world, bringing focus onto to issues including mental health, and we were pleased to welcome Ruby Wax to the Cathedral to speak about her new book "How to be human: The Manual." A series of Evensong sermons with the overall title 'Lighten our Darkness' addressed a variety of issues in mental health, and was well supported and warmly received. We look forward now to "2020: Year of Cathedrals. Year of Pilgrimage."
- The 'Living Faith' course introduced to the Diocese by the Rev'd Canon Anthony Rustell, pioneered in the Cathedral in 2016, has continued through 2019 attracting attendance from across the Diocese in addition to nurturing vocations.

PORTSMOUTH CATHEDRAL

ANNUAL REPORT OF THE CHAPTER continued

FOR THE YEAR ENDED 31 DECEMBER 2019

MISSION AND REVIEW OF ACTIVITIES (continued)

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 continue to encourage 'Fairtrade' principles and where possible use or sell 'Fairtrade' goods and items. Themed breakfasts were held during both Fairtrade Fortnight and Christian Aid Week.
- Our enthusiastic team of volunteers (e.g. welcomers, sidespeople, cathedral guides and book shop workers) ensures that all people, especially visitors feel welcomed to the Cathedral. A Volunteer Tea was arranged and served by the staff and hosted by the Dean by way of a small thank you for the amazing work our volunteers contribute to the life of the Cathedral. This was the first for some years and is now planned to become an annual event.
- 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 hosted a wine tasting evening for Laithwaites as well as a Rum Festival in association with Portsmouth Distillery as commercial events to help fund our mission. A Barn Dance fundraiser was also held by the Portsmouth Cathedral Choir Association amongst other fundraising activities in support of the choirs.
- The Cathedral Shop continues to be a source of income and often a 'signpost' to visitor and pastoral care and we are grateful to the Finance Officer and her team of volunteers for the work they do here.
- The annual College of Canons meeting focussed on a report by the Dean summarising the key issues in Cathedral life identified through a series of one-to-one interviews in his first three months.
- Receptions at The Deanery were held for choir parents and staff during the year and for invited guests after each Carol Service.
- During the course of the year each parishes in the Diocese is invited to the Cathedral for a tour, 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.

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 including bringing schools from across Portsmouth together in a massed choir in the Cathedral during 2019.
- Church Plant/Choir Church – continues to work with St James' Church, Milton. Under Musical Director and Administrator. Alastair Ross, the choir even sang at Fratton Park, home of Portsmouth FC, during a match in December this year.
- Education – our educational workshops, managed by our Education Officer and experienced volunteers, continue to be very well received with demand outstripping capacity. A large number of children either experienced our workshops, visited or took part in Cathedral events at their own schools and churches.
- 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 2019 this important outreach continued, with nationally recognised exhibitions. These included two exhibitions by local artist Pete Codling – "Soup of Souls" and "Naivety" - with the former shortlisted for the national Art & Christianity Award for the best temporary installation in a church or cathedral. Peter Marlow's 'The English Cathedral', supported by the Arts Council England was exhibited in the Nave following the annual Portsmouth and Hampshire Art Society Summer Exhibition.

Responsible Stewardship

- Fundraising – with the Head of Fundraising leaving in late spring 2019, activity in the area was much less than anticipated in the 2018 annual report. The Cathedral is grateful to the trusts and individuals who supported the development of the Pop-up Cathedral, an innovative way to take the Cathedral to school children across the Diocese which will be launched in 2020. In the autumn, in conjunction with the installation of the new Canon Chancellor, a fundraising drive to refurbish the South-West door was launched. With the help of funding from the Portsmouth Cathedral Development Trust, the Limoges Trust and many individuals the drive is well on its way to raising the necessary funds.

MISSION AND REVIEW OF ACTIVITIES (continued)

Responsible Stewardship (continued)

- Ongoing Repair Work – In the autumn of 2019 a repairs and maintenance log was launched to better co-ordinate and increase the cost effectiveness of ongoing work. The Cathedral is committed to ongoing repairs and maintenance, protecting the beauty of the buildings, ensuring their conservation buildings and lessening the need for more expensive major works in the future.
- Maintenance and to reduce the need for major works in the future.
- Cathedral House – a long overdue upgrade of the Cathedral's IT was begun late in the year. The existing software will no longer be supported and the move will also assist in ensuring we are data protection compliant.
- Energy Management – we continued throughout 2019 to monitor our Cathedral heating system through our energy consultant and University of Portsmouth, the results of this will inform future decisions on the upkeep and maintenance of the Cathedral.
- Parish Giving Scheme – we continued throughout 2019 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.
- Donation Boxes – the two new boxes proved a popular way for visitors to donate, raising over £15,000
- Eco Church – the Cathedral continues with it's a Rocha's Bronze Award. The announcement that the Church of England aims to be carbon neutral by 2030 provides a welcome challenge.

Energy Carbon Footprint

Since 2015, with support from the University of Portsmouth, 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 Combined Heat and Power (CHP) installation supplying 80% of power to the Becket 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. Publishing the related data as part of this report will, we hope, encourage other cathedrals and churches to do similarly.
- We created a dedicated area on our website for carbon footprint information.

Evolution of our energy carbon footprint 2013-2019 – Cathedral and Cathedral House					
	2019	2018	2017	2016	2013
Scope 1 – Gas consumption tCO2e	92.04	100.89	101.39	99.76	120.87
Scope 2/3 – Purchased electricity tCO2e	16.72	21.40	32.83	51.50	46.68
Total energy GHG emissions tCO2e	108.76	122.29	134.22	151.26	167.55
Actual change v 2013 base year	-35.09%				
Total weather adjusted GHG emissions tCO2e	119.46	130.81	140.39	149.91	151.30
Weather adjusted change v 2013 base year	-21.04%				

The maintenance and repair of the Cathedral and its various properties has continued. All of these works, are 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.

PORTSMOUTH CATHEDRAL

ANNUAL REPORT OF THE CHAPTER continued

FOR THE YEAR ENDED 31 DECEMBER 2019

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. The Cathedral continues to run a significant deficit using reserves to finance its operations. The 2019 deficit of £356,247 was reduced to a net reduction in fund of £166,243 due only to a strong performance in the Cathedral's stocks and shares portfolio which rose by £190,004 which was unrealised and reversible post year end even as the Cathedral drew down £400,000. This does, however, compare favourably with the 2018 deficit of £402,073 before investments reduced the deficit to £339,948. Chapter recognises that this level of deficit is not sustainable and approved a budget in December 2019 for 2020 to reduce the deficit before investment gain/loss to £319,000 in 2020. With new staff in place, including a new Head of Fundraising and Events, a revised plan to bring the Cathedral back to a balanced budget will be presented to Chapter for consideration and approval in May 2020. The Cathedral will also introduce monthly budget monitoring meeting in the first quarter of 2020 to improve financial management.

Material Change since 31 December 2019

The impact of COVID-19 has necessitated a change by Chapter in its approach to deficit reduction. The 2020 budget was set based upon an assumption on increasing revenues through fundraising and events, some expenditure reduction and a stable to positive stock market. Given that revenue projections must prudently be re-forecast at a lower level and the stock market is unlikely to rebound before the Cathedral would need to draw down reserves, Chapter agreed a revised 2020 budget on 29 April 2020 to reduce the deficit to £217,042 in 2020 based primarily upon a reduction in spending. Chapter approved a provisional budget for 2021 based upon revenue figures for 2011, the year before the Groves Legacy was received, of £377,000 (excluding Choir Church) with a planned deficit of £134,000 due in large part to expected COVID-19 related reduction in revenue. We remain committed to maintaining our impact and delivering our charitable objectives despite reduced budgets. All Heads of Departments have signed up to these new budgets and continue working to deliver activities in line with our Mission. Once balanced budgets have been achieved, we aim to grow both revenue and expenditure in a gradual and sustainable manner.

Balance Sheet

The investment property figure of £365,000 is the value of 84 Penny Street, which is let commercially, as an investment property. Our other investments are valued, as of 31 December, at £1,405,000 (£1,614,997 in 2019) 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 £3.0million of tangible fixed assets, identified as property, comprising Cathedral House community facilities and offices, staff flats and clergy housing. The total of our investments and property comes to just under £5.2 million and with shop stock and debtors (outstanding invoices and prepayments at point of audit) gives a total Cathedral funds of just over £5.0 million.

Material change since 31 December 2019

The impact of COVID-19 on Cathedral reserves (CCLA Investments) has been material. These reserves stood at £1,405,000 on 31 December 2019. As of 16 April 2020, after a £100,000 draw down in March, these reserves stood at £1,196,199. Just over 20% of the reserves are held in CCLA Property and this currently is not accessible to be sold at present (as at 30 April 2020)

General

There was no legacy income (as shown in note 2) in 2019 against the budgeted figure of £40,000. The 2020 budget was agreed with no revenue target set for legacy donations; income from investments is nearly £20,000 less on the previous year because of reduction in our total investments; the net book value of our properties has remained materially the same.

PORTSMOUTH CATHEDRAL

ANNUAL REPORT OF THE CHAPTER continued

FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCE (continued)

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.

As the 2020 budget projects an operating deficit, drawdowns from reserves will be required in that year and in 2021. The Finance and Investment Committee and ultimately Chapter will need review its investment policy in light of these drawdowns as work continues toward balancing the budget.

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 with net gain on investment for the year of £190,004 on 31 December 2019. 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 2019 valued at £365,000 and £1.3 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 (£1.3 million) in line with the new 'Strategy and Vision' to be developed by mid-year 2020. The current reserves allocation as outlined below remains in place until updated by Chapter to reflect the new Vision and Strategy:
 - 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 £141,457 given that the designated fund holds in excess of £1.4 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. The five-year Development Plan (2014-2019) expired on 31 December 2019, but remains in place until a new Vision and Strategy formulated in early 2020.

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 will be produced starting in 2020, and used to monitor income against expenditure. Action taken if required to keep accounts within planned budget.

PORTSMOUTH CATHEDRAL

ANNUAL REPORT OF THE CHAPTER continued

FOR THE YEAR ENDED 31 DECEMBER 2019

Risk Management (continued)

- *Failure to achieve balanced budget* – Chapter is committed to seeking ways to generate new income and reduce spending with our new Head of Fundraising and Events scheduled to take up post in February 2020. In the first quarter of 2020, the Chief Operating Officer (Chapter Clerk) will review the operations of the Cathedral with Heads of Departments using a zero-based budgeting approach. In May 2020 a multi-year plan to eliminate the deficit will be presented to Chapter for approval. Post COVID-19 crisis this process has been accelerated as set out on page 8.
- *Failure to manage risk* – The Finance and Investment Committee in October 2019 began the process of reviewing its current mandate and responsibilities with a view to proposing to Chapter that a specific risk and audit committee be added.
- *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 drew to a close in 2019 and Chapter will be working on a strategy for successive years starting in the first quarter of 2020 with a view to publishing a revised Strategy and Vision by June 2020. While the themes of the new strategy will evolve in response to consultation with stakeholders, the theme of financial sustainability will be both one of the main strategic objectives of the Cathedral and a theme that runs through all other strategic objectives

Alongside a new strategy to lead the Cathedral to its centenary in 2027 the Cathedral will continue to strengthen its day-to-day management of financial and personnel resources including by:

- *Financial Sustainability* – a revised plan to eliminate the Cathedral's continued deficits will be presented to Chapter in May 2020 after a zero-based budgeting exercise. This will coincide with the publishing of the new Vision and Strategy.
- *Financial Management* -monthly meetings of the COO and Finance Officer with Heads of Department will be introduced to promote enhanced good financial management.
- *Mindful Employer* -the Cathedral remains a member of this scheme that promotes good practice in relation to the wellbeing of staff and includes appropriate sign posting for help.
- *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 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

In 2019 there was a significant change to the membership of Chapter which enabled the election of two lay members of Chapter at the Annual Parochial Church Meeting and gave a majority of lay members on Chapter. A further change in November 2019 was the creation of a role of Vice Dean.

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 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;

PORTSMOUTH CATHEDRAL

ANNUAL REPORT OF THE CHAPTER continued

FOR THE YEAR ENDED 31 DECEMBER 2019

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 Caroline Hewitt from March to December 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 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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 for England 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, HM Lord-Lieutenant of the Isle of Wight until 25 March 2019 when Mr Nigel Atkinson Esq, HM Lord-Lieutenant of Hampshire became the Chairman.

Members of the PCDT are listed on page 15

PORTSMOUTH CATHEDRAL

ANNUAL REPORT OF THE CHAPTER continued

FOR THE YEAR ENDED 31 DECEMBER 2019

LEGAL AND ADMINISTRATIVE DETAILS

Members of the Chapter

The Very Reverend Dr Anthony Cane *Dean of Portsmouth (from 16 March 2020)*
The Reverend Canon Peter Leonard, *Canon Chancellor (to 17 May 2019) (Acting Dean to 16 March 2019)*
The Reverend Canon Kathryn Percival, *Canon Chancellor and Vice Dean (from 15 December 2019)*
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, *Chair of FIC (to March 2019)*
Mrs Caroline Hewitt, *Chair of FIC (from March until December 2019)*
Mrs Mary Makin, *Chair of FIC (from 22 January 2020)*
Mr Richard Smout
Ms Emma Broome
Mr David Carpenter
Mrs Linda Swinburne *(from 28 April 2019)*
Canon Sheila Picton *(from 28 April 2019)*

In attendance

The Chapter Clerk/Chief Operating Officer
The Churchwardens: Canon Sheila Picton *(to 28 April 2019)*
Canon Susan Ward *(to 28 April 2019)*
The Finance Officer
The Dean's EA as Secretary

Members of the Finance and Investments Committee

Mr John Hill *(Chair) (to March 2019)*
The Reverend Canon Peter Leonard *(as Acting Dean to 16 March 2019)*
The Very Reverend Dr Anthony Cane *(from 16 March 2019)*
Mr Paul Mitchell
Mrs Georgianna Rustell
Mrs Caroline Hewitt *(Chair of FIC from March to December 2019)*
Mrs Mary Makin *(became Chair of FIC from 22 January 2020)*

In attendance

The Chapter Clerk/Chief Operating Officer
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
Emeritus Professor Michael Purvis *(to April 2019)*
Mr Chris Wood
Ms Mel Howse

In attendance

The Acting Dean *(to 16 March 2019)*
The Dean *(from March 2019)*
The Cathedral Architect
The Cathedral Archaeologist
The Chapter Clerk as Secretary to the FAC
Mrs Finni Robertson-Golden – Observer *(until September 2019)*
The Dean's EA as Assistant Secretary to the FAC

PORTSMOUTH CATHEDRAL

ANNUAL REPORT OF THE CHAPTER continued

FOR THE YEAR ENDED 31 DECEMBER 2019

LEGAL AND ADMINISTRATIVE DETAILS (CONTINUED)

Members of the Cathedral Council

Miss Kate Branigan QC, (*Chair*)

The Dean (*from March 2019*)

Canon Peter Leonard as Acting Dean (*to March 2019*)

Canon David Bennison

Councillor Gerald Vernon-Jackson (*to July 2019*)

Councillor Chris Atwell (*from July 2019*)

The Reverend Canon John Draper (*to December 2019*)

The Reverend Canon Bob White (*from December 2019*)

Canon Lucy Docherty

Canon Stuart Forster

Mrs Shirley Grayson-Smith

Mrs Sarah Page

The Reverend Canon Dr Anthony Rustell

Mr Nicholas Speller

Dr. Bryn Hughes

Mr Richard Smout

Dr Simon Kolstoe (*to October 2019*)

The Reverend Connie Sherman (*from October 2019*)

In attendance

The Bishop of Portsmouth

The Chapter Clerk as Clerk to the Council

The Dean's EA as Secretary

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

Mr Peter Sanders (*to July 2019*)

Mr Richard Abraham (as Chief Operating Officer/Chapter Clerk) (*from September 2019*)

Cathedral Offices

64-68 St Thomas's Street

Old Portsmouth

Hampshire

PO1 2HA

Cathedral Organist and Master of the Choristers

David Price

Trustees of the Portsmouth Cathedral Development Trust

Nigel Atkinson Esq – Chairman

The Dean (ex officio)

Mrs Susan Sheldon

Mr John Matthews

Mr Thomas Morton

PORTSMOUTH CATHEDRAL

ANNUAL REPORT OF THE CHAPTER continued

FOR THE YEAR ENDED 31 DECEMBER 2019

LEGAL AND ADMINISTRATIVE DETAILS (CONTINUED)

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

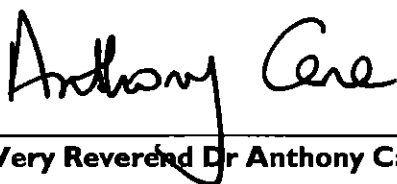
FOR THE YEAR ENDED 31 DECEMBER 2019

LEGAL AND ADMINISTRATIVE DETAILS (CONTINUED)

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 6 May 2020 and signed as authorised on their behalf by:



The Very Reverend Dr Anthony Cane – Dean of Portsmouth

6 May 2020

PORTSMOUTH CATHEDRAL

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

FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Portsmouth Cathedral for the year-ended 31 December 2019 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 2019 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. This description forms part of our auditor's report.

PORTSMOUTH CATHEDRAL

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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
24 July 2020

10 Queen Street Place
London
EC4R 1AG

PORTSMOUTH CATHEDRAL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	General Fund £	Designated Fund £	Restricted Funds £	Endowment Fund £	Total 2019 £	Total 2018 £
Income and endowments from							
Donations and legacies	2	164,962	-	8,224	-	173,186	190,352
Grants receivable in support of mission	3	46,498	-	366,848	-	413,346	512,111
Charges and fees arising in the course of mission	4	31,019	-	-	-	31,019	24,412
Trading and fundraising	5	171,514	-	-	-	171,514	160,969
Investments	6	54,487	-	2,758	-	57,245	75,667
Other Income	7	420	-	-	-	420	-
Total income		<u>468,900</u>	<u>-</u>	<u>377,830</u>	<u>-</u>	<u>846,730</u>	<u>963,511</u>
Expenditure on:							
Raising funds	8	88,490	-	26,343	-	114,833	131,244
Ministry	9	336,208	-	241,989	-	578,197	527,800
Cathedral and precincts upkeep	10	212,200	-	54,064	-	266,264	438,388
Education and outreach	11	57,760	-	49,232	-	106,992	136,940
Community, parish and congregation	12	119,129	-	17,562	-	136,691	131,212
Total Expenditure		<u>813,787</u>	<u>-</u>	<u>389,190</u>	<u>-</u>	<u>1,202,977</u>	<u>1,365,584</u>
Net (expenditure) before investment gains/(losses)		<u>(344,887)</u>	<u>-</u>	<u>(11,360)</u>	<u>-</u>	<u>(356,247)</u>	<u>(402,073)</u>
Investment property gain		-	-	-	-	-	65,000
Net gains/(losses) on investments	15	-	175,542	7,445	7,017	190,004	(2,875)
Net (expenditure)/income		<u>(344,887)</u>	<u>175,542</u>	<u>(3,915)</u>	<u>7,017</u>	<u>(166,243)</u>	<u>(339,948)</u>
Transfers between funds		<u>386,948</u>	<u>(384,964)</u>	<u>(1,984)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>42,061</u>	<u>(209,432)</u>	<u>(5,899)</u>	<u>7,017</u>	<u>(166,243)</u>	<u>(339,948)</u>
Reconciliation of funds							
Total funds brought forward	20	3,220,285	1,902,760	70,996	37,476	5,231,517	5,571,465
Total funds carried forward	20	<u>3,262,346</u>	<u>1,693,338</u>	<u>65,097</u>	<u>44,493</u>	<u>5,065,274</u>	<u>5,231,517</u>

The notes numbered 1 to 25 form part of these financial statements

PORTSMOUTH CATHEDRAL

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	General Fund £	Designated Fund £	Restricted Funds £	Endowment Funds £	Total 2019 £	Total 2018 £
FIXED ASSETS							
Investment assets							
Investment property	15	-	365,000	-	-	365,000	365,000
Other investments	15	1	1,328,338	32,169	44,493	1,405,001	1,614,997
Tangible fixed assets							
Property	16	3,079,620	-	-	-	3,079,620	3,068,368
Fixtures, fittings and equipment	17	108,690	-	-	-	108,690	135,643
TOTAL FIXED ASSETS		3,188,311	1,693,338	32,169	44,493	4,958,311	5,184,008
CURRENT ASSETS							
Stocks		21,590	-	-	-	21,590	18,270
Debtors	18	102,906	-	6,935	-	109,841	61,394
Cash at bank and in hand		17,041	-	25,993	-	43,034	18,859
TOTAL CURRENT ASSETS		141,537	-	32,928	-	174,465	98,523
LIABILITIES DUE WITHIN ONE YEAR							
Creditors: amounts falling due Within one year	19	(67,502)	-	-	-	(67,502)	(51,014)
NET CURRENT ASSETS		74,035	-	32,928	-	106,963	47,509
TOTAL NET ASSETS		3,262,346	1,693,338	65,097	44,493	5,065,274	5,231,517
FUNDS							
Endowment funds	20	-	-	-	44,493	44,493	37,476
Restricted funds	20	-	-	65,097	-	65,097	70,996
Designated fund	20	-	1,693,338	-	-	1,693,338	1,902,760
General fund	20	3,262,346	-	-	-	3,262,346	3,220,285
TOTAL CATHEDRAL FUNDS		3,262,346	1,693,338	65,097	44,493	5,065,274	5,231,517

The notes numbered 1 to 25 form part of these financial statements.

Approved by the Chapter, and authorised for issue on 6 May 2020

A. Cane

Anthony Cane – Dean

M. Makin

Mary Makin – Chair of Finance and Investments Committee

PORTSMOUTH CATHEDRAL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	Total funds	Total funds
	£	£
Cash flows from operating activities (note 25)		
Net cash used in operating activities	(408,081)	(487,541)
Cash flows from investing activities		
Investment income received	57,245	75,667
Purchase of tangible fixed assets	(24,989)	(111,743)
Purchase of investments	-	-
Proceeds from sale of investments	400,000	500,000
Net cash provided by investing activities	<u>432,256</u>	<u>463,924</u>
Change in cash and cash equivalents in year	24,175	(23,617)
Cash and cash equivalents at the beginning of the year	18,859	42,476
Cash and cash equivalents at the end of the year	<u><u>43,034</u></u>	<u><u>18,859</u></u>

The notes numbered 1 to 25 form part of these financial statements.

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 December 2018 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).

Going concern

The financial statements are approved during a period when there is much uncertainty as a result of the global and national COVID-19 crisis. The ultimate impact of the crisis is unclear but the Chapter have remodelled their forecasts and budgets on the assumption of much reduced income and have revised their expenditure plans accordingly. The Chapter has reviewed the funding available to the cathedral, in particular the level of reserves available in relatively liquid form, together with the expected future cashflows for the foreseeable future and a minimum period of 12 months from the balance sheet date. The Chapter considers that there are no material uncertainties over the cathedral's financial viability and that, accordingly, it is appropriate to prepare the accounts on a going concern basis.

Entity status

The Cathedral is an exempt charity and a public benefit entity as defined in FRS102

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

I. ACCOUNTING POLICIES (continued)

Fixed assets

In accordance with the Accounting and Reporting Regulations for English Anglian 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.

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	33⅓%

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

FOR THE YEAR ENDED 31 DECEMBER 2019

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 20 and 21.

Estimation uncertainty and judgements

In the opinion of the Chapter those areas given rise to estimation uncertainty and judgments are: valuation of investment property and depreciation of tangible fixed assets.

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2. DONATIONS AND LEGACIES

2019

2019	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds £
Congregational collections and giving	115,595	-	-	115,595
Donations	26,249	8,224	-	34,473
Tax recoverable under Gift Aid	23,118	-	-	23,118
Total	164,962	8,224	-	173,186

2018

2018	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2018 Total Funds £
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
Total	182,259	8,093	-	190,352

3. GRANTS RECEIVABLE IN THE COURSE OF MISSION

2019	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2019 Total Funds £
Church Commissioners grants	-	279,634	-	279,634
Diocesan grants	16,163	-	-	16,163
Other revenue and capital grants	30,335	87,214	-	117,549
Total	46,498	366,848	-	413,346

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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

2018	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2018 Total Funds £
<i>Church Commissioners grants</i>	-	279,830	-	279,830
<i>Diocesan grants</i>	15,800	-	-	15,800
<i>Other revenue and capital grants</i>	46,281	170,200	-	216,481
	<u>62,081</u>	<u>450,030</u>	<u>-</u>	<u>512,111</u>

4. CHARGES AND FEES ARISING IN THE COURSE OF MISSION

	2019 Total Funds £	2018 Total Funds £
Facility and other fees	<u>31,019</u>	<u>24,412</u>

All funds are unrestricted in the current and preceding year.

5. TRADING AND FUNDRAISING

2019	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Income from fundraising events and appeals	55,563	-	-	55,563
Gross income from shop and other trading activities	60,163	-	-	60,163
Income from lettings of Cathedral and other buildings	55,788	-	-	55,788
Total	<u>171,514</u>	<u>-</u>	<u>-</u>	<u>171,514</u>

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

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

6. INVESTMENT INCOME

2019	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Income from investments	54,487	2,758	-	57,245
	<u>54,487</u>	<u>2,758</u>	<u>-</u>	<u>57,245</u>
2018	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	2018 Total Funds £
Income from investments	72,568	3,099	-	75,667
	<u>72,568</u>	<u>3,099</u>	<u>-</u>	<u>75,667</u>

7. OTHER INCOME

	2019 Total Funds £	2018 Total Funds £
Other income – Solar Panels	420	-
	<u>420</u>	<u>-</u>

All funds are unrestricted in the current and preceding year.

8. RAISING FUNDS

2019	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Gross costs of shop and other trading activities	34,856	-	-	34,856
Costs of fundraising events and appeals	43,011	-	-	43,011
Maintenance of and repairs to other buildings	9,801	-	-	9,801
Investment management costs	822	-	-	822
Support costs	-	26,343	-	26,343
Total	<u>88,490</u>	<u>26,343</u>	<u>-</u>	<u>114,833</u>
2018	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2018 Total Funds £
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
Support costs	15	26,107	-	26,922
	<u>104,337</u>	<u>26,107</u>	<u>-</u>	<u>131,244</u>

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

9 MINISTRY

2019	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Clergy stipends and working expenses	-	99,496	-	99,496
Clergy housing costs	19,907	8,000	-	27,907
Clergy support costs	59,532	4,523	-	64,055
Services and music	256,769	77,287	-	334,056
Support costs	-	52,683	-	52,683
	<u>336,208</u>	<u>241,989</u>	<u>-</u>	<u>578,197</u>

2018	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2018 Total Funds £
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>

10. CATHEDRAL AND PRECINCTS UPKEEP

2019	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Major repairs and restoration	41,039	10,160	-	51,199
Maintenance and interior upkeep	53,648	-	-	53,648
Cathedral insurance	26,834	-	-	26,834
Garden redevelopment	90,679	-	-	90,679
Other costs	-	43,904	-	43,904
Support costs	-	-	-	-
	<u>212,200</u>	<u>54,064</u>	<u>-</u>	<u>266,264</u>

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

10. CATHEDRAL AND PRECINCTS UPKEEP (CONTINUED)

2018	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2018 Total Funds £
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				
Other costs	97,537	-	-	97,537
Support costs	-	44,870	-	44,870
	<u>158,425</u>	<u>279,963</u>	<u>-</u>	<u>438,388</u>

11. EDUCATION AND OUTREACH

2019	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Educational activities	19,543	9,259	-	28,802
Charitable and other giving	19,335	4,850	-	24,185
Other costs	18,882	-	-	18,882
Support costs	-	35,123	-	35,123
	<u>57,760</u>	<u>49,232</u>	<u>-</u>	<u>106,992</u>

2018	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2018 Total Funds £
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>

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

12. COMMUNITY, PARISH AND CONGREGATION

	2019 Total Funds £	2018 Total Funds £
Direct activity costs	119,129	113,264
Support costs	17,562	17,948
	<u>136,691</u>	<u>131,212</u>

The support costs for the current and preceding years are borne by restricted funds.

13. SUPPORT COSTS

2019	Raising Funds £	Ministry £	Cathedral and Precincts £	Education and Outreach £	Community, Parish and Congregation £	2019 Total Funds £
Salaries, recruitment and training costs	7,773	15,545	12,955	10,364	5,182	51,819
Administration	15,655	31,309	26,091	20,873	10,437	104,365
IT	2,915	5,829	4,858	3,886	1,943	19,431
	<u>26,343</u>	<u>52,683</u>	<u>43,904</u>	<u>35,123</u>	<u>17,562</u>	<u>175,615</u>

Included within support costs above is auditor's remuneration of £9,700 plus VAT.

2018	Raising Funds £	Ministry £	Cathedral and Precincts £	Education and Outreach £	Community, Parish and Congregation £	2018 Total Funds £
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 plus VAT.

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

14. STAFF COSTS

	2019 £	2018 £
Salary costs were as follows:		
Salary costs	360,792	356,410
Social security costs	24,052	23,147
Pension costs	16,536	15,000
	401,380	394,557

No employee had emoluments above £60,000 in 2019 or 2018.

	Stipend £	Levy £	NIC £	Pension £	2019 Total £
Stipends					
The Very Reverend Anthony Cane	29,255	130	2,646	9,188	41,219
The Reverend Canon Peter Leonard	10,926	53	1,017	3,625	15,621
The Reverend Canon Joanna Spreadbury	29,061	111	1,920	9,640	40,732
The Reverend Canon Kathryn Percival	1,335	7	135	448	1,925
	70,577	301	5,718	22,901	99,497

	Stipend £	Levy £	NIC £	Pension £	2018 Total £
Stipends					
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
	78,228	351	6,723	25,810	111,112

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 £2,401 (2018 -£3,833) were reimbursed to members of Chapter.

There was an average of 11 (2018: 11) full time and 11 (2018:13) 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 2019 was 15 (2018: 18).

The aggregate remuneration of Key Management Personnel in 2019, including all benefits, was £146,812 (2018: £151,564). This group is defined as the remunerated members of Chapter and the Chapter Clerk/COO.

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

15. INVESTMENTS

	2019 Total Funds £	2018 Total Funds £
Investment Property		
Fair value brought forward	365,000	-
Transfer from Cathedral Use	-	300,000
Revaluation	-	65,000
	<u>365,000</u>	<u>365,000</u>

	2019 Total Funds £	2018 Total Funds £
Other investments		
Fair value brought forward	1,614,997	2,117,872
Additions at cost	-	-
Disposals at proceeds	(400,000)	(500,000)
Gain on revaluation	190,004	(2,875)
	<u>1,405,001</u>	<u>1,614,997</u>
Total investments	<u>1,770,001</u>	<u>1,614,997</u>

Split of investments between funds:

	£	£
Endowment - Friends of Cathedral Music	44,493	37,476
Restricted – Ritchie bequest	32,169	39,761
Designated – Groves legacy	1,693,339	1,902,760
	<u>1,770,001</u>	<u>1,979,997</u>

Investments are held in pooled managed funds as follows:

	£	£
Property (directly owned)	365,000	365,000
CBF CoE Investment Fund Income Shares	1,142,457	1,183,774
CBF CoE Property Fund Income Shares	262,544	431,223
Cash	-	-
	<u>1,770,001</u>	<u>1,979,997</u>

Since the year-end the effect of the COVID-19 crisis has a material effect on investment markets. The other investments at 15 April 2020 have reduced to £1,196,199. The reduction reflects a drawdown of £100,000 and the reduction in market value of the remaining investments. Approximately 80% of that value is readily realisable.

The Chapter is also aware that the COVID-19 crisis has a potential impact on property prices but does not have any current intention to sell the investment property. No adjustment has been made to its value.

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

16. PROPERTY	Unrestricted Funds £	2019 Total Funds £
Cost		
At 1 January 2019	3,080,713	3,080,713
Reclassification		
Additions	22,788	22,788
	<hr/>	<hr/>
At 31 December 2019	3,103,501	3,103,501
	<hr/>	<hr/>
Depreciation		
Accumulated at 1 January 2019	12,345	12,345
Charge for the year	11,536	11,536
	<hr/>	<hr/>
At 31 December 2019	23,881	23,881
	<hr/>	<hr/>
Net Book Value		
At 31 December 2019	3,079,620	3,079,620
	<hr/>	<hr/>
At 31 December 2018	3,068,368	3,068,368
	<hr/>	<hr/>

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

FOR THE YEAR ENDED 31 DECEMBER 2019

17. FIXTURES, FITTING AND EQUIPEMENT

	Fixtures & fittings £	Office Equipment £	Other Equipment £	Total £
Cost				
At 1 January 2019	155,266	49,884	135,340	340,490
Additions	1,488	-	713	2,201
Disposals				
At 31 December 2019	<u>156,754</u>	<u>49,884</u>	<u>136,053</u>	<u>342,691</u>
Depreciation				
Accumulated at 1 January 2019	131,000	49,884	23,963	204,847
Charge for the year	14,713	-	14,441	29,154
On disposals				
At 31 December 2019	<u>145,713</u>	<u>49,884</u>	<u>38,404</u>	<u>234,001</u>
Net Book Value				
At 31 December 2019	<u>11,041</u>	<u>-</u>	<u>97,649</u>	<u>108,690</u>
At 31 December 2018	<u>24,266</u>	<u>-</u>	<u>111,377</u>	<u>135,643</u>

18. DEBTORS

2019	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Invoiced debtors	27,384	-	-	27,384
Prepayments	20,821	-	-	20,821
Accrued income	54,701	6,935	-	61,636
	<u>102,906</u>	<u>6,935</u>	<u>-</u>	<u>109,841</u>
2018	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2018 Total Funds £
Invoiced debtors	24,376	-	-	24,376
Prepayments	9,225	-	-	9,225
Accrued income	6,693	21,100	-	27,793
	<u>40,294</u>	<u>21,100</u>	<u>-</u>	<u>61,394</u>

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

19. CREDITORS: amounts falling due within one year

2019

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Trade creditors	31,805	-	-	31,805
Social security and other taxes	6,671	-	-	6,671
Other creditors	29,026	-	-	29,026
	<u>67,502</u>	<u>-</u>	<u>-</u>	<u>67,502</u>

2018

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2018 Total Funds £
Trade creditors	14,082	-	-	14,082
Social security and other taxes	7,927	-	-	7,927
Other creditors	29,005	-	-	29,005
	<u>51,014</u>	<u>-</u>	<u>-</u>	<u>51,014</u>

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

20. ANALYSIS OF NET MOVEMENTS IN FUNDS

2019

	Total funds brought forward 1 January 2019	Total income	Total expenditure	Gains	Transfer between funds	Total funds carried forward 31 December 2019
	£	£	£	£	£	£
Endowment funds						
Friends of Cathedral Music						
Choir Scholarship	37,476	-	-	7,017	-	44,493
Restricted funds						
Church Commissioners - stipends	-	99,496	(99,496)	-	-	-
Church Commissioners - other	8,000	180,138	(188,138)	-	-	-
Major Fabric Work	-	10,160	(10,160)	-	-	-
QARNNS – Chapel of Healing and Reconciliation	5,692	459	-	-	-	6,151
Ritchie bequest	39,761	1,420	(16,457)	7,445	-	32,169
Sunyani	-	5,125	(4,850)	-	-	275
Monks project	1,000	-	-	-	-	1,000
Let the Building Speak	4,082	-	-	-	-	4,082
Memorial garden	899	-	-	-	-	899
Other restricted funds	1,133	260	-	-	(360)	1,033
Organ Stop	1,624	-	-	-	(1,624)	-
Church Choir project	-	43,524	(43,524)	-	-	-
Cathedral Sing	-	17,250	(11,968)	-	-	5,282
FoCM – Choir Scholarship	-	1,338	(1,338)	-	-	-
Chorister support income	3,800	-	(2,000)	-	-	1,800
Organ Scholarship (Michael James Trust)	-	2,000	(2,000)	-	-	-
Grant towards Volition costs	4,000	-	-	-	-	4,000
Development plan grant income (Artist in Residence)	1,005	1,480	(2,485)	-	-	-
Pop-Up Cathedral	-	11,800	(5,774)	-	-	6,026
Friends Support For Education	-	1,000	(1,000)	-	-	-
South West Doors - crowdfunding	-	2,380	-	-	-	2,380
Total restricted funds	70,996	377,830.00	(389,190)	7,445	(1,984)	65,097
General funds						
Designated fund - William Groves legacy	1,902,760	-	-	175,542	(384,964)	1,693,338
Total unrestricted funds	5,123,045	468,900	(813,787)	175,542	1,984	4,955,684
Total funds	5,231,517	846,730.00	(1,202,977)	190,004	-	5,065,274

Further information on each of the above funds is given in note 22.

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

20. ANALYSIS OF NET MOVEMENTS IN FUNDS (CONTINUED)

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)	-	-	-
Friends of Cathedral Music	-	1,264	(1,264)	-	-	-
Choir support income	-	8,443	(4,643)	-	-	3,800
Grant towards Volition costs	-	4,000	-	-	-	4,000
Development plan grant income (Artist in Residence)	-	13,578	(12,573)	-	-	1,005
Total restricted fund	93,783	464,600	(547,550)	(961)	61,124	70,996
<i>General funds</i>						
Designated fund - William Groves legacy	3,115,154	498,911	(818,034)	-	424,254	3,220,285
	2,324,389	-	-	63,749	(485,378)	1,902,760
Total	5,439,543	498,911	(818,034)	63,749	(61,124)	5,123,045
Total funds	5,571,465	963,511	(1,365,584)	62,125	-	5,231,517

Further information on each of the above funds is given in note 22.

PORTSMOUTH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

21. TRANSFERS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
2019			
Expenditure repaid to unrestricted funds	1,984	(1,984)	-
2018			
Net transfer to restricted funds to cover repairs and works from unrestricted funds	(61,224)	61,224	-

23. 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 grants The stipend grant represents the payment of stipends by the Church Commissioners directly. No cash is received by the Chapter. Other Church Commissioners grants relate to support costs and relocation of clergy

Major Fabric Work Grants for major fabric work include direct grants and claims for irrecoverable VAT under the Listed Places of Worship scheme.

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.

Organ Stop Funds solicited towards the named project

Church Choir project Funds solicited towards the named project

Cathedral Sing project 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.

Cathedral House Gate Repairs Funds solicited towards the named project and fully expended in 2018.

Volition Costs Grant received towards volition costs

Development Plan Grant Income Funds solicited towards the Artist in Residence project.

Pop-Up Cathedral Funds solicited towards the named project

Friends Support for Education Contribution to the costs of educational activities

South West Doors - crowdfunding Funds solicited towards the named project

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

FOR THE YEAR ENDED 31 DECEMBER 2019

23. CAPITAL COMMITMENTS

There were no material amounts contracted for but not provided for at 31 December 2019 or 31 December 2018.

24. 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.

25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO OPERATING CASH FLOW	2019	2018
	Total Funds £	Total Funds £
Net (expenditure) excluding investment gains and losses	(356,247)	(402,073)
Investment income	(57,245)	(75,667)
Loss on disposal of other equipment		800
Operating (deficit)	(413,492)	(476,940)
Depreciation charges	40,690	37,154
(Increase)/decrease in stocks	(3,320)	2,352
(Increase)/decrease in debtors	(48,447)	51,121
Increase/(decrease) in creditors	16,488	(101,228)
Net cash (outflow) from operations	(408,081)	(487,541)

26. POST BALANCE SHEET EVENTS

Since the year-end, the COVID-19 pandemic has had huge impact globally and a major effect on the day-to-day life and future plans of the Cathedral.

The Chapter has disclosed its summary of the impact of page 8 of its report. Further disclosures regarding the impact on its assessment of going concern and regarding investment values has been disclosed in notes 1 and 15 respectively.