



Exeter  
Cathedral

# The Cathedral Church of St Peter in Exeter

Annual Report and Financial  
Statements 2020

For the year ended 31 December 2020







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## Reference and Administrative Information

### Governing statute

The Cathedral's Constitution and Statutes were implemented on 24 November 2001 under the Cathedrals' Measure 1999, and amended on 18 May 2007, 12 March 2014 and 14 January 2016, under the provisions of the Measure.

### The Chapter

The administrative body is the Chapter. The members of the Chapter during the period 1 January 2020 to the date of approval of the annual report and financial statements were as follows:

The Very Reverend Jonathan Greener	Dean
The Reverend Canon Dr Mike Williams (until 29th July 2021)	Canon Treasurer
The Reverend Canon James Mustard	Canon Precentor
The Reverend Canon Dr Chris Palmer	Canon Chancellor
John Endacott FCA (until 5th July 2021)	Chapter Canon
The Venerable Dr Trevor Jones	Chapter Canon
Jenny Ellis CB	Chapter Canon
The Reverend Canon Cate Edmonds	Canon Steward
Giles Frampton (from 6th July 2021)	Chapter Canon

### Address

Cathedral Office  
1 The Cloisters  
EXETER,  
EX1 1HS

### Staff with Management Responsibilities

Administrator	Catherine Escott
Clerk of Works	Christopher Sampson
Director of Music	Timothy Noon
Library and Archive	Lay Canon Ann Barwood BEM
Director of Development	Jill Taylor
Chief Finance Officer	Jonathan Pimperton

### Exeter Cathedral Enterprises Limited

Chairman	The Reverend Canon Dr Mike Williams (Resigned on 29th July 2021)
Director	Catherine Escott
Director	The Very Reverend Jonathan Greener
Director	John Endacott FCA

**Bankers**

National Westminster  
Bank plc  
59 High Street  
EXETER  
EX4 3DL

**Solicitors**

Foot Anstey  
Senate Court  
Southernhay Gardens  
EXETER  
EX1 1NT

Michelmores LLP  
Woodwater House  
Pynes Hill  
EXETER  
EX2 5WR

**Architecture and Archaeology**

Surveyor of Works  
Camilla Finlay RIBA AABC

Consultant Archaeologist  
John Allan

**Auditors**

Haysmacintyre  
10 Queen Street Place  
London  
EC4R 1AG

**Stockbrokers**

Charles Stanley  
Broadwalk House  
Southernhay West  
EXETER  
EX1 1TS

**Investment Managers**

Quilter Cheviot  
One Kingsway  
LONDON  
WC2B 6AN



# Annual report

## Structure, Governance and Management

The Annual Report contains two main areas of information. The first being an overview of the elements which together constitute the corporate body of the Cathedral Church, with particular attention to the activities of the Chapter, its portfolios, statutory committees and constituent operations. The second part includes reports from the independent charitable trusts directly supporting the Cathedral and an outline of the groups and activities that contribute to the enrichment and quality of the ministry of welcome and life of the Cathedral community.

## The Mission of Exeter Cathedral

The Cathedral Church of St Peter is the seat of the Bishop of Exeter and a centre of worship and mission. It is also a seat of teaching.

The Cathedral expresses this role and purpose in the words of its Mission Statement:

**“What does the Lord require of you but to do justice, love mercy and to walk humbly with your God?”**

- Micah 6 Verse 8

Exeter Cathedral exists for the glory of God and as a sign of God’s kingdom. Our Mission is growing in prayer, making disciples and serving people in Devon with joy.

We express this through:

- Daily worship and prayer
- Welcome and pastoral support
- Nurturing disciples
- Learning together
- Serving the community

## Vision for the Cathedral

Our Vision is to offer all who visit us the best possible access to, experience of, and engagement with the historic, cultural and spiritual heritage of Exeter Cathedral.

## Our values

- Loving God and our neighbour
- Welcoming all in a spirit of generous hospitality and kindness
- Respecting the importance of place as the Cathedral serving the city and county
- Willing to learn and grow in faith and service

## **Organisational Structure and Management of the Cathedral**

The life of the Cathedral is governed by its Constitution and Statutes enacted under an Instrument which came into force on 24 November 2001 under the terms of The Cathedrals Measure 1999 (hereinafter called The Measure). The Constitution and Statutes were subsequently amended and the latest revision came into force on 12 March 2014 and again revised on 14 January 2016. A copy of the Constitution and Statutes is available for inspection at the Cathedral Office by appointment with the Administrator or on our website.

Under the Constitution and Statutes, the Body Corporate of the Cathedral must have a Chapter, Council, a College of Canons and a Finance Committee. The first three bodies together make up the body corporate known as 'The Cathedral Church of St Peter in Exeter', with perpetual succession and a common seal. The Chapter has the legal responsibility for directing and managing the life and mission of the Cathedral. In addition, the Cathedral has a Fabric Advisory Committee with statutory authority to consider all matters relating to the fabric and, in prescribed cases, to make determinations allowing or refusing permission to undertake works that alter the historic fabric or appearance of the building. This operates under the provisions of The Care of Cathedrals Measure 2011. A Cathedral Community Committee provides a forum for the Cathedral's worshipping community to comment on aspects of Cathedral ministry and to deal with delegated responsibilities.

## **Investment Powers**

The Chapter has the powers of investment set out in Section 16 of the Cathedral's Measure 1999 and may invest in:

- Land.
- Funds administered by the Central Board of Finance of the Church of England which are managed by CCLA Investment Management Limited.
- Investments in which trustees may invest under the general power of investment in the Trustee Act 2000.
- The improvement or development of any property vested in the Cathedral in limited circumstances and with the consent of the Church Commissioners.

## **The Chapter**

In addition to the Dean, there are currently four Residentiary Canons and three Chapter Canons. Of the four Residentiary Canons, two, plus the Dean are Commissioners' Canons working full-time in the Cathedral with stipends paid by the Church Commissioners.

There are up to four further members of the Chapter known as Chapter Canons, at least three of whom must be lay people, while the fourth may be lay or ordained. During 2020, there were four. The Cathedral does not remunerate the Chapter Canons but they are entitled to claim expenses incurred in the discharge of their duties. Chapter held eleven business meetings within the past year.



### **HR Committee**

The HR committee is chaired by a Chapter Canon and the other members are the Dean, the Canon Treasurer and the Administrator. The committee meets roughly monthly in advance of Chapter meetings. It deals with a mixture of issues relating to individuals, staff welfare and wider policy and organisational issues.

It regularly reviews expenditure on salaries and makes recommendations to Chapter on the creation of new posts. Members of the committee regularly sit on recruitment panels; and the committee keeps procedures under review to ensure that good practice is followed, particularly on safer recruitment.

### **The Cathedral Council**

The Cathedral Council, chaired by Barnabas Hurst-Bannister and with members drawn from the Chapter, the College of Canons, the Cathedral Community Roll and the wider diocese, seeks to support the work of the Cathedral by receiving and considering reports from the Chapter across a whole range of financial and pastoral matters.

During 2020, the Council met four times. Regular agenda items included updates on the effects of Covid-19 on the Cathedral's accessibility and its staff, the Cathedral's financial position, risk and safeguarding.

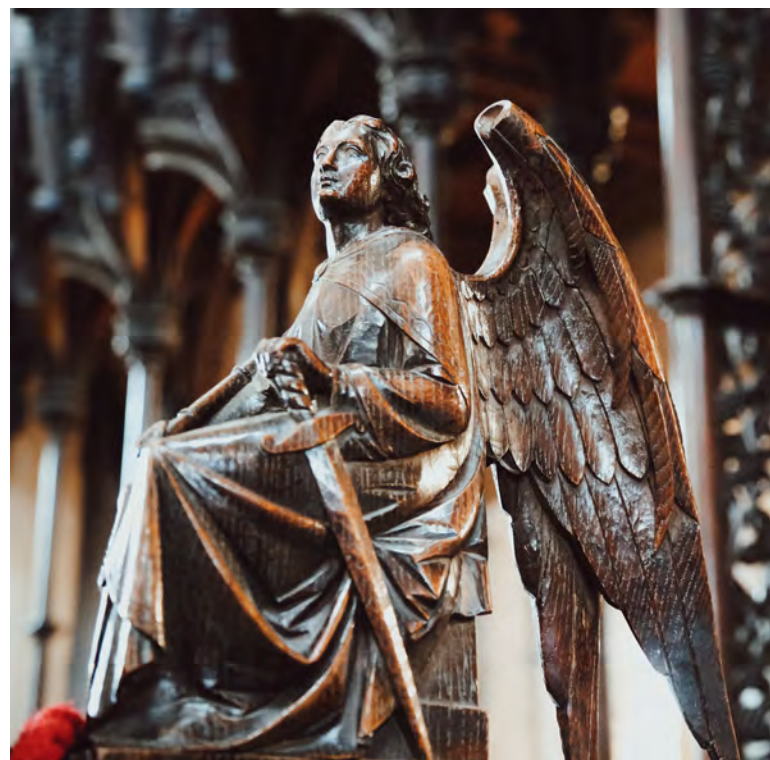
The Council has continued to monitor the progress of the new Cathedrals Measure, which will see, amongst other things, the abolition of the Cathedral Council. For the remainder of its existence the Council will play its part in considering appropriate proposals in connection with any necessary amendments to the Constitution and Statutes of the Cathedral.

### **The College of Canons**

The College is, by Constitution and Statutes, a part of the Cathedral's foundation. It provides a breadth of diocesan experience and involvement in the life of the Cathedral. It consists of up to 26 Prebendaries (drawn from the clergy of the diocese, appointed by the Bishop), Lay Canons and a Canon Theologian, the two Suffragan Bishops of the diocese, the four Archdeacons and all members of the Chapter. The Dean is the College's president and the Bishop of Exeter has a standing invitation to be present when the College meets. The College meets formally twice a year, with an optional third meeting, if required.

### **Public benefit**

The Cathedral is a public benefit entity. The Chapter have complied with their duty to have due regard to the Charity Commission's guidance on public benefit.



# The Dean's report

## **Objectives and activities, achievements and performance**

2020 was a year full of surprises. We had a really good start to the year, ahead of budget, thanks in part to large numbers of visitors to our Sound and Light show; and then in March we heard that we had been successful with our Round 1 application to the National Lottery Heritage Fund. However, before we had the chance to tell anyone our good news, the pandemic had struck, and we had to close our doors, not just for visitors, but for worship too - for the first time ever in peacetime in a 1000 years of our cathedral's history. We were not far into lockdown before we learned that His Royal Highness The Prince of Wales had agreed to become Patron of our Development Appeal. Of course, we were unable to gather to celebrate this fantastic news. Now we were confronted with what the Canon Treasurer described as an existential crisis, with considerable fixed overheads just to keep the cathedral running, and no prospect of earned income for the foreseeable future. With relatively little endowment income, we rely heavily on what we earn from visitors, events and commercial activities, so our prospects looked bleak.

The Cathedral is very fortunate to have two well-endowed independent trusts, who support our work and ministry. The Cathedral's Music Foundation Trust contributes approximately half the annual cost of our music, and they committed themselves to maintaining this contribution through the pandemic. The Friends of the Cathedral have a broader remit, and they made an early additional contribution of £250,000 to help us through these difficult days. It proved to be the first of a number of substantial grants received during the year, which covered our overheads, and allowed us to make some changes to our infrastructure to make us more sustainable for the future. The Government's Cultural Recovery Fund, accessed through a number of different channels, was especially generous, but we were also grateful to a number of individual donations, the

Chancellor's furlough provisions, the Church Commissioners, the Choirs Emergency Fund, and the City Council for enabling us to end the year with only a small operational deficit and a modest overall surplus. Earlier in the year, such a positive outcome had been beyond our wildest imaginings.

Having survived 2020, our concerns were transferred to 2021 - when it appeared likely that fewer Covid-related funding streams would be available. We prepared a cautious budget, which forecast a surplus, dependent on the recovery of visitor income in the second half of the year, and on a successful Christmas Market. Considerable effort has been invested to ensure a covid-safe market environment, but as in 2020, a further wave of Coronavirus and new Government legislation might intervene and prevent this from happening.

## **Mission and Pastoral Care**

The cathedral building is a fundamental part of our mission - it is widely acknowledged that many people who enter cathedrals as visitors leave as pilgrims. It is also the home for a lively and committed Christian community. Therefore, Covid has presented us with the massive challenge of making do without the building and moving online for worship, pastoral care and Christian education and nurture. This has required the purchase of new equipment, technological upskilling and a change of mind-set. We have been seeking for the past three years to grow our congregations at Morning Prayer, so we have been delighted to achieve this with relative ease since transferring the service to Zoom. We have managed to host a number of social events online, and study groups have continued to engage people from even farther afield than normal. Similarly, we have been pleased to attract speakers for our services and teaching online who would not be able to travel to Exeter in person. Music is such an important part of our cathedral life, so the ban on congregational singing, and initial restriction of choirs, caused considerable anguish.

We were proud of our choral scholars who took the initiative to record a daily service of choral compline (night prayer) which was applauded by the national press.

It soon became apparent that a number of the cathedral community have no computer access, so the relatively recently established pastoral care team has proved invaluable for keeping in touch with them by telephone.

Faced with a busy daily schedule, and the demands of a National Lottery Project, which can prove transformational for the cathedral's long-term sustainability, we have to avoid spreading our resources too thinly. Therefore, the Chapter has decided to focus our missional activity for the next five years on the environment. Not only is this a major international concern, it has immediate impact on us since our present carbon footprint is very high, and the heating system is causing long-term damage to the fabric of the cathedral. In the first instance, we are building on our existing relationships with the Met Office and the University of Exeter to develop a programme of education about the science of Climate Change, and our Christian response to it. Our intention is to collaborate in due course with the Diocese of Exeter to roll this out to churches across Devon. It will inevitably have a significant impact on how we use the cathedral and our other properties.

### **Fabric**

Major works are needed over the next few years to the cathedral and to our other properties including those around the Green. After wide consultation, the Chapter decided to start with the Chapter House, installing underfloor heating and a new internal porch, which will improve access and heat retention. This will provide a particularly useful space when works start on the cathedral interior. These works have been grant funded by a number of donors, and will continue until midway through 2021. The adjacent Holy Spirit Chapel is being transformed into a kitchen and volunteers room.

The North Porch is also undergoing major cleaning and restoration. In 2018, a reveller enjoying the World Cup clambered up and pulled down the statue of St Vladimir, decapitating him in the process. The statue was duly

cleaned and repaired, leaving the rest of the porch looking rather shabby. Cleaning the remainder has taken a while because fragments of medieval paint were found; like the West Front, the north porch was originally technicolour, so we had to investigate and record exactly what was there before starting work. It too should be completed midway through 2021.

The other major works taking place has been the investigations for the Lottery Project. A Round 1 grant funds the development phase, allowing necessary tests and investigations to take place, to allow a fully worked up Round 2 grant application. For us, this involves archaeological and other development work in the East End of the cathedral, together with a major dig in the cloister garden to locate the foundations of the original cloister, which was dismantled when the cathedral passed into secular hands during the Commonwealth Era. We were very pleased to identify the original footings, which will allow us to develop a design building on these for a new Cloister Gallery, which will link together the cathedral, the Chapter House and the Pearson building. The Round 2 application will be submitted some time in 2021, depending on how long it takes to formulate our capital works, and raise the necessary match funding. The fundraising is likely to be more protracted than originally hoped, because almost all grant-giving bodies have over the past year focused on emergency Covid relief rather than long-term capital works.

Given the enormous, unprecedented and unforeseen worldwide impact of Covid 19, and the huge changes to social interaction, we consider ourselves fortunate, not just to have survived the past year, but to have opened up new ways of being missional, and to have undertaken considerable amounts of work to the fabric that we had not previously planned to execute at this time. We are enormously grateful to all those who have contributed to our financial sustainability, and to all those who have worked so hard to bring us to this point.

**Jonathan Greener**

# Relationships between chapter, its trusts and committees

## Trusts

The following independent trusts support the Cathedral and its work:

**The Friends of Exeter Cathedral**

Charity Commission No. 207096

**Exeter Cathedral Music Foundation**

Charity Commission No. 297365

## **Friends of Exeter Cathedral** *from Pete Privett, Secretary*

As for every organisation and individual, 2020 also proved to be a year of disruption and distancing for The Friends. However, we were able to continue our work from home and the normal day-to-day operations continued reasonably smoothly. Our Council was able to meet via the Zoom facility and deal with business as well as considering how best to prove ourselves true Friends of the Cathedral during a difficult time. A Council decision was taken to make an exceptional donation of £250k from Friends' funds and we launched a direct appeal to members that was mailed with our Annual report in June that provided over £40k that has also been transferred to the Cathedral. Our usual project specific grant funding continued in 2020 and this totalled £177k.

Sadly, our planned events for last spring and Friends Day had to be postponed and nothing could be arranged for the autumn but we did manage to arrange two events via the Zoom platform in early 2021 and these were well attended and enjoyed by our members.

We hope to arrange an event in the near future on the subject of legacies, not because we are directly looking for members to commit to our cause, but to alert everyone to the importance of drawing up a correctly prepared will. This was brought home to us during a recent bequest distribution where, sadly, none of the 'wills' left by our member were deemed acceptable by the Probate Office and protracted negotiations mean that a substantial proportion of the estate has been consumed by legal fees.

Our membership remains buoyant although the lack of visitors in the Cathedral has probably had an impact on new applications but we are pleased to report that we do still regularly welcome new members who have found joining details via the website.

We look forward to 2021 allowing us to get back to more of a normal year for our members, whose generosity and interest is very much appreciated.

**Exeter Cathedral Music Foundation Trust** *from John Acornley, Chairman*

In 2020 the receipt of donations, events, legacies and investment income totalled £185,000 (2019 - £248,000). The reduction was mainly due to a lack of events as well as a drop in investment income due to the pandemic. Grants to the Cathedral totalled £160,000 (2019 - £160,000).

The investment fund at the end of the year totalled £5,760,000 (2019 - £5,780,000)

Inevitably, the pandemic has had a huge impact on our ability to raise money through concerts and other external events, such as Messiah. Consequently, our income has been considerably reduced and we have to look for more donors and devise other means of boosting our investment fund.

We have however, maintained our annual grant to the Cathedral at the same level as the previous year.

Furthermore, it was pleasing to see that, following a sharp fall in the value of the investment fund at the beginning of the pandemic, the investment fund recovered so that at the end of the year it reached a similar level to that of the previous year.

We are hopeful that, as restrictions are eased during 2021, we will be able to resume fundraising activities and we are pleased that the Music Foundation Trust is showing resilience, given the uncertainties of the past year.



## Statutory committees

The Chapter is additionally supported by the following committees, each of which is either responsible to, or advises, the Chapter:

### **Cathedral Community Committee (CCC)**

*from Heather Morgan, Chair*

Out of necessity, new ways of worship, fellowship and engagement have emerged in the last year or so, and with them, new opportunities, not least in the online community that the Cathedral has gathered in the last few months, many of whom had no previous contact with the Cathedral. How best to respond to that opportunity has occupied the CCC at some length since the last Annual Report in July 2020, most recently at the meeting in May devoted to a talk and discussion led by Professor Grace Davie.

It is very good to be working again on plans for a Year of Invitation and Welcome, starting in September 2021. Already, arrangements are in hand for A Week of Prayer that will run from Sunday 26 September - Saturday 2 October. This will be led by Father George Guiver CR and Sister Elizabeth Jane CSMV. We have also provisionally booked Sunday 10th October for an Open Sunday lunch.

Welcome and Community, the Environment, the Cathedral Development plan & Planned Giving, Living in Love and Faith, and reviewing the working of the CCC were the five key areas of the Action Plan for 2020-2021 identified at the CCC Zoom Away day in November 2020.

The CCC worked with Chapter to promote Living in Love and Faith. Over a 100 people attended the introductory sessions online, and the four Lent Groups were oversubscribed. Feedback has been positive, and more groups are planned for the summer and autumn. A Planned Giving Group is being formed with the purpose of increasing giving, widening ownership of the scheme within the Cathedral Community, and, if possible,

establishing a workable system for outward giving. Safeguarding has continued to be high priority, and it is good to report that all the volunteer groups within the Cathedral Community have now appointed Safeguarding Champions, and that they have had a training session.

The constitution of the CCC will be reviewed in time for elections in the autumn of 2021, and we are in the process of identifying members of the committee to champion the different areas of the action plan. The CCC approved the timetable for the elections of lay representatives to Christianity Deanery Synod- Chris Hampton, Heather Morgan and Carys Puleston were elected. Chris and Carys are very welcome new members of the CCC. Our sincere thanks to Sue Matthews and to Anne Foreman, who have resigned from the Committee, for their immense contribution over many years. Since October 2021, the CCC has met monthly, partly because of the volume of business, and partly to enable shorter more focussed meetings, a necessity when using Zoom.

In November 2021, the focus was on the Wednesday Kitchen. Penny Harris brought the CCC up to date with developments and challenges faced by her team, not least in finding an appropriate venue during lockdown and building work in the Chapter House. The CCC confirmed our commitment to this important part of the Cathedral's outreach, and we were delighted to hear in March that the Wednesday Kitchen is now operating from Cathedral Green using a new trailer, a generous gift from Kenniford Farm.

Through the twists and turns of lockdowns and the gradual return to something approaching normality, the many and varied groups within the Cathedral Community have continued to function as much as possible, to support each other and to support Chapter and the staff in meeting the challenges of the moment. The Pastoral Care Team, the Cathedral News Team, and the Cathedral

Quiz Team, to name but three, have worked hard to keep people in touch with each other and with developments in the life of the Cathedral and its community. Cloister Club has continued online, and our young people were remembered with appropriate gifts in Advent and at Easter.

Three key words in Grace Davie's talk were encourage, invite and welcome. Notwithstanding the difficulties of the past year, there has been much to encourage the Cathedral and its community. We look forward to developing further the ministry of invitation and welcome in the months ahead.

### **Fabric Advisory Committee (FAC)**

*from Alice Risdon, Secretary*

The Fabric Advisory Committee, with members appointed for their expertise by the Cathedrals Fabric Commission for England (CFCE) or by the Dean and Chapter, has an independent role within the cathedral community. The committee is constituted to examine and approve or reject proposals for conservation and repair works to the Cathedral fabric, and to give advice on matters of art, architecture and archaeology to the Chapter, while permanent changes and additions are approved by the CFCE at national level. The committee has expertise in art, archaeology, architecture, architectural history, Cathedral buildings, local history, masonry, medieval history, timber and building conservation, and meets at the Cathedral at least quarterly.

During 2020, the Fabric Advisory Committee met three times, via video conferencing (Zoom) to provide advice on all matters brought forward by the Cathedral related to the care and development of fabric and to consider formal applications made in accordance with the Care of Cathedral Measure.

In response to the Coronavirus pandemic, the CFCE released guidance requiring all meetings to be held via video link. The pandemic caused the cancellation of the planned 17th March meeting and has prevented site visits

from the committee, except via video conferencing software.

The Committee supported six formal applications by the Cathedral to the CFCE:

1. Cyclical treatment and local repairs to the Image Screen on the West Front.
2. North Porch - Programme of conservation, cleaning and local repairs to the North Porch stonework and gates. The works proposed included the re-instatement of the cross to the staff of St Methodius.
3. Archaeology within Cloister Garth (East Cloister walk).
4. Finalised lobby design for the Chapter House.
5. Conservation works to the priority windows in the East End.
6. Archaeological investigations in the East End of the Cathedral, to inform proposals for services.

The Committee approved four applications by the Cathedral to the FAC:

1. Internal repairs to internal monument no.165, dedicated to Henry Seymour.
2. Replacement of the boiler servicing Nos 1, 2, 1A The Cloisters and Cloister Garth.
3. Repairs to internal monument No.101.
4. Repairs to two internal monuments Nos 128 and 42.



### **Consultees:**

The committee has gratefully received comments on formal applications to the FAC from the CFCE, Society for the Protection of Ancient Buildings (SPAB), Historic England (HE) and the Twentieth Century Society.

Mr Andrew Pye, Heritage Officer at Exeter City Council, attended one of the three meetings of FAC during the year as an invited representative of Exeter CC. Mr Pye retired from his position in September 2020 and was succeeded by Mr Owen Cambridge, who attended one of two FAC meetings since his appointment.

### **Funding:**

The committee was pleased that several of the projects that came forward in 2020 received grants from the Friends of Exeter Cathedral. Funding for projects has also been received from:

- The National Lottery Heritage Fund (NLHF)
- Joint Charities Trust (Worshipful Company of Masons)
- The England Fund  
(through the Friends of Exeter Cathedral)
- Viridor Credits Environmental Company
- The Cultural Recovery Fund via NLHF and HE
- Devon Historic Churches Trust

### **Inventory:**

The Cathedral Inventory Working Party reported to the June and September meetings. A representative of the Inventory Working Group, Mrs Diane Walker, presented a stocktake report from the Vault at the September meeting. A collections and disposals policy was authored by Mr John Allan and approved by the committee at the November meeting. Progress on the Inventory continues to be made, particularly in relation to recording the plate, glass and archaeological fragments. The committee would like to express thanks for the Working Party's valuable contributions.

Items submitted for consultation:

Committee members provided valuable comment and advice on ongoing projects including:-

- NLHF Investing in our Welcome Development Project
- Chapel for Justice, Peace and the Integrity of Creation (Chapel of St Paul, North Transept)
- Repairs to the South Quire clerestory
- Fabric Needs Survey 2020
- Monitoring of polychrome to the Sedilia
- Font cover
- Prickett Monument
- Chapter House sculptures
- Paint removal from turret, old Treasury
- Loan to the Mannheim Museum Mayflower Exhibition 2020-2021
- Harvey Monument
- Friends of Exeter Cathedral Notice Stands
- Howe Chairs
- Scott's Presbytery floor
- Collections and Disposals Policy
- Flexible Retail Units (Pearson)
- Chapter House Roof Specialist Investigations
- Structural Report on the South Transept

### **Reports:**

During the year, the committee has been kept up to date on the progress of ongoing projects at the Cathedral through formal reports provided at each meeting by the Cathedral Architect, Mrs Camilla Finlay, and Cathedral Archaeologist, Mr John Allan.



During the course of the year the Archaeologist produced a range of reports for Chapter and the committee which have been sent to Library & Archives and/or Cathedral Friends as appropriate, including:-

- Written Scheme of Investigation for Chapter House and Holy Ghost (Holy Spirit) Chapel
- Written Scheme of Investigation for evaluation excavations in the East Cloister walk
- South Wall of the South Tower
- Vault Stocktake
- Summary of Cloister Investigation
- Written Scheme of Investigation for East End excavations.
- Briefing Note on Scott's floors
- Windows and Glass report
- Archaeological assessment of the Chapel of the Holy Spirit
- Collections and Disposals Policy

#### **Site Visits:**

Due to the coronavirus pandemic, visits to site have been unable to take place. However, there have been a number of virtual site visits hosted via video conferencing software including:

- HE virtual site visit to inspect cloister archaeology (one member of HE on site).
- CFCE virtual site visit to inspect Cloister archaeology.
- HE virtual site visit to inspect East End, Old Vestry, Chapter House and Holy Spirit Chapel investigations.
- CFCE virtual site visit to inspect East End, Old Vestry, Chapter House and Holy Spirit Chapel investigations.

#### **Committee:**

FAC Secretary Gwynneth Hermsen retired from her position in August 2020, and was succeeded by Alice Risdon. Gwynneth was thanked for her work for the committee at the June meeting. There were no other changes to the membership of the committee during 2020. At the latter end of the year, attention was given to the appointment of new members of the Committee to replace those who plan to retire in line with the new quinquennium commencing in March 2021. The CFCE will be approached for their advice and suggestions regarding potential new members.

#### **Finance Committee**

*from John Endacott, Chair*

The Finance Committee is required to meet at least quarterly in order to provide independent advice to the Chapter on the Cathedral's finances and investments. Specific meetings are held to focus on the annual budget and the annual accounts including meeting with the auditors. The Finance Committee is made up of Chapter Canon John Endacott as Chair together with appropriately qualified individuals. With the onset of the pandemic and during the rest of 2020, the Finance Committee met monthly in order to provide more timely support to Chapter.

The focus of the Finance Committee during 2020 was in reviewing the cash flow of the Cathedral and its liquidity position. In addition, the Finance Committee has continued to scrutinise the development plans being put forward to try to help achieve a sustainable funding level for the Cathedral.

## Other committees of chapter

### **Buildings Committee**

A Buildings Committee sits, under the chairmanship of the Chapter, to consider and receive reports on all the Cathedral's building projects and maintenance programmes. During the year, it has regularly monitored the progress of all projects referred to elsewhere in this report.

### **Health and Safety Committee**

A Health and Safety Committee sits regularly to consider all compliance issues, and is supported by a specialist Health and Safety consultant and fire safety adviser. This Committee also has a specific remit to review any accidents reported in the Cathedral and its precincts.

## Related entities

### **Exeter Cathedral Enterprises Limited**

Exeter Cathedral Enterprises Limited is made up of four separate elements; the Cathedral Café, Shop, and Public Car Parking, and from 2017, it operates the Christmas Market on the Cathedral green. The company is governed by a board of directors consisting of members of Chapter and Cathedral Administrator.

The Cathedral Café is located on the ground floor of the Pearson Cloister and is approached from the Cloister Garden. It sells a range of light refreshments and meals, and is fully licensed. In addition, the Café also provides a function catering service, which is used by external customers, as well as by organisations linked to the Cathedral.

The Cathedral Shop is located within the body of the Cathedral and is accessed from the South Quire Aisle. In addition to Cathedral-specific guidebooks and publications, the Shop sells an extensive range of giftware, music, books, postcards and souvenirs. The Café and the Shop continue to generate profit and control costs. We are grateful to all concerned for their contribution in running the shop and café, which are greatly appreciated by many visitors. The Café was forced to close due to the pandemic in 2020, with a reopening date to be confirmed.

The company also oversees the contract for parking management for a limited number of car parking spaces in Deanery Place and Palace Gate, which have proved a valuable source of income.

As a result of the deed of covenant dated 7 May 1993, the company pays to the Chapter an annual sum equal to the company's taxable profit. Due to Covid-19, the 2020 Christmas market was cancelled and no profits were generated for the year, and the covenant payable to Dean and Chapter for the year 2020 was £Nil (2019: £233,672).



## Financial review

Exeter Cathedral (the Cathedral) is an ecclesiastical corporation established for charitable purposes, excepted from registration under Section 10 of the Charities Act 2011. The Chapter is the Cathedral's executive body and is responsible for investment decisions.

During 2020, the Cathedral made a surplus of £716,919 (2019: £612,208), which includes investment gains of £489,621 (2019: £323,289), principally on the endowment and restricted funds. The surplus before investment gains was £227,298 (2019: £288,919). The surplus before investment gains comprises a surplus on restricted funds of £43,538 (2019: £308,779), a deficit on the general fund of £37,259 (2019: deficit of £42,550), and a surplus on designated funds of £221,019 (2019: £22,690). The surplus on designated funds is due to a donation from the Friends of Exeter Cathedral of £250,000 to help the Cathedral through the Covid-19 global pandemic.

Whilst the overall financial position of the Cathedral has improved during the year, the day to day operational funding continues to be very tight and Chapter continues to exercise close cost control and to explore new income generating activities, such as a new mobile catering van purchased in 2021. Since the year-end, the Cathedral continues to respond to the challenges posed by the COVID-19 pandemic and to plan for the future. Against this backdrop, the Chapter are content with the financial position of the Cathedral.

In March 2021, the Cathedral purchased a nearby property 9a The Close for £380,000. The property will form part of the Cathedral's Endowment Fund, and was funded through the sale of Endowment Fund investments in shares and equities.

### Reserves policy

The Cathedral has annual income of approximately £3m from a combination of fund raising, general donations, corporate activities and investment income. The Cathedral's reserves policy is to hold an amount equal to four to six months of planned expenditure as reserves, to ensure continued financial security and to provide for contingencies. Sufficient cash reserves are held to fund day to day expenditure and projects as required.

The Cathedral's reserves policy has been effective throughout the COVID-19 pandemic. Cash reserves have been called upon and the Finance Committee and Chapter have discussed with the investment manager realising equity investments to raise additional cash resources. To date that has not been required and cash reserves together with new grant funding received has been adequate to meet expenditure.

The Chapter consider the financial period end position of £11,105,601 (2019: £10,388,682) comprising £8,062,074 (2019: £7,578,920) of endowment funds, £1,222,128 (2019: £1,165,244) of restricted funds, £781,044 (2019: £560,025) of designated funds and £1,040,355 (2019: £1,084,493) of general funds to be satisfactory. At the period end, the Group had general reserves equal to 5 months of expenditure, which is in line with the reserves policy.

Apart from its properties within the Cathedral Close, which constitute a significant proportion of its balance sheet valuation, the Cathedral has approximately £2.8m of reserves for investment.

The Chapter's investments are in equities and generally held for the long term. The unrestricted element of investments is available for drawdown in exceptional circumstances and at 31 December 2020 totalled £602,786 (2019: £611,820).

The Chapter has delegated investment decisions to the Finance Committee. Investment management is delegated to authorised professional investment managers, regulated by the Financial Conduct Authority (FCA).

### **Investments**

At 31 December 2020, the Cathedral held investments of £2,896,948 of which £1,605,009 was held in an investment portfolio managed by Quilter Cheviot and £995,599 was held in the Central Board of Finance Investment Fund. Permanent endowment and restricted funds, which are not available for the operational running of the Cathedral, totalled £2,218,441.

### **Investment policy**

In order to limit exposure to market fluctuations and to reduce risk, the Chapter has developed an agreed investment policy, which is monitored by the Finance Committee and which is reviewed regularly with the Cathedral's professional fund managers.

The Chapter's investment policy is to produce a balanced combination of growth, some immediate income, and the potential for capital and income growth over the longer term. The Chapter's current investment objective and brief is stated below:

### **Investment objectives:**

- The Cathedral seeks to produce the best financial return with an acceptable level of risk. The investment objective for the long-term reserves is to generate a return of at least 5% per annum in excess of inflation over a 5-7 year term to support the on-going activities of the Cathedral.
- The investment objective for the medium term reserves is the preservation of purchasing power and capital value.
- The investment objective for the short-term reserves is to preserve the capital value with a minimum level of risk. Assets should be readily available to meet unanticipated cash flow requirements.

In order to meet these objectives, the Chapter has chosen Quilter Cheviot Investment Management, CCLA and Charles Stanley Stockbrokers as the Cathedral's professional fund managers.

### **Attitude to risk**

The Cathedral is reliant on income from commercial activities, fund raising and donations to support its mission and operations. Investment assets are held as reserves, whilst the income derived from them is an essential element of the Cathedral's operational income. The key risk to the long-term reserves is inflation, and the assets should be invested to mitigate this risk over the long term. The Chapter understands that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate. The short-term reserves are held to provide financial security and may be required at short notice. As such capital volatility cannot be tolerated and investment of these assets should be focused on minimising this. Ethical investment policy

The Chapter has in mind the Church Commissioners' provisions for ethical investments, as advised by the Ethical Investment Advisory Group (EIAG). The EIAG investment policy precludes direct or indirect investment in companies that generate more than a given percentage of revenues from, for example, alcohol, tobacco and munitions manufacture.

### **Management, Reporting and Monitoring**

The Chapter has nominated a list of authorised signatories, to include the Residentiary Canons, the Chair of the Finance Committee, the Administrator and the Finance Manager, two of whom are required to sign instructions to the investment manager (and one of whom must be a member of Chapter) in the event that additional authority is required.

The investment manager will provide the following information on a quarterly basis: valuation of investments, transaction report, cash reconciliation, performance analysis and commentary. The Finance Committee has responsibility for agreeing

strategy and monitoring the investment assets. The investment manager will be required to present a report in person to the Committee on an annual basis, or more frequently if required.

Performance of the long-term reserves will be measured against inflation and agreed market indices. The return of the short-term reserves will be monitored against benchmark cash rates. The level of capital volatility will be monitored to ensure the risk profile remains appropriate for the Cathedral

### **Approval and review**

This Investment Policy Statement was prepared by the Finance Committee to provide a framework for the management of the Cathedral's reserves. It will be reviewed at least on an annual basis to ensure continuing appropriateness, and any amendments will be submitted to the Chapter for approval.

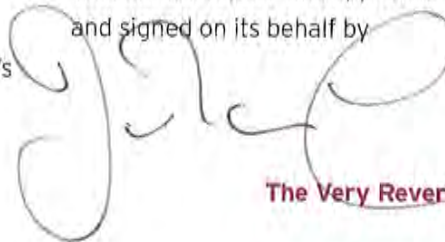
There will be an evaluation of the investment manager's performance at least every five years, to include comparison with alternative managers.

### **Risk management**

The evaluation of risk and its active monitoring and assessment are a priority for the organisation. A comprehensive risk register has been produced and progress against it is regularly reported at Chapter Meetings. Furthermore, all future projects undertaken by the Cathedral will include a significant element of risk management in line with best practice. Key Health and Safety and compliance risks are monitored and progressed through the Health and Safety Committee.

The COVID-19 pandemic has tested the Chapter and its approach to risk management. Throughout much of 2020, Chapter has met weekly by video and, together with, the various sub-committees has worked effectively to respond to the challenges that COVID-19 has presented.

This annual report was approved by Chapter on and signed on its behalf by



**The Very Reverend Jonathan Greener**  
Dean

29 July 2021



## Statement of the responsibilities of Chapter

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 financial statements 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 the regulations on the subject prepared by the Cathedrals Administration and Finance Association on behalf of the Church Commissioners 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 at any time;
- Safeguarding the assets of the Cathedral and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.





## Independent auditors report

### Opinion

We have audited the financial statements of The Cathedral Church of St Peter in Exeter for the year ended 31 December 2020, which comprise the Statement of Financial Statement of Financial Activities, the Balance Sheets, 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 the group's and of the Cathedral's affairs as at 31 December 2020 and of the group's 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 group 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chapter's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Cathedral's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chapter with respect to going concern are described in the relevant sections of this report.

### **Other information**

The Chapter are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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;
- the Cathedral's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the members of Chapter**

As explained more fully in the Chapter Responsibilities statement set out on page 23, the Chapter is 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 the Chapter 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 Chapter is responsible for assessing the group and 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 the Chapter either intends to liquidate the group or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Based on our understanding of the group and its circumstances, we identified that the principal risks of non-compliance with laws and regulations related to the requirements of the Cathedrals Measure 1999, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as income tax, payroll tax and sales tax.

We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks was related to management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- Inspecting correspondence with tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management’s controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at:

**[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)**.

This description forms part of our auditor’s report.

**Use of our report**

This report is made solely to the Cathedral Chapter, as a body, in accordance with section 27 of the Cathedral 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 and the Cathedral Chapter as a body, for our audit work, for this report, or for the opinions we have formed.

  
\_\_\_\_\_  
Auditors Signature

6 August 2021

\_\_\_\_\_  
Date

**Haysmacintyre**  
Statutory Auditor  
10 Queen Street Place  
London  
EC4R 1AG



# Consolidated statement of financial activities

For the year ended 31 December 2020

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>							
Donations and legacies		241,124	2,896	85,737	-	<b>329,757</b>	1,072,600
Grants in support of mission		566,941	255,700	1,300,880	-	<b>2,123,521</b>	647,189
Charges and fees arising in the course of Mission		9,372	-	4,175	-	<b>13,547</b>	32,202
Trading and Fundraising		401,231	5,227	-	-	<b>406,458</b>	1,545,466
Investments		149,981	-	28,186	-	<b>178,167</b>	192,812
Other income		4,939	-	-	-	<b>4,939</b>	19,191
<b>Total income</b>	<b>4</b>	<b>1,373,588</b>	<b>263,823</b>	<b>1,418,978</b>	<b>-</b>	<b>3,056,389</b>	<b>3,509,460</b>
<b>Expenditure on:</b>							
Raising funds		656,632	12,417	163,063	-	<b>832,112</b>	1,472,182
Ministry		258,486	5,700	399,023	-	<b>663,209</b>	860,219
Cathedral and precincts upkeep		395,252	24,687	777,440	-	<b>1,197,379</b>	747,338
Education and outreach		99,446	-	32,993	-	<b>132,439</b>	135,518
Community and congregation		1,031	-	2,921	-	<b>3,952</b>	5,284
<b>Total expenditure</b>	<b>5</b>	<b>1,410,847</b>	<b>42,804</b>	<b>1,375,440</b>	<b>-</b>	<b>2,829,091</b>	<b>3,220,541</b>
<b>Net incoming/(outgoing) resources before investment gains</b>		<b>(37,259)</b>	<b>221,019</b>	<b>43,538</b>	<b>-</b>	<b>227,298</b>	288,919
Unrealised (losses)/gains on investments		(6,879)	-	13,346	23,154	<b>29,621</b>	323,289
Realised gains/(losses) on investments		-	-	-	-	-	-
Gains on revaluation of investment property		-	-	-	460,000	<b>460,000</b>	-
<b>Net (expenditure)/income</b>		<b>(44,138)</b>	<b>221,019</b>	<b>56,884</b>	<b>483,154</b>	<b>716,919</b>	<b>612,208</b>
<b>Other recognised gains:</b>							
Gains on revaluation of fixed assets		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(44,138)</b>	<b>221,019</b>	<b>56,884</b>	<b>483,154</b>	<b>716,919</b>	<b>612,208</b>
<b>Reconciliation of funds:</b>							
Funds brought forward		1,084,493	560,025	1,165,244	7,578,920	<b>10,388,682</b>	9,776,474
<b>Funds carried forward</b>		<b>1,040,355</b>	<b>781,044</b>	<b>1,222,128</b>	<b>8,062,074</b>	<b>11,105,601</b>	<b>10,388,682</b>

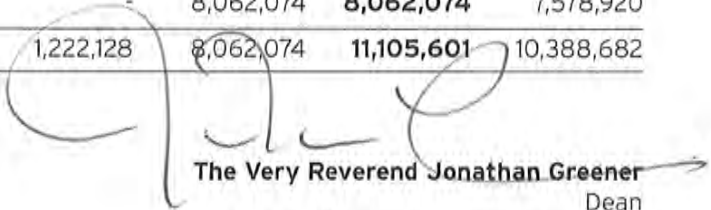
All operations are continuing. There are no recognised gains and losses for the year other than those detailed above. The accompanying notes form an integral part of these financial statements.

## Consolidated balance sheet

As at 31 December 2020

	Notes	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
<b>Fixed assets</b>							
<b>Investment assets</b>							
Property	7	-	-	-	2,515,000	<b>2,515,000</b>	1,530,000
Investments	8	602,786	-	207,414	2,011,027	<b>2,821,227</b>	2,889,464
		<u>602,786</u>	<u>-</u>	<u>207,414</u>	<u>4,526,027</u>	<b>5,336,227</b>	<u>4,419,464</u>
<b>Non-investment assets:</b>							
Property for clergy, virgers & director of music	10	-	-	-	2,680,000	<b>2,680,000</b>	3,205,000
Property for Cathedral use (including library and archives)	11	-	-	-	726,000	<b>726,000</b>	726,000
Equipment and plant	12	54,069	-	392,306	-	<b>446,375</b>	504,020
		<u>54,069</u>	<u>-</u>	<u>392,306</u>	<u>3,406,000</u>	<b>3,852,375</b>	<u>4,435,020</u>
<b>Total fixed assets</b>		<u>656,855</u>	<u>-</u>	<u>599,720</u>	<u>7,932,027</u>	<b>9,188,602</b>	<u>8,854,484</u>
<b>Current assets</b>							
Stocks	13	102,882	-	-	-	<b>102,882</b>	68,519
Debtors	14	75,578	77	202,828	-	<b>278,483</b>	380,376
Cash at bank and in hand		654,922	780,967	419,580	130,047	<b>1,985,516</b>	1,455,043
		<u>833,382</u>	<u>781,044</u>	<u>622,408</u>	<u>130,047</u>	<b>2,366,881</b>	<u>1,903,938</u>
<b>Liabilities due within one year</b>	15	(449,882)	-	-	-	<b>(449,882)</b>	(369,740)
<b>Net current assets</b>		<u>383,500</u>	<u>781,044</u>	<u>622,408</u>	<u>130,047</u>	<b>1,916,999</b>	<u>1,534,198</u>
<b>Net assets</b>		<u>1,040,355</u>	<u>781,044</u>	<u>1,222,128</u>	<u>8,062,074</u>	<b>11,105,601</b>	<u>10,388,682</u>
<b>Funds</b>							
General fund	16	1,040,355	-	-	-	<b>1,040,355</b>	1,084,493
Designated funds	16	-	781,044	-	-	<b>781,044</b>	560,025
Restricted funds	17	-	-	1,222,128	-	<b>1,222,128</b>	1,165,244
Endowment funds	18	-	-	-	8,062,074	<b>8,062,074</b>	7,578,920
<b>Total funds</b>		<u>1,040,355</u>	<u>781,044</u>	<u>1,222,128</u>	<u>8,062,074</u>	<b>11,105,601</b>	<u>10,388,682</u>

Approved by the Chapter and authorised for issue on

  
The Very Reverend Jonathan Greener  
Dean

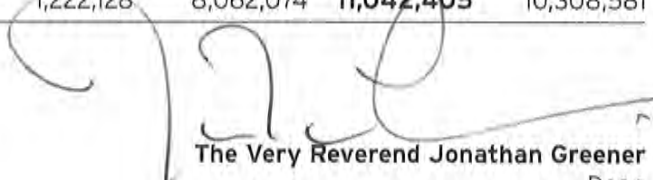
29 July 2021

## Cathedral balance sheet

As at 31 December 2020

		Unrestricted General Funds	Unrestricted Designated Funds	Restricted Funds	Endowment Funds	<b>Total 2020</b>	Total 2019
<b>Fixed assets</b>	Notes	£	£	£	£	£	£
Investment assets							
Property	7	-	-	-	2,515,000	<b>2,515,000</b>	1,530,000
Investments	8	678,507	-	207,414	2,011,027	<b>2,896,948</b>	2,965,185
		<u>678,507</u>	<u>-</u>	<u>207,414</u>	<u>4,526,027</u>	<b><u>5,411,948</u></b>	<u>4,495,185</u>
Non-investment assets:							
Property for clergy, vicars & director of music	10	-	-	-	2,680,000	<b>2,680,000</b>	3,205,000
Property for Cathedral use (including library and archives)	11	-	-	-	726,000	<b>726,000</b>	726,000
Equipment and plant	12	-	-	392,306	-	<b>392,306</b>	419,903
		-	-	392,306	3,406,000	<b>3,798,306</b>	4,350,903
<b>Total fixed assets</b>		<u>678,507</u>	<u>-</u>	<u>599,720</u>	<u>7,932,027</u>	<b><u>9,210,254</u></b>	<u>8,846,088</u>
Current assets							
Stocks	13	2,375	-	-	-	<b>2,375</b>	2,375
Debtors	14	13,545	77	202,828	-	<b>316,450</b>	574,759
Cash at bank & in hand		621,444	780,967	419,580	130,047	<b>1,952,038</b>	1,135,002
		<u>737,364</u>	<u>781,044</u>	<u>622,408</u>	<u>130,047</u>	<b><u>2,270,863</u></b>	<u>1,712,136</u>
<b>Liabilities due within one year</b>	15	<u>(438,712)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<b><u>(438,712)</u></b>	<u>(249,643)</u>
<b>Net current assets</b>		<u>298,652</u>	<u>781,044</u>	<u>622,408</u>	<u>130,047</u>	<b><u>1,832,151</u></b>	<u>1,462,493</u>
<b>Net assets</b>		<u>977,159</u>	<u>781,044</u>	<u>1,222,128</u>	<u>8,062,074</u>	<b><u>11,042,405</u></b>	<u>10,308,581</u>
Funds							
General fund	16	977,159	-	-	-	<b>977,159</b>	1,004,392
Designated funds	16	-	781,044	-	-	<b>781,044</b>	560,025
Restricted funds	17	-	-	1,222,128	-	<b>1,222,128</b>	1,165,244
Endowment funds	18	-	-	-	8,062,074	<b>8,062,074</b>	7,578,920
<b>Total funds</b>		<u>977,159</u>	<u>781,044</u>	<u>1,222,128</u>	<u>8,062,074</u>	<b><u>11,042,405</u></b>	<u>10,308,581</u>

Approved by the Chapter and authorised for issue on

  
The Very Reverend Jonathan Greener  
Dean

29 July 2021

# Consolidated cash flow statement

For the year ended 31 December 2020

	Notes	£	2020 £	£	2019 £
<b>Cash flows from operating activities</b>					
Net cash (outflow)/inflow from operating activities	19		<b>278,693</b>		233,399
<b>Cash flows from investing activities</b>					
Rents received net of costs		<b>63,770</b>		86,111	
Investment income received net of costs		<b>90,153</b>		98,015	
Purchase/sale of property, plant and equipment		-		2,331	
Proceeds from sale of investments		<b>383,534</b>		191,255	
Purchase of investments		<b>(285,677)</b>		(205,368)	
Net cash provided by investing activities			<b><u>251,780</u></b>		<u>172,344</u>
<b>Change in cash and cash equivalents in the reporting period</b>			<b>530,473</b>		405,743
Cash and cash equivalents at the beginning of the reporting period	19		<b><u>1,455,043</u></b>		<u>1,049,300</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	19		<b><u>1,985,516</u></b>		<u>1,455,043</u>



## NOTE 1: Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

### 1.1 Basis of preparation

The financial statements have been prepared in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals, the Accounting and Reporting by Charities: Statement of Recommended Practice (Financial Reporting Standard 102) (SORP (FRS 102)) and applicable accounting standards. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared on the going concern basis. Action is being taken by Chapter to ensure that all financial commitments can be met when they fall due in the current economic circumstances as a result of the COVID-19 pandemic and specifically, Chapter have considered the level of income and expenditure for 12 months from the date of approving these financial statements. In their opinion, the budgeted income and expenditure combined with the reserves held will enable the Cathedral to continue as a going concern.

The financial statements are prepared in sterling which is the functional currency of the Cathedral and is rounded to the nearest £1.

The financial statements of Exeter Cathedral Enterprises Limited have been consolidated in these financial statements on a line by line basis. Income from the following bodies has been included in these financial statements on a receivable basis - the Friends of Exeter Cathedral and Exeter Cathedral Music Foundation Trust. These trusts are independently administered.

Charitable Trusts administered by Exeter Cathedral are separately registered charities and have not been included in these financial statements.

### 1.2 Income recognition policies

All incoming resources are included in the financial statements 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 legacies, entitlement is the earlier of the Cathedral being notified of an impending distribution and the legacy being received. At this point income is recognised. On occasion legacies will be notified to the Cathedral; however, it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed if material.

Income from grants is recognised at fair value when the Cathedral has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then recognition of these amounts is deferred. Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is recognised when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the Cathedral's right to receive payment is established.

### 1.3 Donated services and facilities

Donated services or facilities are recognised as income when the Cathedral has control over the item, any conditions associated with the donated item have been met and the receipt of economic benefit from the use by the Cathedral of the item is probable and can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Cathedral which is the amount the Cathedral would have been willing to pay on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

In accordance with the Charities SORP (FRS 102) general volunteer time is not recognised within the financial statements.

#### **1.4 Resources expended**

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 when there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### **1.5 Repairs, restoration and maintenance of the Cathedral and other buildings**

The cost of repairs, restoration and maintenance of the Cathedral is charged to the statement of financial activities in the year incurred. Provision for the cost of any repairs is made where there is a quantifiable legal obligation to incur the expenditure at the balance sheet date.

#### **1.6 Allocation of support costs**

Support costs are those that assist the work of the Cathedral but do not directly represent charitable activities. Where support costs cannot be directly attributable to a particular heading they have been allocated to activities based on the direct cost they support, subject to adjustments for non-recurring items. The analysis of these costs is included in note 6.

#### **1.7 Operating leases**

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the period of lease.

#### **1.8 Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

*Inventory, fixtures, fittings and equipment* - 4% - 33%

#### *Non-investment property*

No depreciation is provided on freehold land or buildings. The Chapter considers that the useful economic lives of these assets are so long and their residual values are so high, that their depreciation would not be material.

#### **1.9 The Cathedral and the Inventory**

No value is attributed to the Cathedral and the Inventory prepared under S13(1) of the Care of Cathedrals Measure 1990 as being of architectural, archaeological, artistic or historic importance as at 31 December 2002. However, material enhancements to property and items acquired for the inventory after that date are capitalised.

#### **1.10 Investment properties**

Investment properties are measured at fair value at each reporting date with changes recognised in 'net gains/ (losses) on investments' in the statement of financial activities.

#### **1.11 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 if the shares are publically traded or their fair value can otherwise be measured reliably.

For quoted shares, the fair value is deemed to be the quoted bid price as at the balance sheet date.

Investments in subsidiaries are measured at cost less impairment.

#### **1.12 Stocks**

Stocks are stated at the lower of cost and net realisable value.

### **1.13 Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### **1.14 Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### **1.15 Creditors and provisions**

Creditors and provisions are recognised where the Cathedral has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **1.16 Employee benefits**

When employees have rendered service to the Cathedral, short term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Cathedral operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Termination benefits are recognised immediately as an expense when the Cathedral is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### **1.17 Heritage assets**

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the financial statements then heritage assets are not recognised on the balance sheet.

A register of all assets held by the Cathedral is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

### **1.18 Funds**

#### *Unrestricted Funds*

Funds, which can be applied for any of the purposes for which the Chapter was established. The unrestricted fund is the General Fund through which are passed all the regular items of income and expenditure relating to the day-to-day running of the Cathedral.

#### *Designated Funds*

Unrestricted funds set aside for specific purposes and which would otherwise form part of the General Fund.

#### *Restricted Funds*

Funds that have restrictions imposed by donors and can only be applied for the particular purposes specified by donors.

#### *Endowment Funds*

Endowment funds are capital funds which must generally be held indefinitely although the composition can be changed.

### **1.19 Judgements and key sources of estimation uncertainty**

In the application of the Cathedral's accounting policies, the Chapter Members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors as relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## NOTE 2: Prior year consolidated statement of financial activities

	Notes	Unrestricted d Funds £	Designated d Funds £	Restricted d Funds £	Endowment t Funds £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>							
Donations and legacies		326,424	125,766	620,410	-	<b>1,072,600</b>	898,136
Grants in support of mission		-	33,000	614,189	-	<b>647,189</b>	370,815
Charges and fees arising in the course of Mission		32,202	-	-	-	<b>32,202</b>	34,107
Trading and fundraising		1,513,862	14,167	17,437	-	<b>1,545,466</b>	1,539,734
Investments		165,703	-	27,109	-	<b>192,812</b>	179,482
Other income		19,191	-	-	-	<b>19,191</b>	2,943
<b>Total income</b>	<b>4</b>	<b>2,057,382</b>	<b>172,933</b>	<b>1,279,145</b>	<b>-</b>	<b>3,509,460</b>	3,025,217
<b>Expenditure on:</b>							
Raising funds		1,115,922	141,922	214,338	-	<b>1,472,182</b>	1,127,634
Ministry		433,689	8,321	418,209	-	<b>860,219</b>	908,113
Cathedral and precincts upkeep		469,438	-	277,900	-	<b>747,338</b>	893,443
Education and outreach		78,058	-	57,460	-	<b>135,518</b>	142,952
Community and congregation		2,825	-	2,459	-	<b>5,284</b>	6,957
<b>Total expenditure</b>	<b>5</b>	<b>2,099,932</b>	<b>150,243</b>	<b>970,366</b>	<b>-</b>	<b>3,220,541</b>	3,079,099
<b>Net incoming/(outgoing) resources before investment gains</b>		<b>(42,550)</b>	<b>22,690</b>	<b>308,779</b>	<b>-</b>	<b>288,919</b>	(53,882)
Unrealised (losses)/gains on investments		76,224	-	30,581	216,484	<b>323,289</b>	(116,508)
Realised gains/(losses) on investments		-	-	-	-	-	3,969
Gains on revaluation of investment property		-	-	-	-	-	125,000
<b>Net (expenditure)/income</b>		<b>33,674</b>	<b>22,690</b>	<b>339,360</b>	<b>216,484</b>	<b>612,208</b>	(41,421)
<b>Other recognised gains</b>							
Gains on revaluation of fixed assets		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>33,674</b>	<b>22,690</b>	<b>339,360</b>	<b>216,484</b>	<b>612,208</b>	(41,421)
<b>Reconciliation of funds:</b>							
Funds brought forward		1,050,819	537,335	825,884	7,362,436	<b>9,776,474</b>	9,817,895
<b>Funds carried forward at 31 December 2019</b>		<b>1,084,493</b>	<b>560,025</b>	<b>1,165,244</b>	<b>7,578,920</b>	<b>10,388,682</b>	9,776,474

### NOTE 3: Financial performance of the Cathedral

The consolidated statement of financial activities includes the results of the Cathedral's wholly owned subsidiary.

The summary financial performance of the Cathedral alone is:

	2020 £	2019 £
Income	<b>2,860,618</b>	2,695,731
Deed of covenant from subsidiary	-	233,672
	<b>2,860,618</b>	2,929,403
Expenditure	<b>(2,616,415)</b>	(2,607,998)
Net gains on investments	<b>29,621</b>	323,289
Gains on revaluation of fixed assets	<b>460,000</b>	-
<b>Net (expenditure)/income</b>	<b>733,824</b>	644,694
Total funds brought forward	<b>10,308,581</b>	9,663,887
<b>Total funds carried forward</b>	<b>11,042,405</b>	10,308,581
<b>Represented by:</b>		
General funds	<b>977,159</b>	1,004,392
Designated funds	<b>781,044</b>	560,025
Restricted funds	<b>1,222,128</b>	1,165,244
Endowment funds	<b>8,062,074</b>	7,578,920
	<b>11,042,405</b>	10,308,581

**NOTE 4: Income and receipt of endowment from:**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	<b>Total 2020 £</b>	Total 2019 £
<b>Donations and legacies</b>					
Congregational collections and giving	106,323	-	-	<b>106,323</b>	141,087
Donations	86,507	2,667	42,860	<b>132,034</b>	349,939
Tax recoverable under Gift Aid	48,294	229	3,343	<b>51,866</b>	63,931
Income from Friends and local trusts	-	-	38,334	<b>38,334</b>	441,643
Legacies	-	-	1,200	<b>1,200</b>	76,000
	<u>241,124</u>	<u>2,896</u>	<u>85,737</u>	<b><u>329,757</u></b>	<u>1,072,600</u>
<b>Grants</b>					
Church Commissioners	-	-	386,487	<b>386,487</b>	300,240
Income from Friends and local trusts	-	250,000	-	<b>250,000</b>	-
Other revenue and capital grants	566,941	5,700	914,393	<b>1,487,034</b>	346,949
	<u>566,941</u>	<u>255,700</u>	<u>1,300,880</u>	<b><u>2,123,521</u></b>	<u>647,189</u>
<b>Charges and fees arising in the course of the mission</b>					
Facility and other fees	9,372	-	4,175	<b>13,547</b>	32,202
	<u>9,372</u>	<u>-</u>	<u>4,175</u>	<b><u>13,547</u></b>	<u>32,202</u>
<b>Trading and fundraising</b>					
Charges to visitors	119,792	-	-	<b>119,792</b>	455,435
Income from lettings of cathedral or other buildings	72,775	5,227	-	<b>78,002</b>	162,347
Other trading activities	208,664	-	-	<b>208,664</b>	927,684
	<u>401,231</u>	<u>5,227</u>	<u>-</u>	<b><u>406,458</u></b>	<u>1,545,466</u>
<b>Investments</b>					
Income from investment property	83,365	-	-	<b>83,365</b>	88,870
Income from other investments	66,194	-	28,186	<b>94,380</b>	103,216
Interest receivable on short term deposits	422	-	-	<b>422</b>	726
	<u>149,981</u>	<u>-</u>	<u>28,186</u>	<b><u>178,167</u></b>	<u>192,812</u>
<b>Other incoming resources</b>					
Other items	4,939	-	-	<b>4,939</b>	19,191
<b>Total income</b>	<u>1,373,588</u>	<u>263,823</u>	<u>1,418,978</u>	<b><u>3,056,389</u></b>	<u>3,509,460</u>

**NOTE 5: Expenditure on:**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	<b>Total 2020 £</b>	Total 2019 £
<b>Raising funds</b>					
Costs of facilities for visitors	125,916	-	54,402	<b>180,318</b>	323,671
Costs of services directly recoverable	2,953	-	-	<b>2,953</b>	6,693
Other trading activities	294,158	-	-	<b>294,158</b>	724,119
General Marketing	66,265	-	-	<b>66,265</b>	40,822
Costs of fundraising	301	12,417	99,298	<b>112,016</b>	206,922
Investment property costs	24,144	-	-	<b>24,144</b>	2,759
Investment management costs	-	-	-	<b>-</b>	5,927
Allocation of support costs	142,895	-	9,363	<b>152,258</b>	161,269
	<b>656,632</b>	<b>12,417</b>	<b>163,063</b>	<b>832,112</b>	<b>1,472,182</b>
<b>Ministry</b>					
Clergy stipends and working expenses	4,612	-	142,716	<b>147,3281</b>	58,704
Clergy housing costs	17,697	-	-	<b>17,697</b>	35,775
Clergy support costs	38,279	-	-	<b>38,279</b>	39,635
Cost of services	13,658	-	5,857	<b>19,515</b>	81,465
Cost of music	100,238	-	227,538	<b>327,776</b>	407,891
Donations paid to Trust	-	5,700	-	<b>5,700</b>	21,104
Allocation of support costs	84,002	-	22,912	<b>106,914</b>	115,639
	<b>258,486</b>	<b>5,700</b>	<b>399,023</b>	<b>663,209</b>	<b>860,219</b>
<b>Cathedral and precincts upkeep</b>					
Works funded by trusts and others	6,054	-	615,788	<b>621,842</b>	186,045
Maintenance and interior upkeep	222,476	24,687	78,678	<b>325,841</b>	339,883
Cathedral insurance	24,921	-	38,334	<b>63,255</b>	61,849
Precincts, security & gardens upkeep	14,130	-	-	<b>14,130</b>	30,243
Allocation of support costs	127,671	-	44,640	<b>172,311</b>	129,318
	<b>395,252</b>	<b>24,687</b>	<b>777,440</b>	<b>1,197,379</b>	<b>747,338</b>
<b>Education and outreach</b>					
Educational activities	29,672	-	-	<b>29,672</b>	36,125
Library & archives	37,651	-	31,099	<b>68,750</b>	82,438
Other	-	-	-	<b>-</b>	-
Allocation of support costs	32,123	-	1,894	<b>34,017</b>	16,955
	<b>99,446</b>	<b>-</b>	<b>32,993</b>	<b>132,439</b>	<b>135,518</b>
<b>Community</b>					
	1,031	-	2,921	<b>3,952</b>	5,284
<b>Total Expenditure</b>	<b>1,410,847</b>	<b>42,804</b>	<b>1,375,440</b>	<b>2,829,091</b>	<b>3,220,541</b>

**NOTE 6: Administrative expenses included in statement of financial activities**

	Raising Funds £	Ministry £	Cathedral and precinct upkeep £	Education and outreach £	Community and congregation £	<b>Total 2020 £</b>
<i>Unrestricted funds:</i>						
The Cloisters premises costs	1,546	908	1,380	347	4	<b>4,185</b>
Compliance costs	10,454	6,146	9,341	2,350	24	<b>28,315</b>
Staff costs	62,651	36,830	55,976	14,084	146	<b>169,687</b>
Professional and consulting costs	14,549	8,553	12,999	3,271	34	<b>39,406</b>
Audit and accountancy fees	5,382	3,164	4,808	1,210	12	<b>14,576</b>
Printing, postage and stationery costs	3,362	1,976	3,004	756	8	<b>9,106</b>
Conference, subscriptions, travel and subsistence	3,479	2,045	3,109	782	8	<b>9,423</b>
Information technology costs	17,162	10,089	15,334	3,858	40	<b>46,483</b>
Bank charges	781	459	697	176	2	<b>2,115</b>
Cleaning costs	55	32	50	12	-	<b>149</b>
Operational and sundry costs	23,474	13,800	20,973	5,277	55	<b>63,579</b>
	<b>142,895</b>	<b>84,002</b>	<b>127,671</b>	<b>32,123</b>	<b>333</b>	<b>387,024</b>
<b>Restricted funds:</b>						
Staff costs	9,363	22,912	44,640	1,894	168	<b>78,977</b>
	<b>9,363</b>	<b>22,912</b>	<b>44,640</b>	<b>1,894</b>	<b>168</b>	<b>78,977</b>

Administration expenses of £466,001 (2019: £424,016) have been apportioned in line with expenditure (adjusted for material distortions).

**PART 7: Investment property - Group and Cathedral**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	<b>Total £</b>
<i>Valuation</i>					
At beginning of year	-	-	-	1,530,000	<b>1,530,000</b>
Reclassification (Note 10)	-	-	-	525,000	<b>525,000</b>
Revaluation	-	-	-	460,000	<b>460,000</b>
At end of year	-	-	-	2,515,000	<b>2,515,000</b>

The above freehold properties were valued by Savills (L&P) Limited, Chartered Surveyors at open market value for existing use on 14 April 2021.

During the year, one property was reclassified out of 'property for use by clergy, virgers and director of music' (note 10) and into investment property. This was due to a change of use; the property became privately rented out on a commercial basis and was therefore classed as investment property at the end of the year.



**NOTE 8: Investments**

<b>Group</b>	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	<b>Total £</b>
<i>Market value</i>					
At beginning of year	611,822	-	194,068	2,083,574	<b>2,889,464</b>
Additions	107,276	-	-	178,400	<b>285,676</b>
Disposals	(109,433)	-	-	(274,101)	<b>(383,534)</b>
Revaluation	(6,879)	-	13,346	23,154	<b>29,621</b>
At end of year	<u>602,786</u>	<u>-</u>	<u>207,414</u>	<u>2,011,027</u>	<b><u>2,821,227</u></b>

**Cathedral**

<i>Market value</i>					
At beginning of year	687,543	-	194,068	2,083,574	<b>2,965,185</b>
Additions	107,276	-	-	178,400	<b>285,676</b>
Disposals	(109,433)	-	-	(274,101)	<b>(383,534)</b>
Revaluation	(6,879)	-	13,346	23,154	<b>29,621</b>
At end of year	<u>678,507</u>	<u>-</u>	<u>207,414</u>	<u>2,011,027</u>	<b><u>2,896,948</u></b>

<b>Group</b>	Listed Investments £	Unlisted Investments £	<b>Total £</b>
<i>Market value</i>			
At beginning of year	1,629,068	1,260,396	<b>2,889,464</b>
Additions	285,676	-	<b>285,676</b>
Disposals	(291,417)	(92,117)	<b>(383,534)</b>
Revaluation	(18,319)	47,940	<b>29,621</b>
At end of year	<u>1,605,008</u>	<u>1,216,219</u>	<b><u>2,821,227</u></b>

<b>Cathedral</b>	Shares in subsidiary undertaking £	Listed Investments £	Unlisted Investments £	<b>Total £</b>
<i>Market value</i>				
At beginning of year	75,721	1,629,068	1,260,396	<b>2,965,185</b>
Additions	-	285,676	-	<b>285,676</b>
Disposals	-	(291,417)	(92,117)	<b>(383,534)</b>
Revaluation	-	(18,319)	47,940	<b>29,621</b>
At end of year	<u>75,721</u>	<u>1,605,008</u>	<u>1,216,219</u>	<b><u>2,896,948</u></b>

## NOTE 9: Exeter Cathedral Enterprises Limited

The Cathedral's wholly owned trading subsidiary, Exeter Cathedral Enterprises Limited is incorporated in England and Wales (company number 01868645) and pays all of its taxable profits to the Cathedral under a deed of covenant. The financial statements for the year ended 31 December 2020 were audited and the audit report was unqualified.

A summary of the trading results are shown below:

	2020 £	2019 £
Turnover	<b>210,868</b>	879,254
Cost of sales and administrative expenses	<b>(227,987)</b>	(678,502)
Interest receivable	<b>201</b>	434
Net profit	<b>(16,918)</b>	201,186
Covenant payable to Cathedral	-	(233,672)
Retained in subsidiary	<b>(16,918)</b>	(32,486)

The assets and liabilities of the subsidiary were:

	2020 £	2019 £
Fixed assets	<b>54,069</b>	84,117
Current assets	<b>134,651</b>	436,927
Current liabilities	<b>(49,816)</b>	(365,222)
Total net assets	<b>138,904</b>	155,822
Aggregate share capital and reserves	<b>138,904</b>	155,822

Advantage is taken of the exemption under FRS102 from disclosure of intra-group transactions with the wholly owned trading subsidiary.

## NOTE 10: Property for use by clergy, virgers and director of music - Group and Cathedral

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	<b>Total £</b>
Valuation					
At beginning of the year	-	-	-	3,205,000	<b>3,205,000</b>
Reclassification (Note 7)	-	-	-	(525,000)	<b>(525,000)</b>
At end of year	-	-	-	2,680,000	<b>2,680,000</b>

The freehold property was valued by Drew Pearce, Chartered Surveyors at open market value for existing use on 31 March 2014. The Chapter is of the opinion that the value of these properties are not impaired from this valuation as at 31 December 2020.

No value has been attributed to the shop and cafe, which are both within the main Cathedral building.

**NOTE 11: Property for Cathedral use (including library and archives) - Group and Cathedral**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	<b>Total £</b>
<i>Valuation</i>					
At beginning of the year	-	-	-	726,000	<b>726,000</b>

The freehold property was valued by Drew Pearce, Chartered Surveyors at open market value for existing use on 25 March 2015. The Chapter is of the opinion that the values have not changed significantly at 31 December 2020.

**NOTE 12: Equipment and plant**

<b>Group</b>	Designated Funds £	Restricted Funds £	<b>Total £</b>
<b>Cost</b>			
At beginning of year	209,397	696,053	<b>905,450</b>
Additions	-	-	-
Disposals	-	-	-
At end of year	<b>209,397</b>	<b>696,053</b>	<b>905,450</b>
<b>Depreciation</b>			
At beginning of year	125,280	276,150	<b>401,430</b>
Charge for year	30,048	27,597	<b>57,645</b>
Disposals	-	-	-
At end of year	<b>155,328</b>	<b>303,747</b>	<b>459,075</b>
<b>Net book value</b>			
<b>At end of year</b>	<b>54,069</b>	<b>392,306</b>	<b>446,375</b>
At beginning of year	84,117	419,903	<b>504,020</b>
<b>Cathedral</b>	Unrestricted Funds £	Restricted Funds £	<b>Total £</b>
At beginning and end of year	-	696,053	<b>696,053</b>
<b>Depreciation</b>			
At beginning of year	-	276,150	<b>276,150</b>
Charge for year	-	27,597	<b>27,597</b>
At end of year	-	<b>303,747</b>	<b>303,747</b>
<b>Net book value</b>			
<b>At end of year</b>	-	<b>392,306</b>	<b>392,306</b>
At beginning of year	-	419,903	<b>419,903</b>

**NOTE 13: Stocks**

	<b>Group 2020 £</b>	2019 £	<b>Cathedral 2020 £</b>	2019 £
Building materials	<b>2,375</b>	2,375	<b>2,375</b>	2,375
Goods for resale	<b>100,507</b>	66,144	-	-
	<b>102,882</b>	68,519	<b>2,375</b>	2,375

**NOTE 14: Debtors**

	<b>Group 2020 £</b>	2019 £	<b>Cathedral 2020 £</b>	2019 £
Exeter Cathedral Enterprises Limited	-	-	<b>40,478</b>	244,809
Recoverable taxation	<b>7,879</b>	23,317	<b>7,879</b>	23,317
Trade and other debtors	<b>39,707</b>	71,734	<b>37,196</b>	66,992
Prepayments and accrued income	<b>153,178</b>	193,928	<b>153,178</b>	156,368
VAT	<b>29,599</b>	8,124	<b>29,599</b>	-
Friends of Exeter Cathedral	<b>48,120</b>	83,273	<b>48,120</b>	83,273
	<b>278,483</b>	380,376	<b>316,450</b>	574,759

**NOTE 15: Liabilities due within one year**

	<b>Group 2020 £</b>	2019 £	<b>Cathedral 2020 £</b>	2019 £
Trade creditors	<b>205,864</b>	222,555	<b>203,093</b>	162,408
Taxation & social security	<b>27,894</b>	23,438	<b>23,982</b>	21,271
Other creditors	<b>1,376</b>	8,137	<b>1,264</b>	8,137
Accruals and deferred income	<b>214,748</b>	105,804	<b>210,373</b>	48,021
Exeter Cathedral Music Foundation Trust	-	9,806	-	9,806
	<b>449,882</b>	369,740	<b>438,712</b>	249,643

**NOTE 16: Unrestricted and designated funds**

<b>Group</b>	At beginning of year £	Income £	Expenditure £	Transfers £	Gains and losses £	<b>At end of year £</b>
<i>Designated funds:</i>						
Development Fund	560,025	258,123	(37,104)	-	-	<b>781,044</b>
Harrington Choristers Bursaries	-	5,700	(5,700)	-	-	-
	<u>560,025</u>	<u>263,823</u>	<u>(42,804)</u>	<u>-</u>	<u>-</u>	<b><u>781,044</u></b>
<i>General fund</i>	1,084,493	1,373,588	(1,410,847)	-	(6,879)	<b>1,040,355</b>
	<u>1,644,518</u>	<u>1,637,411</u>	<u>(1,453,651)</u>	<u>-</u>	<u>(6,879)</u>	<b><u>1,821,399</u></b>

**Cathedral**

Designated funds	<b>781,044</b>
General Fund	<b>977,159</b>
	<b><u>1,758,203</u></b>

**Details of designated funds:**

**Development Fund** - Funds designated to improve the visitor experience at the Cathedral.

**Harrington Choristers Bursaries** - Funds designated for chorister bursaries.

## NOTE 17: Restricted funds - Group and Cathedral

	At beginning of year	Income	Expenditure	Transfers	Gains/ (losses)	At end of year
	£	£	£	£	£	£
Exeter Cathedral Music Foundation Trust	-	160,000	(160,000)	-	-	-
Friends of Exeter Cathedral	-	213,555	(213,555)	-	-	-
Church Commissioners	-	361,486	(348,356)	-	-	13,130
Allchurches Trust	-	53,500	(32,998)	-	-	20,502
Headley Trust	2,636	-	-	-	-	2,636
European Funding - VISTA AR project	-	43,127	(36,564)	-	-	6,563
Chapter House project funding	220,000	4,156	(109,544)	-	-	114,612
Covid-19 Adaptation Projects	-	198,215	(123,861)	-	-	74,354
Welcome Project - Development Phase	-	194,663	(194,663)	-	-	-
Historic England - Restoration Works South Aisle Roof & East End Windows	-	50,186	(50,186)	-	-	-
North Porch Restoration	-	20,000	(12,152)	-	-	7,848
Organ Fund	7,468	403	-	-	-	7,871
Library Fund	135,531	22,662	(21,821)	-	-	136,372
Fabric funds	147,992	13,902	(8,793)	-	12,223	165,324
Chorister Outreach Programme	35,693	2,709	(4,737)	-	-	33,665
Music funds	65,185	36,072	-	-	-	101,257
Walker Memorial	4,096	5,255	(831)	-	-	8,520
Liturgy/mission funds	37,506	489	(6,509)	-	1,123	32,609
Stubbs legacy	5,101	-	-	-	-	5,101
Image Screen	2,703	-	-	-	-	2,703
Education donation	1,750	96	-	-	-	1,846
Chapter Discretionary Fund	5,766	-	-	-	-	5,766
Holy Ground	-	614	(192)	-	-	422
SOAR & Wednesday Café	8,385	1,664	(2,227)	-	-	7,822
Sundays @7	2,044	675	(21)	-	-	2,698
Visitor leaflets	781	-	-	-	-	781
Choir Tour Funds	976	328	(404)	-	-	900
Nativity	3,324	-	-	-	-	3,324
Music legacy	42,623	-	-	-	-	42,623
Stonemasons Education Fund	-	3,375	(3,375)	-	-	-
USA Choir Tour fund	7,627	14,533	-	-	-	22,160
Donations & Legacies to ECMFT	-	5,195	(3,439)	-	-	1,756
Exeter Cathedral Choir Association	5,003	807	(588)	-	-	5,222
Library Apprenticeship	-	1,300	(1,300)	-	-	-
Cath, Comm. Discretionary fund	651	-	(527)	-	-	124
Piano fund	-	10,011	(8,700)	-	-	1,311
Guide Books	2,500	-	(2,500)	-	-	-
<b>Capital funds</b>						
Library Capital Fund	419,903	-	(27,597)	-	-	392,306
	1,165,244	1,418,978	(1,375,440)	-	13,346	1,222,128

## **NOTE 17: Restricted funds - Group and Cathedral - continued**

### **Details of restricted funds:**

#### **Exeter Cathedral Music Foundation Trust**

Provides funds for the provision and maintenance of the Music and Choir;

#### **Friends of Exeter Cathedral**

Funding to seek to further the religious and other charitable work of the Cathedral

#### **Church Commissioners**

The Commissioners fund the stipends and on-costs of the Dean and two Residentiary Canons and make a contribution towards the salaries of lay staff.

#### **Allchurches Trust**

Funding towards the Cathedrals Development department, which focuses on improving the visitor experience

#### **Headley Trust**

This is a grant to help fund the costs of the repair work, recording and conservation of the East End of the Cathedral.

#### **European Funding - VISTA AR Project**

Led by the University of Exeter, and working with partners in the UK and France, the Interreg France (Channel) England project Vista AR will develop an understanding of visitor experiences, create new VR and AR digital tools, and explore new business models and opportunities presented by digital technology.

#### **Chapter House Project**

Funding from Allchurches Trust, Dulverton Trust and Viridor Credits Environmental Company towards restorative and improvement works to the Chapter House.

#### **Covid-19 Adaptation Projects**

Funding to assist the Cathedral to adapt to the changes imposed through the pandemic, and to become more sustainable in its operations.

#### **Welcome Project - Development Phase**

Funding to develop detailed plans for improving the visitor experience at the Cathedral.

#### **Historic England - South Aisle Roof and East End Windows**

Funding of restorative works to the South Aisle Roof and East Windows of the Cathedral.

#### **North Porch**

Funding of essential repairs and restorations to the North porch stonework.

#### **Organ Fund**

These are funds raised for the restoration of the organ, which are now held on deposit/invested for this purpose by the Dean & Chapter.

#### **Library Fund**

These are funds raised for improvements to the library and archives and invested/held on deposit for this purpose by the Dean & Chapter.

#### **Fabric funds**

These funds are applied to the repair and restoration of the fabric of the Cathedral and include legacies and accrued interest.

#### **Chorister Outreach Programme**

This is comprised of funds to encourage and develop singing for primary school children in Devon.

#### **Music Fund**

These are comprised of funds for bursaries which are awarded annually to Cathedral choristers, funds to support purchase and/or maintenance of Cathedral instruments and a fund for the Choir Schools Outreach initiative which is a programme to involve schoolchildren in church music.

#### **Walker Memorial**

This comprises of donations to fund sheet music in memory of Malcolm Walker.

#### **Liturgy/Mission funds**

These funds currently consist of the Tremlett legacy (for maintenance of the High Altar), grants and donations.

## **Note 17: Restricted funds - Group and Cathedral - continued**

### **Stubbs legacy**

This fund consists of a legacy to fund liturgy.

### **Image Screen**

This fund consists of funding from the Princes Trust for maintenance to the Image Screen on the West Front.

### **Education donation**

This fund consists of a donation specifically to fund educational activities.

### **Chapter Discretionary Fund**

This fund consists of donations specifically to alleviate hardship. Payments are authorised by the Dean and Chapter.

### **Holy Ground**

These consist of grants and donations to fund the project which provides a base for spiritual searchers outside of the traditional church.

### **SOAR (Supper on a Run)**

These are donations which fund the weekly supper provided to homeless and disadvantaged persons.

### **Sundays @7**

These are donations to fund the project to provide an informal Eucharist once a week.

### **Visitor leaflets**

Donations for cost of the walk around leaflets for visitors.

### **Choir Tour Funds**

This consists of funding for the Cathedral Choir to go on tour around the UK.

### **Nativity**

This consists of funding for the costs of the Christmas nativity.

### **Music legacy**

This was a legacy given to assist the choir and choristers of Exeter Cathedral with bursaries, scholarships and other costs.

### **Stonemasons Education Fund**

This is a bursary from The Worshipful Company of Masons to support an apprentice through his training.

### **USA Choir Tour Fund**

This consists of funding for the Cathedral Choir to go on tour around the UK.

### **Donations & Legacies to ECMFT**

Funds raised through events, with proceeds passed to the Exeter Cathedral Music Foundation Trust.

### **Exeter Cathedral Choir Association**

This is a fund arising from school parents raising funds to allow their children to go on choir tours.

### **Library Apprenticeship**

Funding received for a paid apprenticeship in the Cathedral library.

### **Cathedral Community Discretionary Fund**

Donations received specifically to help community outreach activities.

### **Piano Fund**

Donations received specifically for the purchase and maintenance of the piano.

### **Guide Books**

Donations received specifically to help fund the development of the new Cathedral guidebooks available to visitors.

### **Library Capital Fund**

Funding received towards the redevelopment of the library and archives.



**NOTE 18: Endowment fund - Group and Cathedral**

	<b>£</b>
At beginning of year	7,578,920
Realised gains on disposal of investments	-
Unrealised gains on investments	23,154
Gains on revaluation of investment property	460,000
At end of year	<b>8,062,074</b>

**NOTE 19: Reconciliation of net (outgoing)/incoming resources before investment gains to net case (used)/generated in operating activities**

	<b>2020</b>	2019
	<b>£</b>	£
Net (outgoing)/incoming resources before investment gains	<b>227,298</b>	288,919
<i>Adjustments for:</i>		
Depreciation charges	<b>57,644</b>	57,749
Income from property and investments	<b>(178,065)</b>	(192,812)
Property management costs, rental collection fees and investment management costs	<b>24,144</b>	8,686
(Increase)/decrease in stocks	<b>(34,363)</b>	12,980
(Increase)/decrease in debtors	<b>101,893</b>	30,587
Increase/(decrease) in creditors	<b>80,142</b>	27,290
<b>Net cash (used)/generated by in operating activities</b>	<b>278,693</b>	233,399

**Analysis of cash and cash equivalents:**

	<b>2020</b>	2019
	<b>£</b>	£
Cash in hand	<b>2,001</b>	3,464
Cash at bank	<b>1,983,515</b>	1,451,579
Total cash and cash equivalents	<b>1,985,516</b>	1,455,043

## NOTE 20: Staff and Clergy numbers and costs

The average number (full time equivalents) of employees and clergy during the year was 43 (2019: 46). Part time staff are included on the basis of full time equivalents. This number is divided as follows: clergy 2 (2019: 3), music and ministry 7 (2019: 8), upkeep 10 (2019: 10), administration 6 (2019: 4), fundraising 4 (2019: 2), visitors 6 (2019: 12), education 3 (2019: 1), Exeter Cathedral Enterprises Limited 4 (2019: 6). The total average number of employees during the year was 70 (2019: 70).

The cost of these staff was as follows:

	<b>2020</b>	2019
	<b>£</b>	£
Salaries and stipends	<b>977,025</b>	1,060,399
Termination Payments	<b>9,795</b>	-
Employer's national insurance	<b>69,369</b>	66,459
Employer's pension costs	<b>22,551</b>	28,807
	<b>1,078,740</b>	1,155,665

One employee received remuneration in excess of £60,000.

## NOTE 21: Cost of key management personnel

The key management personnel of the Cathedral and its subsidiary consist of Staff with Management Responsibilities as detailed on page 4. The employee benefits of key management personnel total £193,609 (2019: £253,327).

## NOTE 22: Auditors remuneration

	<b>Group</b>	2019	<b>Cathedral</b>	2019
	<b>2020</b>		<b>2020</b>	
	<b>£</b>	£	<b>£</b>	£
Audit services	<b>19,451</b>	19,342	<b>14,576</b>	14,392
Other services	-	-	-	-
	<b>19,451</b>	19,342	<b>14,576</b>	14,392

## NOTE 23: Remuneration of members of Chapter

	Remuneration	Pension contribution
	£	£
The Very Reverend JFD Greener	37,485	12,293
The Reverend Canon Mustard	29,198	9,834
The Reverend Canon Palmer	29,198	9,834
The Reverend Canon Dr Michael Williams	6,210	-
	<b>102,091</b>	31,330

The remuneration of and pension provision for clerical members of Chapter is determined by the Church Commissioners, the Archbishops' Council and the Church of England Pensions Board. Travelling and general expenses were reimbursed or paid on behalf of 5 (2019: 7) members of Chapter totalling £3,417 (2019: £7,885).

## NOTE 24: Pension schemes

The Cathedral participates in the Church of England Funded Pensions Scheme for stipendiary clergy. The scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the responsible bodies.

Each participating responsible body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific responsible bodies and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the statement of financial activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- In late 2018, the Board agreed in principle to using an "Asset Led Funding" method for the 31 December 2018 valuation. The Asset Led Funding method uses a discount rate constructed from first principles using the actual asset holdings that the Scheme is expected to hold in the long term, rather than the current approach of separate pre-retirement and post-retirement "gilts-plus" discount rates.
- Conceptually, the discount rate for each benefit cash flow is set as a prudent view of the return on the asset backing that cash flow. The cash flows are then discounted at that prudent return to calculate the funding target. In practice this is a 3 step process:
  1. Break the long term asset strategy down into its main components
  2. Determine best estimate returns for each component and how these will move over time
  3. Apply a "haircut" to the best estimate returns for prudence

- Retail Price Inflation of 3.4% per annum (and pension increases consistent with this);
- increase in pensionable stipends of 3.2% per annum; and
- Mortality in accordance with CMI 2018 projections, adopting "S" = 7 (sensitivity to observed mortality improvements) and "a" = 0.5 (additional initial mortality improvement), with a long term annual rate of improvement of 1.5%.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and deficit repair contributions payable (as a percentage of pensionable stipends) are set out in the table below.

% of pensionable stipends	January 2019 to	January 2021 to
	December 2020	December 2022
Deficit repair contributions	11.9%	7.1%

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

The Balance Sheet liability is £nil because the Cathedral does not self-fund Clergy posts.

### *Lay staff*

Many employees have personal pension schemes to which Exeter Cathedral makes contributions.

The cost for the period amounted to £5,860 (2019: £6,263) and there were no outstanding or prepaid contributions at the balance sheet date.

The Cathedral introduced an auto enrolment compliant pension scheme in 2015. Total employer contributions for the year amounted to £26,692 (2019: £19,463) and there were no outstanding or prepaid contributions at the balance sheet date.

**NOTE 25: The Cathedral, its ancillary buildings and inventory**

The Chapter are of the opinion that disclosing information about the value and scale of the Cathedral buildings and items in the inventory would prejudice the Cathedral. The Accounting and Reporting Regulations permit non-disclosure of this information for English Anglican Cathedrals.

**NOTE 26: Heritage Assets**

The Cathedral holds a number of heritage assets with historic and artistic value and the Chapter have considered under FRS 102 accounting for heritage assets.

The Cathedral's policy for the acquisition, preservation, management and disposal of heritage assets is described in S13(1) of the Care of Cathedrals Measure 1990.

Valuation of the artefacts is not deemed necessary for the day to day operation of the Cathedral. In addition the quantity of items and the diverse nature of the collection would make valuation prohibitively expensive compared with the additional benefits derived by the Cathedral and users of the financial statements. As a result, no value is reported for these assets on the balance sheet.

**NOTE 27: Operating leases financial commitments - Group and Cathedral**

At 31 December 2020, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>2020</b>	2019
	£	£
<i>Other operating leases</i>		
Within one year of the balance sheet date	<b>4,654</b>	4,654
In the second to fifth years inclusive of the balance sheet date	<b>3,854</b>	8,508
Over 5 years from the Balance Sheet date	-	-
	<b>8,508</b>	13,162

**NOTE 28: Other financial commitments - Group and Cathedral**

At 31 December 2020, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>2020</b>	2019
	£	£
Expenditure contracted for but not provided in the financial statements	-	92,891





Exeter  
Cathedral

1 The Cloisters

Exeter

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