

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

## **Financial statements**

**For the year ended 31 December 2023**

# Exeter Cathedral

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# Exeter Cathedral

## Annual Report

For the year ended 31 December 2023



### 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. These Constitution and Statutes ceased to be in force on 31 October 2023

New Constitution and Statutes were implemented on 1 November 2023 under the Cathedrals Measure 2021.

#### The Chapter

The administrative body is the Chapter. The members of the Chapter during the period 1 January 2023 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	until 24 April 2023
Jenny Ellis CB	Chapter Canon	
The Reverend Canon Cate Edmonds	Canon Steward	
The Reverend Canon Deborah Parsons	Canon Chancellor	
Barnabas Hurst-Bannister	Senior Non-Executive Member	from 1 November 2023
Mark Yallop CBE	Chapter Canon	from 1 November 2023
Ian King	Chapter Canon	from 1 November 2023
John Lee OBE	Chapter Canon	from 1 November 2023
The Venerable Nick Shutt	Chapter Canon	from 1 November 2023

#### Address

Cathedral Office  
1 The Cloisters  
EXETER,  
EX1 1HS

#### Staff with Management Responsibilities

Chief Operating Officer	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	Michelle Clark	until 19 <sup>th</sup> May 2024
	John Meredith	from 9 <sup>th</sup> September 2024
Director of Marketing	Richard Remmington	

#### Exeter Cathedral Enterprises Limited

Chairman	The Very Reverend Jonathan Greener
Director	Catherine Escott
Director	John Endacott FCA
Director	Giles Frampton FCA

# Exeter Cathedral

## Annual Report

For the year ended 31 December 2023



### 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 LLP  
10 Queen Street Place  
London  
EC4R 1AG

### Investment Managers

Charles Stanley  
Broadwalk House  
Southernhay West  
EXETER  
EX1 1TS

Quilter Cheviot Limited  
One Kingsway  
LONDON  
WC2B 6AN

CCLA Investment Management LTD  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

### THE DEAN'S REPORT

2023 has been extremely busy for Exeter Cathedral. We have continued our progress towards registration with the Charity Commission (required by the Cathedrals Measure 2021), and our Nominations Committee have recruited the new Chapter (7 non-executives), together with a new Finance Committee and Audit & Risk Committee. The registration process has required us to review and update a vast number of policies and procedures, which will help to strengthen our governance for the long term. We were sad to bid farewell to our Cathedral Council, but this is again a requirement of the Measure, and makes it very clear that the governance of the cathedral sits firmly with the Chapter.

Safeguarding has been high on our agenda - not any particular incidents, but a desire to embed safeguarding awareness throughout the cathedral community.

The cathedral choir has maintained its remarkable and consistent quality through the year, and we are, as ever, grateful to the Cathedral Music Foundation for their financial support and the Cathedral School for all it does to educate our choristers and facilitate our demanding schedule of rehearsals and services.

Our development project has been in full swing, and we have endeavoured to keep fully operational throughout. Having said that, the works have been even more disruptive than expected to our daily life, so we have had shorter opening hours than originally envisaged, and more periods than usual of free entry because of noise disruption for our visitors. In the light of this, we have been really pleased to achieve a modest financial deficit, in line with budget projections, on our day-to-day operations.

Our finances were given an early boost. In February 2022 we hosted Luke Jerram's art installation, *The Museum of the Moon*, and quickly learned that this would vastly increase our visitor numbers at a quiet time of year. So, we decided to follow suit in 2023 with his installation *Gaia* (The Earth), to similar effect. Apart from this, however, visitor numbers have continued to be slow to grow back to pre-covid levels - partly because there are fewer international visitors coming to Devon. Consequently, we have increased activity and events through the year to boost our commercial income, though this has put extra demands on staff and volunteers, and on all of us who love the building.

Staff recruitment has proved challenging at times this year because of the highly competitive employment market here in Exeter.

During the year, we have increased the number of parish visits to the cathedral. This is a priority in helping us build better relationships with the Diocese of Exeter, and will certainly be a regular activity for the future.

Our Christmas Market expanded this year with more stalls than before, and more profit for the cathedral. We made special provision to repair and re-turf the Green as quickly as possible, to ensure the outside area continues to look cared for in spite of the contractors' compounds surrounding us. Anti-social behaviour on the Green has continued to be a problem, so we have been grateful for a visit by the Acting Chief Constable and greater police presence during the year.

Progress with our development project has been good, with excellent quality construction both in the new quire floor and the cloister, and we are confident that these will provide better facilities and a lasting legacy worthy of Exeter Cathedral. Works will continue through to 2025, and in addition to the cloister will include new lighting, heating and sound throughout the quire and East End of the Cathedral, a new Treasures Gallery where our visitors will be able to engage with our historic collections, and two much needed new sets of WCs, plus a Changing Places Toilet. The capital works have been accompanied by an extensive programme of activities, intended principally to bring new people through our doors and especially those who would not normally think of the cathedral as their natural milieu.

There have been some delays and cost increases, with high inflation levels and a number of areas where compliance with permissions' conditions have required an expansion to our original designs. Our fundraising targets have had to increase correspondingly, and we were immensely grateful to the Friends of the Cathedral who at their AGM announced a £1million donation towards the cost of the new cloister on top of their usual grant to the cathedral. In recognition of their support the building will be known as the Friends' Cloister Gallery.

Conversations with the National Lottery Heritage Fund allowed us to make an application for an uplift grant and we were delighted in March 2024 to be granted an additional £2.9 million because of increased costs.

Since the quire was closed for building works over Christmas, and capacity was consequently limited, we decided to hold two Grandisson services (our principal Christmas Carol Service), which were very warmly received, and will now once again become a regular feature of life in Exeter. We held a joyful and well attended service to celebrate the Coronation of King Charles III in May. During the year, we have had to accommodate a larger than usual number of funerals and memorial services, and managing the diary alongside the works has proved challenging at times. In order to minimise disruption, our morning worship has for most of the year been transferred to St Petrock's Church on the High Street, which allows noisy work to begin early in the morning.

At the end of September, the Bishop of Exeter retired (the Right Revd Robert Atwell), and the Bishop of Crediton was made Acting Bishop. We have been hugely grateful for Bishop Robert's support and encouragement during his episcopate.

# Exeter Cathedral

## Annual Report

*For the year ended 31 December 2023*



Running a major development project alongside the daily round of worship and activity is inevitably demanding on finances, resources and people. The Cathedral Community is greatly indebted to, and grateful for, our staff, volunteers, clergy and donors without whom the activities of this past year would simply not have been possible.

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

Jonathan

The Very Revd Jonathan Greener  
Dean of Exeter

### STRUCTURE, GOVERNANCE AND MANAGEMENT

**The Annual Report** contains two main areas of information. The first is 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**

We are committed to and will courageously pursue being:

- Welcoming to all
- The best we can
- Open and listening
- Fair and respectful

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

Until 31 October 2023, the life of the Cathedral was 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 and 19 March 2018.

New Constitution and Statutes came into force on 1 November 2023 under the terms of the Cathedrals Measure 2021. A copy of the Constitution and Statutes is available for inspection at the Cathedral Office by appointment with the Chief Financial Officer or on our website.

Under the Constitution and Statutes in force until 31 October 2023, the Body Corporate of the Cathedral had a Chapter, Council, a College of Canons and a Finance Committee. The first three bodies together made up the body corporate known as ‘The Cathedral Church of St Peter in Exeter’, with perpetual succession and a common seal.

Under the Constitution and Statutes which came into force on 1 November 2023, the body corporate of the Cathedral became the Chapter alone; the Council ceased to exist; the College of Canons continues as a reference body; the Chapter is required to have a Nominations Committee, a Finance Committee, and an Audit and Risk Committee. The Chapter has the legal responsibility for directing and managing the life and mission of the Cathedral.

In addition, the Cathedral has a Fabric Advisory Committee with statutory authority to consider all matters relating to the fabric and, in prescribed cases, to make determinations allowing or refusing permission to undertake works that alter the historic fabric or appearance of the building. This operates under the provisions of The Care of Cathedrals Measure 2011. A Cathedral Community Committee provides a forum for the Cathedral’s worshipping community to comment on aspects of Cathedral ministry and to deal with delegated responsibilities.

### Investment Powers

The Chapter has the powers of investment set out in the Cathedral's Measure 2021. Chapter may invest the Cathedral's funds 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 Limited 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

Until 31 October 2023, Chapter was governed by the previous Constitution and Statutes which allowed for the Dean, all the residentiary canons plus four other persons called Chapter Canons.

The new Constitution and Statutes required a new formation of Chapter from 1 November 2023. In addition to the Dean, there are four Residentiary Canons. Two of the Residentiary Canons plus the Dean are Commissioners' Canons working full-time in the Cathedral with stipends paid by the Church Commissioners.

There must be a further six and may be a further seven Non-Executive members of the Chapter, of whom at least two thirds must be lay people. Ordained Non-Executive members of Chapter are installed as Non-Residentiary Canons; lay Non-Executive members of Chapter are installed as Lay Canons. During 2023, all of these positions have been filled, with six lay Non-Executive members and one Non-Residentiary canon. The Cathedral does not remunerate the Non-Executive members of Chapter in their capacity as Chapter members but they are entitled to claim expenses incurred in the discharge of their duties. Chapter held eleven business meetings within the year.

### 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, supported the work of the Cathedral by receiving and considering reports from Chapter across a whole range of financial and pastoral matters.

Until it ceased to exist on 31 October 2023 the Council continued to monitor the progress of the new Cathedral's Measure and to 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

Exeter Cathedral (the Cathedral) is an ecclesiastical corporation established for charitable purposes, previously exempted from registration under Section 10 of the Charities Act 2011 but subsequently required to register under the Cathedral's Measure 2021. The Cathedral registered as a charity on 7 February 2024. During the year to which this report relates the Cathedral was a public benefit entity. The Chapter voluntarily had regard to the Charity Commission's guidance on public benefit.

### Chapter Recruitment and Training

When Chapter members are appointed, the process suggested by the Association of English Cathedrals is followed ensuring prospective members have attended worship at the cathedral, met staff and been given a tour of the fabric of the Cathedral.

The Dean is appointed by the Crown, Residentiary Canons are appointed by the Bishop of Exeter, the Senior Non-Executive Member is appointed by the Bishop of Exeter after consultation with Chapter and Non-Executive Chapter members are appointed by Chapter following advice from the Nominations Committee.



# Exeter Cathedral

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*For the year ended 31 December 2023*



New members of Chapter are provided with essential documents for the role including copies of the Cathedral's constitution and statutes, previous annual report and financial statements and minutes of recent Chapter meetings. New members of Chapter are provided with opportunities to meet fellow members and senior employees of the Cathedral as part of their induction. All new members of Chapter are encouraged to participate in training provided by the Association of English Cathedrals to acquaint them with the role, function and responsibilities of Chapter.

### **Staffing and Management**

Chapter is supported by a staff team headed by the Cathedral Chief Operating Officer (formerly Administrator). Chapter has delegated to the Chief Operating Officer day-to-day responsibility for operations (including management of risk), administration, safeguarding and HR matters. The Chief Operating Officer attends all meetings of Chapter and of all sub-committees. The Chief Financial Officer has day-to-day responsibility for finance.

### **Pay and Remuneration**

The stipends of the Dean and Residentiary Canons are regulated by the Central Stipends Authority of the Church of England, in line with the Central Stipends Authority Regulation 1998.

The Cathedral previously engaged in a benchmarking exercise to ensure proper levels of pay for employees across the whole institution during 2021/22. The HR Committee continues to keep this under review. Pay for senior leaders is set by Chapter on the advice of the HR committee, who continue to monitor market rates and seek professional advice when appropriate.

Any annual salary uplift takes place in April each year and is discussed initially between the Chief Financial Officer and Chief Operating Officer and presented within a draft budget to the Finance Committee and then Chapter for approval.

# Exeter Cathedral

## Annual Report

For the year ended 31 December 2023



### OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

#### OBJECTIVES

The Cathedral Constitution sets out the Cathedral's ecclesiastical purpose and objects.

The Objects of the Cathedral are:

- to advance the Christian religion in accordance with the faith and practice of the church of England, in particular by furthering the mission of the church of England;
- to care for and conserve the fabric and structure of the cathedral church building;
- to advance any other charitable purposes which are ancillary to the furtherance of the purpose referred to in sub-paragraph (a) or (b).

#### ACHIEVEMENTS AND PERFORMANCE

##### Ministry

As the bishop's church and mother church of the diocese, the cathedral exercised its role to offer a welcome to people from across our county and further afield for worship, prayer, visiting, and celebration. This was the first year since the Covid pandemic which felt 'normal' in terms of people visiting the cathedral; however, the capital works of the NLHF project placed restrictions on our use of the building and which we navigated whilst continuing to offer a complete round of worship and visitor experience.

The cathedral offered Morning Prayer, Evening Prayer (usually Choral Evensong), and a Eucharist daily, with a fuller round of services on Sundays and festivals. The cathedral choir of 40 choristers and 12 adults sung at most of the choral services, with visiting choirs covering much of the holidays times. The choir went on tour to Wales and Ireland at the start of the summer, to great acclaim. Weekday worship during work to the quire floor moved into St Petrock's church, and Choral Evensong was held in the Nave during this period. Significant services during the year included a service of celebration for the coronation and a farewell service for the Rt Revd Robert Atwell at his retirement as Bishop of Exeter.

Due to limited capacity caused by the Project, the decision was made to hold two Grandisson Carol Services, an innovation that proved popular. Bishop Graham James gave addresses during Holy Week, which were much appreciated. We began work to reshape the offering we make at 6.30pm on a Sunday evening, particularly by introducing In Conversation on the second Sunday of each month, with invited speakers to engage in conversation on matters of faith, justice, and culture.

We continue to offer welcome and care to visitors and congregation alike, with the support of Priest Vicars, duty chaplains, and the Pastoral Care Team. Amongst other things we developed a Dementia policy, aware of increasing occasions when some degree of support for those with dementia falls on the cathedral's shoulders; in conjunction with the Archbishop of Canterbury's Mission to Devon, we held the first of a series of mission breakfasts to offer a more engaged welcome to visitors. We offered opportunities for Christian nurture including Confirmation preparation for both young people and adults, and a series of lectures by Canon Morwenna Ludlow on female theologians.

Our visitor numbers recovered to pre-Covid levels, and exceeded these thanks to the *Gaia* art installation in February, encouraging engagement and learning around issues of environmental justice, a sound and light show in January, and continuing our policy of recent years to offer entry by donation during the Christmas Market also drove visitor footfall. A warm welcome to many through an ambitious events programme – again coping with the building restrictions – included a performance of *Twelfth Night* by the re-formed Cathedral Players during September. The Education officer, together with a team of volunteers, welcomed school visits and families with children during the school holidays to promote learning and engagement with the Cathedral.

### Care and Conservation of the Cathedral Fabric

In 2022, Exeter Cathedral was successful in securing a £4.3million grant from the National Lottery Heritage Fund as part of the Cathedral's 2020's Development Appeal. In 2023, further match funding was raised of over £1.3million from private trusts and this ongoing mix of grant funding and matched project 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 before year end 2024. Phase 2 in the East end was planned and scoped in 2023 and work has begun in tandem with the conclusion of Phase 1 in 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.

The Cathedral Stonemasons continue to work on the conservation of the Cathedral building. During 2023 they conserved part of the south wall of the Chapter House and then returned to work on the south side of the Quire. We undertook work on the Close properties to insulate and repair these historic buildings.

Further details of the conservation of the fabric of the Cathedral can be found within the Fabric Advisory Committee report found on p12.

### FINANCIAL REVIEW

During 2023, the Cathedral made a surplus of £175,000 (2022: £54,000), which includes unrealised investment losses of £52,000 (2022: losses of £174,000) with no gains on revaluation of investment property (2022: gains on revaluation of £112,000), principally on the designated and restricted funds. The surplus before investment losses and gains on revaluation of investment property was £227,000 (2022: £116,000) which comprises a surplus on restricted funds of £161,000 (2022: deficit of £105,000), a deficit on the general fund of £19,000 (2022: deficit of £42,000), and a surplus on designated funds of £85,000 (2022: surplus of £263,000).

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 development work having started, planned phased closures of the Cathedral continued to have an impact in the year on visitor numbers and donations. This was partially alleviated by the success of the Gaia installation in February 2023 and a successful and profitable Christmas Market. Chapter continue to exercise close cost control and investigate new ways of boosting income.

### Reserves policy

The Cathedral has annual income of approximately £6.5million from a combination of public and private grant fund fundraising, 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 realised some equity investments to raise additional cash resources. To date cash reserves together with new grant funding received have been adequate to meet expenditure.

Chapter consider the financial year end position of £12,107,000 (2022: £11,932,000) total funds comprising £8,159,000 (2022: £8,224,000) of endowment funds, £1,309,000 (2022: £1,229,000) of restricted funds, £1,773,000 (2022: £1,588,000) of designated funds and £866,000 (2022: £891,000) of general funds to be satisfactory. At the year end, the Group had general reserves equal to four months of unrestricted expenditure, which is in line with the reserves policy.

Designated funds are being held principally for the ongoing Welcome project and are expected to be spent in 2024 and 2025.

### Investments

Apart from its properties within the Cathedral Close, which constitute a significant proportion of its balance sheet valuation, the Cathedral has approximately £2.6million (2022 £2.5million) of assets held in investments.

The Cathedral's investments are in equities and deposits and generally held for the long term. The unrestricted element of investments is available for drawdown in exceptional circumstances and at 31 December 2023 totalled £318,000 (2022: £665,000). Chapter is the Cathedral's executive body and is responsible for investment decisions. 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).

At 31 December 2023, the Group held investments of £1,749,000 (2022: £2,623,000) of which £479,000 (2022: £1,313,000) was held in an investment portfolio managed by Quilter Cheviot, £1,079,000 (2022: £1,005,000) was held in the Central Board of Finance Investment Fund, and £113,000 was held in Charles Stanley treasury stock. Permanent endowment and restricted investment funds, which are not available for the operational running of the Cathedral, totalled £1,431,000 (2022: £1,882,000).

### RISK MANAGEMENT

The evaluation of risk and its active monitoring and assessment are a crucial element of management throughout the Cathedral. The current Risk Register is being comprehensively reviewed in consultation with external advice and in line with Charity Commission guidance and in dialogue with the Chapter. This will form a core element of the work of the Audit & Risk Committee.

#### Principal Risks and Uncertainties

The principal risks identified by Chapter in 2023 were:

- insufficient funds to cover the day-to-day ministry and work of the Cathedral
- failures in safeguarding policy or practice that fails to prevent or address harm
- insufficient funds to fund Welcome project or other major remedial work

Approach to mitigating financial risks –

- the regular review and monitoring of monthly management accounts by the Finance Committee and Chapter to identify any material variance to budget or areas of financial risk
- ensuring reserves levels are maintained in line with reserves policy to minimise the risk of fluctuating operational income
- identifying new income streams to prevent over-reliance on one single source of income
- the review of medium-term forecasts, scenario analysis and cashflow models particularly in relation to the Welcome Project

Approach to mitigating safeguarding risks –

- the appropriate mandatory safeguarding training of all staff, Chapter members and volunteers
- the review and annual update of safeguarding handbook and policies to keep them up to date
- the implementation of recommendations provided by external safeguarding audit to ensure best practice

### CHAPTER PLANS FOR FUTURE PERIODS

The Cathedral remains committed to its role as the Bishop's church and offering Worship and Mission available to all who live in Devon. We remain committed to maintaining and enhancing the Cathedral buildings as a principal asset for worship and mission. We look forward to welcoming The Rt Revd Mike Harrison as Bishop of Exeter, developing the cathedral's relationship with him, and supporting him in his ministry.

We will bring to completion our Development Project, both Activity Programme and Capital works, by the summer of 2025. We have engaged an external evaluation consultant and are planning an exit strategy from the project, to ensure that learning is captured, new relationships sustained, greater engagement encouraged, and new facilities utilised to support sustainability.

We continue to plan moves toward becoming net-carbon zero, engaging with proposals to install a city-wide heat network and make required adaptations to our building. We plan to purchase Notaries House and Mediaeval Hall in the Cathedral Close, both as investment assets and (in the case of the Hall) to offer much needed operational space. We are looking towards a further major development project to address significant fabric needs in the Nave and the conservation and development of Church House and 1 & 2 The Cloisters, including the provision of a new Refectory.

At the time of the report, a full draft of a five-year Chapter Strategy is being developed. We will consult with major partners, including the Bishop, College of Canons, and Cathedral Community during late 2024 and early 2025, before agreeing a final proposal.

### 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

It is with great pleasure that we can report on a year of consolidation and progress for the Friends on many fronts.

Following the death of Her Majesty Queen Elizabeth II and the accession of His Majesty King Charles III, formerly The Prince of Wales, who had been our Patron since 1979, we awaited advice on this matter through 2023 but were delighted to hear recently that His Majesty has kindly agreed to remain our Patron.

As at the end of December 2023 total funds stood at £9.28m, an increase on the 2022 year-end figure. This increase reflects favourable market conditions as well as the skills of our professional investment managers, and the careful oversight exercised by our Honorary Treasurer.

Grants disbursed by the Friends in 2023 totalled £325k and included recurring support for a number of activities where continuity is important in order for the Dean and Chapter to plan ahead: in this category fall the Cathedral Stonemasons, both for the ongoing cycle of repair and restoration work in which they are engaged, and for further training and development, and bursaries for the Choral Scholars.

In addition to our recurring support, exciting individual opportunities arise from time to time to make a real and tangible difference to the life of the Cathedral, and we were very pleased to be able to support two such projects in 2023. One was a grant of £134,000 towards the replacement of the Quire Floor, which has both an aesthetic and a functional impact on the Cathedral. The other was for the new Cloister Gallery, where the trustees decided that in view of its significance it was appropriate to pledge £1million in funding to the project, to be paid over 4 years. The Dean and Chapter have very generously offered to name it the Friends' Gallery in recognition of our support.

Our membership remains buoyant as, despite the inevitable losses and departures, new applications are regularly received. At our February Council meeting we were able to report that our total membership stood at 2684, with 95 new members enrolled during the previous year.

Our events during 2023 continued to make a return to the levels of attendance experienced before the pandemic and the first two events of 2024 were at capacity very swiftly with a waiting list for returns in both instances.

Much work has been put into reviewing our Constitution, with a focus on greater flexibility and transparency in the trustee appointment process, and we are pleased to report that the draft document will be presented to our members for approval at our Extraordinary General Meeting that precedes our Annual General Meeting on 28 June.

The generosity of our members over more than 90 years has brought The Friends of Exeter Cathedral to its current healthy financial position and enables us to support the significant initiatives detailed above.

As ever we are very grateful to all past, current and future members.

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

The Music Foundation continues to provide financial support to sustain Exeter Cathedral's musical tradition. It funds choral outreach work, robes and sheet music, maintenance of the Cathedral organs, as well as scholarships for choristers, choral scholars, organ scholars and much more.

Grants to the Cathedral in 2023 totalled £200,000 (2022 - £190,000). We are pleased that we were able to increase our grant support to the Cathedral during 2023 and look forward to further increasing our fundraising activity in 2024.

### STATUTORY COMMITTEES

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

#### **Fabric Advisory Committee (FAC)** from Heather Hagen, Secretary

<i>Members:</i>	<i>Geoff Rich, Chair</i>	
	<i>Nick Bury</i>	
	<i>Bob Craft</i>	
	<i>Michael Drury</i>	
	<i>Aileen Peirce</i>	
	<i>Chris Smith</i>	
	<i>Nick Durnan</i>	
	<i>Dr Chris Paterson</i>	
	<i>Jurgan Huber</i>	<i>until 16<sup>th</sup> May 2023</i>
	<i>Dr Jill Franklin</i>	<i>until 29<sup>th</sup> October 2023</i>

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 quarterly.

During 2023, the Fabric Advisory Committee met three times, in person, to provide advice on matters brought forward by the Cathedral relating to the care and development of fabric and to consider formal applications made in accordance with the Care of Cathedrals Measure. One meeting was cancelled because the committee was not quorate.

#### **Committee Membership**

By the end of 2023, there were two vacancies on Exeter FAC. One arose from the resignation of Jurgan Hüber, the other from the sad death of Jill Franklin. One of these is a Cathedral Chapter appointment and the other a CFCE appointment. The current quinquennium membership will expire in 2026. With two years remaining, the Cathedral Chapter are in conversation with CFCE about filling these vacancies in 2024.

#### **Formal Applications**

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

- Targeted and reversible interventions to the first floor of the Pearson building to enable the control of an environment in which sensitive outstanding items can be displayed.
- Application for the excavation of electrical infrastructure trenches in the Exeter Cathedral Close.

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

- To dispose of a collection of stones by auction.
- For the spatial coordination of the interpretation scheme in the Cathedral internal, Chapel of St James, Cloister Link, and Treasures Exhibition.
- To carry out a programme of works to clean, conserve, and re-gild the Bishop's Crozier.

#### **Consultation**

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

- Pearson Treasures Exhibition
- External interpretation
- Misericords
- Disposal of Gethsemane by Mostyn
- Virgers' Prep Room
- Donor plaque locations in Cloister Gallery and Quire
- Donor plaque in the new Quire floor
- Electrical substation
- Excavation of electrical infrastructure trenches
- Turning and conserving the Drake Window
- Net-zero carbon
- Swift boxes

- Eagle lectern
- Exeter City Council Planning Application – 23/1178/SO

### 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, Ms 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:-

- Archaeological Assessment of the Proposed Ground Source Heat Pump at the Bishop's Palace, Exeter – *Mr John Allan, Cathedral Archaeologist*
- Archaeological Recording in the South Choir Aisle and South Tower of Exeter Cathedral 2022-22 – *Mr John Allan, Cathedral Archaeologist*
- 230220 - Revised Concept Design Proposal – Interpretation Scheme – *Studio MB*
- 230217 – Misericord Conservation – Development Phase Update – *Cathedral Team and Jurgen Hüber*
- Gethsemane by Mostyn, Disposal report – *Canon Chris Palmer, Canon Treasurer at Exeter Cathedral*
- 22\_120-43 Oldham Passage – combined – Proposed Plan Option B – *Clews Architects*
- Chapter House South Wall Exterior Geology, Diagram – *Mr John Allan, Cathedral Archaeologist*
- Chapter House West Wall Exterior Phasing, Diagram – *Mr John Allan, Cathedral Archaeologist*
- WSI for Close infrastructure 2023 – *Mr John Allan, Cathedral Archaeologist*
- 230616 – MB738 External Interpretation Stage 3 – *Studio MB*
- Excavation in Exeter Cathedral Choir, July 2023: Report to the FAC & CFCE – *Mr John Allan, Cathedral Archaeologist and Marc Steinmetzer, Archaeologist*
- Minister, Cathedral and Close at Exeter: the Evolution of an Ecclesiastical Precinct, c. AD 500 – 1500 – *Mr John Allan, Cathedral Archaeologist and Mr Robert Higham*
- Ledger stone plan, diagram – *Mr John Allan, Cathedral Archaeologist*
- Towards a Conservation Philosophy v2 – *Canon Chris Palmer, Canon Treasurer at Exeter Cathedral*
- 231026 – MB738 External Interpretation stage 3 V7 – *Studio MB*
- 231110 – Update to FAC – net-zero – *Canon Chris Palmer, Canon Treasurer at Exeter Cathedral*

### 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.

### Visits

FAC meetings in 2023 were held onsite on 28 February, 04 July, and 14 November. Site visits with consulting bodies included:-

- Historic England and Local Planning Authority site visit on 21 March 2023 with Cathedral team, Cathedral Archaeologist, and Cathedral Architect to consult on proposals for external interpretation.

### 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 Benefact Trust
- The Friends of Exeter Cathedral

### Inventory: from Jonathan Scott, Heritage and Engagement Manager

Work on the Inventory has continued, monitoring movement of significant numbers of objects as the capital works progress and a rationalisation of inventory work completed to date. A clear plan has been put in place to address the backlog and provide basic inventory level information for all collection items.

The Heritage and Engagement team have been focusing on supporting capital and activity works by providing access to and material from the collections including historic plans and images for interpretation.

Re-cataloguing and marking continues in both the library and archives, with all the pre-1801 library collection receiving a physical bookmark to aid identification.

The Archive Accreditation external review was completed and accreditation renewed.

Activities are monitored by regular reporting to Chapter and Fabric Advisory Committee (FAC).

**Nominations Committee** from Jenny Ellis, Chapter member of Nominations Committee

Members:            *The Rt Hon the Countess of Arran CVO, MBE, Chair*  
                         *Jenny Ellis CB*  
                         *Chris Hampton*  
                         *Simon Timms*

Under the new Constitution and Statutes Chapter was required to appoint a Nominations Committee to advise on appointments to Chapter and its committees. Chapter decided to appoint a committee at the earliest possible opportunity so that appointments to the new Chapter could be made in a timely manner. The committee is chaired by The Rt Hon the Countess of Arran CVO, MBE, who was also Vice-Lord Lieutenant of Devon. The committee met from July 2023 and was able to interview and recommend candidates for appointment as soon as the new Constitution and Statutes came into effect.

**Finance Committee** from Giles Frampton, Chair

Members:            *Giles Frampton FCA, Chair*  
                         *Ian Walker*  
                         *Paul Kingdom*  
                         *Mark Yallop CBE*  
                         *Jan Stanhope*

The Finance Committee provides independent advice to the Chapter on the Cathedral's finances and investments. Following the adoption of the new Statutes and Constitution under the Cathedrals Measure 2021, the Finance Committee was reconstituted and new members appointed. We should like to record our thanks to those members who stepped down for their dedicated service and to welcome the new members.

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 five times in 2023. 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, monitoring the performance of Chapter's investment managers, and advising Chapter accordingly.

**Audit and Risk Committee** from Conrad Donaldson, Chair

Members:            *Conrad Donaldson, Chair*  
                         *David Tilsley*  
                         *Jan Stanhope*  
                         *Ian King*

The formation of an Audit and Risk Committee was required by the Cathedrals Measure 2021 and the new Constitution and Statutes. The committee was formed towards the end of the year, and met for the first time after the year's end.

The Audit & Risk Committee aims to provide independent oversight into operational, financial and risk management systems of the Cathedral. In particular it is responsible for reviewing the Annual Report & Accounts, audit work and adequacy of management responses and in evaluating the performance of the external auditors and making recommendations to Chapter. It is also responsible for monitoring the business risks and their financial implications including reviewing the Risk Register and the Annual Governance Statement.

### OTHER COMMITTEES OF CHAPTER

**Cathedral Community Committee (CCC)** from Heather Morgan,

The purpose of the Cathedral Community Committee (CCC) is to work with the Chapter and clergy team to build up the Cathedral Community in worship, discipleship and service; to advise and make recommendations to Chapter, to be consulted on matters affecting the Cathedral Community and to be a channel of communication. It has been recognised in the Cathedral's Constitution and Statutes for many years and in the latest revision, following the Cathedrals Measure 2021, the CCC is defined as an Advisory Body to the Chapter.



Since the last annual report, the CCC has fulfilled its duty to build up, advise, recommend and be consulted in a wide range of matters, both great and small: the use of incense at the Sunday morning Choral Eucharist, planned giving renewal, a new pattern for worship on Sunday evenings, and the availability of kneelers, to name but a few.

Some meetings have been devoted to single issues such as Safeguarding and the work of the Wednesday Kitchen, and we have discussed how best to support Prayers for Healing, Cloister Club, and the link between our diocese and the diocese of Bayeux/Lisieux. The CCC has encouraged and been part of new initiatives such as Club 18-40 which will be launched in October 2024, the Eco-Team which is working towards Eco Church Gold Award for the Cathedral, and a new edition of the Cathedral Directory.

CCC discussions have gained fresh energy and insights from new members elected in 2023-Sue Bell, Peter Emmanuel and Dave Lovering-Roddis, and from two new representatives on Deanery Synod-Jake Hibberd and Caitlin Lovic. The Vice-Chair of the CCC, Chris Hampton is now Head Sidesman. He succeeds Norman Pullen, to whom the whole Cathedral Community owes a huge debt of gratitude for many years of service in a role that is central to the Cathedral's ministry of welcome and can be demanding and time-consuming.

The Social Events Team is in transition after James Hayward stepped down from being the Chair. New colleagues worked hard and to great effect in the organisation of Cathedral Community Lunches in June and September. We are hoping to arrange an outing by coach to Bath Abbey next Spring.

The Sound System Appeal is the Cathedral Community's focus for fundraising within the Cathedral 2020s Development Appeal. Thanks to generous donations, including the proceeds of the Candlelit Tours last year, large events such as the outdoor performance of The Gondoliers, and smaller gatherings such as coffee mornings, we are on course to reach £30,000 by the end of the year. We are very grateful to all who made these events possible and to those who supported them.

The CCC is preparing for an Awayday in November, when we will be able to discuss a draft of the Chapter's Strategic Plan. This will inform the CCC Action Plan for next year, which will no doubt be as busy and varied as the last 12 months.

### **HR Committee** from Jenny Ellis, Chair

The HR committee is chaired by a Chapter Canon and the other members are the Dean, the Canon Treasurer and the Chief Operating Officer. 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. The Venerable Nick Shutt acts as 'Lead Canon' to ensure Safeguarding is regularly on the Chapter's agenda and that policies and provision are up to date.

### **Buildings Committee**

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

### **Health and Safety Committee**

A Health and Safety Committee sits regularly to consider all compliance issues, and is supported by a specialist Health and Safety consultant and fire safety 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.

# Exeter Cathedral

## Annual Report

*For the year ended 31 December 2023*



The company is governed by a board of directors consisting of members of Chapter and the Cathedral Chief Operating Officer.

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 2023 was £420,000 (2022: £290,000).

### STATEMENT OF THE RESPONSIBILITIES OF CHAPTER

The Chapter's responsibilities under requirements laid down by s11 of the Cathedrals Measure 2021 are these:

"The Chapter must direct and oversee the administration of the affairs of the cathedral; and in performing that duty the Chapter must in particular—

- a) order the worship of the cathedral and promote its mission;
- b) formulate, after consultation with the bishop, proposals relating to the general direction and mission of the cathedral;
- c) prepare an annual budget for the Chapter;
- d) prepare an annual report for the Chapter and annual accounts for audit and subsequent approval;
- e) keep under review the constitution and statutes;
- f) manage the property vested in the Chapter and the income accruing from it and, in particular, ensure that necessary repairs and maintenance in respect of the cathedral and its contents and other buildings and monuments are carried out."

Before the implementation of the new Constitution of Statutes on 1 November 2023 under the Cathedrals Measure 2021, the Chapter were 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.

This annual report was approved by Chapter on 24<sup>th</sup> October 2024 and signed on its behalf by



**The Very Reverend Jonathan Greener**

*Dean*

## 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 2023, 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 2023 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.

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

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

Date: 31 October 2024

## Consolidated statement of financial activities

For the year ended 31 December 2023

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	<b>Total 2023</b>	Total 2022
<i>Notes</i>	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>						
Donations and legacies	293	236	78	-	<b>607</b>	820
Grants in support of mission	2	41	3,613	-	<b>3,656</b>	1,322
Charges and fees arising in the course of Mission	29	-	74	-	<b>103</b>	60
Trading and Fundraising	1,668	15	-	-	<b>1,683</b>	1,552
Investments	316	-	47	-	<b>363</b>	206
Other income	4	-	-	-	<b>4</b>	3
<b>Total income</b>	<b>4</b>	<b>2,312</b>	<b>3,812</b>	<b>-</b>	<b>6,416</b>	3,963
<b>Expenditure on:</b>						
Raising funds	1,095	84	65	-	<b>1,244</b>	1,178
Ministry	612	123	492	-	<b>1,227</b>	1,071
Cathedral and precincts upkeep	522	-	2,992	-	<b>3,514</b>	1,415
Education and outreach	98	-	99	-	<b>197</b>	181
Community and congregation	4	-	3	-	<b>7</b>	2
<b>Total expenditure</b>	<b>5</b>	<b>2,331</b>	<b>3,651</b>	<b>-</b>	<b>6,189</b>	3,847
<b>Net (outgoing)/ incoming resources before investment gains</b>	<b>(19)</b>	<b>85</b>	<b>161</b>	<b>-</b>	<b>227</b>	116
Unrealised (losses)/gains on investments	(6)	-	19	(65)	<b>(52)</b>	(174)
Gains on revaluation of investment property	-	-	-	-	-	112
<b>Net (expenditure) /income</b>	<b>(25)</b>	<b>85</b>	<b>180</b>	<b>(65)</b>	<b>175</b>	54
Transfers between funds	-	100	(100)	-	-	-
<b>Net movement in funds</b>	<b>(25)</b>	<b>185</b>	<b>80</b>	<b>(65)</b>	<b>175</b>	54
<b>Reconciliation of funds:</b>						
Funds brought forward	891	1,588	1,229	8,224	<b>11,932</b>	11,878
<b>Funds carried forward</b>	<b>866</b>	<b>1,773</b>	<b>1,309</b>	<b>8,159</b>	<b>12,107</b>	11,932

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 2023

		Unrestricted General Funds	Unrestricted Designated Funds	Restricted Funds	Endowment Funds	<b>Total 2023</b>	Total 2022
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed assets</b>							
<b>Investment assets</b>							
Property	7	-	-	-	2,627	<b>2,627</b>	2,627
Investments	8	242	-	229	1,202	<b>1,673</b>	2,547
		<u>242</u>	<u>-</u>	<u>229</u>	<u>3,829</u>	<u><b>4,300</b></u>	<u>5,174</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	30	-	541	-	<b>571</b>	610
		<u>30</u>	<u>-</u>	<u>541</u>	<u>3,816</u>	<u><b>4,387</b></u>	<u>4,426</u>
<b>Total fixed assets</b>		<u>272</u>	<u>-</u>	<u>770</u>	<u>7,645</u>	<u><b>8,687</b></u>	<u>9,600</u>
<b>Current assets</b>							
Stocks	13	68	-	-	-	<b>68</b>	67
Debtors	14	446	37	729	-	<b>1,212</b>	465
Cash at bank and in hand		650	1,736	(55)	514	<b>2,845</b>	2,383
		<u>1,164</u>	<u>1,773</u>	<u>674</u>	<u>514</u>	<u><b>4,125</b></u>	<u>2,915</u>
<b>Liabilities due within one year</b>	15	(570)	-	(135)	-	<b>(705)</b>	(583)
<b>Net current assets</b>		<u>594</u>	<u>1,773</u>	<u>539</u>	<u>514</u>	<u><b>3,420</b></u>	<u>2,332</u>
<b>Net assets</b>		<u><b>866</b></u>	<u><b>1,773</b></u>	<u><b>1,309</b></u>	<u><b>8,159</b></u>	<u><b>12,107</b></u>	<u>11,932</u>
<b>Funds</b>							
General fund	16	866	-	-	-	<b>866</b>	891
Designated funds	16	-	1,773	-	-	<b>1,773</b>	1,588
Restricted funds	17	-	-	1,309	-	<b>1,309</b>	1,229
Endowment funds	18	-	-	-	8,159	<b>8,159</b>	8,224
<b>Total funds</b>		<u><b>866</b></u>	<u><b>1,773</b></u>	<u><b>1,309</b></u>	<u><b>8,159</b></u>	<u><b>12,107</b></u>	<u>11,932</u>

Approved by the Chapter and authorised for issue on 24 October 2024



**The Very Reverend Jonathan Greener**  
Dean

## Cathedral balance sheet

As at 31 December 2023

		Unrestricted General Funds	Unrestricted Designated Funds	Restricted Funds	Endowment Funds	<b>Total 2023</b>	Total 2022
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed assets</b>							
<b>Investment assets</b>							
Property	7	-	-	-	2,627	<b>2,627</b>	2,627
Investments	8	318	-	229	1,202	<b>1,749</b>	2,623
		<u>318</u>	<u>-</u>	<u>229</u>	<u>3,829</u>	<b><u>4,376</u></b>	<u>5,250</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	-	-	541	-	<b>541</b>	587
		<u>-</u>	<u>-</u>	<u>541</u>	<u>3,816</u>	<b><u>4,357</u></b>	<u>4,403</u>
<b>Total fixed assets</b>		<u>318</u>	<u>-</u>	<u>770</u>	<u>7,645</u>	<b><u>8,733</u></b>	<u>9,653</u>
<b>Current assets</b>							
Stocks	13	2	-	-	-	<b>2</b>	2
Debtors	14	663	37	729	-	<b>1,429</b>	851
Cash at bank and in hand		260	1,736	(55)	514	<b>2,455</b>	1,828
		<u>925</u>	<u>1,773</u>	<u>674</u>	<u>514</u>	<b><u>3,886</u></b>	<u>2,681</u>
<b>Liabilities due within one year</b>	15	(411)	-	(135)	-	<b>(546)</b>	(466)
<b>Net current assets</b>		<u>514</u>	<u>1,773</u>	<u>539</u>	<u>514</u>	<b><u>3,340</u></b>	<u>2,215</u>
<b>Net assets</b>		<u>832</u>	<u>1,773</u>	<u>1,309</u>	<u>8,159</u>	<b><u>12,073</u></b>	<u>11,868</u>
<b>Funds</b>							
General fund	16	832	-	-	-	<b>832</b>	827
Designated funds	16	-	1,773	-	-	<b>1,773</b>	1,588
Restricted funds	17	-	-	1,309	-	<b>1,309</b>	1,229
Endowment funds	18	-	-	-	8,159	<b>8,159</b>	8,224
<b>Total funds</b>		<u>832</u>	<u>1,773</u>	<u>1,309</u>	<u>8,159</u>	<b><u>12,073</u></b>	<u>11,868</u>

Approved by the Chapter and authorised for issue on 24 October 2024

**The Very Reverend Jonathan Greener**  
Dean



## Consolidated cash flow statement

For the year ended 31 December 2023

	Notes	£'000	2023 £'000	£'000	2022 £'000
<b>Cash flows from operating activities</b>					
Net cash inflow from operating activities	19		(695)		399
<b>Cash flows from investing activities</b>					
Rents received net of costs		214		81	
Investment income received net of costs		150		91	
Purchase/sale of property, plant and equipment		(27)		(92)	
Proceeds from sale of investments		989		123	
Purchase of investments		(169)		(131)	
Net cash provided by investing activities			1,157		72
<b>Change in cash and cash equivalents in the reporting period</b>			<b>462</b>		<b>471</b>
Cash and cash equivalents at the beginning of the reporting period	19		2,383		1,912
<b>Cash and cash equivalents at the end of the reporting period</b>	19		<b>2,845</b>		<b>2,383</b>

## 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 which assumes the Cathedral can continue to operate for the foreseeable future. Chapter have considered the level of income and expenditure for twelve months from the date of approving these financial statements; particularly in relation to the Welcome Project. In their opinion, the budgeted income and expenditure combined with the reserves held ensure that there is a reasonable expectation and no material uncertainty that the Cathedral has adequate resources to continue its operations and meet its financial commitments for the foreseeable future. Therefore, the Cathedral continues to adopt the going concern basis in preparation of these financial statements.

The financial statements are prepared in sterling which is the functional currency of the Cathedral and is rounded to the nearest £1,000.

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 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	Total 2022
Notes	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and legacies	293	429	98	-	820
Grants in support of mission	118	32	1,172	-	1,322
Charges and fees arising in the course of Mission	32	-	28	-	60
Trading and Fundraising	1,521	31	-	-	1,552
Investments	171	-	35	-	206
Other income	3	-	-	-	3
<b>Total income</b>	<b>4</b> <u>2,138</u>	<u>492</u>	<u>1,333</u>	<u>-</u>	<u>3,963</u>
<b>Expenditure on:</b>					
Raising funds	1,004	77	97	-	1,178
Ministry	545	20	506	-	1,071
Cathedral and precincts upkeep	521	132	762	-	1,415
Education and outreach	109	-	72	-	181
Community and congregation	1	-	1	-	2
<b>Total expenditure</b>	<b>5</b> <u>2,180</u>	<u>229</u>	<u>1,438</u>	<u>-</u>	<u>3,847</u>
<b>Net (outgoing)/ incoming resources before investment gains</b>	<b>(42)</b>	<b>263</b>	<b>(105)</b>	<b>-</b>	<b>116</b>
Unrealised (losses)/gains on investments	(23)	-	(28)	(123)	(174)
Gains on revaluation of investment property	-	-	-	112	112
<b>Net (expenditure) /income</b>	<b>(65)</b>	<b>263</b>	<b>(133)</b>	<b>(11)</b>	<b>54</b>
<b>Net movement in funds</b>	<b>(65)</b>	<b>263</b>	<b>(133)</b>	<b>(11)</b>	<b>54</b>
<b>Reconciliation of funds:</b>					
Funds brought forward	956	1,325	1,362	8,235	11,878
<b>Funds carried forward</b>	<b>891</b>	<b>1,588</b>	<b>1,229</b>	<b>8,224</b>	<b>11,932</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>2023</b>	2022
	<b>£'000</b>	£'000
Income	<b>5,439</b>	3,440
Deed of covenant from subsidiary	<b>452</b>	-
	<b>5,891</b>	3,440
Expenditure	<b>(5,634)</b>	(3,324)
Net (losses)/gains on investments	<b>(52)</b>	(62)
<b>Net (expenditure)/income</b>	<b>205</b>	54
Total funds brought forward	11,868	11,814
<b>Total funds carried forward</b>	<b>12,073</b>	11,868
Represented by:		
General funds	<b>832</b>	827
Designated funds	<b>1,773</b>	1,588
Restricted funds	<b>1,309</b>	1,229
Endowment funds	<b>8,159</b>	8,224
	<b>12,073</b>	11,868

## Notes

(forming part of the financial statements)

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

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	<b>Total 2023</b> £'000	Total 2022 £'000
<b>Donations and legacies</b>					
Congregational collections and giving	111	-	-	<b>111</b>	116
Donations	157	123	62	<b>342</b>	327
Tax recoverable under Gift Aid	25	23	16	<b>64</b>	38
Legacies	-	90	-	<b>90</b>	339
	<u>293</u>	<u>236</u>	<u>78</u>	<u><b>607</b></u>	<u>820</u>
<b>Grants</b>					
Church Commissioners	-	-	301	<b>301</b>	347
Income from Friends and local trusts	-	41	-	<b>41</b>	32
Other revenue and capital grants	2	-	3,312	<b>3,314</b>	943
	<u>2</u>	<u>41</u>	<u>3,613</u>	<u><b>3,656</b></u>	<u>1,322</u>
<b>Charges and fees arising in the course of the mission</b>					
Facility and other fees	29	-	74	<b>103</b>	60
	<u>29</u>	<u>-</u>	<u>74</u>	<u><b>103</b></u>	<u>60</u>
<b>Trading and fundraising</b>					
Charges to visitors	445	-	-	<b>445</b>	467
Income from lettings of Cathedral or other buildings	243	15	-	<b>258</b>	252
Other trading activities	980	-	-	<b>980</b>	833
	<u>1,668</u>	<u>15</u>	<u>-</u>	<u><b>1,683</b></u>	<u>1,552</u>
<b>Investments</b>					
Income from investment property	214	-	-	<b>214</b>	108
Income from other investments	89	-	47	<b>136</b>	96
Interest receivable on short term deposits	13	-	-	<b>13</b>	2
	<u>316</u>	<u>-</u>	<u>47</u>	<u><b>363</b></u>	<u>206</u>
<b>Other incoming resources</b>					
Other items	4	-	-	<b>4</b>	3
	<u>4</u>	<u>-</u>	<u>-</u>	<u><b>4</b></u>	<u>3</u>
<b>Total income</b>	<u><u>2,312</u></u>	<u><u>292</u></u>	<u><u>3,812</u></u>	<u><u><b>6,416</b></u></u>	<u><u>3,963</u></u>

## Notes

(forming part of the financial statements)

### 5. Expenditure on:

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
<b>Raising funds</b>					
Costs of facilities for visitors	110	-	6	116	84
Costs of services directly recoverable	16	-	-	16	29
Other trading activities	624	-	-	624	600
General Marketing	169	-	-	169	127
Costs of fundraising	-	58	56	114	162
Investment property costs	31	26	-	57	34
Allocation of support costs	145	-	3	148	142
	<u>1,095</u>	<u>84</u>	<u>65</u>	<u>1,244</u>	<u>1,178</u>
<b>Ministry</b>					
Clergy stipends and working expenses	51	-	134	185	171
Clergy housing costs	41	94	-	135	41
Clergy support costs	133	-	-	133	119
Cost of services	38	-	10	48	49
Cost of music	189	29	323	541	477
Donations paid to Trust	-	-	-	-	7
Allocation of support costs	160	-	25	185	207
	<u>612</u>	<u>123</u>	<u>492</u>	<u>1,227</u>	<u>1,071</u>
<b>Cathedral and precincts upkeep</b>					
Works funded by trusts and others	-	-	2,558	2,558	599
Maintenance and interior upkeep	268	-	229	497	498
Cathedral insurance	82	-	-	82	72
Precincts, security & gardens upkeep	40	-	-	40	14
Allocation of support costs	132	-	205	337	232
	<u>522</u>	<u>-</u>	<u>2,992</u>	<u>3,514</u>	<u>1,415</u>
<b>Education and outreach</b>					
Educational activities	41	-	16	57	24
Library & archives	34	-	81	115	125
Allocation of support costs	23	-	2	25	32
	<u>98</u>	<u>-</u>	<u>99</u>	<u>197</u>	<u>181</u>
<b>Community</b>					
	<u>4</u>	<u>-</u>	<u>3</u>	<u>7</u>	<u>2</u>
<b>Total Expenditure</b>	<u>2,331</u>	<u>207</u>	<u>3,651</u>	<u>6,189</u>	<u>3,847</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 2023
	£'000	£'000	£'000	£'000	£'000
<i>Unrestricted funds:</i>					
The Cloisters premises costs	6	7	5	1	19
Compliance costs	10	11	9	2	32
Staff costs	51	51	43	9	154
Professional and consulting costs	11	11	10	1	33
Audit and accountancy fees	5	6	5	1	17
Printing, postage and stationery costs	3	5	4	-	12
Conference, subscriptions, travel and subsistence	5	5	4	-	14
Information technology costs	20	24	18	3	65
Bank charges	1	1	2	-	4
Cleaning costs	-	1	-	-	1
Operational and sundry costs	32	37	32	6	107
Depreciation of fixed assets	-	-	-	-	-
	<u>144</u>	<u>159</u>	<u>132</u>	<u>23</u>	<u>458</u>
<i>Restricted funds:</i>					
Staff costs	4	22	179	2	207
Depreciation of fixed assets	-	4	26	-	30
	<u>148</u>	<u>185</u>	<u>337</u>	<u>25</u>	<u>695</u>

Administration expenses of £695,000 (2022: £613,000) 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 and end of the year	-	-	-	2,627	2,627

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	665	-	210	1,672	2,547
Additions	239	-	-	232	471
Disposals	(656)	-	-	(637)	(1,293)
Revaluation	(6)	-	19	(65)	(52)
At end of year	242	-	229	1,202	1,673

#### Cathedral

*Market value*

At beginning of year	741	-	210	1,672	2,623
Additions	239	-	-	232	471
Disposals	(656)	-	-	(637)	(1,293)
Revaluation	(6)	-	19	(65)	(52)
At end of year	318	-	229	1,202	1,749

		Listed Investments £'000	Unlisted Investments £'000	Total £'000
<b>Group</b>				
<i>Market value</i>				
At beginning of year		1,313	1,234	2,547
Additions		471	-	471
Disposals		(1,293)	-	(1,293)
Revaluation		(13)	(39)	(52)
At end of year		478	1,195	1,673

	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	1,313	1,234	2,623
Additions	-	471	-	471
Disposals	-	(1,293)	-	(1,293)
Revaluation	-	(13)	(39)	(52)
At end of year	76	478	1,195	1,749

## 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 2023 were audited and the audit report was unqualified.

A summary of the trading results are shown below:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<i>Turnover</i>	<b>986</b>	834
Cost of sales and administrative expenses	<b>(572)</b>	(544)
Interest receivable	<b>6</b>	-
Net profit	<b>420</b>	290
Covenant payable to Cathedral	<b>(451)</b>	(290)
Retained in subsidiary	<b>(31)</b>	-

The assets and liabilities of the subsidiary were:

		2022
		£'000
Fixed assets	<b>29</b>	23
Current assets	<b>501</b>	652
Current liabilities	<b>(422)</b>	(536)
Total net assets	<b>108</b>	139
Aggregate share capital and reserves	<b>108</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	Designated Funds	Restricted Funds	Endowment Funds	<b>Total</b>
	£'000	£'000	£'000	£'000	<b>£'000</b>
<i>Valuation</i>					
At beginning and end of year	-	-	-	3,090	<b>3,090</b>

A desktop impairment review was completed in June 2022. 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.

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

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

A desktop impairment review was completed in June 2022. The Chapter is of the opinion that there has not been an impairment in value.

## Notes

(forming part of the financial statements)

### 12. Equipment and plant

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
<b>Cost</b>			
At beginning of year	231	987	1,218
Additions	13	14	27
At end of year	<u>244</u>	<u>1,001</u>	<u>1,245</u>
<b>Depreciation</b>			
At beginning of year	208	400	608
Charge for year	6	60	66
At end of year	<u>214</u>	<u>460</u>	<u>674</u>
<b>Net book value</b>			
At end of year	<u>30</u>	<u>541</u>	<u>571</u>
At beginning of year	<u>23</u>	<u>587</u>	<u>610</u>
<b>Cathedral</b>			
	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
<b>Cost</b>			
At beginning of year	-	987	987
Additions/Disposals	-	14	14
At end of year	<u>-</u>	<u>1,001</u>	<u>1,001</u>
<b>Depreciation</b>			
At beginning of year	-	400	400
Charge for year	-	60	60
At end of year	<u>-</u>	<u>460</u>	<u>460</u>
<b>Net book value</b>			
At end of year	<u>-</u>	<u>541</u>	<u>541</u>
At beginning of year	<u>-</u>	<u>587</u>	<u>587</u>

### 13. Stocks

	Group		Cathedral	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Building materials	2	2	2	2
Goods for resale	66	65	-	-
	<u>68</u>	<u>67</u>	<u>2</u>	<u>2</u>

## Notes

(forming part of the financial statements)

### 14. Debtors

	Group		Cathedral	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Exeter Cathedral Enterprises Limited	-	-	228	417
Recoverable taxation	72	30	72	30
Trade and other debtors	122	94	113	85
Prepayments and accrued income	937	280	935	279
VAT	81	61	81	40
	<b>1,212</b>	<b>465</b>	<b>1,429</b>	<b>851</b>

### 15. Liabilities due within one year

	Group		Cathedral	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	455	357	362	277
Taxation & social security	-	31	-	29
Other creditors	62	-	23	-
Accruals and deferred income	188	195	161	160
	<b>705</b>	<b>583</b>	<b>546</b>	<b>466</b>

## 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	1,501	283	(58)	-	-	<b>1,726</b>
Close Properties Improvement Fund	87	-	(140)	100	-	<b>47</b>
Harington Choristers Bursaries	-	9	(9)	-	-	-
	<u>1,588</u>	<u>292</u>	<u>(207)</u>	<u>100</u>	<u>-</u>	<u><b>1,773</b></u>
<i>General fund</i>	891	2,312	(2,331)	-	(6)	<b>866</b>
	<u>2,479</u>	<u>2,604</u>	<u>(2,538)</u>	<u>100</u>	<u>(6)</u>	<u><b>2,639</b></u>
<b>Cathedral</b>						
Designated funds						<b>1,773</b>
General Fund						<b>832</b>
						<u><u><b>2,605</b></u></u>

#### 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	Income	Expenditure	Transfers	Gains / (Losses)	At end of year
	£'000	£'000	£'000	£'000	£'000	£'000
Exeter Cathedral Music Foundation Trust	-	200	(200)	-	-	-
Friends of Exeter Cathedral	-	547	(547)	-	-	-
Church Commissioners	-	301	(301)	-	-	-
Headley Trust	46	-	(46)	-	-	-
European Funding – VISTA AR project	4	-	(4)	-	-	-
Chapter House project funding	13	-	(13)	-	-	-
Idlewild Trust-monument repairs	5	-	(5)	-	-	-
Covid-19 Adaptation Projects	255	-	(30)	-	-	<b>225</b>
Welcome Project – Delivery Phase	-	1,158	(1,165)	7	-	-
Garfield Weston	-	250	(250)	-	-	-
Wolfson Foundation	-	400	(151)	-	-	<b>249</b>
Foyle Foundation	-	150	(150)	-	-	-
Valencia Communities Fund	-	251	(251)	-	-	-
Gosling Foundation	-	50	(50)	-	-	-
Kirby Laing Foundation	-	250	(250)	-	-	-
Listed Places of Worship	-	14	(14)	-	-	-
Donations to Drake Window (Project 2024)	-	2	-	-	-	<b>2</b>
Organ Fund	7	1	-	-	1	<b>11</b>
Library Fund	137	30	(16)	-	-	<b>151</b>
Fabric funds	147	7	-	(107)	18	<b>65</b>
Chorister Outreach Programme	15	4	(1)	-	-	<b>18</b>
Music funds	56	20	-	-	-	<b>76</b>
Walker Memorial	17	5	(2)	-	-	<b>20</b>
Liturgy/mission funds	29	1	-	-	-	<b>30</b>
Stubbs legacy	5	-	-	-	-	<b>5</b>
Image Screen	3	-	-	-	-	<b>3</b>
Education donation	2	-	(2)	-	-	-
Pilgrims Trust-Heritage Manager	-	8	(8)	-	-	-
Chapter Discretionary Fund	6	-	-	-	-	<b>6</b>
SOAR & Wednesday Café	16	3	(3)	-	-	<b>15</b>
Sundays @7	5	1	(1)	-	-	<b>5</b>
Visitor leaflets	1	-	-	-	-	<b>1</b>
Choir Tour Funds	25	28	(38)	-	-	<b>15</b>
Nativity	3	1	(3)	-	-	<b>1</b>
Music legacy	43	-	(16)	-	-	<b>27</b>
Stonemasons Education Fund	14	34	(38)	-	-	<b>9</b>
Donations & Legacies to ECMFT	1	92	(46)	-	-	<b>46</b>
Exeter Cathedral Choir Association	3	2	(1)	-	-	<b>4</b>
Piano fund	1	-	(1)	-	-	-
Flower Arrangers	3	2	(1)	-	-	<b>5</b>
Dulverton Trust – Youth Engagement	19	-	(8)	-	-	<b>11</b>
Equipping Christian Leaders in an Age of Science	9	-	(9)	-	-	-
Arts Council	2	-	(2)	-	-	-
<b>Capital funds</b>						
Library Capital Fund	337	-	(28)	-	-	<b>309</b>
	<u>1,229</u>	<u>3,812</u>	<u>(3,651)</u>	<u>(100)</u>	<u>19</u>	<u><b>1,309</b></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.

##### **Benefact Trust**

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

##### **Headley Trust**

A grant towards the repair of the external stonework to the Chapter House.

##### **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.

##### **Idlewild 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.

##### **Pilgrims Trust – Heritage Manager**

Funding towards the employment costs of the Heritage Manager.

##### **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.

#### 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.

#### 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

#### 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.

#### Garfield Weston

Funding received towards the 2020s development project

#### Wolfson Foundation

Funding received towards the 2020s development project

#### Foyle Foundation

Funding received towards the 2020s development project

#### Valencia Communities Fund

Funding received towards the 2020s development project

#### Gosling Foundation

Funding received towards the 2020s development project

#### Kirby Laing Foundation

Funding received towards the 2020s development project

#### Donations to Drake Window (Project 2024)

Donations received towards the Drake Window as part of the 2020s development project

## Notes

*(forming part of the financial statements)*

### 18. Endowment fund – Group and Cathedral

	<b>£'000</b>
At beginning of year	8,224
Realised gains on disposal of investments	-
Unrealised loss on investments	(65)
Gains on revaluation of investment property	-
<b>At end of year</b>	<b>8,159</b>

## Notes

(forming part of the financial statements)

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

	2023	2022
	£'000	£'000
Net incoming resources before investment gains	229	116
<i>Adjustments for:</i>		
Depreciation charges	66	69
Income from property and investments	(364)	(206)
Property management costs, rental collection fees and investment management costs	52	34
Decrease in stocks	(1)	11
Decrease/(increase) in debtors	(747)	327
Increase in creditors	122	48
<b>Net cash generated by operating activities</b>	<b>(643)</b>	<b>399</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:

	2023	2022
	£'000	£'000
Cash in hand	3	2
Cash at bank	2,842	2,381
<b>Total cash and cash equivalents</b>	<b>2,845</b>	<b>2,383</b>

### 20. Staff and Clergy numbers and costs

The average number (full time equivalents) of employees and clergy during the year was 44 (2022: 43). Part time staff are included on the basis of full time equivalents. This number is divided as follows: clergy 1 (2022: 1), music and ministry 11 (2022: 10), upkeep 15 (2022: 15), administration 7 (2022: 7), fundraising 1 (2022: 2), visitors 2 (2022: 2), education 4 (2022: 4), Exeter Cathedral Enterprises Limited 3 (2022: 2). The total average number of employees during the year was 65 (2022: 64).

The cost of these staff was as follows:

	2023	2022
	£'000	£'000
Salaries and stipends	1,395	1,251
Employer's national insurance	113	105
Employer's pension costs	49	35
	<b>1,557</b>	<b>1,391</b>

Four (2022: two) employees received remuneration in excess of £60,000 as follows:

	2023	2022
	No.	No.
£60,000 to £70,000	2	1
£70,000 to £80,000	1	-
£80,000 to £90,000	1	1

## Notes

*(forming part of the financial statements)*

### 20. 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 £436,000 (2022: £286,000).

### 21. Auditors remuneration

	<b>Group</b>		<b>Cathedral</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Audit services	27	20	17	15
Other services	-	-	-	-
	<u>27</u>	<u>20</u>	<u>17</u>	<u>15</u>

### 22. Remuneration of members of Chapter

	Remuneration	Pension contribution
	£	£
The Very Reverend JFD Greener	39,477	8,909
The Reverend Canon Mustard	30,747	7,127
The Reverend Canon Palmer	30,747	7,127
	<u>100,971</u>	<u>23,163</u>

The remuneration of and pension provision for clerical members of Chapter is determined by the Church Commissioners, the Archbishops' Council and the Church of England Pensions Board.

Travelling and general expenses were reimbursed or paid on behalf of 9 (2022: 7) members of Chapter totalling £11,000 (2022: £9,000).

### 23. 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 (2023: £23,164; 2022: £28,782), 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 £23,164 for 2023 (2022: £32,610).

## 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 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020=0%)

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 2022 and 31 December 2023 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 2021 to December 2022	January 2022 onwards
Deficit repair contributions	7.1%	nil

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 2023 is nil. The movement in the balance sheet liability over 2022 and 2023 is set out in the table below.

	2023	2022
Balance sheet liability at 1 January	-	247,000
Deficit contribution paid	-	(132,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	(115,000)
Balance sheet liability at 31 December	-	-

\* 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 2023 or 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 2023	December 2022	December 2021
Discount rate	n/a	n/a	0.0% pa
Price Inflation	n/a	n/a	n/a
Increase in total pensionable payroll	n/a	n/a	-1.5% 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 £8,698 (2022: £9,782) 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 £38,460 (2022: £32,628) 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 2023, the group had outstanding commitments for future minimum lease payments under non- cancellable operating leases which fall due as follows:

	2023 £'000	2022 £'000
<i>Other operating leases</i>		
Within one year of the balance sheet date	5	7
In the second of fifth years inclusive of the balance sheet date	10	30
Over 5 year of the Balance Sheet date	-	1
	15	38

## Notes

*(forming part of the financial statements)*

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

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Improving our Welcome</b>		
<i>Authorised and Committed</i>	3,500	2,779
<i>Authorised</i>	6,280	6,272
	<u><b>9,780</b></u>	<u>9,051</u>

Funding of £7.219m has been secured from the National Lottery Heritage fund with further funding of £955k being pledged towards these costs. Funding continues to be sourced over the next 3 years to support this project through grant funding, events and a public funding appeal.