

The Cathedral Church of St Peter in Exeter

Financial statements

For the year ended 31 December 2021

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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 2021 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	Canon Treasurer (until 29 July 2022)
The Reverend Canon James Mustard	Canon Precentor
The Reverend Canon Dr Chris Palmer	Canon Chancellor (until 12 February 2022)
	Canon Treasurer (from 13 February 2022)
John Endacott FCA	Chapter Canon (until 5 July 2021)
Giles Frampton FCA	Chapter Canon (from 6 July 2021)
The Venerable Dr Trevor Jones	Chapter Canon
Jenny Ellis CB	Chapter Canon
The Reverend Canon Cate Edmonds	Canon Steward

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 (until May 2021)
Heritage Engagement	Jonathan Scott (from May 2021)
Director of Development	Jill Taylor
Chief Finance Officer	Jonathan Pimperton (until March 2022)
	Michelle Clark (from 13 June 2022)

Exeter Cathedral Enterprises Limited

Chairman	The Reverend Canon Dr Mike Williams (Until 27 July 2021)
Director	Catherine Escott
Director	The Very Reverend Jonathan Greener
Director	John Endacott FCA
Director	Giles Frampton (from July 2021)

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Bankers

National Westminster
Bank plc
59 High Street
EXETER
EX4 3DL

Solicitors

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

Investment Managers

Charles Stanley
Broadwalk House
Southernhay West
EXETER
EX1 1TS

Quilter Cheviot
One Kingsway
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85 Queen Victoria Street
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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 and Diocese of Exeter
- 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.

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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.

Chapter

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

There may be 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 2021, there were three. 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.

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 Diocese of Exeter, seeks to support the work of the Cathedral by receiving and considering reports from Chapter across a whole range of financial and pastoral matters.

During 2021, 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.

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 2 Canons Theologian, the two Suffragan Bishops of the diocese, the four Archdeacons and all members of 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 voluntarily had regard to the Charity Commission's guidance on public benefit.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Dean's Report:

In November, Simon Jenkins published his book "Europe's 100 Best Cathedrals" and he was asked to pick 10 of them for an article in the Guardian magazine. There in all its glory, alongside Notre Dame and Durham and Milan and the Sagrada Familia, sits Exeter. We were delighted with this accolade; it is a great encouragement to have external confirmation that we are inhabiting, and caring for, one of the great buildings of Europe. Of course this privilege comes with considerable responsibility. For example we were particularly reluctant to shut our doors again in 2021, since having the building open is such an important part of what we are here for. However, high Covid infection rates, the demographic of our congregations, the desire to discourage too much travel, the natural tendency of people to socialise after our services, and the hope to set a good example to others, led the Chapter to close the Cathedral for public worship at the start of 2021 until 1 March. We did of course continue to livestream our Sunday services but that is only a partial substitute for the joys of communion and community.

Throughout 2021, congregational numbers remained lower than pre-pandemic, with some people being cautious about mixing in public, and some having lost the church-going habit. Just as significant, our usual Sunday congregations include goodly numbers of visitors, but in 2021 these had not yet returned to Exeter in pre-Covid numbers. Having said that, during 2021 visitor numbers were generally higher than we expected, but still much lower than normal, not least because of the lack of overseas visitors.

To help grow our congregations and visitors, the Chapter designated the 12 months from September 2021 as a Year of Invitation and Welcome. And to help deepen the life of the cathedral community, in September we organised a week of teaching on prayer, led by Fr George Guiver CR from Mirfield and Sister Elizabeth Jane CSMV from Wantage.

The Chapter takes its duty of care to all our congregations, staff and visitors extremely seriously. Safeguarding is on the Chapter Agenda every month, and we also receive regular reports from the Cathedral's Safeguarding Management Panel. We greatly value our Service Level Agreement with the Diocese of Exeter which provides us with our own dedicated Safeguarding Adviser and the wisdom and advice of their Safeguarding Team. The Dean meets annually with the Chair of the Diocesan Safeguarding Panel to review arrangements.

We started 2021 in a much more positive financial position than envisaged when the Pandemic struck because 2020 grant applications had been particularly successful but we expected fewer recovery grants to be available in 2021. The Chapter therefore approved a reasonably cautious budget for 2021 with little commercial income expected until the second half of the year.

In the event the Cultural Recovery Fund opened for two further rounds during the year, and we submitted a successful application to both, with grants of £311,000 and £566,000. A number of other bodies also appreciated our plight and supported our costs during the year. We were also delighted that our Christmas Market was able to proceed. It is important not only for our finances but also for morale here at the Cathedral and throughout the city. I should like to record my thanks to the team who made the Market such a success and in particular to Catherine Escott for her drive, commitment and leadership.

The Market made a profit of £160,000, lower than budgeted, partly because there was greater expenditure on security than in previous years, and partly because this was the first year we brought the construction of the market in house - with the consequent learning curve and its associated costs. Nevertheless the various grants plus the Market helped us to end 2021 in a stronger financial position than we had envisaged. Chapter Canon Giles Frampton was appointed Chair of the Finance Committee during 2021, and brings a great deal of experience and wisdom to the role. Dr Mike Williams resigned as Canon Treasurer during the year, and we thank him for the part he played in guiding us financially through the pandemic. We have also been very grateful to Jonathan Pimperton, our CFO, who left us for pastures new in March 2022, for his detailed and timely financial reporting, and thoughtful guidance. In his place we are delighted to welcome Michelle Clark who has extensive experience of church finances having been Finance Manager with our Diocese.

Some closure, very few events, and lower visitor numbers, along with dedicated grant funding, allowed us space to advance work on the fabric of the cathedral more quickly than might otherwise have been the case. We completed the refurbishment of the North Porch, and finished the first phase of work on the Chapter House and adjacent Holy Spirit Chapel. We were able at the end of the Year, thanks to a grant from our Friends, to commission new lighting for the Chapter House, and this will be installed in the first half of 2022. As part of Cultural Recovery Fund grants via Historic England to help preserve heritage skills during the pandemic, we managed to conserve a significant portion of our stained glass, and renew the South Aisle Roof. We have been fortunate in securing funding for the repair of a number of monuments. This all happened alongside the Development Phase of our National Lottery Heritage Fund project, which included a number of investigations in the Cloister Garden, and in the East End of the Cathedral. This work, together with all sorts of research and pilot activities that led to an exciting Activity Plan, allowed us in November, to submit our Round 2 Application to the National Lottery Heritage Fund - with a decision due in March 2022. We are also grateful to a number of grant-giving trusts who have pledged supporting partnership funding during the private phase of our appeal. We will launch our public appeal in the summer of 2022.

During 2021 we completed the purchase of number 9a in Cathedral Close, a building behind number 9, which will be used to provide accommodation for our Choral Scholars, and begin the process of emptying Church House for future reordering. We were particularly pleased to open our new electric catering van on the Cathedral Green - especially welcome while the cafe

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remained closed. We are proud to be pioneers here. Chapter also adopted a new Brand Identity, and commissioned a new website.

In 2021 Chapter considered two reports from the Church of England:

- *Contested Heritage* focuses on links with slavery and other parts of our history that are painful or shameful by today's standards. Our current approach is to set our history in context as part of our interpretation plan, rather than try to remove any items.
- *From Lament to Action* is a report on racism in the Church of England, making many recommendations, including proposals about cathedral appointments and governance. It sits alongside the conversation we are already having about how to grow a more diverse community here at the cathedral.

The threat to our environment is very real. A steering group has been set up to progress our Environmental Project, and to ensure we keep the need to reduce our carbon footprint at the forefront of all our decision-making.

During the Year, the new Cathedrals Measure received Royal Assent, and we began work to revise our Constitution and Statutes and review every cathedral policy in order to make our submission to the Church Commissioners and the Charity Commission in 2022.

As you can see from this report much has been done in 2021. In spite of considerable challenges, we ended the year in a positive frame of mind, with a better financial performance than anticipated, more work accomplished on the fabric, and greater missional focus than we had dared to hope at the beginning of the year. We are conscious, however, that there is much to do. Running Exeter Cathedral to a high standard requires people and money. We are blessed with many generous supporters and we strive to find ways to improve our offering and our income – the Christmas Market and the Heritage Fund project are prime examples of this - but we must still seek donors to fill the gaps so that we may meet our responsibility as faithful stewards of one of "Europe's 100 Best Cathedrals".

Jonathan Greener
Dean of Exeter

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RELATIONSHIPS BETWEEN CHAPTER, ITS TRUSTS AND COMMITTEES

Trusts

The following independent trusts support the Cathedral and its work:

The Friends of Exeter Cathedral
Exeter Cathedral Music Foundation

Charity Commission No. 207096
Charity Commission No. 297365

Friends of Exeter Cathedral from *Pete Privett, Secretary*

Having weathered the vagaries of 2020 The Friends were hoping for a more settled 2021 but it was not to be, with the continuing restrictions of the pandemic limiting business meetings and member events. Despite that, our work continued and support remained strong with new memberships continuing to arrive. We now have over 2700 members, mainly in the local area but a considerable number further afield and overseas.

We look forward to the arrival of our new display stand which we hope will stimulate new memberships as visitor numbers in the cathedral return to something approaching more normal levels. This is a long needed upgrade to our presence in the cathedral and we hope that it will catch the eye and encourage the completion of membership forms.

We did manage to arrange two events for members towards the end of 2021 but attendance indicated that members were remaining cautious about joining gatherings for the time being.

Our support for the cathedral continued undiminished and grants of around £290k were made during the year. In 2022 grant funding has been agreed totalling £299k.

Overall, the Friends situation remains buoyant and, as we move further into 2022, we look forward to improving opportunities to meet with our members, whose generosity and interest continues to be very much appreciated.

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

In 2021 income totalled £239,777 (2020 - £185,000). This increase was due to higher donations and investment income.

Inevitably the pandemic continued to impact on our ability to raise money through concerts and other events although we were pleased to see the return of The Messiah concert in December.

Grants to the Cathedral in 2021 totalled £160,000 (2020 - £160,000).

We are also pleased to have maintained our grant support to the Cathedral during the pandemic.

Total funds at the end of the year totalled £6,562,590 (2020 - £5,926,839).

Overall the investment fund performed well over the year.

We have recently strengthened our Trustee Board and Fundraising Committee by appointing two new Trustees, Gordon Pike who has recently retired from the Cathedral and also Caroline Padget who has experience of fundraising for the Cathedral.

We are hopeful that, as restrictions continue to be eased during 2022, we will be able to resume more fundraising activities and we are pleased that the Music Foundation Trust continues to show resilience in these challenging times.

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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,

Last year's report looked forward to a gradual return to something approaching normality, and slowly but surely this is being maintained. The return to worship in person is taking time, and a significant landmark was the Cathedral Community Lunch in the Nave in October 2021. It was the first party we had enjoyed since before lockdown, and it was memorable both for the presence of people from all parts of the life of the Cathedral, and for the teamwork that made it possible.

The second event to re-launch the corporate life of the Cathedral Community was the Week of Prayer in September 2021, led by Father George Guiver CR and Sister Elizabeth Jane CSMV, which was much appreciated by all who attended. In addition to their refreshing and instructive insights into prayer, they offered some interesting reflections on regular worship in the Cathedral.

Progress has been made in a number of other areas of the Action Plan for the year; a number of sessions of *Living in Love and Faith* were completed both online and in person; the revised CCC Constitution was approved by Chapter; in November we completed the long-delayed elections to the Committee

The Social Events Team under the leadership of James Hayward and Anne Eyre has emerged from its enforced hibernation stronger and more invigorated than ever. This enabled us to work with the Cathedral Staff to offer hospitality to large numbers of guests after Evensong on the anniversary of Her Majesty the Queen's in February, and for the Platinum Jubilee in June. There was also time for a party on Shrove Tuesday, and we look forward to events during the summer and autumn.

Progress in the working groups for the Year of Invitation and Welcome has been slower than we hoped, but work is continuing especially in the area of communications. Articles in *Cathedral News* introducing the work and people involved in various volunteer groups have been well received. We were delighted by the return of Cloister Club on Sunday mornings, and hope that this can be restored on a weekly basis as soon as possible. The Pastoral Care Team and the Wednesday Kitchen have continued to work hard, and at Christmas, the CCC took gifts from the Cathedral Community to the refugees from Afghanistan who were living temporarily at the Southgate Hotel.

In March, the Committee had a very productive Awayday at Mill House retreat centre, near Tiverton, which enabled new members to get to know each other. Yet again we were grateful to Professor Grace Davie for sparking us into life with her insights into the state of the Church at large in the post-Covid era, and for her encouragement as we look ahead in the life of the Cathedral.

Among the new faces around the table at meetings of the CCC is Ann Barwood, Canon Librarian Emeritus, who was appointed by Chapter as Clerk to the Cathedral Community. This is a new post which the CCC recommended to Chapter to strengthen the administrative support for the Cathedral Community, including elections, maintaining the Cathedral Community Roll, overseeing printing and distribution of *Cathedral News*, and developing effective communication between the Cathedral Office and other parts of the Cathedral Community.

The Cathedral Community has sadly lost a number of stalwart members of worshippers and volunteers, including the first chair of the CCC, Dr Mary Wolffe. Mary was much loved, and she made a huge contribution to many areas of Cathedral life, where her gifts of knowledge, wisdom and friendship are greatly missed. We were also sad to say thank you and goodbye to Clare Griffiths, who worked so hard as secretary of the CCC, when she and her family left Exeter.

One of the challenges of the return to action after the pandemic has been the need to re-think how we prepare for those significant annual events that are a regular and valued feature of Cathedral life; Christingle, Mothering Sunday flowers and Easter eggs for our young people, to name but three which resumed this year. Fiona Moffat has taken on another annual fixture, the Devon Historic Churches Trust Ride and Stride Day after many years of service in that role by Diane Coombes. Diane has given immense service in that role and we are very grateful to her. The lay representative of the Cathedral on Christians Together in Central Exeter is now Maggie Morris.

The statement of purpose of the Cathedral Community Committee begins "the purpose of the CCC is to work with Chapter to build up the life of the Cathedral Community in worship, discipleship and service." How to do that better was the theme of the Awayday, from which we returned with many good, practical ideas. Now all we have to do is to work hard to fulfil our purpose and to make some of those good ideas happen.

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

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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 2021 the Fabric Advisory Committee met four times, both via video conferencing (Zoom) and in person, 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. The Committee agreed to an additional fourth meeting in order to provide support during a busy period of development, in preparation for the second round of an National Lottery Heritage Fund bid to deliver '2020's Investing in Our Welcome' Project. This meeting was used as an opportunity to review the developing proposals in advance of a formal application to the CFCE and Local Planning Authority.

The Committee supported 6 formal applications by the Cathedral to the CFCE:

1. The delivery of the first phase of the 2020's Investing in Our Welcome project, including
 - a. The Cloister Gallery
 - b. Reordering and extending the Pearson Cloister Building
 - c. Re-roofing and re-ordering the former vestries to the south of the Quire.
2. The delivery of the second phase of the 2020's Investing in Our Welcome Project including
 - a. Installation of new service routes (infrastructure, cabling/electrical and data services, heating)
 - b. Re-ordering works in the Chapel of St James, Quire, Quire Aisles, the former Vestries and Cathedral Shop
3. The loan of three folios of Exon Domesday to the Reiss-Englethorn Museum in Mannheim, Germany.
4. Retrospective application for emergency repair works to Monuments 115 (James Bell) and 116 (Richard Hereford).
5. The delivery of a second phase of works to conserve and protect stained glass.
6. Conservation works to the Chapter House timber ceiling.

The Committee approved 6 applications by the Cathedral to the FAC:

1. A programme of cleaning, conservation and repairs to the external walls, buttresses, windows and rainwater goods of the Chapter House, former Chapel of the Holy Spirit and eastern walls of the Pearson Building.
2. Replacement of the servery unit to the northeast corner of the Chapter House with a new fixed servery counter and moveable storage unit in the east bay of the north and south wall respectively.
3. Overarching proposals for the installation of a new sound system and detailed design installation of phase 1 in the Chapter House, including cabling, speakers and antenna.
4. Repair and conservation works to 9 internal monuments categorised as A* priority, including John the Chanter, as recommended by Nicholas Durnan in his Monument Survey 2021, together with any associated conservation of polychrome.
5. Installation of adaptable shop furniture for the Pearson Building.
6. A programme of cleaning, conservation and repairs to the external walls, buttresses, windows and rainwater goods, Bays 11 – 9 of the South Wall Quire Aisles and the western and southern walls of St James' Chapel, to be carried out by the in-house conservation team.

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, as well as from the Local Planning Authority and members of the general public.

Ms Rhianon Rhys, Historic England, Mr Owen Cambridge Heritage Officer at Exeter City Council, and Mr Thomas Ashley attended a meeting via Zoom on the 6th April 2021 in order to view the developing proposals for the NLHF Investing in Our Welcome Project.

Funding:

The committee was pleased that several of the projects that came forward in 2021 received grants from the Friends of Exeter Cathedral. Funding for projects has also been received from a number of funding bodies and grant giving trusts including:

- The National Lottery Heritage Fund (NLHF)
- The Honourable Company of Masons
- The England Fund (through the Friends of Exeter Cathedral)
- Viridor Credits
- The Cultural Recovery Fund received via NLHF, HE and Archbishops' Council
- Devon Historic Churches Trust

Inventory: from John Allan, Cathedral Archaeologist

Despite Covid, the Inventory Working Party (IWP) has continued its work during the year, with progress on the listing of plate (Diane Walker and Ian Morter), window glass (Stuart Bird), tile pavements (John Allan), musical instruments (Peter King) and graffiti (Crystal Hollis). Our most notable achievement has been Stuart Bird's completion of a comprehensive record of all the cathedral's stained glass windows, in which each entry is accompanied by an excellent photographic record by William Finnigan.

An additional important function of the working party is to draw up lists of objects held by the cathedral which are of high artistic or historical significance, making recommendations that they should be recognised as 'Outstanding Items' by the cathedral's

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Fabric Advisory Committee. This year we brought forward such lists in two categories: bells and tiled & floors. After lively discussion these have been added to the lists of items which receive this special status.

Items submitted for consultation:

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

- NLHF Investing in our Welcome Development Project
- Electrical Infrastructure Improvement proposals
- Pearson ground floor re-ordering
- Hydrology and environmental monitoring, particularly in relation to the east end floors
- Fire doors in the North Tower
- Cathedral-wide sound system
- Interpretation scheme
- Items to be considered for outstanding status including medieval floor tiles
- Jubilee celebration tree planting scheme
- Conservation of the misericords

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, Architect and external specialists have produced a range of reports for Chapter and the Committee which have been sent to Library & Archives and/or Cathedral Friends as appropriate, including:-

- East Cloister Walk Excavation: Soil Micromorphology and Geochemistry
- East Cloister Walk Archaeological Investigation Results
- Briefing Note on Scott's Floors in the Presbytery and Lady Chapel
- Preliminary Assessment of the Below Ground Moisture Issues Associated with the Development of Heating Systems in the Choir, Presbytery and Lady Chapel
- Exeter Cathedral Monument Survey 2021
- Polychrome Survey of the Monuments and Decorative Architectural Details
- Report on the Structural Condition of the Chapter House Ceiling
- Initial Report on the Condition of the Misericords
- Conservators Report on the Condition of Scott's Presbytery Floor
- Report on the proposal to Re-cover Church House
- WSI for Archaeological Excavations in the Cloister of Exeter Cathedral
- Archaeological evaluation in the Choir, Presbytery, and Aisles of Exeter Cathedral
- Excavation and Building Recording in the Chapter House and Chapel of the Holy Spirit
- WSI for proposed archaeological works in the East End of Exeter Cathedral

Site Visits:

Meetings in 2021 were held via a combination of video-conferencing, and onsite meetings, as Corona-virus restrictions eased.

Site visits with consulting bodies included:

- CFCE delegation virtual site visit via Zoom to view the east end archaeology on the 26th January
- Historic England virtual site visit to view the east end investigations on the 4th February.
- Delegation visit from the CFCE on the 17th June, to view the completed work to the Chapter House, proposals for the conservation of the misericords, lighting trials in the Quire and other aspects of work and developing proposals on site.

Committee:

A new FAC quinquennium commenced in March 2021. Retiring members were:

- Dr Bob Higham, Archaeologist, in post since 2011.
- Mr Gary Colclough, Artist, in post since 2016.
- Mr Hugh Harrison, Furniture Conservator, in post since 2011.
- Dr Hugh Mellor, National Trust HBA, in post since 2006.

The CFCE were consulted for their advice and suggestions regarding new potential members, and the following were appointed:

- Mr Bob Croft, Archaeologist, CFCE nomination.
- Dr Jill Franklin, Art Historian, CFCE nomination.
- Mr Jurgen Huber, Furniture Conservator, CFCE nomination
- Mr Chris Smith, English Heritage, Chapter nomination.

The new membership was approved by Chapter, and the CFCE were duly informed. A membership document with CV's is available by request from the Secretary.

Canon Librarian Emeritus, Ann Barwood, retired in early 2021 and was replaced by the newly appointed Heritage Engagement Manager, Jonathan Scott. Mr Scott will continue to approach the committee on matters pertaining to the Library and Archive, and has a particular responsibility for the development of the cathedrals Interpretation Plan.

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Finance Committee from Giles Frampton, Chair

The Finance Committee is required to meet at least quarterly in order to provide independent advice to Chapter on the Cathedral's finances and investments. Meetings include reviews of the annual budget and the annual report and accounts, a meeting with the auditors and a meeting with the fund managers. The Finance Committee is made up of Chapter Canon Giles Frampton as Chair together with appropriately qualified individuals. The main focus of the Finance Committee continues to be monitoring income and expenditure against the operating budget and considering the development plans being put forward to try and help achieve a sustainable funding level for the Cathedral.

OTHER COMMITTEES OF CHAPTER

Buildings Committee

A Buildings Committee sits, under the chairmanship of 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 Ten-Fifty Coffee Van, Shop, and Public Car Parking and, since 2017, it has operated the Christmas Market on the Cathedral green. In previous years there was the Cathedral Café which closed during the pandemic and since then has been replaced by the Ten-Fifty Coffee Van. The company is governed by a board of directors consisting of members of Chapter and Cathedral Administrator.

Ten-Fifty is an all-electric outdoor café, offering ethically sourced, locally produced hot and cold drinks and light snacks. The low carbon van can be found in the nave of the Cathedral or outside in front of the Cathedral, depending upon the weather.

The Cathedral Shop is located within the body of the Cathedral. In addition to Cathedral-specific guidebooks and publications, the Shop sells an extensive range of giftware, music, books, postcards and souvenirs.

The Ten-Fifty Van and 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 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 and the covenant payable to Dean and Chapter for the year 2021 was £179,000 (2020: £Nil).

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. Chapter is the Cathedral's executive body and is responsible for investment decisions.

During 2021, the Cathedral made a surplus of £773,000 (2020: £718,000), which includes investment gains of £264,000 (2020: £490,000), principally on the endowment and unrestricted funds. The surplus before investment gains was £484,000 (2020: £227,000). The surplus before investment gains comprises a surplus on restricted funds of £110,000 (2020: £43,000), a surplus on the general fund of £555,000 (2020: deficit of £37,000), and a deficit on designated funds of £156,000 (2020: £221,000). The deficit on designated funds in 2021 was due to costs of £175,000 being incurred on the Welcome Project.

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 the new mobile catering van purchased in 2021. 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 £410,000. 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.

Exeter Cathedral

Annual Report

For the year ended 31 December 2021



In 2022 Exeter Cathedral was awarded a £4.3 million grant from The National Lottery Heritage Fund. The grant will support the Cathedral's 2020s Development Appeal, funding an ambitious project designed to bring significant improvements for visitors, engage a wider audience and help secure long-term sustainability. The terms of the grant require the Cathedral to obtain partnership funding of £3.1M.

Highlights for the project include:

- A new Cloister Galley to connect the Cathedral with the Chapter House and Pearson Building
- A new Treasures Exhibition, displaying currently inaccessible collections from the Cathedral's Library & Archives
- An interpretation of 50 medieval misericords – one of only two complete sets surviving in England
- Relocation of the Cathedral Shop
- A new heating zoning system to improve energy efficiency and sustainability
- Improved accessibility for all visitors, including new toilets and lifts
- A new calendar of activities, including a Domesday project and 'Riddler' residencies, drawing on the Cathedral's 10th century Exeter Book for inspiration (an anthology of poetry and riddles, the Exeter Book has been granted UNESCO status as one of the world's principal cultural artefacts.)

Roughly half of Cathedral building will be conserved and refurbished as part of the project, protecting the Cathedral for years to come. The space will also be made more sustainable and more inclusive.

Reserves policy

The Cathedral has annual income of approximately £4.6m 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.

Chapter consider the financial period end position of £11,853,000 (2020: £11,105,000) comprising £8,235,000 (2020: £8,062,000) of endowment funds, £1,337,000 (2020: £1,222,000) of restricted funds, £1,325,000 (2020: £781,000) of designated funds and £956,000 (2020: £1,040,000) of general funds to be satisfactory. At the period end, the Group had general reserves equal to 4 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 £2.7m (2020: £2.8m) of reserves for investment.

The Cathedral'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 2021 totalled £687,000 (2020: £602,786).

Chapter seeks advice from the Finance Committee on investment policy. Investment management is delegated to authorised professional investment managers, regulated by the Financial Conduct Authority (FCA).

Investments

At 31 December 2021, the Group held investments of £2,713,000 (2020: £2,821,000) of which £1,352,000 (2020: £1,605,000) was held in an investment portfolio managed by Quilter Cheviot and £1,138,000 (2020: £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 £2,026,000 (2020: £2,218,441).

Investment policy

In order to limit exposure to market fluctuations and to reduce risk, Chapter has developed an agreed investment policy on the advice of 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 while having regard to the need to provide income to support the Cathedral's activities.
- 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, Chapter has chosen Quilter Cheviot Investment Management, and CCLA 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) but is not bound by those provisions. 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 managers will provide the following information to the CFO on a quarterly basis: valuation of investments, transaction report, cash reconciliation, performance analysis and commentary.

The Finance Committee has responsibility for advising Chapter on strategy and monitoring the investment assets. The investment managers 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 by the investment managers and reported to the CFO. The return of the short-term reserves will be monitored against benchmark cash rates by the CFO. 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 annually to ensure continuing appropriateness, and any amendments will be submitted to 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.

This annual report was approved by Chapter on 10/08/22 and signed on its behalf by


The Very Reverend Jonathan Greener
Dean

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 2021, 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 2021 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 14, 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. This description forms part of our auditor's report.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

A handwritten signature in blue ink, appearing to read "Haysmacintyre" followed by a stylized flourish.

Haysmacintyre LLP
Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 22 September 2022

Exeter Cathedral

Consolidated statement of financial activities



For the year ended 31 December 2021

	Notes	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:							
Donations and legacies		283	9	45	-	337	330
Grants in support of mission		970	28	2,148	-	3,146	2,124
Charges and fees arising in the course of Mission		19	-	1	-	20	14
Trading and Fundraising		924	1	-	-	925	406
Investments		163	-	26	-	189	177
Other income		4	-	-	-	4	5
Total income	4	2,363	38	2,220	-	4,621	3,056
Expenditure on:							
Raising funds		872	13	108	-	993	832
Ministry		287	6	450	-	743	663
Cathedral and precincts upkeep		590	175	1,457	-	2,222	1,197
Education and outreach		59	-	91	-	150	132
Community and congregation		-	-	4	-	4	4
Total expenditure	5	1,808	194	2,110	-	4,112	2,828
Net incoming/(outgoing) resources before investment gains		555	(156)	110	-	509	228
Unrealised (losses)/gains on investments		61	-	30	173	264	30
Realised gains/(losses) on investments		-	-	-	-	-	-
Gains on revaluation of investment property		-	-	-	-	-	460
Net (expenditure) /income		616	(156)	140	173	773	718
Other recognised gains							
Gains on revaluation of fixed assets		-	-	-	-	-	-
Net movement in funds		616	(156)	140	173	773	718
Reconciliation of funds:							
Funds brought forward		1,040	781	1,222	8,062	11,105	10,387
Transfers between funds		(700)	700	-	-	-	-
Funds carried forward		956	1,325	1,362	8,235	11,878	11,105

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.

Exeter Cathedral

Consolidated balance sheet



As at 31 December 2021

		Unrestricted General Funds	Unrestricted Designated Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets							
Investment assets							
Property	7	-	-	-	2,515	2,515	2,515
Investments	8	687	-	237	1,789	2,713	2,821
		<u>687</u>	<u>-</u>	<u>237</u>	<u>4,304</u>	<u>5,228</u>	<u>5,336</u>
Non-investment assets:							
Property for clergy, virgers & director of music	10	-	-	-	3,090	3,090	2,680
Property for Cathedral use (including library and archives)	11	-	-	-	726	726	726
Equipment and plant	12	20	-	567	-	587	446
		<u>20</u>	<u>-</u>	<u>567</u>	<u>3,816</u>	<u>4,403</u>	<u>3,852</u>
Total fixed assets		<u>707</u>	<u>-</u>	<u>804</u>	<u>8,120</u>	<u>9,631</u>	<u>9,188</u>
Current assets							
Stocks	13	78	-	-	-	78	103
Debtors	14	283	-	509	-	792	278
Cash at bank and in hand		285	1,325	187	115	1,912	1,986
		<u>646</u>	<u>1,325</u>	<u>696</u>	<u>115</u>	<u>2,782</u>	<u>2,367</u>
Liabilities due within one year	15	(397)	-	(138)	-	(535)	(450)
Net current assets		<u>249</u>	<u>1,325</u>	<u>558</u>	<u>115</u>	<u>2,247</u>	<u>1,917</u>
Net assets		<u>956</u>	<u>1,325</u>	<u>1,362</u>	<u>8,235</u>	<u>11,878</u>	<u>11,105</u>
Funds							
General fund	16	956	-	-	-	956	1,040
Designated funds	16	-	1,325	-	-	1,325	781
Restricted funds	17	-	-	1,362	-	1,362	1,222
Endowment funds	18	-	-	-	8,235	8,235	8,062
Total funds		<u>956</u>	<u>1,325</u>	<u>1,362</u>	<u>8,235</u>	<u>11,878</u>	<u>11,105</u>

Approved by the Chapter and authorised for issue on

10/08/22

The Very Reverend Jonathan Greener
Dean

Exeter Cathedral

Cathedral balance sheet



As at 31 December 2021

	Notes	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Fixed assets							
Investment assets							
Property	7	-	-	-	2,515	2,515	2,515
Investments	8	763	-	237	1,789	2,789	2,897
		<u>763</u>	<u>-</u>	<u>237</u>	<u>4,304</u>	<u>5,304</u>	<u>5,412</u>
Non-investment assets:							
Property for clergy, virgers & director of music	10	-	-	-	3,090	3,090	2,680
Property for Cathedral use (including library and archives)	11	-	-	-	726	726	726
Equipment and plant	12	-	-	567	-	567	392
		<u>-</u>	<u>-</u>	<u>567</u>	<u>3,816</u>	<u>4,383</u>	<u>3,798</u>
Total fixed assets		<u>763</u>	<u>-</u>	<u>804</u>	<u>8,120</u>	<u>9,687</u>	<u>9,210</u>
Current assets							
Stocks	13	2	-	-	-	2	2
Debtors	14	324	179	509	-	1,012	316
Cash at bank and in hand		68	1,146	187	115	1,516	1,952
		<u>394</u>	<u>1,325</u>	<u>696</u>	<u>115</u>	<u>2,530</u>	<u>2,270</u>
Liabilities due within one year	15	(265)	-	(138)	-	(403)	(439)
Net current assets		129	1,325	558	115	2,127	1,831
Net assets		<u>892</u>	<u>1,325</u>	<u>1,362</u>	<u>8,235</u>	<u>11,814</u>	<u>11,041</u>
Funds							
General fund	16	892	-	-	-	892	976
Designated funds	16	-	1,325	-	-	1,325	781
Restricted funds	17	-	-	1,362	-	1,362	1,222
Endowment funds	18	-	-	-	8,235	8,235	8,062
Total funds		<u>892</u>	<u>1,325</u>	<u>1,362</u>	<u>8,235</u>	<u>11,814</u>	<u>11,041</u>

Approved by the Chapter and authorised for issue on 10/08/22


The Very Reverend Jonathan Greener
Dean

Exeter Cathedral

Consolidated cash flow statement



For the year ended 31 December 2021

		2021	2020
	Note	£'000	£'000
	s	£'000	£'000
Cash flows from operating activities			
Net cash inflow from operating activities	19	18	280
Cash flows from investing activities			
Rents received net of costs		92	64
Investment income received net of costs		74	90
Purchase/sale of property, plant and equipment		(630)	-
Proceeds from sale of investments		517	384
Purchase of investments		(145)	(286)
Net cash provided by investing activities		(92)	252
Change in cash and cash equivalents in the reporting period		(74)	532
Cash and cash equivalents at the beginning of the reporting period	19	1,986	1,454
Cash and cash equivalents at the end of the reporting period	19	1,912	1,986

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:

<i>Inventory, fixtures, fittings and equipment</i>	4% - 33%
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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.

Exeter Cathedral

Notes
(forming part of the financial statements)



2. Prior year consolidated statement of financial activities

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Income and endowments from:							
Donations and legacies		241	3	86	-	330	1,073
Grants in support of mission		567	256	1,301	-	2,124	647
Charges and fees arising in the course of Mission		10	-	4	-	14	32
Trading and fundraising		401	5	-	-	406	1,545
Investments		149	-	28	-	177	193
Other income		5	-	-	-	5	19
Total income	4	1,373	264	1,419	-	3,056	3,509
Expenditure on:							
Raising funds		657	12	163	-	832	1,472
Ministry		258	6	399	-	663	860
Cathedral and precincts upkeep		395	25	777	-	1,197	747
Education and outreach		99	-	33	-	132	136
Community and congregation		1	-	3	-	4	5
Total expenditure	5	1,410	43	1,375	-	2,828	3,220
Net incoming/(outgoing) resources before investment gains		(37)	221	44	-	228	289
Unrealised (losses)/gains on investments		(6)	-	13	23	30	323
Realised gains/(losses) on investments		-	-	-	-	-	-
Gains on revaluation of investment property		-	-	-	460	460	-
Net (expenditure)/income		(43)	221	57	483	718	612
Other recognised gains		-	-	-	-	-	-
Gains on revaluation of fixed assets		-	-	-	-	-	-
Net movement in funds		(43)	221	57	483	718	612
Reconciliation of funds:		1,083	560	1,165	7,579	10,387	9,775
Funds brought forward		-	-	-	-	-	-
Funds carried forward at 31 December 2020		1,040	781	1,222	8,062	11,105	10,387

Exeter Cathedral

Notes
(forming part of the financial statements)



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:

	2021	2020
	£	£
Income	4,152	2,861
Deed of covenant from subsidiary	-	-
	<u>4,152</u>	<u>2,861</u>
Expenditure	(3,643)	(2,617)
Net gains on investments	264	30
Gains on revaluation of fixed assets	-	460
Net (expenditure)/income	<u>773</u>	<u>734</u>
Total funds brought forward	11,041	10,307
Total funds carried forward	<u><u>11,814</u></u>	<u><u>11,041</u></u>
Represented by:		
General funds	892	976
Designated funds	1,325	781
Restricted funds	1,362	1,222
Endowment funds	8,235	8,062
	<u><u>11,814</u></u>	<u><u>11,041</u></u>

Exeter Cathedral

Notes
(forming part of the financial statements)



4. Income and receipt of endowment from:

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2021	Total 2020
	£,000	£'000	£'000	£'000	£'000
Donations and legacies					
Congregational collections and giving	109	-	-	109	106
Donations	119	3	7	129	133
Tax recoverable under Gift Aid	55	-	-	55	52
Income from Friends and local trusts	-	-	38	38	38
Legacies	-	6	-	6	1
	<u>283</u>	<u>9</u>	<u>45</u>	<u>337</u>	<u>330</u>
Grants					
Church Commissioners	-	-	345	345	386
Income from Friends and local trusts	-	22	-	22	250
Other revenue and capital grants	970	6	1,803	2,779	1,488
	<u>970</u>	<u>28</u>	<u>2,148</u>	<u>3,146</u>	<u>2,124</u>
Charges and fees arising in the course of the mission					
Facility and other fees	19	-	1	20	14
	<u>19</u>	<u>-</u>	<u>1</u>	<u>20</u>	<u>14</u>
Trading and fundraising					
Charges to visitors	166	-	-	166	120
Income from lettings of cathedral or other buildings	92	1	-	93	78
Other trading activities	666	-	-	666	208
	<u>924</u>	<u>1</u>	<u>-</u>	<u>925</u>	<u>406</u>
Investments					
Income from investment property	107	-	-	107	83
Income from other investments	56	-	26	82	94
Interest receivable on short term deposits	-	-	-	-	-
	<u>163</u>	<u>-</u>	<u>26</u>	<u>189</u>	<u>177</u>
Other incoming resources					
Other items	4	-	-	4	5
Total income	<u>2,363</u>	<u>38</u>	<u>2,220</u>	<u>4,621</u>	<u>3,056</u>

Exeter Cathedral

Notes
(forming part of the financial statements)



5. Expenditure on:

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2021	Total 2020
Raising funds					
Costs of facilities for visitors	111	-	(10)	101	180
Costs of services directly recoverable	8	-	-	8	3
Other trading activities	502	-	-	502	295
General Marketing	101	-	-	101	66
Costs of fundraising	1	13	110	124	112
Investment property costs	22	-	-	22	24
Investment management costs	-	-	-	-	-
Allocation of support costs	127	-	8	135	152
	<u>872</u>	<u>13</u>	<u>108</u>	<u>993</u>	<u>832</u>
Ministry					
Clergy stipends and working expenses	13	-	134	147	147
Clergy housing costs	23	-	-	23	18
Clergy support costs	78	-	-	78	38
Cost of services	13	-	7	20	20
Cost of music	78	-	282	360	327
Donations paid to Trust	-	6	-	6	6
Allocation of support costs	82	-	27	109	107
	<u>287</u>	<u>6</u>	<u>450</u>	<u>743</u>	<u>664</u>
Cathedral and precincts upkeep					
Works funded by trusts and others	-	-	1,223	1,223	622
Maintenance and interior upkeep	331	175	135	641	326
Cathedral insurance	59	-	3	62	63
Precincts, security & gardens upkeep	28	-	-	28	14
Allocation of support costs	172	-	96	268	172
	<u>590</u>	<u>175</u>	<u>1,457</u>	<u>2,222</u>	<u>1,197</u>
Education and outreach					
Educational activities	33	-	-	33	30
Library & archives	11	-	85	96	68
Other	-	-	-	-	-
Allocation of support costs	15	-	6	21	34
	<u>59</u>	<u>-</u>	<u>91</u>	<u>150</u>	<u>132</u>
Community	-	-	4	4	4
Total Expenditure	<u>1,808</u>	<u>194</u>	<u>2,110</u>	<u>4,112</u>	<u>2,828</u>

6. Administrative expenses included in statement of financial activities

	Raising Funds	Ministry	Cathedral and precinct upkeep	Education and outreach	Total 2021
	£	£	£	£	£
<i>Unrestricted funds:</i>					
The Cloisters premises costs	(6)	(4)	(9)	(1)	(20)
Compliance costs	8	5	11	1	25
Staff costs	63	40	90	7	200
Professional and consulting costs	9	5	13	1	28
Audit and accountancy fees	5	3	7	1	16
Printing, postage and stationery costs	3	1	4	-	8
Conference, subscriptions, travel and subsistence	4	3	6	-	13
Information technology costs	20	15	30	3	68
Bank charges	1	1	1	-	3
Cleaning costs	-	-	-	-	-
Operational and sundry costs	20	13	27	3	63
	<u>127</u>	<u>82</u>	<u>180</u>	<u>15</u>	<u>404</u>
<i>Restricted funds:</i>					
Staff costs	7	25	88	6	126
Depreciation of fixed assets	<u>1</u>	<u>2</u>	<u>8</u>	<u>-</u>	<u>11</u>
	8	27	96	6	137
	<u>135</u>	<u>109</u>	<u>276</u>	<u>21</u>	<u>541</u>

Administration expenses of £539,000 (2020: £466,000) have been apportioned in line with expenditure (adjusted for material distortions).

7. Investment property – Group and Cathedral

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

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

Exeter Cathedral

Notes
(forming part of the financial statements)



8. Investments

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total £
Group					
<i>Market value</i>					
At beginning of year	603	-	207	2,011	2,821
Additions	67	-	-	77	144
Disposals	(44)	-	-	(472)	(516)
Revaluation	61	-	30	173	264
At end of year	687	-	237	1,789	2,713
Cathedral					
<i>Market value</i>					
At beginning of year	679	-	207	2,011	2,897
Additions	67	-	-	77	144
Disposals	(44)	-	-	(472)	(516)
Revaluation	61	-	30	173	264
At end of year	763	-	237	1,789	2,789
			Listed Investments £	Unlisted Investments £	Total £
Group					
<i>Market value</i>					
At beginning of year			1,605	1,216	2,821
Additions			144	-	144
Disposals			(516)	-	(516)
Revaluation			119	145	264
At end of year			1,352	1,361	2,713
		Shares in subsidiary undertaking £	Listed Investments £	Unlisted Investments £	Total £
Cathedral					
<i>Market value</i>					
At beginning of year		76	1,605	1,216	2,897
Additions		-	144	-	144
Disposals		-	(516)	-	(516)
Revaluation		-	119	145	264
At end of year		76	1,352	1,361	2,789

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 2021 were audited and the audit report was unqualified.

A summary of the trading results are shown below:

	2021	2020
	£	£
Turnover	666	211
Cost of sales and administrative expenses	(473)	(228)
Interest receivable	-	-
Net profit	193	(17)
Covenant payable to Cathedral	(193)	-
Retained in subsidiary	-	(17)

The assets and liabilities of the subsidiary were:

	2021	2020
	£	£
Fixed assets	20	54
Current assets	479	135
Current liabilities	(360)	(50)
Total net assets	139	139
Aggregate share capital and reserves	139	139

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

10. Property for use by clergy, virgers and director of music – Group and Cathedral

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£	£
Valuation					
At beginning of the year	-	-	-	2,680	2,680
Additions				410	410
At end of year	-	-	-	3,090	3,090

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 2021.

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

Exeter Cathedral

Notes
(forming part of the financial statements)



11. Property for Cathedral use (including library and archives) – Group and Cathedral

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
<i>Valuation</i>					
At beginning and end of year	-	-	-	726	726

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 2021.

12. Equipment and plant

	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
Group			
Cost			
At beginning of year	209	696	905
Additions	5	214	219
Disposals	-	-	-
At end of year	215	910	1,124
Depreciation			
At beginning of year	155	304	459
Charge for year	39	39	78
Disposals	-	-	-
At end of year	194	343	537
Net book value			
At end of year	20	567	587
At beginning of year	54	392	446
Cathedral			
Cost			
At beginning of year	-	696	696
Additions/Disposals	-	214	214
At end of year	-	910	910
Depreciation			
At beginning of year	-	304	304
Charge for year	-	39	39
At end of year	-	343	343
Net book value			
At end of year	-	567	567
At beginning of year	-	392	392

Exeter Cathedral

Notes
(forming part of the financial statements)



13. Stocks

	Group 2021 £'000	2020 £'000	Cathedral 2021 £'000	2020 £'000
Building materials	2	2	2	2
Goods for resale	76	101	-	-
	78	103	2	2

14. Debtors

	Group 2021 £'000	2020 £'000	Cathedral 2021 £'000	2020 £'000
Exeter Cathedral Enterprises Limited	-	-	228	40
Recoverable taxation	16	8	16	8
Trade and other debtors	60	40	54	37
Prepayments and accrued income	653	153	651	153
VAT	63	30	63	30
Friends of Exeter Cathedral	-	47	-	48
	792	278	1,012	316

15. Liabilities due within one year

	Group 2021 £'000	2020 £'000	Cathedral 2021 £'000	2020 £'000
Trade creditors	293	206	187	203
Taxation & social security	36	28	35	24
Other creditors	9	1	9	1
Accruals and deferred income	197	215	172	210
	535	450	403	439

Exeter Cathedral

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16. Unrestricted and designated funds

Group	At beginning of year £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At end of year £'000
<i>Designated funds:</i>						
Development Fund	781	32	(188)	700	-	1,325
Harrington Choristers Bursaries	-	6	(6)	-	-	-
	<u>781</u>	<u>38</u>	<u>(194)</u>	<u>700</u>	<u>-</u>	<u>1,325</u>
<i>General fund</i>	1,040	2,363	(1,808)	(700)	61	956
	<u>1,821</u>	<u>2,401</u>	<u>(2,002)</u>	<u>-</u>	<u>61</u>	<u>2,281</u>
Cathedral						
Designated funds						<u>1,325</u>
General Fund						892
						<u>2,217</u>

Details of designated funds:

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

Harrington Choristers Bursaries – Funds designated for chorister bursaries.

Exeter Cathedral

Notes
(forming part of the financial statements)



17. Restricted funds – Group and Cathedral

	At beginning of year £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains / (Losses) £'000	At end of year £'000
Exeter Cathedral Music Foundation Trust	-	160	(160)	-	-	-
Friends of Exeter Cathedral	-	161	(161)	-	-	-
Church Commissioners	13	218	(231)	-	-	-
All Churches Trust	21	126	(147)	-	-	-
Headley Trust	3	-	(3)	-	-	-
European Funding – VISTA AR project	7	17	(18)	-	-	6
Chapter House project funding	115	277	(391)	-	-	1
Idlewild Trust-monument repairs	-	24	(18)	-	-	6
Covid-19 Adaptation Projects	74	272	(104)	-	-	242
Welcome Project – Development Phase	-	556	(464)	-	-	92
Heritage England – Restoration Works to South Aisle Roof and East End Windows	-	178	(176)	-	-	2
North Porch Restoration	8	-	(8)	-	-	-
Church House Works	-	35	(35)	-	-	-
Organ Fund	7	-	-	-	-	7
Library Fund	136	21	(20)	-	-	137
Fabric funds	164	4	(1)	-	28	195
Chorister Outreach Programme	34	2	(8)	-	-	28
Music funds	101	33	(71)	-	-	63
Walker Memorial	9	5	-	-	-	14
Liturgy/mission funds	33	1	(8)	-	2	28
Stubbs legacy	5	-	-	-	-	5
Image Screen	3	-	-	-	-	3
Education donation	2	-	-	-	-	2
Chapter Discretionary Fund	6	-	-	-	-	6
SOAR & Wednesday Café	8	1	(2)	-	-	7
Sundays @7	3	1	-	-	-	4
Visitor leaflets	1	-	-	-	-	1
Choir Tour Funds	1	6	(5)	-	-	2
Nativity	3	1	-	-	-	4
Music legacy	43	-	-	-	-	43
Stonemasons Education Fund	-	53	(45)	-	-	8
USA Choir Tour fund	22	-	-	-	-	22
Donations & Legacies to ECMFT	2	9	(1)	-	-	10
Exeter Cathedral Choir Association	5	-	(1)	-	-	4
Cath, Comm. Discretionary fund	-	2	(2)	-	-	-
Piano fund	1	-	-	-	-	1
Flower Arrangers	-	9	(3)	-	-	6
Dulverton Trust – Youth Engagement	-	25	-	-	-	25
Equipping Christian Leaders in an Age of Science	-	10	-	-	-	10
Arts Council	-	13	-	-	-	13
Capital funds						
Library Capital Fund	392	-	(27)	-	-	365
	<u>1,222</u>	<u>2,220</u>	<u>(2,110)</u>	<u>-</u>	<u>30</u>	<u>1,362</u>

Exeter Cathedral

Notes
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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 various trusts towards restorative and improvement works to the Chapter House.

Idleswild Trust

Grant towards the works carried out to repair monuments.

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.

Heritage England – South Aisle Roof & 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.

Church House Works

A grant from the Architectural Heritage fund to support works to Church House.

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.

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.

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.

Exeter Cathedral

Notes
(forming part of the financial statements)



17. Restricted funds – Group and Cathedral – continued

Details of restricted funds - continued

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 USA.

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.

Cathedral Community Discretionary Fund

Donations received specifically to help community outreach activities.

Piano Fund

Donations received specifically for the purchase of a new piano. Donations received towards the costs of flower arranging in the Cathedral.

Dulverton Trust

This is a grant towards supporting the Youth Volunteering Programme.

Equipping Christian Leaders in an Age of Science

A grant towards, celebrating and affirming the work of faithful scientists and all who bring their vocation in science to the church, both as members and active friends of congregations. Creating spaces of engagement, building confidence and competence around scientific issues, and fostering thoughtful, prayerful communities working in the world. Encouraging engagement with science at the congregational level and promoting science engaged theology throughout the church.

Arts Council

A grant to support Riddlers in Residence.

Library Capital Fund

Funding received towards the redevelopment of the library and archives.

18. Endowment fund – Group and Cathedral

	£
At beginning of year	8,062
Realised gains on disposal of investments	-
Unrealised gains on investments	173
Gains on revaluation of investment property	-
At end of year	8,235

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

	2021	2020
	£'000	£'000
Net incoming resources before investment gains	509	228
<i>Adjustments for:</i>		
Depreciation charges	78	58
Income from property and investments	(189)	(178)
Property management costs, rental collection fees and investment management costs	22	24
Decrease/(increase) in stocks	25	(34)
(Increase)/decrease in debtors	(514)	102
Increase in creditors	85	80
Net cash (used)/generated by operating activities	16	280

Analysis of cash and cash equivalents:

	2021	2020
	£'000	£'000
Cash in hand	2	2
Cash at bank	1,910	1,984
Total cash and cash equivalents	1,912	1,986

20. Staff and Clergy numbers and costs

The average number (full time equivalents) of employees and clergy during the year was 44 (2020: 46). Part time staff are included on the basis of full time equivalents. This number is divided as follows: clergy 1 (2020: 3), music and ministry 10 (2020: 8), upkeep 14 (2020: 10), administration 6 (2020: 4), fundraising 5 (2020: 2), visitors 2 (2020: 12), education 3 (2020: 1), Exeter Cathedral Enterprises Limited 3 (2020: 6). The total average number of employees during the year was 70 (2020: 70).

The cost of these staff was as follows:

	2021	2020
	£	£
Salaries and stipends	1,081	977
Termination Payments	-	10
Employer's national insurance	79	69
Employer's pension costs	36	23
	1,196	1,079

Two employees received remuneration in excess of £60,000.

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 1. The employee benefits of key management personnel totalled £195,000 (2020: £194,000).

22. Auditors remuneration

	Group 2021 £'000	2020 £'000	Cathedral 2021 £'000	2020 £'000
Audit services	19	19	15	15
Other services	-	-	-	-
	<u>19</u>	<u>19</u>	<u>15</u>	<u>15</u>

23. Remuneration of members of Chapter

	Remuneration £	Pension contribution £
The Very Reverend JFD Greener	37,670	12,540
The Reverend Canon Mustard	29,342	10,031
The Reverend Canon Palmer	29,342	10,031
	<u>96,354</u>	<u>32,602</u>

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 (2020: 5) members of Chapter totalling £5,000 (2020: £3,000).

24. Pension schemes

Clergy staff

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.

24 Pension schemes – continued

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 2019. The 2019 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 2019, the Board agreed in principle to using an "Asset Led Funding" method for the 31 December 2019 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:
 - Break the long term asset strategy down into its main components
 - Determine best estimate returns for each component and how these will move over time
 - 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 2019 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 2019 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 2020 to December 2021	January 2022 to 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 £5,310 (2020: £5,860) 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 £28,157 (2020: £26,692) and there were no outstanding or prepaid contributions at the balance sheet date.

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.

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.

27. Operating leases financial commitments – Group and Cathedral

At 31 December 2021, the group had outstanding commitments for future minimum lease payments under non- cancellable operating leases which fall due as follows:

	2021 £'000	2020 £'000
<i>Other operating leases</i>		
Within one year of the balance sheet date	3	5
In the second of fifth years inclusive of the balance sheet date	1	4
Over 5 year of the Balance Sheet date	-	-
	<u>4</u>	<u>9</u>

28. Other financial commitments – Group and Cathedral

	2021 £'000	2020 £'000
Expenditure contracted for but not provided in the financial statements	-	-
	<u>-</u>	<u>-</u>