

# **The Cathedral Church of St Peter in Exeter**

## **Financial statements**

**For the year ended 31 December 2022**

# Exeter Cathedral

## Contents

	<i>Page</i>
Annual report	1 – 14
Statement of the Responsibilities of the Chapter	15
Independent auditors' report	16-17
Consolidated statement of financial activities	18
Consolidated balance sheet	19
Cathedral balance sheet	20
Consolidated cash flow statement	21
Notes	22 – 42

# Exeter Cathedral

## Annual Report

For the year ended 31 December 2022



### 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 2022 to the date of approval of the annual report and financial statements were as follows:

The Very Reverend Jonathan Greener	Dean
The Reverend Canon James Mustard	Canon Precentor
The Reverend Canon Dr Chris Palmer	Canon Treasurer
Giles Frampton FCA	Chapter Canon
The Venerable Dr Trevor Jones	Chapter Canon
Jenny Ellis CB	Chapter Canon
The Reverend Canon Cate Edmonds	Canon Steward
The Reverend Canon Deborah Parsons	Canon Chancellor (from 3 <sup>rd</sup> July 2022)

#### 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
Heritage Engagement, Library and Archive	Jonathan Scott
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 Very Reverend Jonathan Greener
Director	Catherine Escott
Director	John Endacott FCA
Director	Giles Frampton

# Exeter Cathedral

## Annual Report

*For the year ended 31 December 2022*



### **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  
LONDON  
WC2B 6AN

CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

### 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.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT-continued**

#### **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, Quilter Cheviot and Charles Stanley;
- Investments in which trustees may invest under the general power of investment in the Trustee Act 2000; and
- 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 two Residentiary Canons, two Non-residentiary Canons and three Chapter Canons. The two Residentiary Canons, 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 2022, there were three Chapter Canons one of whom was ordained. The Cathedral does not remunerate the Chapter Canons but they are entitled to claim expenses incurred in the discharge of their duties. Chapter held twelve business meetings within the 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.

#### **Safeguarding**

Ensuring the Cathedral is a safe place for everyone, especially children and vulnerable adults, is a priority for the Cathedral Chapter. Safeguarding at Exeter Cathedral is seen as a collective responsibility amongst our paid staff and volunteers. The Cathedral has a Service Level Agreement with The Diocese of Exeter for the provision of safeguarding services. The Diocesan Safeguarding Advisor is also Cathedral Safeguarding Officer and the Cathedral draws on the Diocesan Safeguarding Team for training and support. The Cathedral Safeguarding Management Panel monitors safeguarding at the Cathedral. A member of Chapter acts as 'Lead Canon' to ensure Safeguarding is regularly on the Chapter's agenda and that policies and provision are up to date.

#### **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 2022, the Council met four times. Regular agenda items included updates on the recovery from the pandemic, 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:

The most important news for Exeter Cathedral in 2022 was the award of a £4.29 million grant from the National Lottery Heritage Fund. This, on top of our first round grant of £659,000 means a total award of just short of £5 million towards a £10 million project: a great relief after all the planning and hard work that has taken place during the previous thirty months. The first part of the work involves the re-building of a cloister that was destroyed during the English Civil War, and it is the first addition to the Cathedral itself for some 500 years. It will incorporate also the construction of new WCs, and the creation of a new Cathedral shop and Treasures Gallery, where we can display many of the treasures which we possess but which are currently inaccessible to our visitors and to the people of Devon, to whose heritage they rightly belong. The second phase of work which will begin during 2023 will include heating, lighting and sound in the Quire and the surrounding aisles, plus more WCs and a Changing Places Toilet. The works will improve facilities for worship and events, and for our visitors, and allow us to make better use of our buildings generally. Research continues to agree a conservation methodology for our very significant collection of misericord seats in the Quire.

Our Development Director has worked hard to secure match funding for the Heritage Fund money, and a good number of significant grants have been received. This campaign will continue throughout the three years of the project; and a public appeal will be launched in 2023 to help raise the remaining balance. We were pleased to hear at the start of the year that the Listed Places of Worship Grant Scheme has been renewed, since this should provide £300,000 of match funding. Our very successful Grand Nave Dinner in October raised over £80,000, though we were very sad that Judith Kauntze, who has masterminded all the Cathedral's Grand Nave Dinners, died after a short illness in the run-up to this year's dinner. We were extremely grateful to Jethro Tull who staged a fundraising concert for us in the Cathedral in December, which raised £30,000. And during the course of the year, our development fund was boosted by £295,000 thanks to unrestricted legacies from three people.

The senior team at the Cathedral are doing all they can to ensure that the building and conservation works will cause the minimum possible impact on daily life and worship, and that they can be used to enhance the visitor experience and thereby sustain visitor numbers and income. The project's Activity Plan has been conceived to bring new and different people to the Cathedral, and to work in particular with underserved groups from Exeter and farther afield.

The net operational deficit for 2022 was less than we had budgeted. Income was higher than we had expected, and labour costs lower, due to a number of vacancies. The Exeter labour market has been very competitive, leading to higher staff turnover than previously, and salary inflation. We were pleased to receive a grant from the Church Commissioners to allow us to buy in extra resource to ensure our HR procedures and practice are the best they can be. Maintenance and utility costs were higher than predicted with increased gas and electricity prices, and the unbudgeted refurbishment of our property at 9A Cathedral Close, which provides residential accommodation for our Choral Scholars.

As every year, we are indebted to the Friends of Exeter Cathedral and to the Exeter Cathedral Music Foundation Trust whose financial contributions play such a vital part in helping us care for the fabric of the Cathedral and in maintaining such high quality music, which is an integral part of our worshipping life. The Christmas Market was again very successful, and a number of lessons and efficiencies were learned which will be of benefit for future years.

Covid grants, which were such a help in 2020 and 2021 have ceased, although some impacts of Covid remain. Visitor numbers, and groups especially, have not fully bounced back following the pandemic, but in February we hosted Luke Jerram's art installation 'The Museum of the Moon' which attracted 55,000 visitors, including 15,000 children, and made a profit of £176,000 (which compares favourably both with February 2019, £12,500; and with our budgeted income for this event of £78,000). Significantly it brought through our doors a completely new demographic: watching young children arrive in their astronaut costumes to dance and relax under the moon was a delight for staff and volunteers alike. The experience has encouraged us to plan similar events for 2023 and beyond.

Our regular worshipping numbers have remained lower than pre-Covid, though we have recognised that in normal times, up to a third of the congregation will be visitors; and there have been fewer visitors in Devon than previously. We have continued live-streaming for our Sunday morning services. Congregations have more or less returned to normal for bigger services and our Christmas services were really well attended and full of joy, not least because of the excellent music we have enjoyed from our choir over the past year. People from all over the county joined us for the Queen's Platinum Jubilee Service in June and then for her Thanksgiving Service in September.

During the year, our Chief Finance Officer, Jonathan Pimperton moved to a new post, working from home, and we were pleased to appoint Michelle Clark as his successor. Canon Chris Palmer moved from being Canon Chancellor to Canon Treasurer, to take principal responsibility on behalf of Chapter for the Development Project; and Canon Deborah Parsons was appointed half-time to oversee pastoral care and Christian formation and nurture. In October we were pleased to install James Grier, who was consecrated at the end of September, as the eleventh Bishop of Plymouth.

# Exeter Cathedral

## Annual Report

*For the year ended 31 December 2022*



### **OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE-continued**

#### **The Dean's Report-continued**

A good deal of work has taken place to progress the new Cathedrals Measure here in Exeter. Draft Constitution and Statutes have been negotiated with our legal advisors and the Church Commissioners, and the Due Diligence Questionnaire has been completed. The Cathedral Council has held its final meeting, in the anticipation of new structures being implemented in mid-2023. This will result in a larger Chapter, with more non-Executive members, a renewed Finance Committee and a new Audit and Risk Committee.

Safeguarding is not only a legal obligation, it is rooted in our belief that every person is a child of God, who deserves to be treated with love and reverence. Work has continued therefore to ensure that safeguarding policies and procedures are properly implemented and embedded at every level of Cathedral life. Our Safeguarding Advisor, Charlie Pitman, has been promoted to a regional role, and replaced by another member of the team, also a former police officer, Costa Nassaris. Having lost a number of Cathedral volunteers through the pandemic, we are in the process of reviewing all staff and volunteer files to ensure certificates, training and records are fully up to date.

Overall, 2022 was a very busy and fruitful year for Exeter Cathedral. Our staff, volunteers and clergy have worked tirelessly to deliver beyond the call of duty, and the Cathedral Chapter are extremely grateful to them all. 2023 promises to be equally busy, with greater impact from our Development Project on daily life and economics, continuing fundraising needs, and the introduction of our new Constitution and Statutes.

Jonathan Greener  
Dean of Exeter



# Exeter Cathedral

## Annual Report

For the year ended 31 December 2022



### RELATIONSHIPS BETWEEN CHAPTER, ITS TRUSTS AND COMMITTEES

#### Trusts

The following independent trusts support the Cathedral and its work:

The Friends of Exeter Cathedral Charity Commission No. 207096

Exeter Cathedral Music Foundation Charity Commission No. 297365

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

The last year saw a gradual return to normal operations following the disruption caused by the ongoing pandemic and its continued effect on society generally.

At our AGM in June Christopher Paterson stepped down as Chairman and Council member, having served his maximum term of office, and Dr Rosemary Yallop was elected Chairman at our Council meeting in August.

Our membership has remained buoyant, at around 2,700, during the year with the regular arrival of new membership applications in our office and these compensate for members who have sadly departed. The Dean will attest to the flow of new members owing to the number of times during the year that he has received another batch of enrolment certificates on his desk awaiting his signature!

Our most important area of support for the Cathedral is through the grants that we are able to make and in 2022 totalled £300,000, whilst a similar figure has been agreed for 2023.

A number of events were enjoyed by our members during the year, although these have yet to return to the levels of attendance that were achieved prior to the pandemic and we are hopeful that those planned for 2023 will show a continuing return to the levels previously recorded.

We look forward with optimism to 2023 being another year of continued progress, both in our service to our members and in our support for the Cathedral. We are always happy to talk to anyone who might like more information as a result of reading this report.

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

In 2022 income totalled £311,414 (2021 - £239,777). This increase was primarily due to higher donations and legacy income.

We were able to resume more fundraising activities in 2022 as restrictions from the pandemic were lifted during the year.

Grants to the Cathedral in 2022 totalled £190,000 (2021 - £160,000). We are pleased that we were able to increase our grant support to the Cathedral during 2022.

Total funds at the end of the year totalled £5,910,585 (2021 - £6,562,590). The significant reduction in total funds was in line with the largest decline in global equity markets, as measured by the MSCI All World index since 2008.

We are looking forward to further increasing our fundraising activity in 2023.

### 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,

Since the last Annual Report all parts of the Cathedral Community have been operating in the exciting context of the start of work on the Cathedral Development Plan, and adapting to the temporary limitations on space and facilities.

This is particularly true of the work of the Social Events Team who provided refreshments after the service of thanksgiving for the life of Her late Majesty Queen Elizabeth 2nd, and after the service in celebration of the Coronation of Their Majesties King Charles 3rd and Queen Camilla. The very enjoyable Cathedral Community lunch in January was a triumph of planning and execution; with no access to a kitchen, a hot lunch was provided for over 100 people in the Nave.

### STATUTORY COMMITTEES-continued

#### Cathedral Community Committee (CCC) (continued)

The principal areas of work for the CCC this year have included establishing a welcoming presence outside the entrance to the Cathedral before the 10am Choral Eucharist on Sundays, and preparatory work for the Cathedral Community's contribution to fundraising for the Development Project. The former has proved to be significant and worthwhile, encouraging hesitant visitors to cross the threshold to experience worship in the Cathedral and explaining to others when to return to enjoy visiting the building. We hope that the forthcoming fundraising will not only raise a large sum towards the new sound system, but also bring the Cathedral Community together in a common cause in which we can work hard and have some fun.

It has been encouraging to see ideas from the CCC taking shape. A Prayer for the Week is now visible in the Cathedral and on social media. There will be a special Evensong on 25th June to celebrate the work of the many people who volunteer at the Cathedral, and the first of regular meetings of the Intercessors has been held. Supporting and encouraging Cloister Club has been a high priority for the CCC, so we were delighted to hear of the appointment of Kathryn Timms as the new Cloister Club Co-ordinator.

New teams and co-ordinators have ensured that annual events such as Christingle, gifts of flowers on Mothering Sunday, and Easter morning breakfast continue to thrive, and it was a joy once again to have Easter Eggs for children attending services on Easter Day. Anne Eyre has revitalised lay links with our twin dioceses, including a newsletter from the Cathedral Community. We hope there will be a pilgrimage to Bayeux/Lisieux next year.

Meanwhile, the regular activities of the Cathedral Community have continued to develop and adapt to new circumstances, for instance the Flower Arrangers, Tapisers and Bellringers. The Pastoral Care Team and the Wednesday Kitchen have continued to work hard, and the weekly Prayers for Healing group has offered the multitude of prayer requests left on the prayer boards each week. In addition to the Slow Book Group and Lectio Divina, a new Contemplative Prayer Group has been introduced. The monthly Cathedral News, available online and in hard copy, contains regular reports on these and many other aspects of Cathedral life.

Peggy Conway, who did so much to foster the warmth and hospitality of the Cathedral Community, died in November 2022. As we give thanks for her, and for all those who have gone before us, who laid the foundations of all we are now doing, we look forward to the next Chapter in the work of building up the life of the Cathedral Community.

#### Fabric Advisory Committee (FAC) from Heather Hagen, 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 (D&C), has an independent role within the Cathedral community. The committee is constituted to examine and approve or reject proposals for conservation and repair works to the Cathedral fabric, and to give advice on matters of art, architecture and archaeology to the Chapter, while permanent changes and additions are approved by the CFCE at national level. The committee has expertise in art, archaeology, architecture, architectural history, Cathedral buildings, local history, masonry, medieval history, timber and building conservation, and meets at the Cathedral at least quarterly.

During 2022, the Fabric Advisory Committee met five times, in person, to provide advice on 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 Cathedrals Measure. The committee agreed to the additional fifth meeting in order to provide support during a busy period of development and support the delivery of 'The 2020s Vision: Investing in Our Welcome' Project. This meeting was used as an opportunity to review the Cathedral's Landscape Masterplan with consultees.

#### Committee

FAC Secretary, Alice Risdon, resigned from her position in August 2022, and was succeeded by Heather Hagen. Alice was thanked for her service and a letter of appreciation was sent to Alice by the Cathedral on behalf of the Committee.

There were no other changes to the membership of the Committee during 2022.

### **STATUTORY COMMITTEES-continued**

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

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

- Removal of the 20th Century Kenneth Carter Sculptures in the Chapter House
  - This proposal was approved with three conditions.
- Conservation works to the Sedilia
  - This proposal was approved with no conditions.
- Conservation works to the Scott Presbytery Floor
  - This proposal was approved with three conditions.

The Committee approved two formal applications by the Cathedral to the FAC:

- The loan of three books to the RAMM for a temporary exhibition
- This proposal was approved with no conditions.
- Lower Pearson Lighting Scheme
- This proposal was approved with one condition.

#### **Items submitted for consultation**

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

- Lower Pearson Lighting Scheme
- Church House
- Landscape Masterplan
- Misericord Conservation
- Pearson Treasures Exhibition
- Interpretation Scheme
- Donors' Plaque for the Chapter House
- Conservation Management Plan
- Stonework repairs to the South Quire Aisle

#### **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:-

- Regular archaeologist reports and completed reports for the Gt. E window, South Tower, Bays 5-8 Presbytery and North Porch.
- Condition surveys on Sedilia and Chapter House - McNeillage Conservation
- Environmental surveys on St Gabriel's' Chapel and Pearson Building - Tobit Curteis Associates LLP, Environmental Consultant
- Conservation Management Plan - Keystone Historic Buildings Consultants

### STATUTORY COMMITTEES-continued

#### Fabric Advisory Committee (FAC)-continued

##### 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 Rhiannon Rhys and Ms Hannah Myers of Historic England, Mr Goran Molin, Heritage Office at Exeter City Council, and Mr Robert Myers, Landscape Architect, attended a meeting, in person, on July 6th in order to view the developing proposal for the Cathedral Landscape Masterplan.

##### Site Visits

Meetings in 2022 were held onsite. Site visits with consulting bodies included:

- Historic England, Local Planning Authority site visit on July 6th to view proposals for Landscape Masterplan on Cathedral Green.

##### Funding

The committee was pleased that the projects continued to receive funding from a number of funding bodies and grant giving trusts including:-

- The National Lottery Heritage Fund (the Heritage Fund)
- Valencia Community Funds
- The Headley Trust
- The Benefact Trust

##### *Inventory: from John Allan, Cathedral Archaeologist*

The Inventory Working Party (IWP) has continued its work during the year, meeting twice, with progress on the listing of plate (Diane Walker and Ian Morter), tile pavements (John Allan) and graffiti (Crystal Hollis). Our most notable achievements this year have been first the provision of updated location records for the collection of plate - very necessary when the collections are being moved to new accommodation - and second the completion of a comprehensive record of the Cathedral's medieval tile pavements. Both are accompanied by photographic records, with drawn records adding further information about the layout and individual designs of the tile pavements. We continue to report regularly to the Fabric Advisory Committee, which monitors our progress.

##### *Finance Committee from Giles Frampton, Chair*

The Finance Committee provides independent advice to the 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 met seven times in 2022. 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 including the Welcome Project, and advising Chapter accordingly.

### 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.

### OTHER COMMITTEES OF CHAPTER-continued

#### 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 advisor. 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 but will reopen in the future once the current works to the Cathedral have been completed.

The company is governed by a board of directors consisting of members of Chapter and the 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 2022 was £290,000 (2021: £179,000).

### 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 2022, the Cathedral made a surplus of £54,000 (2021: £773,000), which includes investment losses of £174,000 (2021: Gains £264,000) and gains on revaluation of investment property of £112,000 (2021: £nil), principally on the endowment and unrestricted funds. The surplus before investment losses and gains on revaluation of investment property was £116,000 (2021: £509,000) which comprises a deficit on restricted funds of £105,000 (2021: surplus £110,000), a deficit on the general fund of £42,000 (2021: surplus of £555,000), and a surplus on designated funds of £263,000 (2021: deficit of £156,000).

Whilst the overall financial position of the Cathedral has improved during the year, the day to day operational funding continues to be a challenge. The legacy of Covid continued to have an impact in the year with visitor numbers being slow to recover and no additional support to aid recovery after the pandemic. This was partially alleviated by the success of Luke Jerram's Museum of the Moon installation in February 2022. Chapter continue to exercise close cost control and investigate new ways of boosting income but are content with the financial position of the Cathedral.

### FINANCIAL REVIEW-continued

In 2022, Exeter Cathedral was successful in securing a £4.3m grant from the National Lottery Heritage Fund as part of the Cathedral's 2020's Development Appeal. This grant funding will help to improve the visitor experience and help the Cathedral engage with a wider audience to help secure long term sustainability. This funding along with funding from other organisations and partners will help support the development of:

- 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.)

Phase 1 of this ambitious project began in November 2022 and is due to complete in March 2024.

Roughly half of the 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 £4.0m 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 year. 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 £11,932,000 (2021: £11,878,000) comprising £8,224,000 (2021: £8,235,000) of endowment funds, £1,229,000 (2021: £1,362,000) of restricted funds, £1,588,000 (2021: £1,325,000) of designated funds and £891,000 (2021: £956,000) of general funds to be satisfactory. At the period end, the Group had general reserves equal to four 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 £2.5m (2021: £2.7m) 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 2022 totalled £665,000 (2021: £687,000).

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 2022, the Group held investments of £2,547,000 (2021: £2,713,000) of which £1,313,000 (2021: £1,352,000) was held in an investment portfolio managed by Quilter Cheviot, £1,005,000 (2021: £1,138,000) was held in the Central Board of Finance Investment Fund, £113,000 was held in Charles Stanley treasury stock and £116,000 was held in Treasury Stock with no nominee. Permanent endowment and restricted funds, which are not available for the operational running of the Cathedral, totalled £1,882,000 (2021: £2,026,000).

### FINANCIAL REVIEW-continued

#### Investments-continued

##### *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, Charles Stanley 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 Chief Finance Officer (CFO), 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 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 present a report in person to the Committee on an annual basis, or more frequently if required.

Performance of the long-term reserves are measured against inflation and agreed market indices by the investment managers and reported to the CFO. The return of the short-term reserves are 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.

# Exeter Cathedral

## Annual Report

*For the year ended 31 December 2022*



### **FINANCIAL REVIEW-continued**

#### **Investments-continued**

##### *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 21 September 2023 and signed on its behalf by

A handwritten signature in black ink that reads "Jonathan Greener".

**The Very Reverend Jonathan Greener**  
*Dean*



## Statement of the Responsibilities of Chapter

### 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 2022, 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 2022 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

## Independent Auditors report

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 accounting estimates

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

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.



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

28 September 2023

## Consolidated statement of financial activities

For the year ended 31 December 2022

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	<b>Total 2022</b>	Total 2021	
<i>Notes</i>	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Income and endowments from:</b>							
Donations and legacies	293	429	98	-	<b>820</b>	337	
Grants in support of mission	118	32	1,172	-	<b>1,322</b>	3,146	
Charges and fees arising in the course of Mission	32	-	28	-	<b>60</b>	20	
Trading and Fundraising	1,521	31	-	-	<b>1,552</b>	925	
Investments	171	-	35	-	<b>206</b>	189	
Other income	3	-	-	-	<b>3</b>	4	
<b>Total income</b>	<b>4</b>	<b>2,138</b>	<b>492</b>	<b>1,333</b>	<b>-</b>	<b>3,963</b>	4,621
<b>Expenditure on:</b>							
Raising funds	1,004	77	97	-	<b>1,178</b>	993	
Ministry	545	20	506	-	<b>1,071</b>	743	
Cathedral and precincts upkeep	521	132	762	-	<b>1,415</b>	2,222	
Education and outreach	109	-	72	-	<b>181</b>	150	
Community and congregation	1	-	1	-	<b>2</b>	4	
<b>Total expenditure</b>	<b>5</b>	<b>2,180</b>	<b>229</b>	<b>1,438</b>	<b>-</b>	<b>3,847</b>	4,112
<b>Net (outgoing)/ incoming resources before investment gains</b>	<b>(42)</b>	<b>263</b>	<b>(105)</b>	<b>-</b>	<b>116</b>	509	
Unrealised (losses)/gains on investments	(23)	-	(28)	(123)	<b>(174)</b>	264	
Gains on revaluation of investment property	-	-	-	112	<b>112</b>	-	
<b>Net (expenditure) /income</b>	<b>(65)</b>	<b>263</b>	<b>(133)</b>	<b>(11)</b>	<b>54</b>	773	
<b>Net movement in funds</b>	<b>(65)</b>	<b>263</b>	<b>(133)</b>	<b>(11)</b>	<b>54</b>	773	
<b>Reconciliation of funds:</b>							
Funds brought forward	956	1,325	1,362	8,235	<b>11,878</b>	11,105	
<b>Funds carried forward</b>	<b>891</b>	<b>1,588</b>	<b>1,229</b>	<b>8,224</b>	<b>11,932</b>	11,878	

All operations are continuing.

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

## Consolidated balance sheet

As at 31 December 2022

		Unrestricted General Funds	Unrestricted Designated Funds	Restricted Funds	Endowment Funds	<b>Total 2022</b>	Total 2021
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed assets</b>	<i>Notes</i>						
<b>Investment assets</b>							
Property	7	-	-	-	2,627	<b>2,627</b>	2,515
Investments	8	665	-	210	1,672	<b>2,547</b>	2,713
		<u>665</u>	<u>-</u>	<u>210</u>	<u>4,299</u>	<u><b>5,174</b></u>	<u>5,228</u>
<b>Non-investment assets:</b>							
Property for clergy, vergers & director of music	10	-	-	-	3,090	<b>3,090</b>	3,090
Property for Cathedral use (including library and archives)	11	-	-	-	726	<b>726</b>	726
Equipment and plant	12	23	-	587	-	<b>610</b>	587
		<u>23</u>	<u>-</u>	<u>587</u>	<u>3,816</u>	<u><b>4,426</b></u>	<u>4,403</u>
<b>Total fixed assets</b>		<u>688</u>	<u>-</u>	<u>797</u>	<u>8,115</u>	<u><b>9,600</b></u>	<u>9,631</u>
<b>Current assets</b>							
Stocks	13	67	-	-	-	<b>67</b>	78
Debtors	14	219	-	246	-	<b>465</b>	792
Cash at bank and in hand		409	1,588	277	109	<b>2,383</b>	1,912
		<u>695</u>	<u>1,588</u>	<u>523</u>	<u>109</u>	<u><b>2,915</b></u>	<u>2,782</u>
<b>Liabilities due within one year</b>	15	(492)	-	(91)	-	<b>(583)</b>	(535)
<b>Net current assets</b>		<u>203</u>	<u>1,588</u>	<u>432</u>	<u>109</u>	<u><b>2,332</b></u>	<u>2,247</u>
<b>Net assets</b>		<u>891</u>	<u>1,588</u>	<u>1,229</u>	<u>8,224</u>	<u><b>11,932</b></u>	<u>11,878</u>
<b>Funds</b>							
General fund	16	891	-	-	-	<b>891</b>	956
Designated funds	16	-	1,588	-	-	<b>1,588</b>	1,325
Restricted funds	17	-	-	1,229	-	<b>1,229</b>	1,362
Endowment funds	18	-	-	-	8,224	<b>8,224</b>	8,235
<b>Total funds</b>		<u>891</u>	<u>1,588</u>	<u>1,229</u>	<u>8,224</u>	<u><b>11,932</b></u>	<u>11,878</u>

Approved by the Chapter and authorised for issue on 21 September 2023

*Jonathan Greener*

**The Very Reverend Jonathan Greener**  
Dean

## Cathedral balance sheet

As at 31 December 2022

	Notes	Unrestricted General Funds £'000	Unrestricted Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>Total 2022 £'000</b>	Total 2021 £'000
<b>Fixed assets</b>							
<b>Investment assets</b>							
Property	7	-	-	-	2,627	<b>2,627</b>	2,515
Investments	8	741	-	210	1,672	<b>2,623</b>	2,789
		<u>741</u>	<u>-</u>	<u>210</u>	<u>4,299</u>	<u><b>5,250</b></u>	<u>5,304</u>
<b>Non-investment assets:</b>							
Property for clergy, vergers & director of music	10	-	-	-	3,090	<b>3,090</b>	3,090
Property for Cathedral use (including library and archives)	11	-	-	-	726	<b>726</b>	726
Equipment and plant	12	-	-	587	-	<b>587</b>	567
		<u>-</u>	<u>-</u>	<u>587</u>	<u>3,816</u>	<u><b>4,403</b></u>	<u>4,383</u>
<b>Total fixed assets</b>		<u><b>741</b></u>	<u><b>-</b></u>	<u><b>797</b></u>	<u><b>8,115</b></u>	<u><b>9,653</b></u>	<u><b>9,687</b></u>
<b>Current assets</b>							
Stocks	13	2	-	-	-	<b>2</b>	2
Debtors	14	420	185	246	-	<b>851</b>	1,012
Cash at bank and in hand		39	1,403	277	109	<b>1,828</b>	1,516
		<u>461</u>	<u>1,588</u>	<u>523</u>	<u>109</u>	<u><b>2,681</b></u>	<u>2,530</u>
<b>Liabilities due within one year</b>	15	<u>(375)</u>	<u>-</u>	<u>(91)</u>	<u>-</u>	<u><b>(466)</b></u>	<u>(403)</u>
<b>Net current assets</b>		<b>86</b>	<b>1,588</b>	<b>432</b>	<b>109</b>	<b>2,215</b>	<b>2,127</b>
<b>Net assets</b>		<u><b>827</b></u>	<u><b>1,588</b></u>	<u><b>1,229</b></u>	<u><b>8,224</b></u>	<u><b>11,868</b></u>	<u><b>11,814</b></u>
<b>Funds</b>							
General fund	16	827	-	-	-	<b>827</b>	892
Designated funds	16	-	1,588	-	-	<b>1,588</b>	1,325
Restricted funds	17	-	-	1,229	-	<b>1,229</b>	1,362
Endowment funds	18	-	-	-	8,224	<b>8,224</b>	8,235
<b>Total funds</b>		<u><b>827</b></u>	<u><b>1,588</b></u>	<u><b>1,229</b></u>	<u><b>8,224</b></u>	<u><b>11,868</b></u>	<u><b>11,814</b></u>

Approved by the Chapter and authorised for issue on 21 September 2023

*Jonathan Greener*

**The Very Reverend Jonathan Greener**

Dean

## Consolidated cash flow statement

For the year ended 31 December 2022

		<b>2022</b>	2021
	<i>Notes</i>	<b>£'000</b>	£'000
<b>Cash flows from operating activities</b>			
Net cash inflow from operating activities	19	<b>399</b>	18
<b>Cash flows from investing activities</b>			
Rents received net of costs		<b>81</b>	92
Investment income received net of costs		<b>91</b>	74
Purchase/sale of property, plant and equipment		<b>(92)</b>	(630)
Proceeds from sale of investments		<b>123</b>	517
Purchase of investments		<b>(131)</b>	(145)
		<hr/>	<hr/>
Net cash provided by investing activities		<b>72</b>	(92)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>471</b>	(74)
Cash and cash equivalents at the beginning of the reporting period	19	<b>1,912</b>	1,986
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the reporting period</b>	19	<b>2,383</b>	1,912
		<hr/> <hr/>	<hr/> <hr/>

## Notes

*(forming part of the financial statements)*

### **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 twelve 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 with no material uncertainties.

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.



## Notes

*(forming part of the financial statements)*

### **1.4 Resources expended**

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

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

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

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

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

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

### **1.7 Operating leases**

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

### **1.8 Tangible fixed assets**

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

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

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

*Non-investment property*

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

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

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

### **1.10 Investment properties**

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

### **1.11 Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the statement of financial activities if the shares are publicly 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.

## Notes

*(forming part of the financial statements)*

### **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

## Notes

(forming part of the financial statements)

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.

### 2. Prior year consolidated statement of financial activities

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	<b>Total 2021</b>	Total 2020	
<i>Notes</i>	£'000	£'000	£'000	£'000	<b>£'000</b>	£'000	
<b>Income and endowments from:</b>							
Donations and legacies	283	9	45	-	<b>337</b>	330	
Grants in support of mission	970	28	2,148	-	<b>3,146</b>	2,124	
Charges and fees arising in the course of Mission	19	-	1	-	<b>20</b>	14	
Trading and fundraising	924	1	-	-	<b>925</b>	406	
Investments	163	-	26	-	<b>189</b>	177	
Other income	4	-	-	-	<b>4</b>	5	
<b>Total income</b>	<b>4</b>	<b>2,363</b>	<b>38</b>	<b>2,220</b>	<b>-</b>	<b>4,621</b>	<b>3,056</b>
<b>Expenditure on:</b>							
Raising funds	872	13	108	-	<b>993</b>	832	
Ministry	287	6	450	-	<b>743</b>	663	
Cathedral and precincts upkeep	590	175	1,457	-	<b>2,222</b>	1,197	
Education and outreach	59	-	91	-	<b>150</b>	132	
Community and congregation	-	-	4	-	<b>4</b>	4	
<b>Total expenditure</b>	<b>5</b>	<b>1,808</b>	<b>194</b>	<b>2,110</b>	<b>-</b>	<b>4,112</b>	<b>2,828</b>
<b>Net incoming/(outgoing) resources before investment gains</b>		<b>555</b>	<b>(156)</b>	<b>110</b>	<b>-</b>	<b>509</b>	<b>228</b>
Unrealised gains on investments	61	-	30	173	<b>264</b>	30	
Gains on revaluation of investment property	-	-	-	-	<b>-</b>	460	
<b>Net income/ (expenditure)</b>		<b>616</b>	<b>(156)</b>	<b>140</b>	<b>173</b>	<b>773</b>	<b>718</b>
Transfer between Funds	(700)	700	-	-	<b>-</b>		
<b>Net movement in funds</b>		<b>(84)</b>	<b>544</b>	<b>140</b>	<b>173</b>	<b>773</b>	<b>718</b>
<b>Reconciliation of funds:</b>		<b>1,040</b>	<b>781</b>	<b>1,222</b>	<b>8,062</b>	<b>11,105</b>	<b>10,387</b>
Funds brought forward							
<b>Funds carried forward at 31 December 2021</b>		<b>956</b>	<b>1,325</b>	<b>1,362</b>	<b>8,235</b>	<b>11,878</b>	<b>11,105</b>

## 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:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Income	<b>3,440</b>	4,152
Deed of covenant from subsidiary	-	-
	<b>3,440</b>	4,152
Expenditure	<b>(3,324)</b>	(3,643)
Net (losses)/gains on investments	<b>(62)</b>	264
<b>Net (expenditure)/income</b>	<b>54</b>	773
Total funds brought forward	<b>11,814</b>	11,041
<b>Total funds carried forward</b>	<b>11,868</b>	11,814
Represented by:		
General funds	<b>827</b>	892
Designated funds	<b>1,588</b>	1,325
Restricted funds	<b>1,229</b>	1,362
Endowment funds	<b>8,224</b>	8,235
	<b>11,868</b>	11,814

## Notes

(forming part of the financial statements)

### 4. Income and receipt of endowment from:

	Unrestricted Funds	Designated Funds	Restricted Funds	<b>Total 2022</b>	Total 2021
	£'000	£'000	£'000	£'000	£'000
<b>Donations and legacies</b>					
Congregational collections and giving	116	-	-	<b>116</b>	109
Donations	139	134	54	<b>327</b>	129
Tax recoverable under Gift Aid	38	-	-	<b>38</b>	55
Income from Friends and local trusts	-	-	-	-	38
Legacies	-	295	44	<b>339</b>	6
	<u>293</u>	<u>429</u>	<u>98</u>	<u><b>820</b></u>	<u>337</u>
<b>Grants</b>					
Church Commissioners	-	-	347	<b>347</b>	345
Income from Friends and local trusts	-	32	-	<b>32</b>	22
Other revenue and capital grants	118	-	825	<b>943</b>	2,779
	<u>118</u>	<u>32</u>	<u>1,172</u>	<u><b>1,322</b></u>	<u>3,146</u>
<b>Charges and fees arising in the course of the mission</b>					
Facility and other fees	32	-	28	<b>60</b>	20
	<u>32</u>	<u>-</u>	<u>28</u>	<u><b>60</b></u>	<u>20</u>
<b>Trading and fundraising</b>					
Charges to visitors	467	-	-	<b>467</b>	166
Income from lettings of Cathedral or other buildings	221	31	-	<b>252</b>	93
Other trading activities	833	-	-	<b>833</b>	666
	<u>1,521</u>	<u>31</u>	<u>-</u>	<u><b>1,552</b></u>	<u>925</u>
<b>Investments</b>					
Income from investment property	108	-	-	<b>108</b>	107
Income from other investments	61	-	35	<b>96</b>	82
Interest receivable on short term deposits	2	-	-	<b>2</b>	-
	<u>171</u>	<u>-</u>	<u>35</u>	<u><b>206</b></u>	<u>189</u>
<b>Other incoming resources</b>					
Other items	3	-	-	<b>3</b>	4
<b>Total income</b>	<u><u>2,138</u></u>	<u><u>492</u></u>	<u><u>1,333</u></u>	<u><u><b>3,963</b></u></u>	<u><u>4,621</u></u>

## Notes

(forming part of the financial statements)

### 5. Expenditure on:

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
<b>Raising funds</b>					
Costs of facilities for visitors	83	-	1	84	101
Costs of services directly recoverable	29	-	-	29	8
Other trading activities	600	-	-	600	502
General Marketing	127	-	-	127	101
Costs of fundraising	-	77	85	162	124
Investment property costs	34	-	-	34	22
Allocation of support costs	131	-	11	142	135
	<u>1,004</u>	<u>77</u>	<u>97</u>	<u>1,178</u>	<u>993</u>
<b>Ministry</b>					
Clergy stipends and working expenses	34	-	137	171	147
Clergy housing costs	28	13	-	41	23
Clergy support costs	119	-	-	119	78
Cost of services	35	-	14	49	20
Cost of music	176	-	301	477	360
Donations paid to Trust	-	7	-	7	6
Allocation of support costs	153	-	54	207	109
	<u>545</u>	<u>20</u>	<u>506</u>	<u>1,071</u>	<u>743</u>
<b>Cathedral and precincts upkeep</b>					
Works funded by trusts and others	-	132	467	599	1,223
Maintenance and interior upkeep	283	-	215	498	641
Cathedral insurance	72	-	-	72	62
Precincts, security & gardens upkeep	14	-	-	14	28
Allocation of support costs	152	-	80	232	268
	<u>521</u>	<u>132</u>	<u>762</u>	<u>1,415</u>	<u>2,222</u>
<b>Education and outreach</b>					
Educational activities	23	-	1	24	33
Library & archives	61	-	64	125	96
Allocation of support costs	25	-	7	32	21
	<u>109</u>	<u>-</u>	<u>72</u>	<u>181</u>	<u>150</u>
<b>Community</b>					
	<u>1</u>	<u>-</u>	<u>1</u>	<u>2</u>	<u>4</u>
<b>Total Expenditure</b>	<u>2,180</u>	<u>229</u>	<u>1,438</u>	<u>3,847</u>	<u>4,112</u>

## Notes

(forming part of the financial statements)

### 6. Administrative expenses included in statement of financial activities

	Raising Funds	Ministry	Cathedral and precinct upkeep	Education and outreach	Total 2022
	£'000	£'000	£'000	£'000	£'000
<i>Unrestricted funds:</i>					
The Cloisters premises costs	3	3	4	-	10
Compliance costs	9	9	9	2	29
Staff costs	54	63	62	12	191
Professional and consulting costs	7	9	9	1	26
Audit and accountancy fees	4	5	5	1	15
Printing, postage and stationery costs	3	4	5	-	12
Conference, subscriptions, travel and subsistence	3	5	6	-	14
Information technology costs	17	19	18	4	58
Bank charges	1	1	2	-	4
Operational and sundry costs	30	35	31	5	101
Depreciation of fixed assets	-	-	1	-	1
	<u>131</u>	<u>153</u>	<u>152</u>	<u>25</u>	<u>461</u>
<i>Restricted funds:</i>					
Staff costs	9	44	65	6	124
Depreciation of fixed assets	<u>2</u>	<u>10</u>	<u>15</u>	<u>1</u>	<u>28</u>
	<u>11</u>	<u>54</u>	<u>80</u>	<u>7</u>	<u>152</u>
	<u>142</u>	<u>207</u>	<u>232</u>	<u>32</u>	<u>613</u>

Administration expenses of £613,000 (2021: £539,000) 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
	£'000	£'000	£'000	£'000	£'000
<i>Valuation</i>					
At beginning of year	-	-	-	2,515	2,515
Revaluation	-	-	-	112	112
At end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,627</u>	<u>2,627</u>

The above freehold relating to Exeter Cathedral School properties were valued by Savills (L&P) Limited, Chartered Surveyors at open market value for existing use in September 2022. A desktop valuation was performed for the remaining properties.

## Notes

(forming part of the financial statements)

### 8. Investments

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
<b>Group</b>					
<i>Market value</i>					
At beginning of year	687	-	237	1,789	<b>2,713</b>
Additions	66	-	-	65	<b>131</b>
Disposals	(63)	-	-	(60)	<b>(123)</b>
Revaluation	(25)	-	(27)	(122)	<b>(174)</b>
At end of year	<u>665</u>	<u>-</u>	<u>210</u>	<u>1,672</u>	<u><b>2,547</b></u>

#### Cathedral

*Market value*

At beginning of year	763	-	237	1,789	<b>2,789</b>
Additions	66	-	-	65	<b>131</b>
Disposals	(63)	-	-	(60)	<b>(123)</b>
Revaluation	(25)	-	(27)	(122)	<b>(174)</b>
At end of year	<u>741</u>	<u>-</u>	<u>210</u>	<u>1,672</u>	<u><b>2,623</b></u>

		Listed Investments £'000	Unlisted Investments £'000	Total £'000
<b>Group</b>				
<i>Market value</i>				
At beginning of year		1,352	1,361	<b>2,713</b>
Additions		131	-	<b>131</b>
Disposals		(123)	-	<b>(123)</b>
Revaluation		(47)	(127)	<b>(174)</b>
At end of year		<u>1,313</u>	<u>1,234</u>	<u><b>2,547</b></u>

	Shares in subsidiary undertaking £'000	Listed Investments £'000	Unlisted Investments £'000	Total £'000
<b>Cathedral</b>				
<i>Market value</i>				
At beginning of year	76	1,352	1,361	<b>2,789</b>
Additions	-	131	-	<b>131</b>
Disposals	-	(123)	-	<b>(123)</b>
Revaluation	-	(47)	(127)	<b>(174)</b>
At end of year	<u>76</u>	<u>1,313</u>	<u>1,234</u>	<u><b>2,623</b></u>



## Notes

(forming part of the financial statements)

### 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 2022 were audited and the audit report was unqualified.

A summary of the trading results are shown below:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<i>Turnover</i>	<b>834</b>	666
Cost of sales and administrative expenses	<b>(544)</b>	(473)
Interest receivable	-	-
Net profit	<b>290</b>	193
Covenant payable to Cathedral	<b>(290)</b>	(193)
Retained in subsidiary	-	-

The assets and liabilities of the subsidiary were:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Fixed assets	<b>23</b>	20
Current assets	<b>652</b>	479
Current liabilities	<b>(536)</b>	(360)
Total net assets	<b>139</b>	139
Aggregate share capital and reserves	<b>139</b>	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, vergers and director of music – Group and Cathedral

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>Total £'000</b>
<i>Valuation</i>					
At beginning of the year	-	-	-	3,090	<b>3,090</b>
Additions	-	-	-	-	-
At end of year	-	-	-	3,090	<b>3,090</b>

A desktop impairment review was completed in June 2023. The Chapter is of the opinion that there has not been an impairment in value.

No value has been attributed to the shop and cafe, as the shop is within the Cathedral and the Café is closed for the foreseeable future.

## 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	<b>Total</b> <b>£'000</b>
<i>Valuation</i>					
At beginning and end of year	-	-	-	726	<b>726</b>

A desktop impairment review was completed in June 2023. The Chapter is of the opinion that there has not been an impairment in value.

### 12. Equipment and plant

<b>Group</b>	Unrestricted Funds £'000	Restricted Funds £'000	<b>Total</b> <b>£'000</b>
<b>Cost</b>			
At beginning of year	214	910	1,124
Additions	17	77	94
At end of year	<u>231</u>	<u>987</u>	<u>1,218</u>
<b>Depreciation</b>			
At beginning of year	194	343	537
Charge for year	14	57	71
At end of year	<u>208</u>	<u>400</u>	<u>608</u>
<b>Net book value</b>			
At end of year	<u>23</u>	<u>587</u>	<u>510</u>
At beginning of year	<u>20</u>	<u>567</u>	<u>587</u>
<b>Cathedral</b>			
<b>Cost</b>			
At beginning of year	-	910	910
Additions/Disposals	-	77	77
At end of year	<u>-</u>	<u>987</u>	<u>987</u>
<b>Depreciation</b>			
At beginning of year	-	343	343
Charge for year	-	57	57
At end of year	<u>-</u>	<u>400</u>	<u>400</u>
<b>Net book value</b>			
At end of year	<u>-</u>	<u>587</u>	<u>587</u>
At beginning of year	<u>-</u>	<u>567</u>	<u>567</u>

## Notes

(forming part of the financial statements)

### 13. Stocks

	<b>Group</b>		<b>Cathedral</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Building materials	2	2	2	2
Goods for resale	65	76	-	-
	<u>67</u>	<u>78</u>	<u>2</u>	<u>2</u>

### 14. Debtors

	<b>Group</b>		<b>Cathedral</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Exeter Cathedral Enterprises Limited	-	-	417	228
Recoverable taxation	30	16	30	16
Trade and other debtors	94	60	85	54
Prepayments and accrued income	280	653	279	651
VAT	61	63	40	63
	<u>465</u>	<u>792</u>	<u>851</u>	<u>1,012</u>

### 15. Liabilities due within one year

	<b>Group</b>		<b>Cathedral</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade creditors	357	293	277	187
Taxation & social security	31	36	29	35
Other creditors	-	9	-	9
Accruals and deferred income	195	197	160	172
	<u>583</u>	<u>535</u>	<u>466</u>	<u>403</u>

## Notes

(forming part of the financial statements)

### 16. Unrestricted and designated funds

	At beginning of year £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At end of year £'000
<b>Group</b>						
<i>Designated funds:</i>						
Development Fund	1,325	485	(209)	(100)	-	<b>1,501</b>
Close Properties Improvement Fund	-	-	(13)	100	-	<b>87</b>
Harington Choristers Bursaries	-	7	(7)	-	-	-
	<u>1,325</u>	<u>492</u>	<u>(229)</u>	<u>-</u>	<u>-</u>	<b><u>1,588</u></b>
<i>General fund</i>	956	2,138	(2,180)	-	(23)	<b>891</b>
	<u>2,281</u>	<u>2,630</u>	<u>(2,409)</u>	<u>-</u>	<u>(23)</u>	<b><u>2,479</u></b>
<b>Cathedral</b>						
Designated funds						<b>1,588</b>
General Fund						<b>827</b>
						<b><u>2,415</u></b>

#### Details of designated funds:

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

**Close Property Improvement Fund** – Funds designated for the improvements to Close properties

**Harington Choristers Bursaries** – Funds designated for chorister bursaries.

## 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	-	190	(190)	-	-	-
Friends of Exeter Cathedral	-	350	(350)	-	-	-
Church Commissioners	-	228	(228)	-	-	-
All Churches Trust	-	118	(118)	-	-	-
Headley Trust	-	46	-	-	-	46
European Funding – VISTA AR project	6	(1)	(1)	-	-	4
Chapter House project funding	1	15	(3)	-	-	13
Idlewild Trust-monument repairs	6	-	(1)	-	-	5
Covid-19 Adaptation Projects	242	48	(35)	-	-	255
Welcome Project – Delivery Phase	92	105	(197)	-	-	-
Heritage England – Restoration Works to South Aisle Roof and East End Windows	2	-	(2)	-	-	-
Organ Fund	7	-	-	-	-	7
Library Fund	137	28	(28)	-	-	137
Fabric funds	195	50	(70)	-	(28)	147
Chorister Outreach Programme	28	5	(18)	-	-	15
Music funds	63	1	(8)	-	-	56
Walker Memorial	14	4	(1)	-	-	17
Liturgy/mission funds	28	3	(2)	-	-	29
Stubbs legacy	5	-	-	-	-	5
Image Screen	3	-	-	-	-	3
Education donation	2	-	-	-	-	2
Pilgrims Trist-Heritage Manager	-	13	(13)	-	-	-
Chapter Discretionary Fund	6	-	-	-	-	6
SOAR & Wednesday Café	7	11	(2)	-	-	16
Sundays @7	4	1	-	-	-	5
Visitor leaflets	1	-	-	-	-	1
Choir Tour Funds	2	3	(2)	22	-	25
Nativity	4	1	(2)	-	-	3
Music legacy	43	-	-	-	-	43
Stonemasons Education Fund	8	28	(22)	-	-	14
USA Choir Tour fund	22	-	-	(22)	-	-
Donations & Legacies to ECMFT	10	54	(63)	-	-	1
Exeter Cathedral Choir Association	4	-	(1)	-	-	3
Cath, Comm. Discretionary fund	-	(1)	1	-	-	-
Piano fund	1	-	-	-	-	1
Flower Arrangers	6	5	(8)	-	-	3
Dulverton Trust – Youth Engagement	25	-	(6)	-	-	19
Equipping Christian Leaders in an Age of Science	10	-	(1)	-	-	9
Arts Council	13	1	(12)	-	-	2
Architectural Heritage Fund	-	11	(11)	-	-	-
Labyrinth Fund	-	5	(5)	-	-	-
LPWS Grant Scheme	-	11	(11)	-	-	-
<b>Capital funds</b>						
Library Capital Fund	365	-	(28)	-	-	337
	<u>1,362</u>	<u>1,333</u>	<u>(1,438)</u>	<u>-</u>	<u>(28)</u>	<u>1,229</u>

## Notes

*(forming part of the financial statements)*

### 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 Residuary 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 – Delivery Phase**

Funding to deliver the improvement in our welcome.

##### **Heritage England – South Aisle Roof & East End Windows**

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

##### **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.

### 17. Restricted funds – Group and Cathedral – continued

##### **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.

## Notes

*(forming part of the financial statements)*

### 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.

#### 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.

#### Flower Arrangers

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.

#### Architectural Heritage Fund

Funding provided to engage professionals and undertake own research to produce a Project Viability Report for the Law Library

#### Labyrinth Fund

A grant to install a labyrinth with the Cathedral to support contemplation and prayer.

#### Listed Places of Worship Grant Scheme

Grants towards VAT incurred in making repairs and carrying out alterations to listed buildings mainly used for public worship.

#### Library Capital Fund

Funding received towards the redevelopment of the library and archives.

### 18. Endowment fund – Group and Cathedral

	<b>£'000</b>
At beginning of year	8,235
Realised gains on disposal of investments	-
Unrealised loss on investments	(123)
Gains on revaluation of investment property	112
<b>At end of year</b>	<b>8,224</b>

## Notes

(forming part of the financial statements)

### 19. Reconciliation of net incoming resources before investment gains to net cash generated in operating activities

	2022	2021
	£'000	£'000
Net incoming resources before investment gains	116	509
<i>Adjustments for:</i>		
Depreciation charges	69	78
Income from property and investments	(206)	(189)
Property management costs, rental collection fees and investment management costs	34	22
Decrease in stocks	11	25
Decrease/(increase) in debtors	327	(514)
Increase in creditors	48	85
<b>Net cash generated by operating activities</b>	<b>399</b>	<b>16</b>

The group does not hold any net debt, therefore the net debt equates to the cash position presented above.

### Analysis of cash and cash equivalents:

	2022	2021
	£'000	£'000
Cash in hand	2	2
Cash at bank	2,381	1,910
<b>Total cash and cash equivalents</b>	<b>2,383</b>	<b>1,912</b>

### 20. Staff and Clergy numbers and costs

The average number (full time equivalents) of employees and clergy during the year was 43 (2021: 44). Part time staff are included on the basis of full time equivalents. This number is divided as follows: clergy 1 (2021: 1), music and ministry 10 (2021: 10), upkeep 15 (2021: 14), administration 7 (2021: 6), fundraising 2 (2021: 5), visitors 2 (2021: 2), education 4 (2021: 3), Exeter Cathedral Enterprises Limited 2 (2021: 3). The total average number of employees during the year was 64 (2021: 57).

The cost of these staff was as follows:

	2022	2021
	£'000	£'000
Salaries and stipends	1,251	1,109
Employer's national insurance	105	88
Employer's pension costs	35	28
	<b>1,391</b>	<b>1,225</b>

Two employees received remuneration in excess of £60,000 as follows:

£60,000 to £70,000	1
£80,000 to £90,000	1



## Notes

*(forming part of the financial statements)*

### 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 £286,000 (2021: £277,000).

### 22. Auditors remuneration

	<b>Group</b>		<b>Cathedral</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Audit services	<b>20</b>	19	<b>15</b>	15
Other services	-	-	-	-
	<b>20</b>	19	<b>15</b>	15

### 23. Remuneration of members of Chapter

	Remuneration	Pension contribution
	£	£
The Very Reverend JFD Greener	37,955	11,677
The Reverend Canon Mustard	29,561	9,342
The Reverend Canon Palmer	29,561	9,342
	<b>97,077</b>	<b>30,361</b>

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 7 (2021: 5) members of Chapter totalling £9,000 (2021: £5,000).

### 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. The pension costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2022: £28,782 2021: £24,277), plus the figures in relation to the scheme's deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £32,610 for 2022 (2021: £32,602).

## Notes

(forming part of the financial statements)

### 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 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- Retail Price Inflation of 3.6% per annum (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards
- increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of , an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020=0%)

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and 2022 is set out in the table below.

	2022	2021
Balance sheet liability at 1 January	247,000	448,000
Deficit contribution paid	(132,000)	(214,000)
Interest cost (recognised in SoFA)	-	1,000
Remaining change to the balance sheet liability* (recognised in SoFA)	(115,000)	12,000
Balance sheet liability at 31 December	-	247,000

\* Comprises change in agreed deficit recovery plan, and change in discount rate and inflation assumptions between year-ends.

The liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the recovery plan were already known.

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0% pa	0.2% pa
Price Inflation	n/a	n/a	3.1% pa
Increase in total pensionable payroll	n/a	-1.5% pa	1.6% pa

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

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

## Notes

*(forming part of the financial statements)*

### 24. Pension schemes – continued

#### *Lay staff*

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

The cost for the period amounted to £9,782 (2021: £5,310) 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 £32,628.37 (2021: £28,157) 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 2022, the group had outstanding commitments for future minimum lease payments under non- cancellable operating leases which fall due as follows:

	2022 £'000	2021 £'000
<i>Other operating leases</i>		
Within one year of the balance sheet date	7	3
In the second of fifth years inclusive of the balance sheet date	30	1
Over 5 year of the Balance Sheet date	1	-
	38	4

## Notes

*(forming part of the financial statements)*

### 28. Other financial commitments – Group and Cathedral

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Improving our Welcome</b>		
<i>Authorised and Committed</i>		
Within one year of the balance sheet date	1,467	-
In the second of fifth years inclusive of the balance sheet date	1,312	-
<i>Authorised</i>		
Within one year of the balance sheet date	1,965	-
In the second of fifth years inclusive of the balance sheet date	4,307	-
	<b>9,051</b>	-

Funding of £4.29m has been secured from the National Lottery Heritage fund with further funding of £955k being pledged towards these costs. Further funding will be sourced over the next 3 years to support this project through grant funding, events and the launch of a public funding appeal in 2023.