

THE EXETER DIOCESAN BOARD OF FINANCE

England & Wales · Charity number 249798

Details

Other names	EDBF
Status	Registered
Legal form	Charitable company
Company number	00186001
Registered	1967-02-13
Register	View on the Charity Commission register

Contact

Address Diocese Of Exeter
The Old Deanery
The Cloisters
Exeter
EX1 1HS

Phone 01392272686

Website www.exeter.anglican.org

Activities

Objects: TO ADVANCE THE RELIGIOUS AND OTHER CHARITABLE WORK OF THE CHURCH OF ENGLAND IN THE AREA FOR THE TIME BEING CALLED THE DIOCESE OF EXETER

Activities: The Board acts as financial executive of the Diocesan Synod to promote the activities of the Church of England in the Diocese of Exeter. The Board also acts as Custodian Trustee for parochial, educational and other trusts within the Diocese.

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** THE DIOCESE OF EXETER
- Devon
- Plymouth City
- Torbay

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£16,768,000	£17,749,000	£126,630,000	68
2023-12-31	£17,151,000	£17,507,000	£126,845,000	60
2022-12-31	£17,795,000	£16,577,000	£115,011,000	66
2021-12-31	£15,714,000	£14,058,000	£115,011,000	65
2020-12-31	£16,507,000	£14,265,000	£107,387,000	69

Trustees

Name	Role	Appointed
GILES RICHARD FRAMPTON	Chair	2015-11-28
CLARE WINIFRED LILLINGTON		2026-03-03
David Nigel Price		2022-01-01
Dr Jenefer Golding		2025-01-01
Dr Lystra Hagley-Dickinson		2023-06-20
Graham Edward Dunn		2025-04-15
Laura Ford		2022-01-01
MICHAEL STUART JEFFERIES		2019-01-01
Nicholas Alexander Courtman		2026-03-03
ROBERT JOHN MILLS		2019-01-01
Rev Andrew Nigel Thomas		2025-10-10
Rev Benjamin James Williams		2026-01-20
Rev Deborah Jane Angela Leighton Plom		2025-01-01
Rev Jane Judith Bakker		2023-06-13
Rev MICHAEL JOHN PARTRIDGE		
Rev Peter John March		2022-01-01
Rev Rosemary Elizabeth Austin		2023-06-28
Rev Tanya Hockley-Still		2023-05-22
Richard Oliver Buzzacott		2025-01-01
Rt Revd James Emerson Grier		2022-09-29
Rt Reverend Moira Anne Elizabeth Astin		2025-07-06
STEPHEN ANTHONY GEORGE MACEY		2013-10-23
Sian Mary Walker-McAllister		2026-05-08
THE VENERABLE DOUGLAS JAMES DETTMER		
THE VERY REVEREND JONATHAN DESMOND FRANCIS GREENER		2017-11-26
The Reverend SAMANTHA MARY STAYTE		2019-01-01

Name	Role	Appointed
The Rt Revd Dr Michael Robert Harrison		2024-11-02
The Venerable Andrew Mark Beane		2019-09-25
The Venerable Verena Breed		2021-09-15

THE EXETER DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249798

Accounts



THE EXETER DIOCESAN BOARD OF FINANCE LIMITED

ANNUAL REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

**Company limited by guarantee (No. 00186001)
Registered charity (No. 249798)**

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Key to abbreviations

EDBF	The Exeter Diocesan Board of Finance Limited
EDPS	EDPS Limited – the Board's Trading Company
SOFA	Statement of Financial Activities
SORP	Charities SORP (Statement of Recommended Practice) 'Accounting and Reporting by Charities' 2019
PCC	Parochial Church Council
MC	Mission Community

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OUR VISION

'I am the vine, you are the branches. Those who abide in me and I in them bear much fruit.'
John 15.5

As God's pilgrim people, we seek to share in the mission of God as revealed in the life, death and resurrection of Jesus Christ by:

Growing in prayer

We want to abide in Christ and live our lives close to God. This means taking risks as we become more honest with ourselves and more honest with God. Prayer opens up deep places within us to God's grace, which is why it is such a life-giving activity. Going deeper in prayer is essential if we are to witness to God's Kingdom and grow into the people God is calling us to be.

Making new disciples

A disciple is someone who follows Jesus Christ. With Christ as our companion and guide, we can travel through life differently and invite others to share in the adventure. We want to be more faithful in our discipleship and allow God to shape our priorities and values. The gospel is good news but, if we are to bring more people to Christ, we need to find new ways of telling the story, of explaining our faith and giving a reason for the hope that is in us.

Serving the people of Devon with joy

We want to be ambassadors for Christ, making a difference in the world and witnessing to God's love and justice, especially in the communities where we live and in our schools and workplaces. Working in partnership with others who are transforming lives, we seek to address the global issues confronting our generation so that all may flourish.



The Rt. Rev'd Dr Mike Harrison, Bishop of Exeter

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OUR VALUES

Generosity of Spirit

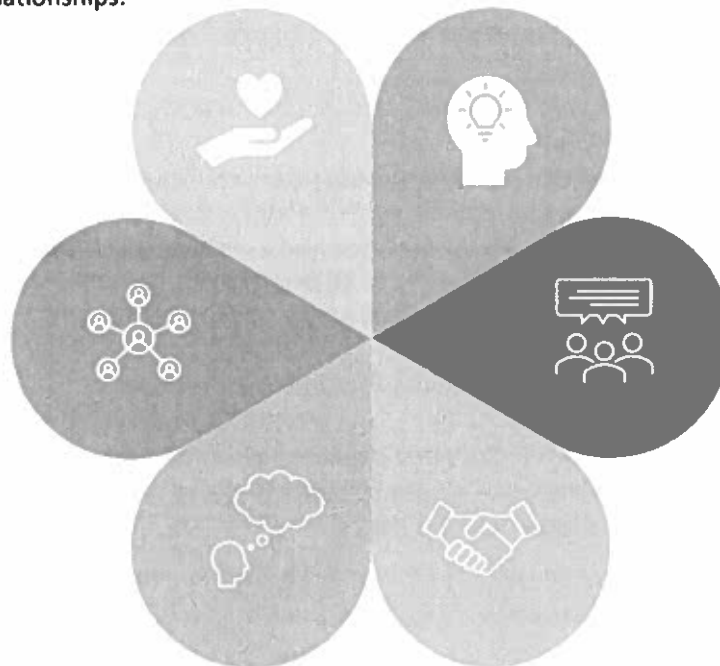
We seek God's face in all, believing that everyone is made in the image of God. Preferring others and not thinking too highly of ourselves, we are compassionate, approachable and build trusting relationships.

Wisdom

We want our priorities to reflect scripture and our Christian values. Listening to voices unlike our own, we seek the wisdom of the Holy Spirit when making decisions after open and informed discussion.

Respect

We welcome those who are different from us and show heartfelt respect in the way we speak with one another, treating all people with the dignity they deserve.



Team Working

We collaborate and work with others to achieve the best outcomes for those we serve and support. We are positive, flexible and constructive, releasing others to use their gifts.

Openness

We open our hearts and minds without judgement so that we learn from God and one another and allow others to challenge us.

Honesty

Our principles are rooted in our Christian faith. We seek to be people of integrity: fair, responsible, and consistent in all we do. We speak honestly with others and about them.

**Love ❖ Joy ❖ Peace ❖ Patience ❖ Kindness ❖ Generosity
Faithfulness ❖ Gentleness ❖ Self-Control**

Our GROWTH Values are rooted in the Fruit of the Spirit (Galatians 5.22)

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The trustees, who are also directors for the purposes of company law, present their annual report, together with the audited consolidated financial statements, for the year ended 31 December 2024.

The directors/trustees are the same and in signing as Trustees, they are offering the strategic report sections in their capacity as directors.

The combined report satisfies the legal requirements for:

- A Directors Report of a charitable company and group;
- A Strategic Report under the Companies Act 2006; and
- A Trustees Annual Report under the Charities Act 2011.

LEGAL OBJECTS

The objects of the Diocese of Exeter cover the entire county of Devon.

The principal object of The Exeter Diocesan Board of Finance (EDBF) is to promote, assist and advance the work of the Church of England in the Diocese of Exeter by acting as the financial executive of the Exeter Diocesan Synod.

EDBF has the following statutory responsibilities:

- i. The management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976 and the Church Property Measure 2018;
- ii. The repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972 and the Church Property Measure 2018;
- iii. The management of investments and the custodian of assets relating to church schools under the Diocesan Boards of Education Measure 2021; and
- iv. The custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of EDBF are established by the Diocesan Synod in communication with Deanery Synods, PCCs, MCs, and the Bishop of Exeter. To this end, significant time and effort is committed to communication between these bodies and the bishop, as well as with the church nationally, and to implementation of the outcomes. This includes a series of consultations on specific matters relating to the priorities for the forthcoming year and further ahead and taking forward the commitments arising from the Diocesan Synod and church nationally, including the diocesan budget.

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STRATEGIC REPORT

STRATEGIC AIMS

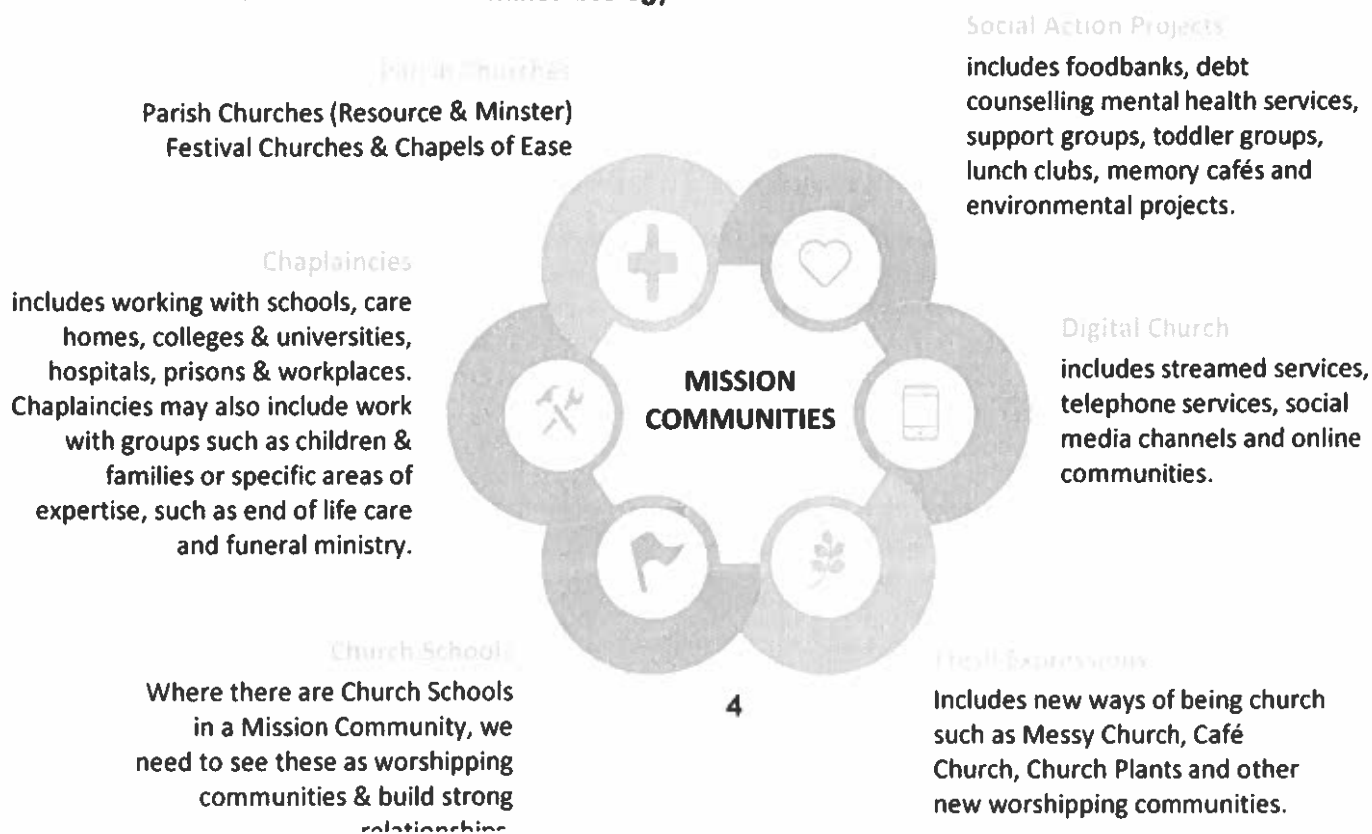
The trustees present this report in a year of significant transition and faithful ministry. 2024 saw the Diocese welcome its new bishop, the Rt Rev Dr Mike Harrison, while continuing to navigate challenges and local opportunities. The following report details our strategic activities and financial stewardship in pursuit of our shared vision to grow in prayer, make new disciples and serve the people of Devon with joy.

The main role of EDBF is to identify and manage the financial aspects of the provision of ministry within the Diocese so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop’s Council, Deaneries, Mission Communities and Parishes to further the mission and strategic priorities of the Diocese and in particular the strategic priorities set out in the Next Steps Vision Statement, which can be found on the diocesan website at www.exeter.anglican.org.

We seek to work together in Mission Communities

We seek to fulfil our calling to love God and serve the people of Devon with joy through our network of Mission Communities. These are diverse, vibrant and sustainable groupings of parishes across the Diocese, which are mission-oriented, community-focused and locally rooted. At the heart of this network are our parish churches, which for centuries have been places of prayer, pastoral care, evangelism and community service in Devon. Increasingly today, they are complemented by chaplaincies, social action projects and varied and creative new expressions of worship, the result of which is an exciting mixed ecology. Together, they speak of God’s compassion and love and ensure a Christian presence in every community across the county.

Mission Communities Mixed Ecology



STRATEGIC AIMS (continued)

Communities are how human beings relate to one another. We discover both what we need from others and what we can offer so that all may flourish. As the Church, our MCs help us to be more effective in our discipleship of Jesus Christ. They enable us to be flexible and to work across boundaries, breaking down any sense of isolation. They enable us to be more adept at responding to the variety of contexts and cultures of Devon, whether market towns, coastal communities, remote rural villages or large urban centres of population. They encourage the development of specialist and pioneering ministries, and support our work with schools, children, young people, families and older people in the community.

Not every parish can offer every aspect of the Church's life and ministry, but by joining in partnership with neighbouring churches and forming a MC we can work together more effectively.

There are 120 MCs across the Diocese of Exeter. We aim to be mission-oriented, community-focussed and locally rooted. As God's people we are called to live out our faith and continue the mission of God as revealed in the life, death and resurrection of Jesus Christ.

The strategy of the Trustees for achieving EDBF's priorities is to maintain a sound financial structure which will enable EDBF to resource ministry and mission.

Each year a request is made to every parish for contributions towards the Common Fund, the parish share scheme, which is designed to distribute the financial costs of the Diocese equitably. The Common Fund pays for a significant proportion of the clergy stipends, their pension and housing, clergy and lay training, safeguarding and central support, but it only works properly if each parish in each MC contributes regularly and fully. We support all PCCs and MCs in their financial administration to develop efficient ways to collect and manage resources including through the Parish Giving Scheme.

The Board reviews the financial plan on an annual basis, and this was most recently undertaken in May 2025, with the current plan covering the years 2026 to 2050. The plan shows a continuing underlying budget deficit of around £2m per annum. Action was taken in 2025 to bring this down to just under £1m and work continues to establish a sustainable long-term plan. This requires stringent cost control across all areas of the budget and assumes an increase in the number of unpaid licensed ministers (self-supporting clergy and licensed lay ministers) and unpaid lay people involved in ministry. The new Exeter Ordination Pathway will help to increase the numbers, as we review the long-term number of stipendiary clergy that can be provided within the budget. Total Return accounting has been adopted, to release funds from the Diocesan Stipends Capital Fund to help fund stipendiary ministry costs.

OBJECTIVES FOR THE YEAR

The strategic aims were established by the Diocesan Synod in March 2016 and refreshed in June 2019. The aims have informed, and will continue to inform, decisions and policies at all levels. The vision is what we would like the future to look like, and the strategy sets out how we seek to work together in MCs to enable this to happen.

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OBJECTIVES FOR THE YEAR (continued)

It is vital that our planning continues to reflect our priorities, whilst continuing to meet our statutory and operational requirements.

Five Strategic Priorities for 2025

To help us be focused on our vision, Bishop Mike has outlined five strategic priorities. They are: Missional Leadership, Missional DNA, Vocations, Children and Young People and Mixed Ecology.

Missional Leadership

We are in a new missional era where the previous assumptions of people versed in the Christian faith cannot be assumed and where church going is far from the norm. Culture is fast-changing and understanding the different sectors of society, their aspirations, longings and wounds seems ever more complex. In such a situation our Christian leaders need support and resourcing, if they are to be effective in mission and in leading the people of God. This priority addresses this whole area, with a focus on providing excellent continuing ministerial development and training opportunities for clergy and LLMs, including a new leadership development programme for all clergy. We will be looking to support clergy and lay leaders utilising the latest thinking and research. This priority was supported through events like the Bishop's study morning, which gathered clergy and LLMs for focussed development.

Missional DNA

In a society which can be aggressively secular, there is every possibility of Christian communities becoming insular and inward-looking. This priority looks to encourage Churches to be outward-looking, invitational and engaged with their wider communities. The priority also recognises the importance of mission communities of developing inspiring and realistic Mission Community Action Plans. Utilising research such as *Anecdote to Evidence* and *Evidence to Action*, as well as courses such as 'Leading your Church into Growth' and Pioneering Parishes, this priority looks to equip Christian communities to be missional in their worship, outreach and communications. Initiatives like the 'Mission Shed' events and the 'Give to Go Green' fundraising scheme have been practical expressions of this outward-facing culture.

Vocations

This priority includes establishing an intentional vocational culture, lay or ordained, through expanding the number of leadership pathways (i.e. Exeter Ordination Pathway), developing the variety of vocational pathways through the new Commissioned Roles and expanded Foundations course, as well as partnering with other organisations, including CMS, the Bible Reading Fellowship and our theological colleges to offer specialist training, such as Anna Chaplaincy. We are also partnering with South West Youth Ministries to offer vocational training to young people and to explore how best to offer vocational development opportunities to school leaders through our Education team. The revitalised 'Foundations' course, now run locally in three hubs, has seen a threefold increase in participation building a strong pipeline for future ministry.

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OBJECTIVES FOR THE YEAR (continued)

Children and Young People

Children and young people placed at the heart of our life together is what this priority is about. 75-85% of people come to faith before the age of 18, so reaching children and young people with the Gospel is vital. Our engagement at events like the Devon County Show with the 'Cheeky Pandas' provided a joyful and visible witness to this priority. We are already developing children and youth workers in our churches (staff and volunteers) through the Catalyst course, the Launchpad course, commissioned roles and the Growing Faith Strategic Leaders Programme. Substantial funding for children and youthwork provision across the diocese is a key part of our Church of England Strategic Mission and Ministry Investment Board (SMMIB) application.

Mixed Ecology

Time-honoured Church is wonderful for part of our population, but experience-to-date shows that to reach the unreached parts of our wider community we need to provide different ways of doing and being Church. Our mustard seed grants aim to help fresh expressions of church get off the ground. The 95% as yet unengaged by the Christian faith are the focus of the mixed ecology priority. We want to expand our number of church plants and pioneer new worshipping communities, which connect with people not served by conventional church. Our Mission Shed days and online webinars are also showcasing different ways of being and doing church. The growth in Anna Chaplaincy and the work of Transforming Plymouth Together exemplify our commitment to serving diverse community needs.

Next Steps is a further refreshment of our vision to grow in prayer, make new disciples and serve the people of Devon with joy. Every parish is unique and special, but churches thrive when they work in partnership with each other in MCs. This is why our strategy has always been to support MCs to develop and flourish. Next Steps offers a range of sustainability indicators for MCs in the areas of mission and ministry, resources and finance, buildings and governance.

Healthy churches are shaped by the growth values of the Fruit of the Spirit: love, joy, peace, patience, kindness, generosity, faithfulness, gentleness and self-control. We are developing tools to help MCs identify where to put their efforts and resources in the short term and how best to plan for the long-term. The Mission Community Health Check has been piloted and is now being offered to MCs across the Diocese. It uses two on-line surveys to provide data on perceptions and priorities of those who are regular worshippers and those in the community and this forms the basis of a facilitated conversation, leading to a simple action plan.

Other resources include '*Lightening the Load*', '*Love Your Church*' fundraising resources and '*Generosity*' resources. The tools being developed draw inspiration from Jesus' teaching on the Vine in John 15.

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OBJECTIVES FOR THE YEAR (continued)



The most significant event in 2024 was the enthronement of Bishop Mike as the 72nd Bishop of Exeter, at a service held in Exeter Cathedral in November 2024. It was a joyous occasion, with people from across our diocese coming together to welcome Bishop Mike. We also saw Bishop Jackie retire at the end of January 2025 and would like to thank her for her ministry in our diocese and wish her and David every blessing in their retirement.



ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

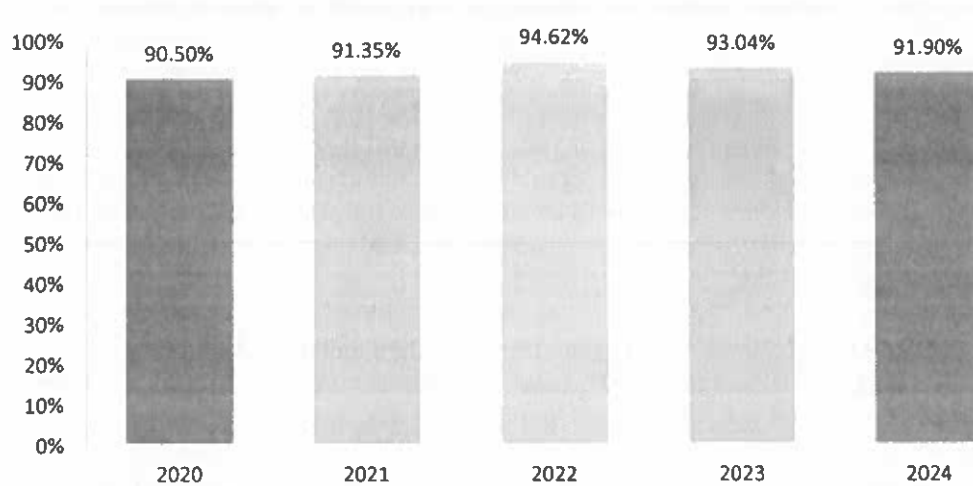
Having seen a significant improvement in Common Fund collections in 2022, as life started to return to normal after the pandemic, the level of contributions dropped back in 2023 and was even lower in 2024. As a result, the total contributions received by the end of February 2025 were £8.3m (2023: £8.4m), which represented 91.90% (2023: 93.04%) of the amount requested from parishes.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

We are very grateful to the continuing generosity of the people in our worshipping communities, particularly in the current economic climate but the current lower contribution level presents as yet unresolved challenges to funding our ministry costs. It is anticipated that the current Common Fund system will be reviewed in 2026.

Common Fund Collection Rates 2020 - 2024



Safeguarding

The Diocesan Safeguarding Team (DST) has a wide range of experience in applying safeguarding to complex situations. The team bring experience from Policing (including Public Protection, Child Abuse Investigation, Domestic Abuse Investigation, and Management of High Risk Offenders), Social Services (including Children’s Services and Adult Safeguarding), voluntary sector and parish administration. The DST manage allegations and concerns relating to Church Officers, manage the risks posed by known offenders who regularly attend church, and give advice on all other aspects of safeguarding, including Safer Recruitment. The DST also deliver safeguarding training to leaders in the diocese and manage all Disclosure and Barring Service (DBS) applications. The DST works with a network of nearly 400 Parish Safeguarding Representatives (PSR). The PSRs are all volunteers, and without their dedication we could not effectively manage safeguarding across nearly 500 parishes that make up the diocese.

In 2024 we were independently audited by INEQE, who have been commissioned by the National Church to audit safeguarding in all dioceses. INEQE highlighted many strengths in our team and in the wider diocese but also made recommendations for further development of safeguarding in the diocese (the report is available on the Church of England website). Senior Leaders have developed an Action Plan in response to the recommendations, which the Diocesan Safeguarding Advisory Panel (DSAP) will monitor.

DST also began using the National Safeguarding Case Management System (NSCMS). This has necessitated the transfer of data relating to all of our open cases to NSCMS. We are still progressing the transfer of data relating to closed cases.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Safeguarding (continued)

The NSCMS records all safeguarding concerns raised with our team, including allegations that do not involve Church Officers and low level concerns.

Following the Makin report, the subsequent resignation of the Archbishop of Canterbury, and safeguarding issues in the Church, we experienced a significant increase in the number of concerns raised with DST. Over the last few months, there have been around 70 new concerns raised with DST each month. We currently have approximately 110 open cases. The great majority of these concerns do not involve a Church Officer, but they are safeguarding concerns and many need further action. In the last two months of the year the DST made 40 referrals to statutory agencies. Sexual Abuse of adults and children, remains our most common category of concern, followed by Domestic Abuse. Our Safeguarding Administrator is very busy with the processing of DBS checks, Training administration, and uploading new referrals to NSCMS.

We are in the process of changing the role of the Diocesan Safeguarding Advisor to Diocesan Safeguarding Officer (DSO) with greater independence, and the National Church has now adopted the model of Regional Supervision we trialled regionally.

The General Synod, in February 2025, debated proposed changes to safeguarding in the Church. Two models were proposed; one would move most of the National Safeguarding Team (NST) into a new body responsible for scrutiny and complaints. The second model moves NST and DST into the new body. The General Synod voted to adopt the first model.

Synod also approved the new Managing Allegations Policy. The new Learning and Development Framework came into effect in January 2025. We are developing a Training Plan and aim to provide greater choice by delivering some courses in person and others online.

While navigating these complex national and local issues, the Diocese remains steadfast in its commitment to fostering a positive safeguarding culture where everyone feels safe and valued, and we are very grateful for the dedication of our near 400 volunteer Parish Safeguarding Representatives.

Parish Giving Scheme

The Parish Giving Scheme has continued to grow across the Diocese, encouraging a deeper understanding of generous giving, streamlining administration in parishes, improving parishes' cash flows by returning gift aid to parishes every month, and giving donors the option to increase their future giving in line with inflation. In December 2024 there were 3,459 (2023: 3,377) people in our Diocese that made 41,130 gifts (2023: 39,631) to 300 (2023: 287) active church accounts, contributing a total (excluding gift aid) of £2.9m (2023: £2.7m) during the year. A further £0.7m (2023: £0.6m) was claimed in gift aid. The average gift (excluding gift aid) was £16.00 per week (2023: £15.80).

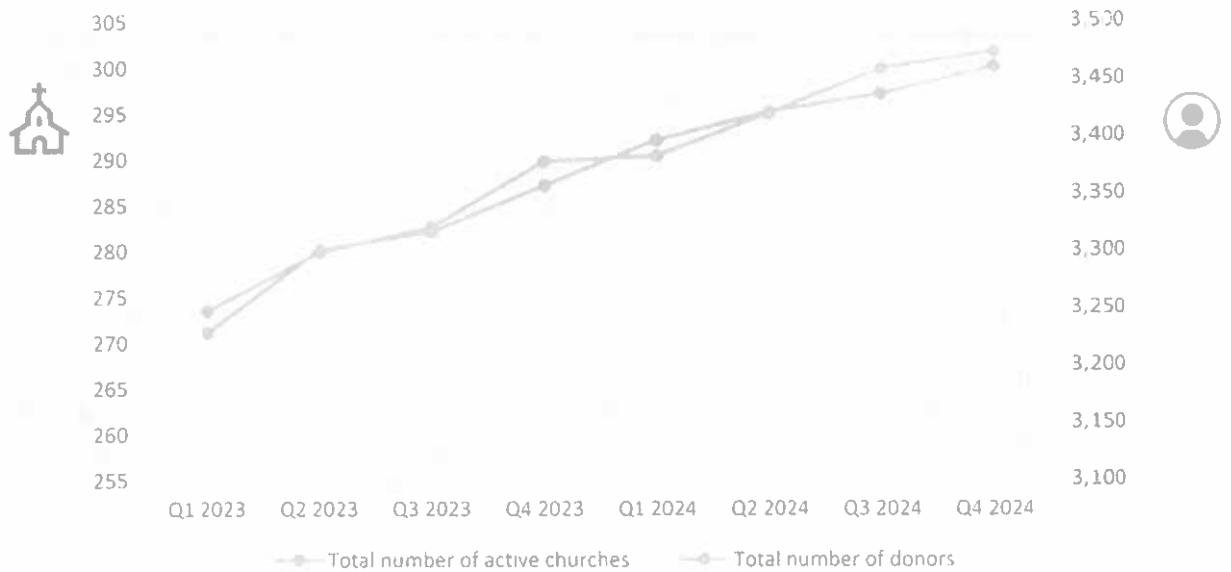
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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Parish Giving Scheme (continued)

Parish Giving Scheme

Total number of active churches/Total number of donors at the end of each quarter



Total number of donors/Total sum returned to churches (per month)



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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Mission and Ministry

The training review in 2023 decided to bring Foundations and Curate Training (IME2) into the diocese. The first Foundations course cohort in Plymouth concluded their studies in March 2025. These learners came from across the south of Devon to undertake introductory work on the Bible, theology, spirituality and ministry. There are two further cohorts running in Barnstaple and Exeter. This has meant three times as many people as previous years are starting the exciting journey of discovering more about the Bible, mission and ministry and spirituality. If, as in previous years, a proportion of these take a step into other vocations (lay and ordained) we will be developing a range of new ministers and new ministries. As participation in traditional training events has declined since the pandemic, Foundations shows us that there is still a thirst for learning, and we need to adapt to make that learning accessible.

Curate training has also come under the diocesan umbrella from September 2024 and Kim Mathers has transferred from the South West Ministry Training Course (SWMTC) to the department of Mission and Ministry. Core training has moved to Sundays to enable Self Supporting Ordained Ministers (SSOMs) and stipendiary curates to train together. Hopefully the benefits will outweigh the pain of this change, but it is early days. We are delighted to have Kim in the team and realising at our team meetings how we have missed the crucial aspect of curate training from our discussions.

Another missing piece has been the oversight of Licensed Lay Minister (LLM) ministry and, while we take time to decide how to replace Archdeacon Andrew as Warden of Readers, Hannah Cross has stepped into the role of LLM Officer, taking on the day-to-day oversight and care of LLMs. So, at any team discussion on vocations, training and development and pastoral care of ministers we have the LLMs fully represented by Hannah.

The success of Foundations asks the question 'what next?' Following the model of Anna Chaplains, we are looking at other areas where lay people might be commissioned to specific areas of ministry such as children and families, pioneering, evangelism, parish nursing and so on, focussing at first on those ministries where there is already an excellent training on offer from other organisations. We launched these in 2024 at the bishop's study morning and there has been a lot of interest.



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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Mission and Ministry (continued)

The study morning in November was booked about a year ago before we knew when and if we would have a new diocesan bishop, but in the end the timing was perfect for a gathering of clergy and LLMs to meet our new bishop, and for him to meet us. A keynote address from Lucy Moore set the tone for one of Bishop Mike’s priorities, ministry and mission amongst children and families. Feedback was very good. They are already in the ‘essential’ list for the next study day.

We are proud to have produced the first Mission Community Field Guide with the help of many contributors from diocesan staff, the Cathedral and the wider diocese. Hard copies were given to all licensed clergy and LLMs at the November study morning and in the following weeks. Inevitably it goes out of date as soon as it is printed but the website version will be kept up to date and will always be available.

We have continued to work with churches on developing their Eco Church, with 20 churches being recognised at the Eco Church Awards Celebration. EDBF itself received a Bronze award. We were also delighted to see that Transforming Plymouth Together was awarded the King’s Award for Voluntary Service.

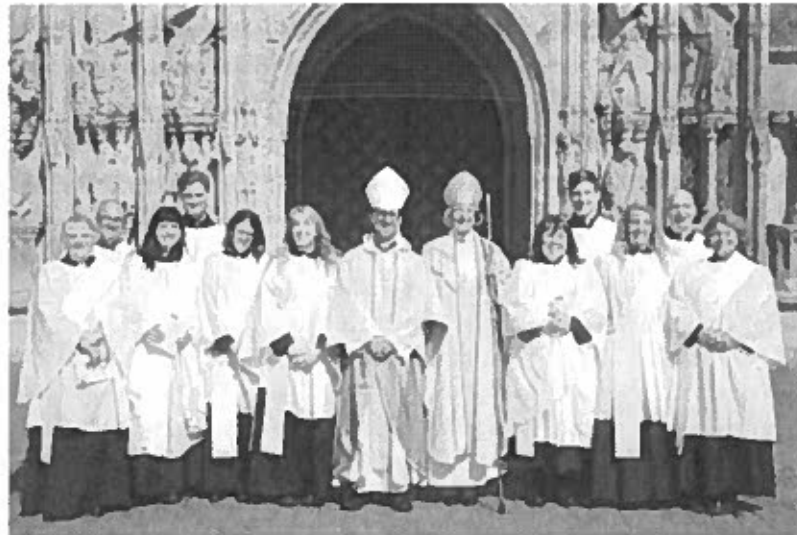
The Vocations Development Officer and the Diocesan Director of Ordinands (DDO), with their teams, work to foster and encourage those sensing a call to serve God in the authorised lay and ordained ministries. Two events were held to help people consider and explore both ordained and lay licensed ministry, as well as other focused work. 11 candidates were recommended for ordination training by the Bishop’s Advisory Panel in the 2023-24 academic year, having completed the two-stage discernment process. Numbers offering for ordination continue to be low, a picture repeated across the country. We currently have 22 ordinands in training at theological college, with 10 of these due to be ordained as deacons in June 2025. The ordination of deacons took place at Petertide, with 12 new deacons being ordained. Developing the ministry of women; encouraging candidates from a UK Minority Ethnic (UKME) heritage; and encouraging younger vocations, remain significant priorities and the diocese encourages attendance at national events for such groups.

Deacons Ordained in 2024	Male	Female	TOTAL
Stipendiary	4	4	8
Self-Supporting	1	2	3
Distinctive Deacons	-	1	1
TOTAL	5	7	12

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Mission and Ministry (continued)



Priests	Male	Female	TOTAL
Ordained in 2024			
Self-Supporting	-	4	4
Stipendiary	6	3	9
TOTAL	6	7	13



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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Mission and Ministry (continued)

Ordinands starting training in 2024:

Age	Male	Female	TOTAL
31 and under	-	1	1
32 - 39	-	-	-
40 - 54	1	4	5
55 and over	2	3	5
TOTAL	3	8	11

Board of Education

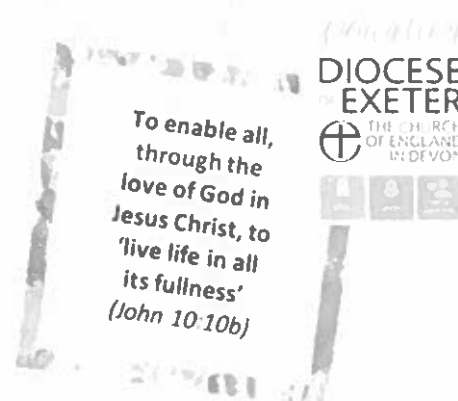
This Exeter Diocesan Board of Education Committee (EDBE) is a committee of the Diocesan Board of Finance. It is a statutory body responsible for Church of England schools and academies in the diocese.

There are 134 Church of England (CofE) schools in our diocese, including five secondary schools, which range in size from 8 pupils to 1,308 pupils (January 2024 census). Common to all is a desire to fulfil the Church of England Vision for Education which is rooted in the promise by Jesus of 'life in all its fullness' and expressed through four basic elements: wisdom, hope, community and dignity. Each CofE school has its own vision underpinned by theology. The EDBE vision is:

Education

EXETER DIOCESAN BOARD OF EDUCATION VISION

***Nurture vision-inspired education,
Nourish personal and spiritual growth,
Enable connected communities that Flourish***



The DBE's Strategic Plan has four Strategic Priorities for the DBE Committee and the diocesan Education Team, as follows:

- To ensure that the Diocese of Exeter has a successful diocesan family of schools.
- To respond pro-actively to the changing educational landscape in a way which strengthens school performance, capacity, and sustainability.
- To work effectively and demonstrate positive impact.
- To play our part in ensuring schools are a central part of the diocesan mission.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Board of Education (continued)

The Statutory Inspection of Anglican and Methodist Schools (SIAMS) is one measure of the success of Church of England schools as it explores the way in which each school's theologically rooted Christian vision drives the work and enables the school to live up to its foundation as a Church school.

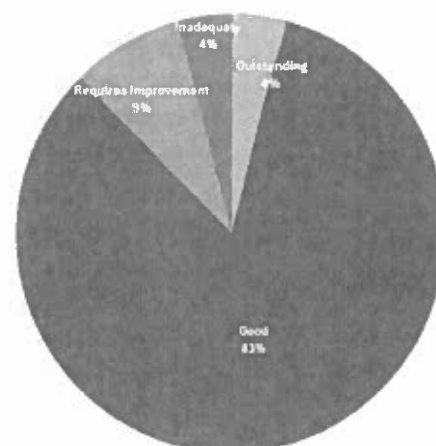
In 2024, 96% of CofE schools were assessed by independent SIAMS inspectors as upholding their Christian foundation.

In 2024, there was a new **Locally Agreed RE Syllabus** launched within each of the three Local Authorities with whom we work: Devon, Plymouth and Torbay. This syllabus has been developed in close consultation with teachers and school leaders. EDBE, recommend it for Church schools as it is fully compatible with Understanding Christianity and the RE Statement of Entitlement for CofE schools. It is a development of the last syllabus, with significant extensions in line with current thinking and practice.

Our work with leaders to ensure clarity around 'vision, provision and impact' has synergy with Ofsted's focus on 'intent, implementation and impact'. In addition to regularly attending SIAMS feedback, the Education Team is also frequently asked by Ofsted to speak with their inspectors and usually attends Ofsted inspection feedback.

In 2024, thirty-five of our Church of England Schools were inspected by Ofsted. Twenty-four were inspected during the period from 1 January to 31 August and the outcomes are shown opposite.

In September 2024, the Ofsted Inspection Framework shifted away from publishing one-word judgements yet retained judgements in key areas. The outcomes of the seven schools who achieved a full inspection during autumn 2024 (section 5), are shown below. All four schools who received a monitoring inspection in Autumn Term 2024 (section 8) were found to have taken effective action to maintain the standards identified at the previous inspection (Good).



**Ofsted Inspection Outcomes
1 January – 31 August 2024:**
Orange – Outstanding, Green – Good,
Blue – Requires Improvement, Magenta
- Inadequate.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Board of Education (continued)

*Ofsted Full Inspection (Section 5) Outcomes
1st September to 31st December 2024*



Following a successful pilot programme of church school flourishing with all southwest dioceses, in September 2024 we launched Exeter Flourishing Partnership (EFP) with a changed curriculum focus, and a shift in emphasis to that of collaborative partnerships.

Exeter Flourishing Partnership

The Exeter Flourishing Partnership (EFP), inspired by our vision, demonstrates a shared commitment to flourishing church schools across the Diocese of Exeter. It is intended to be a deep, collaborative and beneficial relationship and nourishing partnership between the Diocesan Education Team, the Exeter Diocesan Board of Education Committee (EDBE) and academy trusts/federations. EFP provides rich, meaningful and formative opportunities for engagement to enrich church school distinctiveness.



EFP is part of our work to empower leaders within multi-school groupings with knowledge, understanding and tools to ensure they are effective in upholding the Christian vision and distinctiveness of their Church schools. It underpins our work to support a self-improving system where strengths are shared and built upon across the education system. The EDBE's Policy recommends schools consider joining a strong multi-school grouping (federation or academy trust). During 2024, one school became an academy following a Direct Academy Order from the Department for Education, and nine maintained school governance teams choose to convert their schools to become an academy and join an academy trust. One maintained school joined other maintained schools within an established federation. Three multi-academy trusts with Church schools in our diocese transferred all their schools into other academy trusts serving within our diocese, and one federation converted its schools and joined an academy trust.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Board of Education (continued)

For all moves of schools into different structures, the proportionality of foundation governance of the responsible board has been maintained to preserve the Christian foundation.

EDBE monitors and evaluates the work of the Education Team. A practical example of EDBE's good governance is in its response to the Lament to Action report (April 2021) and work in



Peer-to-peer EDIJ network participants with Lorraine Prince, the Head of Networks for the Church of England Foundation for Educational Leadership

the area of equity, diversity and inclusion more widely. Significant strides have been made in equity, diversity, inclusion and justice (EDIJ) work and it is embedded into much of what we do. During 2024, following previous work to diversify EDBE membership, the team analysed student and staff ethnic origin data; held a Peace Feast attended by staff and governance representatives from 76 Church of England schools and 88 Community Schools from both the primary and secondary phases; set up a

webpage with resources and links; and secured funding for and launched a three-year peer-to-peer EDIJ Network, supported by the National Society. Education Team members have also worked with a Southwest diocesan group with EDIJ consultant Linbert Spencer OBE.

Our work involves being a voice and champion for Church schools. Working as a system-leader, we collaborate with Academy Trusts, Local Authorities, The Department for Education (regionally and nationally) and with the National Society (Church of England Education).

The Education Team continue to support schools in working intentionally with church communities. There are many examples of good practice from our team and from within our schools. We share this in Flourish (the Education Team's newsletter), Roots and Shoots, or on social media. Examples include a choir initiative which encourages children and young people to learn and develop musical skills and which has been flourishing throughout its first year of launching in St Michael's Church of England Primary School; and Farway Church of England Primary School being awarded the International Cross of Nails Award.

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KEY PERFORMANCE INDICATORS

Comprehensive quarterly operational reports are produced, and these are presented to the trustees through the Bishop's Diocesan Council and shared more widely with staff and other key stakeholders. The individual key performance indicators are shown against the relevant sections in the report above. The reports are also available on the diocesan website.

FUTURE PLANS

The financial consequences of the pandemic continue to present a considerable challenge to EDBF, as the 15% reduction in the number of people in our worshipping communities has reduced the amount that we can request from our parishes in Common Fund contributions by around £1.5m per annum. Coupled with the inflationary increases experienced in 2023 and 2024, particularly undertaking work on clergy housing, we now have an underlying annual budgeted deficit of around £2m and, without remedial action, deficits of this magnitude would be likely to recur. While EDBF has substantial reserves and is able to meet the budgeted deficit, these are not without limit. A portion of the underlying assets, clergy housing, is needed for ministry while proceeds from glebe suitable for development are unlikely to be realised within the next two to three years.

EDBF has agreed an Asset Management Strategy, to identify the most efficient ways of using each of our asset classes to support our charitable activities while reducing the annual deficit. There remains some surplus housing stock and there is the option of selling some investments, but such sales reduce rental and investment income.

EDBF adopted Total Return accounting for the Diocesan Stipends Capital Fund in 2023, and a sum of £500k will be used to support the payment of clergy stipends in 2025, with further provisional sums of £750k per annum allocated for 2026 and 2027. The use of asset sales to support the budget is a short term measure, to allow time to develop a longer term sustainable plan.

EDBF takes Diocesan Synod's adoption of the National Routemap to Net Zero Carbon (NZC) by 2030 very seriously but the extent to which promised National Church funding of £190m will be made available to the dioceses, cathedrals and parishes remains to be determined. This uncertainty combined with the financial pressures faced by EDBF points to the need to review immediate NZC spending plans.

In 2025, EDBF will be applying for support from the Archbishops' Council, through the Strategic Mission & Ministry Investment Board. If successful, this will provide significant additional funding over the period 2026 – 2032 to enable us to support the development of mission in our parishes and Mission Communities. This will focus on the five Strategic Priorities identified by Bishop Mike (see pages 6 and 7).

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SECTION 172(1) STATEMENT

The trustees act in good faith to continually balance the success of EDBF against many other factors, including ensuring that:

- Business is conducted morally and ethically, in line with the EDBF’s Code of Conduct;
- Short term gains do not have an adverse consequence on EDBF’s long-term strategy, success and benefits;
- Employee and clergy welfare, training and interests are taken care of;
- Supplier relationships are strong, mutually beneficial and comply with EDBF’s policies;
- Good relationships exist with our PCCs and MCs; and
- Any community and environmental impacts as a result of EDBF’s operations are considered.

There have been no major changes to any of the above areas in 2024.

FINANCIAL REVIEW

Financial performance

The Consolidated Statement of Financial Activities (page 46) for the year shows that the income (before investment gains) totalled £16.8m (2023: £17.2m) and expenditure amounted to £17.8m (2023: £17.5m) resulting in a deficit (before investment gains/losses) of £1m (2023: net deficit of £0.4m).

After taking account of net investment gains of £0.8m on investment properties and financial investments, the net decrease in funds amounting to £0.2m. Total fund balances decreased from £126.9m to £126.7m over the year.

After excluding the surplus from sale of property, the net operating deficit in 2024 was £2.0m (2023: net operating deficit of £2m).

At 31 December 2024 the aggregate unrestricted and undesignated reserves (see Notes 20 and 21) amounted to £6.4m (2023: £8.2m).

Operational surplus/(deficit)*



*Excluding asset sales and pension adjustments

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FINANCIAL REVIEW (continued)

Financial performance (continued)



Significant Property Transactions

Whilst no new houses were purchased in 2024, we agreed terms for the provision of a new house in Sherford, with the cost being partially reduced by the local planning requirement to provide a site for a vicarage. Our policy continues to be, as finance allows:

- To replace unsuitable properties;
- To accommodate the changing geographical deployment of clergy within the Diocese; and
- To realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

Three houses and one site with planning permission for a single dwelling were sold within the year. No glebe land was sold in 2024, but contracts were exchanged with a promoter for the development of two parcels of glebe land and discussions are in hand for a small number of other glebe sites. The recent change requiring local authorities to increase their housing supply allocations should result in further opportunities for development.

The long term aim continues to be to seek to maximise income returns and to adjust the balance of EDBF's asset holdings, but sales are required to underpin cash flow and to support the budget in the short term.

Thirty-two in-going schemes were undertaken in advance of newly appointed clergy taking occupation and quinquennial repairs were instructed/completed on 58 properties.

Properties continue to be rented when not needed to house clergy and the gross rental income achieved was £1.3m. A further £0.6m is received from the rental of glebe property and land.

**The Exeter Diocesan Board of Finance Limited
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FINANCIAL REVIEW (continued)

Significant Property Transactions (continued)

Current use of Clergy Housing

Number of Clergy Houses in portfolio	312
Occupied by Clergy	195
Rented	98
Vacant	19



Balance sheet position

The trustees consider that the balance sheet together with details in note 21 show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held.

While the net assets at the balance sheet date totalled £126.6m (2023: £126.8m) it must be remembered that included in these totals are properties, mostly in use for the ministry, whose carrying value amounted to £57.3m (2023: £57.5m). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot be used for the general purposes of EDBF.

Reserves policy

Unrestricted reserves

EDBF needs unrestricted reserves for the following purposes:

- a) To cover Common Fund shortfalls in the short-term;
- b) To ensure that funds are available to cover the legal employment entitlements of all employees and stipendiary clergy;
- c) To cover expenditure during the time it would take for the Diocese to adjust to a major change resulting from external and irresistible forces;

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FINANCIAL REVIEW (continued)

Reserves policy (continued)

Unrestricted reserves (continued)

- d) To provide a fund for specific aspects of diocesan work earmarked as coming from reserves; and
- e) Excess reserves being necessary in an individual year, in line with the expectations in the long-term finance plan.

EDBF aims for an ongoing level of unrestricted reserves of 25% to 30% of annual budgeted expenditure, in order to cover items a) to c), above. Any amounts required to cover items d) and e), above, are considered on an annual basis. The unrestricted free reserves as at 31 December 2024 are outside this range at 39% of 2025 budgeted expenditure of £16.3m. This is mainly the result of selling property assets that were previously in the designated fund. However, at the current time, with the significant economic uncertainty, and with a forecast deficit in 2025 of £0.9m, a higher level of unrestricted reserves is considered necessary. EDBF also holds endowment and restricted reserves which are legally limited in use to specific purposes. Both EDBF's reserve policy and the level of reserves are reviewed annually.

Reserves tied up in fixed assets

The general (unrestricted) fund comprises net assets amounting to £6.4m of which £0.5m is tied up in intangible and tangible fixed assets.

Designated funds

The trustees may, with the approval of the Board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent.

Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention.

A description of each reserve together with the intended use of the reserve is set out in note 23. At 31 December 2024 total designated reserves were £21.7m (2023: £21.5m), of which £20.4m was tied up in tangible fixed assets.

Restricted and endowment funds

As set out in notes 20 to 23 EDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2024 restricted funds totalled £5.7m (2023: £5.6m) and endowment funds totalled £92.8m (2023: £91.5m), and with the exception of the adoption of Total Return, neither is available for the general purposes of EDBF.

In December 2023, the directors of EDBF approved the adoption of Total Return Accounting in respect of the investments held within the Diocesan Stipends Capital Fund, under the powers given in the Stipends Funds (Amendment) Measure 2016. The directors approved a base date of 1 January 2001 and agreed to use the Consumer Prices Index (CPI) for the indexation.

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FINANCIAL REVIEW (continued)

Reserves policy (continued)

Restricted and endowment funds (continued)

An initial sum of £900k was allocated in the 2024 budget for work to improve the Energy Performance Certificate (EPC) rating and Net Zero in our clergy housing. £145k of this allocation was spent in 2024, with the balance being available for further works in future years. Future allocation of funds from the Unapplied Total Return (UTR) allocation will be determined by the directors within the budget planning process and for 2025 a sum of £600k has been allocated to support clergy stipends. As at 31 December 2024, the balance on the Diocesan Stipends Capital Fund for investment amounted to £18.3m (2023: £19.7m) and is not available for the general purposes of EDBF. The balance on the Unapplied Total Return fund at the year-end was £30.6m (2023: £27.8m). The Unapplied Total Return fund is available to support clergy stipends and housing over the long term.

Grant making and donations policies

All grants and donations are made in furtherance of EDBF's strategic aims and objectives – see note 11.

The policies on the making of principal grants are:

- Ordinands – grants for living expenses are paid to ordinands against an assessment of need in line with national policy;
- Removal and resettlement grants – grants normally covering the full cost of removal expenses and resettlement grants in line with national guidelines are available to stipendiary clergy on moving to or within the Diocese;
- Archbishops' Council – the Board continues to contribute to the various costs of the national church as requested; and
- Strategic Development Fund (SDF) – this fund relates to grants received from the Archbishops' Council and EDBF funding for those projects in receipt of SDF.

All grants are taken into account when a non-cancellable commitment to pay has arisen.

Investment policy

All investments held by EDBF have been acquired under powers available to the Trustees.

The investment of diocesan funds aims to maximise income, whilst maintaining, so far as possible, the purchasing power of the investments, year-on-year and having regard to the ethical considerations implicit in investing on behalf of the Diocese.

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FINANCIAL REVIEW (continued)

Investment policy (continued)

	Funds at 31 December 2024 £'000	Proportion of Portfolio	Income yield in year	Total Return in year
CCLA Managed				
CBF Investment Fund	34,704	100%	2.73%	+3.79%
CBF Deposit Fund	8	-	5.05%	+5.05%
Other Funds	5	-		
	34,717	100%		

EDBF also holds investment properties, in the form of three commercial properties and historic glebe land and property. These are all held within the Diocesan Stipends Capital Account (see notes 20 – 23).

	Funds at 31 December 2024 £'000	Income yield in year	Total Return in year
Investment Properties	29,699	1.97%	5.58%

Operational relationships

EDBF fosters relationships with the parishes across the diocese, through the provision of clergy, support and training and by engaging with them where it is important to obtain their views, particularly where there are Common Fund considerations. EDBF fosters relationships with suppliers by seeking to work with them to build mutually beneficial relationships and by paying invoices within agreed credit terms.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees are responsible for the identification, mitigation and or management of risk and have carried out a formal risk management process to assess business risks and to implement risk management strategies.

To help achieve this, a register of all the risks identified is maintained (the Risk Register) and, alongside it, a management and mitigation strategy formed. This is reviewed annually by the trustees.

The above process has been delegated to the Assets Group with the responsibility for delivery of the mitigation identified by the annual review being delegated to the Diocesan Director of Finance.

The Risk Register identifies the types of risks that EDBF faces, prioritising them in terms of potential impact and likelihood of occurrence, and the means of mitigating them. The Assets Group in conjunction with officers keep under review known risks and seek to identify new circumstances which may pose a risk to EDBF as part of their ongoing work.

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The current risks with the highest residual risk score and the steps taken by senior management to mitigate them are as follows:

- Financial sustainability of EDBF;
 - Financial plan, covering the period through to 2050
 - Regular reports to BDC and Diocesan Synod setting out the scale of the challenge and mitigation required
 - Development of Asset Management Strategy to identify those assets that can be sold if necessary
 - Adoption of Total Return accounting
 - Engagement with the Diocesan Finances Review
 - Engagement with the National Vision & Strategy team to develop plans for securing Diocesan Investment Programme funding
- EDBF becoming responsible for (multiple) church buildings where there is no longer a PCC:
 - Through Growing the Rural Church initiative and pastoral reorganisation, the Church Buildings Strategy group ensures that information and support is available for the extended use of church buildings.
- Adverse Publicity and loss of trust in church leadership (due to safeguarding concerns):
 - Clear and transparent leadership commitment
 - Proactive engagement with survivors and affected communities
 - Communications Strategy
- A shortfall in the Common Fund request:
 - Regular communication of our vision and strategy by the Bishops and the senior leadership team
 - Support provided by the Mission Resources Team to parishes and MCs
 - Promotion of the Parish Giving Scheme as an effective means of regular giving
 - Development of the diocesan giving strategy
- Reduction in rental income due to Renters Reform Bill and proposed changes to Minimum Energy Efficiency Standard (MEES):
 - Implications of the legislation is being closely monitored and assessed

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- Divergence of opinion and failure to accept differing views in equality, diversity and inclusion causing mistrust and disrespect between schools, communities and churches:
 - Following the National Church of England Education Office lead
 - Promote, as appropriate, Flourishing for All Anti-Bullying Guidance
 - Be aware of legal responsibility on schools to give due regard to the need to eliminate discrimination (Equality Act 2021), and possible implications for governance
- Failure to recruit and retain suitable qualified and skilled leaders and governors in our schools:
 - Relaunch Governance Recruitment campaign
 - Programme for induction, training and support
 - Widening the field by accepting appointment based on skills for governance at director level, with willingness to protect Church Foundation
- Fall in the number of people within our worshipping communities:
 - Clear statement of our vision and strategy is constantly reinforced by the Bishops and the senior leadership team
 - Provision of additional diocesan-wide support through the Lay Discipleship project and support to Mission Communities
 - Provision of Living in Love and Faith (LLF) resources, training and support for parishes and Mission Communities
 - A number of mission initiatives have been adopted to encourage and develop participation in church life, with support through Strategic Development Funding
- Failure to appoint Parish Safeguarding Representatives (PSRs), particularly when the parish is in vacancy:
 - Promotion of safeguarding within parishes
 - Use of Parish Safeguarding Dashboard
 - Support from the Diocesan Safeguarding Team
 - Training for all PCC members
- Non-compliance with new safeguarding legislation and standards, due to vulnerabilities in key areas:
 - Regular review of safeguarding policies
 - Compulsory safeguarding training for relevant posts
 - Annual safeguarding audits

The trustees are satisfied that all major risks have been reviewed, and systems or procedures have been established to manage these risks.

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STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is the established church, and HM The King is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 dioceses. Each diocese is a See under the care of a bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the diocese.

The National Church has a General Synod comprised of ex-officio and elected representatives from each diocese and it agrees Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for clergy and lay workers. Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that responsibility as bishop within the Diocesan Synod.

Summary information about the structure of the Church of England (continued)

The Diocese of Exeter is itself divided into 21 deaneries, each with its own synod and within each parish there is a parochial church council which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod. Whilst each diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each diocese to seek support from and work in partnership with neighbouring dioceses.

Organisational structure

EDBF is a company limited by guarantee (No. 00186001) registered in England & Wales and a registered charity (No. 249798) governed by its Memorandum and Articles of Association. The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Exeter. It was established in its present form in 1922 and is successor in title to the Exeter Diocesan Trust. EDBF's governance and oversight of policy development is the responsibility of the trustees, who are also directors of the company and trustees for the purposes of charity law.

The trustees/directors of EDBF can comprise:

- 11 ex-officio members consisting of the diocesan and two suffragan bishops, the dean, four archdeacons and the chairs of the Synod House of Clergy and Synod House of Laity and the Chair of EDBF;
- 4 clergy elected from the house of clergy from among their number on the basis of one per archdeaconry;
- 8 lay persons elected by members of the house of laity on the basis of two per archdeaconry; and
- A minimum of 3 and a maximum of 8 members nominated by the diocesan bishop.

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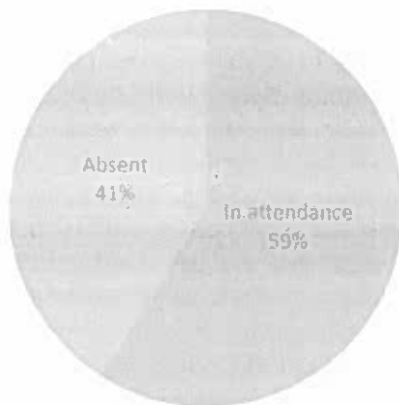
STRUCTURE AND GOVERNANCE (continued)

Organisational structure (continued)

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Diocesan Bishop. The Synod membership is elected every three years; the current members took office on 1 August 2024. Whilst EDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 EDBF is subject to the direction of the Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Attendance rates at meetings in 2024

Attendance rates at Diocesan Synod



March 2024



June 2024

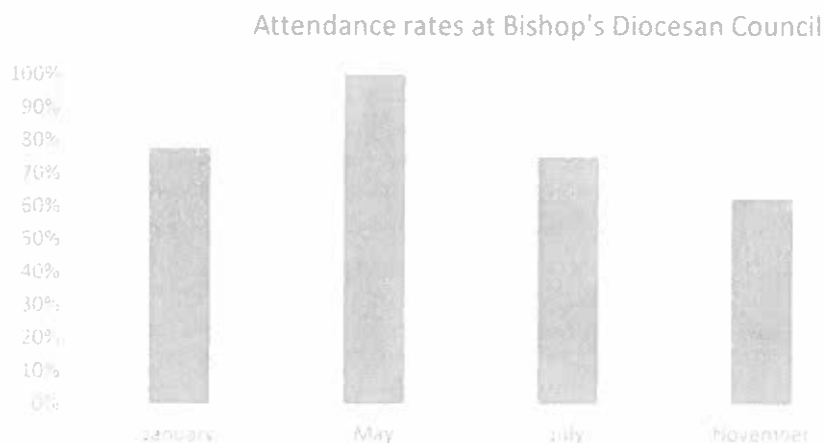


October 2024

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STRUCTURE AND GOVERNANCE (continued)

Attendance rates at meetings in 2024 (continued)



Governance Update 2024

During the first 9 months of 2024, work continued to complete formal processes relating to the Vacancy in See; principally the focus shifted to the deliberations of the Crown Nominations Commission. Triennial elections to the Diocesan Synod were run and a new membership established during the summer. Thereafter further elections were held from September to November 2024, filling a casual lay vacancy on the General Synod and electing members of the Bishop's Diocesan Council, the Vacancy in See Committee, the Archidiaconal Mission and Pastoral Committees and the Diocesan Board of Patronage to take effect from 1 January 2025.

The Diocesan Synod and the Bishop's Diocesan Council considered a wide variety of issues during the course of the year – from statutory annual tasks such as agreeing the annual budget, to strategic planning and the development of diocesan funding applications. The Bishop's Council also supported the submission of an application to the Dioceses Commission for the filing of the suffragan See of Crediton on the retirement of the Right Rev'd Jackie Searle, to take effect in early 2025.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, to support its primary object to promote, assist and advance the work of the Church of England within the Diocese of Exeter are set by the Diocesan Synod and EDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary.

EDBF meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by EDBF.

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

The trustees, meeting within the context of the Bishop's Diocesan Council, hold up to six meetings during the year to formulate and coordinate policies on mission, ministry and finance by:

- Initiating proposals for action by the Synod and advising it on matters of policy;
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with Synod Standing Orders;
- Acting as the trustees of EDBF;
- Planning the business of the Synod, preparing the agenda for its session, and circulating to members information about matters for discussion;
- Advising the Bishop on any matters he may refer to the committee;
- Initiating consideration of any restructuring of Committees and Departments which may appear necessary and for the establishment of ad hoc review groups, their terms of reference and membership;
- Carrying out such other functions as the Synod delegates to it; and
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod.

Other than the Board's Standing Committee, which may make urgent decisions on behalf of the Board between meetings and has responsibility for staffing and personnel matters, EDBF has the following sub committees, each of which have written terms of reference:

Assets Group

This Group has responsibility for monitoring all diocesan income and expenditure and the investment and protection of assets.

The Bishop's Strategy Advisory Group

This Group comprises the Bishop's Staff Team, the Chairs of both the House of Clergy and Laity, the Chair and Vice Chairs of the Board of Finance and members of the Senior Management Team, who attend as required, depending on the subject matter. The Group has a strategic focus, and the subjects discussed are in line with the Diocesan Vision & Strategy. The Group's decisions will be directed by the Board and Bishop's Diocesan Council in accordance with the policies agreed by the Diocesan Synod. The Group is also responsible for considering and advising the Board on key financial considerations and the annual budget setting process.

Exeter Diocesan Board of Education

The Board has a responsibility to promote or assist in the advancement of education, which is consistent with the faith and practice of the Church of England, and in the promotion and assistance of religious education and religious worship in schools. In our 134 Church of England schools, of which 78 are academies and 56 are maintained schools (26 Voluntary Aided and 30 Voluntary Controlled), the Board has a responsibility to assist and advise governors on matters affecting church schools, and to promote co-operation between the

**The Exeter Diocesan Board of Finance Limited
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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

Exeter Diocesan Board of Education (continued)

Board and others involved with education in the Diocese. As part of this, the Diocese is keen to ensure the Christian distinctiveness of all Church of England schools is protected and enhances their community. Under the Diocesan Boards of Education Measure 2021, the DBE became a formal sub-committee of the DBF from 1 January 2023.

In addition to these sub-committees EDBF is assisted in its work by the following other committees:

Parsonages Committee

This committee, which has the same membership as the Assets Group, is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting policy for buying, repairing, maintaining and any disposal of parsonage houses, team vicarages and houses owned by EDBF. There are four archidiaconal parsonage committees which exercise delegated powers for the day-to-day decisions on clergy housing.

Glebe Committee

This committee, which has the same membership as the Assets Group, is responsible for determining policy and making decisions concerning the management of glebe property and investments for the benefit of the diocesan stipends fund.

Diocesan Mission and Pastoral Committee

This committee, which has the same membership as the Bishop's Council and Standing Committee and the trustees of EDBF, is responsible for the reorganisation of parishes, benefices, church buildings, deaneries and archdeaconries, taking account of available clergy numbers and making use of new patterns of ministry.

Diocesan Advisory Committee for the Care of Churches

This committee advises on matters affecting churches and places of worship such as the granting of faculties, architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

Exeter Diocesan Board of Patronage

The Board is constituted under the provisions of the Patronage (Benefices) Measure 1986 and is sole patron or joint patron of a number of benefices.

Church Building Strategy Committee

This committee carries out statutory functions with regard to churches, which either have been closed for regular worship, or where that option is being considered.

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

Vacancy in See Committee

This committee under the Vacancy in See Regulations 1993 (as amended) assumes certain responsibilities in the event of a vacancy in the post of diocesan bishop.

Diocesan Synod

The Diocese of Exeter has its origins in the creation of a diocese for Devon in 909AD and took broadly its present form in 1877 when the Diocese of Truro was created as a separate diocese. The ecclesiastical boundaries of the Diocese equate almost exactly to the county of Devon, which covers an area of 6,707 square kilometres (2,589 square miles).

Devon is predominantly rural, with two major moorland areas, but also includes the two cities of Plymouth and Exeter and the urban area of Torbay. The overall resident population of the county is more than 1.2 million, with the north and south coastal areas attracting many tourists in the summer months.

The governance of the Diocese provides for elected clergy and lay members alongside the Bishop in Diocesan Synod, which also includes ex-officio members such as Suffragan Bishops, Archdeacons and the Dean, as well as co-opted members appointed for their skill or experience. Diocesan Synod is presided over by the Diocesan Bishop. Its role is to:

- Consider matters affecting the Church of England in the Diocese;
- Act as a forum for debate of Christian opinion on matters of religious or public interest;
- Advise the Diocesan Bishop where requested;
- Deal with matters referred to it by General Synod; and
- Provide for the finances of the Diocese through EDBF.

At archdeaconry and deanery levels

The Diocese consists of 480 parishes arranged into 21 deaneries within the four archdeaconries of Exeter, Totnes, Barnstaple and Plymouth. Within these parishes there are 593 Church of England places of worship in the Diocese, the 4th highest number in England.

Each deanery has a Synod consisting of a house of clergy and a house of laity. The Synod is chaired jointly by the Lay Chair, elected by the lay members from among their number, and the Rural Dean, who is appointed by the clergy and commissioned by the Diocesan Bishop.

The role of the Deanery Synod is to:

- Give effect to the decisions made by Diocesan Synod;
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- Raise with Diocesan Synod such matters as it considers appropriate; and

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

At archdeaconry and deanery levels (continued)

- Elect members of the deanery to Diocesan Synod and of the Diocese to General Synod.

Mission Communities (MCs)

Whilst MCs are a central part of the structure and governance of the Diocese, they are not of themselves legal entities.

MCs will vary from place to place, but will usually involve 150 or more worshipping adults, together with children and young people, in order to form a critical mass. The commitment to work together may be formalised as a united benefice, as a single parish, as a team ministry, or be expressed through a looser partnership.

Each MC is encouraged to have a Mission Community Action Plan. This should be a working document which helps the local church look outwards, to grow in prayer, to make new disciples and to serve the people of Devon with joy.

At a parish level

Each ecclesiastical parish has a PCC, whose members include the local parochial clergy, locally elected members of the Diocesan and Deanery Synods, the Churchwardens, a number of elected representatives and, possibly, a small number of co-opted members. Its members are trustees and therefore have trustee responsibilities.

Under current charity law, PCCs with an income of under £100,000 a year are classified as charities but are currently exempted from registration with the Charity Commission. PCCs with an income in excess of £100,000 in any year are required to register as charities with the Charity Commission.

The concession for PCCs with an income of under £100,000 will disappear on 31 March 2031, after which all PCCs with income of £5,000 or more will need to register. There will be a planned on-boarding, starting in 2026. The financial transactions and balances of PCCs are not reflected in these financial statements.

Exeter Cathedral

The Cathedral is the seat of the Bishop and a centre of worship, teaching and mission. It has its own separate legal charitable constitution and prepares its own financial statements, copies of which may be obtained from the Cathedral Office, 1 The Cloisters, Exeter, EX1 1HS. Exeter Cathedral does not form part of EDBF group for accounting purposes.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out above. Trustees are given induction at the beginning of each three-year term (triennium) and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee.

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

Trustee recruitment, selection and induction

Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest.

Standing Committee of the Exeter Diocesan Board of Finance

Emoluments of senior employees are determined by the Standing Committee of the Bishop's Council, consisting of the Chair of EDBF, the Diocesan Secretary (non-voting), and up to four other Directors (normally the Chairs of the Houses of Clergy and Laity or their deputies, plus one further member elected by EDBF).

The terms of reference for this group is established by the Bishop's Diocesan Council and include: agreeing the annual increases in salaries for all lay staff; considering and determining changes in the grading of any lay staff; to respond to requests from staff to alter working hours, levels of responsibility or other elements of their employment contract; to make recommendations regarding staffing levels, needs or problems in any area; to assess options and proposals for structural changes in the way in which EDBF operates; and to take decisions on behalf of EDBF on matters which must be decided urgently and for which it is impossible for the normal processes to apply.

Delegation of day-to-day delivery

The trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and his colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of EDBF in accordance with the policies framed by the trustees.

Funds held as Custodian Trustee

EDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are PCCs and others. These assets are not aggregated in the financial statements as they do not form part of EDBF's assets. They are segregated from EDBF's own assets in separate bank and investments accounts and are accounted for separately.

Further details of financial trust assets, whose market value amounted to £22.8m at 31 December 2024 (2023: £22.6m), are available from EDBF on request, and are summarised in note 29. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by EDBF's solicitor, Birketts LLP.

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

Funds held on behalf of schools

The Board of Education (as incorporated within EDBF) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet.

The amounts included in creditors as at 31 December 2024 were:

- £1,046,000 (2023: £599,000) received from governors and the Department for Education in advance of repairs and improvements to schools, held in the general bank account; and
- £165,000 (2023: £391,000) held in a separate CCLA deposit account on behalf of the governors of Church of England schools in respect of building funds devolved from the Department for Education.

The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £2.0m and £1.2m respectively in 2024 (2023: £1.8m and £1.7m). The Excess of income over expenditure in the year is due to the timing of receipt of funding (mainly in advance) for school capital projects.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of EDBF for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements, unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent charitable company will continue in operation.

**The Exeter Diocesan Board of Finance Limited
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TRUSTEES' RESPONSIBILITIES STATEMENT (continued)

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and parent charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the group and parent charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

In so far as the Trustees are aware:

- a) There is no relevant audit information of which EDBF's auditor is unaware; and
- b) The Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that EDBF's auditor is aware of that information.

APPOINTMENT OF AUDITORS

The re-appointment of Bishop Fleming LLP as auditors to EDBF will be proposed at the Annual General Meeting.

**The Exeter Diocesan Board of Finance Limited
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ADMINISTRATIVE DETAILS

Trustees

The trustees and directors of EDBF are either ex-officio, nominated, elected or appointed as detailed in the standing orders of Exeter Diocesan Synod, a copy of which can be inspected at EDBF's registered office. The following were directors throughout the year (unless otherwise stated):

Ex officio

The Rt Rev Mike Harrison, Lord Bishop of Exeter (from 2 November 2024)
The Rt Rev Jacqueline Searle, Bishop of Crediton (until 31 January 2025)
The Rt Rev James Grier, Bishop of Plymouth
The Ven Jane Bakker, Archdeacon of Plymouth
The Ven Andrew Beane, Archdeacon of Exeter
The Ven Verena Breed, Archdeacon of Barnstaple
The Ven Douglas Dettmer, Archdeacon of Totnes
The Very Rev Jonathan Greener, Dean of Exeter
The Rev Preb Michael Partridge (Chair, House of Clergy)
Mr Giles Frampton (nominated by the Bishop as Chair)
Dr Kerry Gilbert (Chair, House of Laity) (from 7 October 2024)

Appointed by the Bishop

Mrs Laura Ford
Dr Lystra Hagley-Dickinson
The Rev Tanya Hockley-Still
Mr Robert Mills (Vice Chair)
The Rev Preb Samantha Stayte
The Rev Canon Dr Michael Williams (Vice Chair)
Dr Michael Wykes (until 31 January 2025)

Elected by Barnstaple Archdeaconry

The Rev Rosie Austin
Mr Graham Dunn (from 15 April 2025)
Mr Nigel Price

Elected by Exeter Archdeaconry

Mr Richard Buzzacott (from 1 January 2025)
Mrs Antoinette Foreman (until 31 December 2024)
Dr Jennie Golding (from 1 January 2025)
The Rev Edward Hobbs (until 31 December 2024)
The Rev Deborah Leighton-Plom (from 1 January 2025)
Mr Keith Rushforth (until 31 December 2024)

Elected by Plymouth Archdeaconry

The Rev Andrew Atkins (until 31 August 2024)
Mrs Annie Jefferies (until 7 October 2024 and from 1 January 2025)
Mr Michael Jefferies

Elected by Totnes Archdeaconry

Sir James Burnell-Nugent (from 1 January 2025)
The Rev Peter March
Mr Stephen Macey

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ADMINISTRATIVE DETAILS (continued)

Senior staff and advisers

Diocesan Secretary	Stephen Hancock
Head of Governance	Ed Moffatt
Director of Mission & Ministry	Ian Bussell
Director of Education	Sue Lockwood
Director of Finance and Company Secretary	Neil Williams
Director of People & Safeguarding	Anthea Carter-Savigear
Director of Property	Graham Davies
Director of Communications	Chloe Axford
Strategic Programme Manager	Rafael Krasnodebski
Operations Manager	Annemarie Kendall

Registered Office: The Old Deanery
The Cloisters
Exeter, EX1 1HS

Bankers: NatWest Bank plc
59 High Street
Exeter, EX4 3DP

Auditors: Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Brook House, Winslade Park,
Manor Drive, Clyst St Mary,
Exeter, EX5 1GD

Solicitors: Birketts LLP
111 Victoria Street
Redcliffe
Bristol, BS1 6AX

Investment advisers: CCLA Investment Management Ltd
One Angel Lane
London, EC4R 3AB

Insurance brokers: PIB Insurance Brokers
Poppleton Grange
Low Poppleton Lane
York, YO26 6GZ

Main Insurers: Ecclesiastical Insurance Group plc
Montpellier House
Montpellier
Gloucester, GL1 1LF

**The Exeter Diocesan Board of Finance Limited
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ADMINISTRATIVE DETAILS (continued)

The directors and trustees of the Board's subsidiary undertakings who served throughout the year (unless otherwise stated) were as follows:

DIRECTORS OF EDPS LIMITED

Mr Giles Frampton (Chair)
Mrs Jan Keliher
The Rev Canon Dr Michael Williams
Mr Neil Williams

In approving this Annual Report (pages 3 – 37), the trustees are also approving the Strategic Report included on pages 4 – 27 within their capacity as company directors.

BY ORDER OF THE TRUSTEES



Giles Frampton
Chair
9 July 2025



Michael Williams
Vice Chair

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2024**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN BOARD OF FINANCE LIMITED

We have audited the financial statements of the Exeter Diocesan Board of Finance Limited (the 'parent charitable company' or 'EDBF') and its subsidiaries ('the group') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the consolidated and EDBF balance sheets, the consolidated cash flow statement and 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 United Kingdom 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 the parent charitable company's affairs as at 31 December 2024, and of the groups incoming resources and application of resources, including its income and expenditure, 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 requirements of the Companies Act 2006.

Basis of 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 and parent charitable company 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 trustees' 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 group's or parent charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

**The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2024**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Other information

The other information comprises the information included in the annual report and consolidated financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and consolidated financial statements. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report (incorporating the strategic report and the directors' report prepared for the purposes of Company Law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the group and parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The group and parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN BOARD OF FINANCE LIMITED (continued)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 36 and 37, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and parent charitable company'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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditors under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We have considered the nature of the sector, control environment and financial performance of the group and parent charitable company;
- We have considered the results of enquiries with management and the trustees in relation to their own identification and assessment of the risk of irregularities within the group and parent charitable company;

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN BOARD OF FINANCE LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the group for fraud and identified incorrect revenue recognition to be a significant risk. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override of controls, including through the use of journal entries, this being a further significant risk.

We have also obtained understanding of the legal and regulatory frameworks that the group and parent charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, Charities Acts, Church Measures, FRS 102, the Charities SORP and tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent charitable company's ability to operate or avoid a material penalty. These included employment and health and safety legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of the Bishop's Diocesan Council meetings;
- Enquiring of management and those charged with governance in relation to actual and potential claims or litigations;
- Reviewing the financial statements disclosures and testing to supporting documentation to assess the recognition of revenue; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

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.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and group and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Charles Martin FCA (Senior Statutory Auditor)

For and on behalf of:

**Bishop Fleming LLP, Chartered Accountants & Statutory Auditors
Brook House, Winslade Park, Manor Drive, Clyst St Mary, Exeter, EX5 1GD**

14 August 2025

The Exeter Diocesan Board of Finance Limited
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2024

	Note	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
		General	Designated	Funds	Funds	2024	2023
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations	2						
Parish contributions		8,414	-	-	-	8,414	8,485
Archbishop's Council		-	-	3,026	-	3,026	2,888
Other donations		136	21	22	-	179	309
Charitable activities	3	769	-	59	-	828	780
Other trading activities	4	1,473	-	-	-	1,473	1,411
Investments	5	656	1	1,182	-	1,839	1,597
Other	6	215	-	-	794	1,009	1,681
Total income and endowments		11,663	22	4,289	794	16,768	17,151
Expenditure on							
Costs of raising funds	7	165	-	65	27	257	248
Charitable activities	8	13,287	55	4,150	-	17,492	17,259
Total expenditure		13,452	55	4,215	27	17,749	17,507
Net income/(expenditure) before investment gains		(1,789)	(33)	74	767	(981)	(356)
Net gain/(loss) on investments	16	(60)	3	75	748	766	5,036
Net income/(expenditure)		(1,849)	(30)	149	1,515	(215)	4,680
Transfers between funds	13	26	241	(104)	(163)	-	-
Net movement in funds		(1,823)	211	45	1,352	(215)	4,680
Total funds brought forward		8,193	21,517	5,644	91,491	126,845	122,165
Total funds carried forward	20	6,370	21,728	5,689	92,843	126,630	126,845

All activities derive from continuing activities. The notes on pages 51 to 95 form part of the financial statements.

**The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2024**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2024**

	Total 2024 £'000	Total 2023 £'000
Total incoming resources	15,974	16,707
Resources expended	(17,722)	(17,507)
	<hr/>	<hr/>
Operating surplus/(deficit) for the year	(1,748)	(800)
Net gain/(loss) on investments	17	1,520
	<hr/>	<hr/>
Net income for the year	(1,731)	720
Other comprehensive income:		
Net assets transferred (to)/from endowments	163	(693)
	<hr/>	<hr/>
Total comprehensive income	<u>(1,568)</u>	<u>27</u>

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

The Exeter Diocesan Board of Finance Limited
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CONSOLIDATED AND EDBF BALANCE SHEETS
At 31 December 2024

<i>Company Number – 186001</i>		2024		2023	
	Note	Group £'000	EDBF £'000	Group £'000	EDBF £'000
FIXED ASSETS					
<i>Intangible Assets</i>	14	20	20	39	39
<i>Tangible assets</i>	15	57,512	57,512	57,698	57,698
<i>Investments</i>	16	64,416	64,416	61,461	61,461
		<u>121,948</u>	<u>121,948</u>	<u>119,198</u>	<u>119,198</u>
Total fixed assets					
CURRENT ASSETS					
<i>Debtors</i>	17	1,576	1,669	1,904	1,992
<i>Cash on deposit</i>		37	37	35	35
<i>Cash at bank and in hand</i>		5,588	5,469	8,848	8,737
		<u>7,201</u>	<u>7,175</u>	<u>10,787</u>	<u>10,764</u>
Total current assets					
<i>CREDITORS: amounts falling due within one year</i>	18	(2,133)	(2,116)	(2,354)	(2,340)
NET CURRENT ASSETS					
		<u>5,068</u>	<u>5,059</u>	<u>8,433</u>	<u>8,424</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		127,016	127,007	127,631	127,622
<i>CREDITORS: amounts falling due after one year</i>	19	(386)	(386)	(786)	(786)
TOTAL NET ASSETS					
		<u>126,630</u>	<u>126,621</u>	<u>126,845</u>	<u>126,836</u>
FUNDS					
Endowment funds					
<i>(Including investment revaluation reserve of £34,871k (2023: £34,222k))</i>		92,843	92,843	91,491	91,491
Restricted income funds					
<i>(Including investment revaluation reserve of £1,475k (2023: £1,403k))</i>		5,689	5,689	5,644	5,644
Unrestricted income funds:					
<i>General Funds (Including investment revaluation reserve of £3,214k (2023: £3,273k))</i>		6,361	6,361	8,184	8,184
<i>Designated Funds (Including investment revaluation reserve of £11k (2023: £8k))</i>		21,728	21,728	21,517	21,517
<i>Trading subsidiary</i>		9	-	9	-
		<u>21</u>	<u>126,630</u>	<u>126,845</u>	<u>126,836</u>
TOTAL CHARITY FUNDS					

**The Exeter Diocesan Board of Finance Limited
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**CONSOLIDATED AND EDBF BALANCE SHEETS (continued)
At 31 December 2024**

The Cash Flow Statement and the notes on pages 51 to 95 form part of these financial statements.
The financial statements were approved by the Board of Trustees and authorised for issue on 9 July
2025 and signed on behalf of the Board by:



**Giles Frampton
Chair of the Board**

The Exeter Diocesan Board of Finance Limited
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CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating Activities		(5,019)		(5,020)
Cash flows from investing activities				
Dividends, interest and rent from investments	3,154		2,852	
Proceeds from the sale of:				
Tangible fixed assets	1,373		3,151	
Fixed asset investments	-		5,000	
Purchase of:				
Tangible fixed assets for the use of the EDBF	(208)		(210)	
Fixed asset investments	(2,190)		-	
Net cash provided by/(used in) investing Activities		2,129		10,793
Cash flows from financing activities				
Loans repaid by EDBF	(400)		(434)	
New lending by EDBF	(36)		(15)	
Loans repaid to EDBF	68		33	
Net cash provided by/(used in) financing Activities		(368)		(416)
Change in cash and cash equivalents in the reporting period		(3,258)		5,357
Cash and cash equivalents at 1 January		8,883		3,526
Cash and cash equivalents at 31 December		5,625		8,883
Reconciliation of net income/(expenditure) before investment gains to net cash flow from operating activities				
Net income/(expenditure) before investment gains for the year ended 31 December		(980)		(356)
Adjustments for:				
Depreciation/amortisation charges		54		48
Dividends, interest and rent from investments		(3,154)		(2,852)
Surplus on sale of functional assets		(1,009)		(1,681)
Decrease/(increase) in debtors		272		(224)
(Decrease)/increase in creditors		(202)		45
Net cash provided by/(used in) operating activities		(5,019)		(5,020)
Analysis of cash and cash equivalents				
Cash in hand		5,588		8,848
Notice deposits (less than 3 months)		37		35
		5,625		8,883

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024**

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019 (FRS 102)), the Companies Act 2006 and applicable accounting standards (FRS 102) (effective 1 January 2019).

EDBF ('the company') meets the definition of a public benefit entity under FRS 102. It is a company limited by guarantee and is constituted under a memorandum and articles of association. The company is also a registered charity. The address of the registered office is given in the administrative details on page 39. The nature of the charity's operations and its principal activities are set out in the annual report.

These financial statements consolidate the results of the company and its wholly owned subsidiary (see Note 33) on a line-by-line basis. A separate Statement of Financial Activities and income and expenditure account for the company has not been presented because the company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The principal accounting policies and estimation techniques are as follows:

a) Income

All income is included in the Statement of Financial Activities (SOFA) when EDBF is legally entitled to the income or capital respectively, ultimate receipt is more likely than not and the amount to be recognised can be quantified with reasonable accuracy.

- i) **Common Fund (Parish contributions)** is recognised as income of the year in respect of which it is receivable, with a cut-off date of 28 February 2025 for the 2024 year.
- ii) **Rental income** is brought into the accounts when receivable.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v) **Statutory Parochial fees** are recognised as income of the year to which they relate with a cut-off date of 28 February 2025 for the 2024 year.
- vi) **Donations** other than grants are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the EDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other resources expended.

**The Exeter Diocesan Board of Finance Limited
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024**

1. ACCOUNTING POLICIES (continued)

b) Expenditure

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category.

- i) **Expenditure on raising funds** is constrained to costs relating to the investment management costs of glebe and any other investment properties and the running costs of EDPS Ltd, EDBF's trading subsidiary.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, and expenditure on education and Church of England schools in the Diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient, except in those cases where the offer is conditional and there are no conditions at the discretion of EDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** EDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pension Scheme (see note 27). The pension costs charged as resources expended represent EDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Any deficit funding for the multi-employer pension schemes to which EDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year, with any adjustments required reflected in the SOFA.
- vi) **Redundancy and termination payments** are recognised when EDBF is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date, or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.
- vii) **Irrecoverable VAT** is charged as a cost against the activity for which the expenditure was incurred.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024**

1. ACCOUNTING POLICIES (continued)

c) Tangible fixed assets and depreciation

Freehold properties

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. EDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence.

In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the original value of the related loan at the balance sheet date.

Investment properties and land

Glebe properties and land which are held for investment purposes and rented out have been included at their fair value.

Parsonage houses

EDBF has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. EDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their historic cost value.

d) Other tangible fixed assets

All capital expenditure over £1,000 is capitalised and depreciated as follows. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:

Motor vehicles	25% per annum	reducing balance basis
Fixtures and fittings	10% per annum	straight line basis
Equipment	25% per annum	straight line basis
Telephone system	10% per annum	straight line basis
Photovoltaic panels	4% per annum	straight line basis

**The Exeter Diocesan Board of Finance Limited
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024**

1. ACCOUNTING POLICIES (continued)

- e) **Fixed asset investments** are included in the balance sheet at fair value and the gain or loss taken to the Statement of Financial Activities. The investment in the subsidiary undertaking is valued at cost less any provisions for impairment.
- f) **Leases.** EDBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause (if expected to be exercised) whichever is shorter in time.
- g) **Debtors.** Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.
- h) **Cash at bank and in hand and cash on deposit.** Cash at bank and in hand and cash on deposit includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening.
- i) **Creditors and provisions.** Creditors and provisions are recognised where the group and parent charity 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.
- j) **Financial instruments.** EDBF only has material financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.
- k) **Fund balances**
Fund Balances are split between unrestricted (general and designated), restricted and endowment funds.
- **Unrestricted funds** are EDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of EDBF. There are two types of unrestricted funds:
 - **General funds** which EDBF intends to use for the general purposes of EDBF; and
 - **Designated funds** set aside out of unrestricted funds by EDBF for a purpose specified by the Trustees.
 - **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

**The Exeter Diocesan Board of Finance Limited
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024**

1. ACCOUNTING POLICIES (continued)

- **Endowment funds** are those held on trust to be retained for the benefit of the charitable company or group as a capital fund. In the case of the endowment funds administered by EDBF, there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.
- **Diocesan Stipends Fund (Endowment Fund)**. Total Return accounting has been adopted for the Diocesan Stipends Fund. Each year the directors agree the percentage of the total fund that will be applied to the activities for which the fund is restricted. These activities are primarily to support the provision of clergy and clergy housing. Any funds applied are transferred to the General Unrestricted Fund at the end of each financial year.

Trusts where EDBF acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the notes to the financial statements.

- l) **Preparation of the accounts on a going concern basis.** Having undertaken a review, the Trustees have no concerns about the ability of EDBF to meet its liabilities and on that basis the company is a going concern.
- m) **Significant accounting estimates.** The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Revaluation of investment properties

EDBF carries its investment property at fair value, with changes in fair value being recognised in the Statement of Financial Activities. Commercial investment properties are revalued each year by an independent valuation specialist. Glebe property is revalued by an independent valuation specialist every five years, with annual reviews of fair value made by management with reference to appropriate indices, or to reflect any changes in the status of the property. Where appropriate, the valuation will reflect the development potential of individual glebe holdings.

Pension and other post-employment benefits

The liabilities in respect of defined benefit pension schemes and other pension related provisions are determined using actuarial calculations by an independent actuary. The calculations involve making assumptions about discount rates, future salary increases, mortality rates and future pension increases.

**The Exeter Diocesan Board of Finance Limited
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024**

1. ACCOUNTING POLICIES (continued)

Depreciation of freehold properties

The board does not depreciate its freehold properties as it judges any depreciation charge to be immaterial on the basis of the long life of the asset and high residual value on the basis of the board policy of regular maintenance. The board carries out an annual impairment review.

Benefice houses recognition

Benefice houses are legally vested in the incumbent of the benefice. However, the board recognises these as functional assets of the board on the basis that the board carries both obligations in terms of maintenance and improvement and beneficial entitlements of ownership.

2. DONATIONS

Parish Contributions

The majority of donations are collected from the parishes of the Diocese through the common fund system.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
	General £'000	Designated £'000				
Current Year assessments	9,066	-	-	-	9,066	9,021
Shortfall in contributions	(734)	-	-	-	(734)	(628)
	<u>8,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,332</u>	<u>8,393</u>
Receipts for previous years	82	-	-	-	82	92
Total Income	<u>8,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,414</u>	<u>8,485</u>

Current year common fund receipts represent 91.90% of the total assessed (2023: 93.04%).

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2. DONATIONS (continued)

Archbishop's Council

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General £'000	Designated £'000	Funds £'000	Funds £'000	2024 £'000	2023 £'000
Lowest Income Communities Funding*	-	-	1,200	-	1,200	1,204
Strategic Ministry Funding	-	-	342	-	342	420
Strategic Development Funding	-	-	813	-	813	1,108
Buildings for Mission	-	-	82	-	82	8
Giving Advisor Support Fund	-	-	30	-	30	17
Capacity Grant	-	-	418	-	418	106
Church Repairs & Maintenance Grant	-	-	107	-	107	-
Net Zero Carbon Grant	-	-	34	-	34	25
	-	-	3,026	-	3,026	2,888

*The Lowest Income Communities Funding is the annual grant for either supporting specific parish mission and development projects or for clergy stipends.

Other donations and grants

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General £'000	Designated £'000	Funds £'000	Funds £'000	2024 £'000	2023 £'000
Benefact Trust	111	-	-	-	111	129
Other Donations and grants	25	21	-	-	46	22
Resourcing Ministerial Education	-	-	22	-	22	158
	136	21	22	-	179	309

3. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General £'000	Designated £'000	Funds £'000	Funds £'000	2024 £'000	2023 £'000
Statutory fees	606	-	-	-	606	606
Chaplaincy income	44	-	57	-	101	66
Feed in/Export Tariffs - PV panels	55	-	-	-	55	44
Course/training fees	42	-	-	-	42	26
Miscellaneous income	22	-	2	-	24	38
	769	-	59	-	828	780

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
	General £'000	Designated £'000				
Housing income	1,300	-	-	-	1,300	1,240
Other rental income	15	-	-	-	15	16
Trading – EDPS Ltd	158	-	-	-	158	155
	<u>1,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,473</u>	<u>1,411</u>

5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
	General £'000	Designated £'000				
Dividends receivable	362	-	584	-	946	1,031
Interest receivable	294	1	1	-	296	193
Rents receivable	-	-	597	-	597	373
	<u>656</u>	<u>1</u>	<u>1,182</u>	<u>-</u>	<u>1,839</u>	<u>1,597</u>

6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
	General £'000	Designated £'000				
Gains on sale of Properties	215	-	-	794	1,009	1,681
	<u>215</u>	<u>-</u>	<u>-</u>	<u>794</u>	<u>1,009</u>	<u>1,681</u>

7. COSTS OF RAISING FUNDS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
	General £'000	Designated £'000				
Glebe agents' fees	-	-	55	-	55	46
Other glebe expenses	29	-	10	27	66	56
Trading activities – EDPS Ltd	136	-	-	-	136	146
	<u>165</u>	<u>-</u>	<u>65</u>	<u>27</u>	<u>257</u>	<u>248</u>

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

8. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	Total funds
	General £'000	Designated £'000			2024 £'000	2023 £'000
Contributions to Archbishops' Council						
Training for Ministry National Church Responsibilities	348	-	-	-	348	346
Grants and provisions	208	-	-	-	208	203
Mission agency pension	36	-	-	-	36	36
Costs	-	-	-	-	-	11
Retired clergy housing						
Costs	145	-	-	-	145	137
Pooling of ordinands maintenance grants	73	-	-	-	73	45
	<u>810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>810</u>	<u>778</u>
Resourcing Ministry and Mission						
Parish Ministry						
Stipends and national Insurance	3,134	-	2,772	-	5,906	5,763
Pension costs	1,225	-	21	-	1,246	1,367
Housing costs	4,179	-	3	-	4,182	3,997
Removal, resettlement and grants	227	-	-	-	227	242
Clergy Pension Fund Deficit	-	-	-	-	-	-
Other expenses	330	-	14	-	344	301
	<u>9,095</u>	<u>-</u>	<u>2,810</u>	<u>-</u>	<u>11,905</u>	<u>11,670</u>
Support for parish ministry						
Mission and Ministry	1,213	55	797	-	2,065	2,600
Creation Care & Social Justice	65	-	33	-	98	100
Mission and Ministry	-	-	-	-	-	-
Development and Growth Fund						
Parish Energy Support grants	-	-	-	-	-	-
Cooper Legacy grants	-	-	3	-	3	-
Support services	1,523	-	507	-	2,030	1,562
	<u>11,896</u>	<u>55</u>	<u>4,150</u>	<u>-</u>	<u>16,101</u>	<u>15,932</u>
Expenditure on Education and Church of England Schools						
Support for church schools and parishes	581	-	-	-	581	549
	<u>13,287</u>	<u>55</u>	<u>4,150</u>	<u>-</u>	<u>17,492</u>	<u>17,259</u>

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

9. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Pension Funds Deficit Adjustment £'000	Total costs 2024 £'000	Total costs 2023 £'000
Raisings funds						
Charitable activities:	257	-	-	-	257	248
Contributions to Archbishop's Council	-	810	-	-	810	778
Resourcing parish ministry	12,763	1,308	2,030	-	16,101	15,932
Education	581	-	-	-	581	549
	<u>13,601</u>	<u>2,118</u>	<u>2,030</u>	<u>-</u>	<u>17,749</u>	<u>17,507</u>

Net income/(expenditure) for the year is stated after charging amortisation £19k (2023: £20k), depreciation £35k (2023: £28k) and audit fees EDBF £30k, EDPS £5k (2023: EDBF £24k, EDPS £5k).

10. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
	General £'000	Designated £'000				
Central support/administration	1,350	-	507	-	1,857	1,433
Governance:						
External audit of EDBF	30	-	-	-	30	24
External audit of EDPS	5	-	-	-	5	5
Registrar and Chancellor	103	-	-	-	103	86
Synodical costs	35	-	-	-	35	14
	<u>1,523</u>	<u>-</u>	<u>507</u>	<u>-</u>	<u>2,030</u>	<u>1,562</u>

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11. ANALYSIS OF GRANTS MADE	No.	Individuals	Institutions	Total 2024 £'000	Total 2023 £'000
		£'000	£'000		
From unrestricted funds for national Church responsibilities:					
Contributions to Archbishop's Council	-	-	810	810	778
From unrestricted funds:					
Ordinands in training	21	124	-	124	116
Clergy ordination	12	34	-	34	48
Clergy resettlement	29	72	-	72	77
Clergy removals	32	84	-	84	106
Clergy 1 st incumbency	13	36	-	36	26
Churches together in Devon	1	-	6	6	6
Mission & Growth Fund	9	-	60	60	113
Church schools – Repairs/improvement	-	-	-	-	11
Strategic Development Fund	7	-	13	13	27
Transforming Plymouth Together	1	-	10	10	10
Other small grants	66	39	8	47	42
	<u>191</u>	<u>389</u>	<u>97</u>	<u>486</u>	<u>582</u>
From restricted funds for various purposes within resourcing parish ministry:					
Cooper Legacy Fund	1	-	3	3	-
Repairs and Maintenance Grant	12	-	107	107	-
Strategic Development Fund					
Plymouth Partnership in Mission	7	-	66	66	129
Exeter, St Matt's	3	-	34	34	461
Bay Church	7	-	612	612	347
Total	<u>30</u>	<u>-</u>	<u>822</u>	<u>822</u>	<u>937</u>
Total	<u>221</u>	<u>391</u>	<u>1,727</u>	<u>2,118</u>	<u>2,297</u>

Grants paid from designated funds have been included within unrestricted funds.

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12. STAFF COSTS	2024	2023
	£'000	£'000
Employee costs during the year were as follows:		
Wages and salaries	2,218	1,962
National insurance contributions	226	196
Pension costs – current year	386	385
	<u>2,830</u>	<u>2,543</u>
The average number of persons employed by the group during the year:		
	2024	2023
	Number	Number
Administration and financial management	27	25
Grant management	2	2
Clergy Housing	4	4
Mission, Ministry and Stewardship	17	15
Safeguarding	4	3
Archdeacons' staff	4	2
Education and Schools	10	9
	<u>68</u>	<u>60</u>
The average number of persons employed by the group during the year based on full-time equivalents:		
	2024	2023
	Number	Number
Administration and financial management	22.7	21.0
Grant funded projects	2.0	2.0
Clergy Housing	3.9	3.8
Mission, Ministry and Stewardship	12.7	11.6
Safeguarding	3.8	2.7
Archdeacons' staff	2.1	1.8
Education and Schools	8.5	8.0
	<u>55.7</u>	<u>50.9</u>
The numbers of staff whose emoluments (including benefits in kind, but excluding pension contributions) amounted to more than £60,000 were as follows:		
	2024	2023
	Number	Number
£60,001 - £70,000	3	2
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
	<u>6</u>	<u>4</u>

Pension payments of £72k (2023: £48k) were made for these employees.

All benefits are recognised when either a legal or contractual obligation arises.

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12. STAFF COSTS (continued)

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Diocese. The members of the Senior Management Team were:

Diocesan Secretary	Stephen Hancock
Assistant Diocesan Secretary	Ed Moffatt
Director of Mission & Ministry	Ian Bussell
Director of Education	Sue Lockwood
Director of Finance and Company Secretary	Neil Williams
Director of People & Safeguarding	Anthea Carter-Savigear
Director of Property	Graham Davies
Director of Communications	Chloe Axford
Strategic Programme Manager	Rafael Krasnodebski
Operations Manager	Annemarie Kendell

Remuneration, pensions and expenses for these 10 employees amounted to £810k (2023: 11 employees, amounting to £792k).

Trustees' emoluments

No trustee received any remuneration for services as trustee (2023: none). 10 trustees received travelling and out of pocket expenses, totalling £54k (2023: 12 trustees received £46k) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as trustees.

EDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. EDBF is also responsible for the provision of housing for stipendiary clergy in the Diocese, including the suffragan bishops, but excluding the diocesan bishop and cathedral staff.

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12. STAFF COSTS (continued)

The following table gives details of those clergy trustees who were in receipt of a stipend and/or housing and whether this was provided by EDBF during the year:

	Stipend	Housing
The Right Rev M Harrison	No	No
The Right Rev J Searle	No	Yes
The Right Rev J Grier	No	Yes
The Very Rev J Greener	No	No
The Ven A Beane	Yes	Yes
The Ven V Breed	Yes	Yes
The Ven D Dettmer	Yes	Yes
The Ven J Bakker	Yes	Yes
The Rev A Atkins	Yes	Yes
The Rev E Hobbs	Yes	Yes
The Rev T Hockley-Still	Yes	Yes
The Rev P March	Yes	Yes
The Rev Preb M Partridge	Yes	Yes
The Rev S Stayte	Yes	Yes
The Rev R Austin	Yes	Yes
The Rev D Leighton-Plom	Yes	Yes
The Rev Canon Dr M Williams	No	No

Clergy costs

EDBF paid an average of 183 full time equivalent (2023: 188) stipendiary clergy and stipendiary licensed lay workers as office holders holding parochial or diocesan appointments in the Diocese, and the costs were as follows:

	2024	2023
	£'000	£'000
Stipends	5,437	5,260
National insurance contributions	444	416
Pension costs	1,246	1,367
Apprenticeship levy	25	24
	<u>7,152</u>	<u>7,067</u>

The above figures do not include contributions made towards stipends paid by other organisations, e.g. chaplaincies. During the year there were non-contractual severance benefits of £125k paid to 2 clergy (2023: £231k). All benefits are recognised when either a legal or constructive obligation arises.

In addition to the stipendiary clergy, the Diocese also has the following other licensed ministry:

- Self-supporting ministers 52 (2023: 54),
of which 12 (2023: 16) are in training curacies
- Licensed Lay Ministers 194 (2023:197)
- Clergy holding licence under seal 39 (2023: 40)

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12. STAFF COSTS (continued)

Clergy costs (continued)

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £42,350 - £51,910 (2023 range: £39,953 - £48,972).

The annual rate of stipend, funded by EDBF, paid to Archdeacons in 2024 was £41,011 (2023: £39,058) and other clergy who were Trustees are in the range £28,670 - £30,260 (2023: £28,820)

13. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
Property Sales	93	-	(93)	-
Property Purchases and improvements	(154)	41	-	113
Property transfers from Benefice to Board	-	276	-	(276)
Adjustment for clergy housing maintenance work not yet contracted	108	(108)	-	-
Clergy Conference	(35)	35	-	-
Miscellaneous adjustment to funds	14	(3)	(11)	-
	<u>26</u>	<u>241</u>	<u>(104)</u>	<u>(163)</u>

14. INTANGIBLE FIXED ASSETS

	Website & Software £'000
Cost	
At 1 January 2024	120
Additions	-
At 31 December 2024	<u>120</u>
Amortisation	
At 1 January 2024	81
Charge for the year	19
At 31 December 2024	<u>100</u>
Net Book Value	
At 31 December 2024	<u>20</u>
At 31 December 2023	<u>39</u>

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15. TANGIBLE FIXED ASSETS

	Freehold Properties & Land £'000	Office Equipment £'000	Fixtures & Fittings (inc. PV Panels) £'000	Vehicles £'000	Total £'000
Cost					
At 1 January 2024	57,512	322	362	-	58,196
Additions	153	10	-	45	208
Disposals	(359)	-	-	-	(359)
At 31 December 2024	<u>57,306</u>	<u>332</u>	<u>362</u>	<u>45</u>	<u>58,045</u>
Depreciation					
At 1 January 2024	-	295	203	-	498
Disposals	-	-	-	-	-
Charge for the year	-	12	13	10	35
At 31 December 2024	<u>-</u>	<u>307</u>	<u>216</u>	<u>10</u>	<u>533</u>
Net Book Value					
At 31 December 2024	<u>57,306</u>	<u>25</u>	<u>146</u>	<u>35</u>	<u>57,512</u>
At 31 December 2023	<u>57,512</u>	<u>27</u>	<u>159</u>	<u>159</u>	<u>57,698</u>

Freehold properties and land fall into a number of asset classes:

	Glebe Houses (Endowment) £'000	Parsonage Houses (Endowment) £'000	Education Property (Endowment) £'000	Other Houses (Restricted) £'000	Board Property (Designated/ Unrestricted) £'000	Total £'000
At 1 January 2024	10,803	25,825	119	367	20,398	57,512
Additions	31	82	-	-	40	153
Disposals	(266)	-	-	(93)	-	(359)
Transfers (note 13)	-	(275)	-	-	275	-
At 31 December 2024	<u>10,568</u>	<u>25,632</u>	<u>119</u>	<u>274</u>	<u>20,713</u>	<u>57,306</u>

All of the properties in the balance sheet are freehold and are vested in EDBF, except for benefice houses which are vested in the incumbent. Two properties (2023: 2) were previously purchased with the help of value-linked loans from the Church Commissioners; the appropriate share of the net sale proceeds, when the houses are disposed of, will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £118k (2023: £118k).

Up to and including 31 December 1999 it was EDBF's policy to include freehold properties at their 31 December 1994 open market value. From 1 January 2000 EDBF adopted the policy not to revalue tangible fixed assets. Whilst previous valuations have been maintained they have not been updated.

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16. FIXED ASSETS INVESTMENTS

	At 1 January 2024 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	At 31 December 2024 £'000
Unrestricted funds						
Listed investments	8,751	-	-	-	(56)	8,695
Unlisted investments	5	-	-	-	-	5
	<u>8,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56)</u>	<u>8,700</u>
Restricted funds						
Listed investments	3,228	-	-	-	72	3,300
Endowment funds						
Investment property	27,101	2,190	-	-	408	29,699
Listed investments	22,376	-	-	-	341	22,717
	<u>49,477</u>	<u>2,190</u>	<u>-</u>	<u>-</u>	<u>749</u>	<u>52,416</u>
Total EDBF	<u>61,461</u>	<u>2,190</u>	<u>-</u>	<u>-</u>	<u>765</u>	<u>64,416</u>

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16. FIXED ASSETS INVESTMENTS (continued)

The corresponding historical cost figures are:	Group 2024 £'000	EDBF 2024 £'000	Group 2023 £'000	EDBF 2023 £'000
Unrestricted funds				
Listed investments	5,470	5,470	5,470	5,470
Unlisted investments	5	5	5	5
	<u>5,475</u>	<u>5,475</u>	<u>5,475</u>	<u>5,475</u>
Restricted funds				
Listed investments	1,825	1,825	1,825	1,825
Endowment funds				
Investment property	5,635	5,635	3,345	3,345
Listed investments	11,910	11,910	11,910	11,910
	<u>17,545</u>	<u>17,545</u>	<u>15,255</u>	<u>15,255</u>
Total	<u><u>24,845</u></u>	<u><u>24,845</u></u>	<u><u>22,555</u></u>	<u><u>22,555</u></u>

Investment property

- a) A full list of properties is available for inspection at The Old Deanery.
- b) All land and buildings held on 31 December 2024 are held on a freehold basis.
- c) Commercial investment properties were valued as at 31 December 2024 by Stratton Creber Commercial (Chartered Surveyors) on an open market basis and residential properties were revalued by the trustees on an open market value basis. Historic glebe was valued by Savills (Chartered Surveyors) on an open market basis at 31 December 2022, and their value has been updated by trustees to 31 December 2024, having regard to suitable indices.
- d) The investment properties form part of the Diocesan Stipends Capital Account – see notes 20 – 23.
- e) The income yield, net of fees/costs, on the value of the property investments held as fixed assets in the year was 1.97% (2023: 1.38%). The total return was 5.58% (2023: 6.78%).
- f) Investment properties are held to provide an investment return, rather than as programme investments.

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17. DEBTORS	Group	EDBF	Group	EDBF
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Due within one year				
Loans to parishes	17	17	32	32
Common Fund	89	89	115	115
Gift aid from EDPS Ltd	-	22	-	82
Current account with subsidiary company	-	73	-	10
Department for Education/ governors	267	267	637	637
Prepayments	300	300	239	239
Other debtors	827	825	788	784
	<u>1,500</u>	<u>1,593</u>	<u>1,811</u>	<u>1,899</u>
Due after more than one year				
Loans to parishes	50	50	67	67
Other debtors and prepayments	26	26	26	26
	<u>76</u>	<u>76</u>	<u>93</u>	<u>93</u>
Total debtors	<u>1,576</u>	<u>1,669</u>	<u>1,904</u>	<u>1,992</u>

18. CREDITORS: amounts falling due within one year

	Group	EDBF	Group	EDBF
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Trade creditors	429	429	442	442
Taxation and social security	74	65	72	65
Other creditors and accruals	898	892	1,204	1,199
Proceeds of property sold by Board payable to external organisations	51	51	51	51
Receipts in advance	281	279	185	183
NatWest Loan – CBILS	400	400	400	400
Total creditors: amounts falling due within one year	<u>2,133</u>	<u>2,116</u>	<u>2,354</u>	<u>2,340</u>

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19. CREDITORS: amounts falling due after more than one year

	Group 2024 £'000	EDBF 2024 £'000	Group 2023 £'000	EDBF 2023 £'000
Loan repayment instalments due after more than one year				
NatWest Loan – CBILS	267	267	667	667
Church Commissioners value-linked loans	119	119	119	119
Total creditors: amounts falling due after more than one year	386	386	786	786

	2024 £'000	2023 £'000
The maturity of the above loans may be analysed as follows:		
Between one and two years	267	400
Between two and five years	-	267
In five years and more	119	119
	386	786

The loan with NatWest is repayable over 5 years by equal instalments, starting in September 2021. The interest rate is fixed at 2.66% per annum and the loan can be repaid early at any point without penalty. The loan is secured by a floating debenture over EDBF's assets.

Value-linked loans (VLLs) represent amounts advanced to EDBF for the purchase of two properties on an equity sharing basis and are repayable on the disposal of the related property. As at 31 December 2024 the Board had no intention of disposing of either of the properties funded via VLLs.

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20. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2024 £'000
UNRESTRICTED FUNDS						
General	8,184	11,527	(13,316)	26	(60)	6,361
Church Buildings Fund	704	1	-	-	3	708
Board Properties	20,186	-	-	316	-	20,502
Clergy Housing Repairs	166	-	-	(107)	-	59
Diocesan Mission Funds	76	-	-	-	-	76
Diocesan Mission & Growth Fund	86	-	(42)	-	-	44
Clergy Conference Fund	94	-	-	35	-	129
Burrington School Fund	34	-	-	-	-	34
Plymouth SDF Project	26	-	(13)	-	-	13
Miscellaneous Funds	145	21	-	(3)	-	163
	<u>21,517</u>	<u>22</u>	<u>(55)</u>	<u>241</u>	<u>3</u>	<u>21,728</u>
RESTRICTED FUNDS						
Diocesan Pastoral Account	4,244	88	(19)	-	70	4,383
Diocesan Stipends Income	-	2,291	(2,291)	-	-	-
Bampton School sale	302	-	-	-	-	302
Agricultural/Rural & Cooper Legacy	10	-	-	-	-	10
Retired Clergy Housing	300	6	-	(71)	5	240
Growth & Mission Fund	660	7	(26)	-	-	641
Strategic Development Projects	6	803	(798)	(11)	-	-
Ministerial Education Training	-	22	(22)	-	-	-
Strategic Ministry Fund	-	342	(342)	-	-	-
Clergy Widows	99	-	-	(22)	-	77
Diocesan Investment Prog	14	673	(657)	-	-	30
Miscellaneous Restricted Funds	9	57	(60)	-	-	6
	<u>5,644</u>	<u>4,289</u>	<u>(4,215)</u>	<u>(104)</u>	<u>75</u>	<u>5,689</u>
ENDOWMENT FUNDS						
Permanent						
Dr Nobbs	89	-	-	-	2	91
Expendable						
Diocesan Stipends Capital						
Glebe Property	10,803	-	-	31	-	10,834
Investment Fund	19,705	-	(27)	-	(1,339)	18,339
Unapplied Total Return	27,815	794	-	-	1,984	30,593
Benefice Property	27,980	-	-	(194)	-	27,786
Church Schools	4,245	-	-	-	81	4,326
The Church College Hostel Trust	854	-	-	-	20	874
	<u>91,491</u>	<u>794</u>	<u>(27)</u>	<u>(163)</u>	<u>748</u>	<u>92,843</u>
EDBF Total funds	<u>126,836</u>	<u>16,632</u>	<u>(17,613)</u>	<u>-</u>	<u>766</u>	<u>126,621</u>
Subsidiaries – General Funds						
EDPS Ltd	9	136	(136)	-	-	9
Group Total	<u>126,845</u>	<u>16,768</u>	<u>(17,749)</u>	<u>-</u>	<u>766</u>	<u>126,630</u>

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21. SUMMARY OF ASSETS BY FUND	Tangible/ Intangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Unrestricted funds – General	516	8,569	(884)	(1,840)	6,361
Unrestricted - designated					
Church Buildings Fund	-	131	578	-	709
Board Properties	20,423	-	199	(120)	20,502
Clergy Housing Repairs	-	-	57	-	57
Diocesan Mission Funds	-	-	68	-	68
Mission & Growth Fund	-	-	45	-	45
Clergy Conference Fund	-	-	129	-	129
Burrington School Fund	-	-	34	-	34
Plymouth SDF Project	-	-	12	-	12
Million for Mission	-	-	2	(2)	-
Miscellaneous Designated Funds	-	-	172	-	172
	<u>20,423</u>	<u>131</u>	<u>1,296</u>	<u>(122)</u>	<u>21,728</u>
Restricted					
Diocesan Pastoral Account	-	3,092	1,292	(1)	4,383
Diocesan Stipends Income	-	-	81	(81)	-
Bampton School sale	-	-	302	-	302
Agricultural/Rural & Cooper Legacy	-	-	10	-	10
Retired Clergy Housing	274	208	(242)	-	240
Growth & Mission Fund	-	-	642	(1)	641
Strategic Development Fund Projects	-	-	24	(24)	-
Ministerial Education Training	-	-	24	(24)	-
Strategic Ministry Fund	-	-	32	(32)	-
Clergy Widows	-	-	77	-	77
Diocesan Investment Programme	-	-	307	(277)	30
Miscellaneous Restricted Funds	-	-	91	(85)	6
	<u>274</u>	<u>3,300</u>	<u>2,640</u>	<u>(525)</u>	<u>5,689</u>
Endowment					
Permanent					
Dr Nobbs	-	85	6	-	91
Expendable					
Diocesan Stipends Capital			1,401	(15)	1,386
Glebe Property	10,569	-	-	-	10,569
Investment Fund	-	21,183	-	-	21,183
Unapplied Total Return	-	26,628	-	-	26,628
Benefice Property	25,631	-	2,155	-	27,786
Church Schools	119	3,646	561	-	4,326
Church College Hostel Trust	-	874	-	-	874
	<u>36,319</u>	<u>52,416</u>	<u>4,123</u>	<u>(15)</u>	<u>92,843</u>
Total EDBF funds	<u>57,532</u>	<u>64,416</u>	<u>7,175</u>	<u>(2,502)</u>	<u>126,621</u>
Subsidiaries					
EDPS Ltd	-	-	26	(17)	9
Total Group funds	<u>57,532</u>	<u>64,416</u>	<u>7,201</u>	<u>(2,519)</u>	<u>126,630</u>

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22. ENDOWMENT FUND - TOTAL RETURN

	Investment Fund £'000	Unapplied Total Return £'000	Total Endowment £'000
At 1 January 2024	19,705	27,815	47,520
Movements in the reporting period			
Dividends and interest	-	493	493
Glebe land rental income	-	350	350
Glebe commercial property	-	247	247
Surplus on sale of property	-	794	794
Realised and unrealised gains/(losses)	(1,339)	1,984	645
Less:			
Glebe land and commercial management fees	-	(55)	(55)
Glebe land and commercial other costs	-	(8)	(8)
Fees associated with purchase of new property	(27)	-	-
	<u>(1,366)</u>	<u>3,805</u>	<u>2,439</u>
Unapplied Total Return allocated to income to be used for stipends			
Equating to dividend, interest and rents	-	(1,027)	(1,027)
	<u>-</u>	<u>(1,027)</u>	<u>(1,027)</u>
Net movements in report period:	<u>(1,366)</u>	<u>2,778</u>	<u>1,412</u>
At 31 December 2024	<u><u>18,339</u></u>	<u><u>30,593</u></u>	<u><u>48,932</u></u>

The trustees adopted a Total Return accounting approach under the Diocesan Stipend Funds (Amendment) Measure 2016 with effect from 1 December 2023.

Certain income and expenditure shown above has continued to be shown against the unrestricted/restricted funds in 2024, as the sums are not considered to be material.

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23. DESCRIPTION OF FUNDS

General fund	The general fund is EDBF's unrestricted undesignated fund, available for any of EDBF's purposes without restriction.
Church building fund	This designated fund was created from the previous balances within the new church building and church building repair funds and is used to provide loans for parishes undertaking strategic reviews or major improvements of church buildings.
Board properties	This designated fund represents the properties owned and used by EDBF in the furtherance of its work and includes curates housing.
Clergy housing repairs	This designated fund is used to support spending on the repair and maintenance of clergy housing.
Diocesan Mission funds	These designated funds are all part of the mission and ministry development fund, which provide funds for one-off projects to promote the ministry of the church and its overall mission in the Diocese. The growth fund, together with the mustard seed funds has been set aside specifically to fund initiatives in mission communities.
Diocesan Mission & Growth Fund	This designated fund is available to support local initiatives within Mission Communities to deliver the diocesan priorities, particularly to support work with children, young people and families.
Clergy conference fund	This designated fund provides funding for the diocesan clergy conference, held every three to five years.
Burrington School Fund	This designated fund holds the net proceeds from the sale of the former Burrington School (in 2019), which can be used to support educational purposes.
Plymouth SDF Project	This designated fund was established in 2019 to provide EDBF's agreed funding for the church planting SDF project in Plymouth.
Miscellaneous funds	This designated fund is used for holding monies received by EDBF for supporting specific projects/initiatives.
Diocesan Pastoral account	The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used under the more recent Diocesan and Pastoral Measure 2011 are:

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23. DESCRIPTION OF FUNDS (continued)

Diocesan Pastoral account (continued)

- To defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees;
- To make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese;
- Other purposes of the Diocese or any benefice or parish in the Diocese;
- To make grants or loans to any other Diocese; and
- To transfer funds to the diocesan stipends fund income or capital accounts.

Diocesan stipends income This restricted fund represents the income from the Diocesan Stipends Capital account, which has not yet been applied to pay clergy stipends.

Bampton School sale This restricted fund was created to separately identify the previous Bampton School sale proceeds from the general Church School funds.

Agricultural/rural funds This restricted fund represents donations received to enable the Diocese to provide support to the farming community across the Diocese.

Retired clergy housing This restricted fund comprises the properties and any sale proceeds held for this purpose.

Growth and Mission fund This restricted fund was established in 2015 to provide funding for specific growth initiatives across the Diocese. Three have so far been approved by Diocesan Synod – Growing the rural church, new housing areas and local mission community support.

Strategic Development Fund Projects

This restricted fund was established to hold any funding received or due in relation to those projects receiving Strategic Development Funding. EDBF is not deemed to have the benefit of the income associated with these projects until the expenditure has been incurred and claimed accordingly. Any changes to the original submission have to be approved by the Church Commissioners.

Ministerial Education Training

This restricted fund represents the balance at any time on the funding of ordinands training.

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23. DESCRIPTION OF FUNDS (continued)

Strategic Ministry Fund	This restricted fund was established in 2020 to manage the grant funding received from the Archbishops' Council to support the appointment of additional stipendiary curates.
Clergy widows	This restricted fund represents properties purchased from donations to provide for clergy widows.
Cooper legacy	This restricted fund, arising from the legacy of Mrs Cooper and is used to provide grants to assist parishes with church building repairs.
Diocesan Investment Programme	This restricted funds represents grants that have been received in advance from the Archbishops' Council, and have yet to be applied to individual projects.
Miscellaneous Restricted Funds	This restricted fund represents the unspent balance of donations received for parishes and for managing the ministry in Cranbrook.
Dr Nobbs	This is a permanent endowment held by EDBF for the support of clergy following marriage breakdown.
Diocesan stipends capital	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. The fund also represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses. The funds may be invested in the CBF Church of England Property, Investment or Fixed Interest Securities Funds, or simply held on deposit.
Benefice property fund	This restricted fund comprises of benefice houses or the sale proceeds of former benefice houses held on suspense by the Church Commissioners. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, EDBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of EDBF.

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23. DESCRIPTION OF FUNDS (continued)

Church Schools funds	This fund represents premises and endowments vested in EDBF under the Education Act 1993.
Church College Hostel Trust	This fund supports the Board of Education in all of its statutory powers and duties under various education acts together with the training of teachers in the principles of the Church of England.

24. CAPITAL COMMITMENTS

At 31 December 2024 EDBF had no capital expenditure commitments (2023: £0).

25. OPERATING LEASES

At 31 December 2024 EDBF had future minimum lease commitments under non-cancellable operating leases as follows:

	2024 £'000	2023 £'000
Non-Land & Buildings operating leases:		
Within one year of the balance sheet date	2	1
In the second to fifth years inclusive of the balance sheet date	6	-
	<u> </u>	<u> </u>

26. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

There were no post balance sheet events or contingent liabilities at the balance sheet date.

27. PENSIONS

EDBF participates in three pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of EDBF and the other participating employers. One of these is the **Church of England Funded Pensions Scheme** for stipendiary clergy. The other two are part of the **Church Workers Pension Fund**.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014. The Defined Benefits Scheme is now closed to future accrual.

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27. PENSIONS (continued)

These schemes are multi-employer last man standing defined benefit pension schemes for which EDBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of FRS102 requires EDBF to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for EDBF. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme

With effect from 1 January 1998, diocesan clergy became members of the Church of England Funded Pensions Scheme. This defined benefit scheme provides benefits based on the National Minimum Stipend in the year before their date of retirement and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Benefits are currently being accrued on the basis of half of the National Minimum Stipend (NMS) being paid as the normal pension on reaching the age of 68 on completion of maximum service of 41.5 years, or 1.25 times this amount for archdeacons, plus a lump sum of three times the pension based on the previous year's NMS payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 will be provided for by the Church Commissioners under the previous arrangements.

EDBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This 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 Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme.

The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £1,245k in 2024 (2023: £1,367k), plus any figures arising from contributions in respect of the Scheme's deficit (see below). In addition, a further £24k (2023: £21k) has been charged in relation to EDBF employees who are also in this scheme. The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were Enil (2023: Enil).

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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27. PENSIONS (continued)

Church of England Funded Pensions Scheme (continued)

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 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% per annum;
- RPI 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; and
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI 2020 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% per annum and an allowance for 2020 data of 0% (i.e. 2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

	% of pensionable stipend
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil
31 December 2024	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022 and remained in place until December 2022.

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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27. PENSIONS (continued)

Church of England Funded Pensions Scheme (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there were deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 and 31 December 2024 is £nil. The movement in the balance sheet liability over 2023 and 2024 is set out in the table below.

	2024	2023
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SOFA)	-	-
Remaining change to the balance sheet liability (recognised in SOFA)	-	-
Balance sheet liability at 31 December	-	-

The legal structure of the Scheme is such that if another Responsible Body fails, EDBF could become responsible for paying a share of that failed Responsible Body's pension liabilities.

Church Workers Pension Fund (CWPF) – Defined Benefits Scheme

EDBF participates in the Defined Benefits Scheme section of CWPF for lay staff, which is now closed to future accrual. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

CWPF has two subsections:

- The Defined Benefits Scheme; and
- The Pension Builder Scheme, which has two subsections:
 - A deferred annuity section known as Pension Builder Classic, and
 - A cash balance section known as Pension Builder 2014.

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. The scheme closed to future accrual from 1 July 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

27. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

For funding purposes, DBS is divided into sub-pools in respect of each participating employer, as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. This does not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SOFA during the year are contributions payable towards benefits and expenses accrued in that year (2024: £48k; 2023: £130k). As there is no longer a deficit in the DBS, as highlighted in the table below, the total charge recognised in the SOFA was £48k for 2024 (2023: £130k).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board having taken advice from the Actuary.

A valuation of the DBS is carried out once every three years. At the most recent valuation at 31 December 2022 there was an overall surplus of £73.6m.

The next actuarial valuation is due at 31 December 2025.

Since 31 December 2023, the Pensions Board has entered into a full buy-in agreement with Aviva to insure all accrued benefits within the DBS of the CWPF.

The Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be marginally in surplus. As a result, there is no obligation recognised within the Employer's financial statements as at 31 December 2023 or 31 December 2024.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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27. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

The movement in the provision is set out below:

	2024	2023
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SOFA)	-	-
Remaining change to the balance sheet liability (recognised in SOFA)	-	-
Balance sheet liability at 31 December	-	-

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	December 2024	December 2023
Discount rate	N/A	N/A

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

Pension Builder Scheme

EDBF participates in the Pension Builder Scheme section of the Church Workers Pension Fund (CWPF). The CWPF is administered by the Church of England Pensions Board, which holds CWPF assets separate from those of the Employer and other participating employers.

CWPF has two subsections:

- The Defined Benefits Scheme; and
- The Pension Builder Scheme, which has two subsections:
 - A deferred annuity section known as Pension Builder Classic, and
 - A cash balance section known as Pension Builder 2014.

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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27. PENSIONS (continued)

Pension Builder Scheme (continued)

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are the contributions payable (2024: £313k; 2023: £234k).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the on-going assumptions used. At the most recent annual review, effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of the service prior to April 1997; and a bonus on pensions in payment in respect of post 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time. The next valuation is due at 31 December 2025.

For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5m on the on-going assumptions used. There is no requirement for deficit payments at the current time.

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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28. RELATED PARTY TRANSACTIONS

There are no direct related party transactions involving trustees other than the provision of stipends, housing and expenses as set out in note 12 to the consolidated financial statements.

The wife of Giles Frampton (the Chair of the Board of Finance) is a stipendiary minister leading one of our Mission Communities. Ruth Frampton received a stipend of £5,043 in 2024 (2023: £nil) and a parsonage house provided by EDBF for this role, with any expenses incurred being paid by the Mission Community.

The wife of the Venerable Andrew Beane has been employed to provide additional support as his Personal Assistant. Catherine Beane received £2,660 for the provision of this service (2023: £2,625 to provide consultancy services for social media on the Growing the Rural Church project).

29. FUNDS HELD AS CUSTODIAN TRUSTEE

EDBF acts as custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as EDBF does not control them.

The financial assets held in this way may be summarised as follows:

	2024 £'000	2023 £'000
CBF Church of England Investment Fund income shares	14,445	14,261
CBF Church of England Investment Fund accumulation shares	761	736
CBF Church of England Fixed Interest Securities Fund shares	258	251
CBF Church of England Property Fund shares	870	865
CBF Global Equity Income Fund	1,302	1,225
Charifund – Income Units	2,460	2,439
Charibond Fixed Interest Income	7	7
Other common investment fund holdings	118	124
Direct holdings in UK gilts	25	24
Other fixed interest stocks	5	5
CBF Church of England Deposit Fund	541	706
Charles Stanley	664	677
Brewin Dolphin	1,341	1,271
Cash at bank	1	16
	<hr/>	<hr/>
Total assets held as custodian trustee	22,798	22,607
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024**

30. ANALYSIS OF NET DEBT

	As at 1 January 2024 £'000	Cash flows £'000	At 31 December 2024 £'000
Cash at bank and in hand	8,848	(3,260)	5,588
Cash equivalents	35	2	37
Debt due after 1 year	(786)	400	(386)
Debt due within 1 year	(400)	-	(400)
	<u>7,697</u>	<u>(2,858)</u>	<u>4,839</u>

31. MONEY HELD AS INTERMEDIARY AGENT FOR OTHERS

EDBF occasionally holds money as intermediary agents for others as follows:

- In respect of the Board of Education's involvement in the maintenance and improvement of Church of England schools' buildings, money is sometimes held in advance of work being undertaken. At the end of 2024 the sum of £1,046,000 (2023: £599,000) was held in the general bank account for this purpose; and
- The board also holds the Department for Education's Formula Capital funding on behalf of Church of England schools in Devon and the sum so held on 31 December 2024 amounted to £165,000 (2023: £391,000) and was also held in the general bank account for this purpose.

Neither of the above sums is included in the board's Balance Sheet at the year-end.

32. EDBF LIMITED – LIABILITY OF BOARD MEMBERS

The Exeter Diocesan Board of Finance Limited is a company limited by guarantee and as such has no share capital. In the event of winding-up, the liability of board members is limited to £1 each.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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33. SUBSIDIARY UNDERTAKING (EDPS Limited)

The wholly owned trading subsidiary, EDPS Limited, which is incorporated in the United Kingdom (Registered Company No. 4477446), provides services to Church of England academies and schools. EDBF owns 100% of the issued share capital of two ordinary shares of £1 each. A summary of the trading results is shown below:

	2024	2023
	£'000	£'000
Summary profit and loss account		
Turnover	158	153
Cost of sales	<u>(131)</u>	<u>(141)</u>
Gross Profit	27	12
Other operating income	-	2
Administrative expenses	<u>(5)</u>	<u>(5)</u>
Operating profit	22	9
Gift made to parent company	(22)	(9)
Profit/(Loss) after tax	<u>-</u>	<u>-</u>
Assets and liabilities		
Current assets	121	116
Current liabilities	<u>(112)</u>	<u>(107)</u>
Total net assets	<u>9</u>	<u>9</u>
Capital and reserves		
Issued share capital and retained profit	<u>9</u>	<u>9</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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34. 2023 Comparative figures by fund

Due to space constraints within the main body of the accounts, this note shows the breakdown by fund for 2023 for the following notes:

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2023

	Note	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
Income and endowments from						
Donations	2					
Parish contributions		8,485	-	-	-	8,485
Archbishop's Council		15	-	1,652	-	1,667
Other donations		171	-	1,359	-	1,530
Charitable activities	3	711	-	69	-	780
Other trading activities	4	1,411	-	-	-	1,411
Investments	5	608	1	988	-	1,597
Other	6	1,237	-	-	444	1,681
Total income and endowments		12,638	1	4,068	444	17,151
Expenditure on						
Costs of raising funds	7	176	-	72	-	248
Charitable activities	8	13,338	108	3,813	-	17,259
Total expenditure		13,514	108	3,885	-	17,507
Net income/(expenditure) before investment gains		(876)	(107)	183	444	(356)
Net gain/(loss) on investments	16	1,229	11	280	3,516	5,036
Net income/(expenditure)		353	(96)	463	3,960	4,680
Transfers between funds	13	630	(1,190)	(133)	693	-
Net movement in funds		983	(1,286)	330	4,653	4,680
Total funds brought forward		7,210	22,803	5,314	86,838	122,165
Total funds carried forward	20	8,193	21,517	5,644	91,491	126,845

All activities derive from continuing activities.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024**

A2. DONATIONS (2023)

Parish Contributions

The majority of donations are collected from the parishes of the Diocese through the common fund system.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
	General £'000	Designated £'000			
Current Year assessments	9,021	-	-	-	9,021
Shortfall in contributions	(628)	-	-	-	(628)
	<u>8,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,393</u>
Receipts for previous years	92	-	-	-	92
Receipts for future years	-	-	-	-	-
Total Income	<u>8,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,485</u>

Current year common fund receipts represent 93.04% of the total assessed (2022: 94.62%).

Archbishop's Council

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
	General £'000	Designated £'000			
Lowest Income Communities Funding	-	-	1,204	-	1,204
Strategic Ministry Funding	-	-	420	-	420
Parish Energy Support Grant	-	-	-	-	-
Capacity Grant	-	-	18	-	18
Net Zero Carbon Grant	15	-	10	-	25
	<u>15</u>	<u>-</u>	<u>1,652</u>	<u>-</u>	<u>1,667</u>

The Lowest Income Communities Funding is the annual grant for either supporting specific parish mission and development projects or for clergy stipends.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

A2. DONATIONS (2023) (continued)

Other donations and grants

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
	General £'000	Designated £'000			
Benefact Trust	129	-	-	-	129
Legacies	-	-	-	-	-
Other Donations and grants	42	-	1,201	-	1,243
Resourcing Ministerial Education	-	-	158	-	158
	<u>171</u>	<u>-</u>	<u>1,359</u>	<u>-</u>	<u>1,530</u>

The other donations and grants figure above includes the following: Strategic Development Funding (£1,012k); Diocesan Investment Programme Funding (£189k) and other grants (£42k).

A3. CHARITABLE ACTIVITIES (2023)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
	General £'000	Designated £'000			
Statutory fees	606	-	-	-	606
Chaplaincy income	9	-	57	-	66
Feed in/Export Tariffs - PV panels	44	-	-	-	44
Course/training fees	26	-	-	-	26
Miscellaneous income	26	-	12	-	38
	<u>711</u>	<u>-</u>	<u>69</u>	<u>-</u>	<u>780</u>

A4. OTHER TRADING ACTIVITIES (2023)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
	General £'000	Designated £'000			
Housing income	1,240	-	-	-	1,240
Other rental income	16	-	-	-	16
Trading – EDPS Ltd	155	-	-	-	155
	<u>1,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,411</u>

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

A5. INVESTMENT INCOME (2023)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
	General £'000	Designated £'000			
Dividends receivable	417	-	614	-	1,031
Interest receivable	191	1	1	-	193
Rents receivable	-	-	373	-	373
	<u>608</u>	<u>1</u>	<u>988</u>	<u>-</u>	<u>1,597</u>

A6. OTHER INCOMING RESOURCES (2023)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
	General £'000	Designated £'000			
Gains on sale of Properties	1,237	-	-	444	1,681
	<u>1,237</u>	<u>-</u>	<u>-</u>	<u>444</u>	<u>1,681</u>

A7. COSTS OF RAISING FUNDS (2023)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
	General £'000	Designated £'000			
Glebe agents' fees	-	-	46	-	46
Other glebe expenses	30	-	26	-	56
Trading activities – EDPS Ltd	146	-	-	-	146
	<u>176</u>	<u>-</u>	<u>72</u>	<u>-</u>	<u>248</u>

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

A8. CHARITABLE ACTIVITIES (2023)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds
	General £'000	Designated £'000			2023 £'000
Contributions to Archbishops' Council					
Training for Ministry	346	-	-	-	346
National Church Responsibilities	203	-	-	-	203
Grants and provisions	36	-	-	-	36
Mission agency pension					
Costs	11	-	-	-	11
Retired clergy housing					
Costs	137	-	-	-	137
Pooling of ordinands maintenance grants	45	-	-	-	45
	<u>778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>778</u>
Resourcing Ministry and Mission					
Parish Ministry					
Stipends and national Insurance	3,239	-	2,524	-	5,763
Pension costs	1,351	-	16	-	1,367
Housing costs	3,994	-	3	-	3,997
Removal, resettlement and grants	242	-	-	-	242
Clergy Pension Fund Deficit	-	-	-	-	-
Other expenses	285	-	16	-	301
	<u>9,111</u>	<u>-</u>	<u>2,559</u>	<u>-</u>	<u>11,670</u>
Support for parish ministry					
Mission and Ministry	1,270	108	1,222	-	2,600
Creation Care & Social Justice	100	-	-	-	100
Mission and Ministry Development and Growth Fund	-	-	-	-	-
Parish Energy Support grants	-	-	-	-	-
Cooper Legacy grants	-	-	-	-	-
Support services	1,542	-	20	-	1,562
	<u>12,023</u>	<u>108</u>	<u>3,801</u>	<u>-</u>	<u>15,932</u>
Expenditure on Education and Church of England Schools					
Support for church schools and parishes	537	-	12	-	549
	<u>13,338</u>	<u>108</u>	<u>3,813</u>	<u>-</u>	<u>17,259</u>

The year-on-year increase in housing costs of £1m relates to the continued catch-up from works delayed during the pandemic, the significant increase in labour and material costs and a higher number of clergy moving into properties in the year.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

A9. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS (2023)

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Pension Funds Deficit Adjustment £'000	Total costs 2023 £'000
Raisings funds					
Charitable activities:	248	-	-	-	248
Contributions to Archbishop's Council	-	778	-	-	778
Resourcing parish ministry	12,851	1,519	1,562	-	15,932
Education	549	-	-	-	549
	<u>13,648</u>	<u>2,297</u>	<u>1,562</u>	<u>-</u>	<u>17,507</u>

Net income/(expenditure) for the year is stated after charging amortisation £20k, depreciation £28k and audit fees EDBF £24k, EDPS £5k.

A10. ANALYSIS OF SUPPORT COSTS (2023)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
	General £'000	Designated £'000			
Central support/administration	1,413	-	20	-	1,433
Governance:					
External audit of EDBF	24	-	-	-	24
External audit of EDPS	5	-	-	-	5
Registrar and Chancellor	86	-	-	-	86
Synodical costs	14	-	-	-	14
	<u>1,542</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>1,562</u>

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

A11. ANALYSIS OF GRANTS MADE (2023)	No.	Individuals	Institutions	Total
		£'000	£'000	2023 £'000
From unrestricted funds for national Church responsibilities:				
Contributions to Archbishop's Council	-	-	778	778
From unrestricted funds:				
Ordinands in training	16	116	-	116
Clergy ordination	18	48	-	48
Clergy resettlement	31	77	-	77
Clergy removals	38	106	-	106
Clergy 1 st incumbency	10	26	-	26
Churches together in Devon	1	-	6	6
Mission & Growth Fund	3	-	113	113
Church schools – Repairs/improvement	2	-	11	11
Support for Lay workers	-	-	-	-
Strategic Development Fund	6	-	27	27
Transforming Plymouth Together	1	-	10	10
St Mellitus South West	-	-	-	-
Other small grants	74	13	29	42
	200	386	196	582
From restricted funds for various purposes within resourcing parish ministry:				
Cooper Legacy Fund	-	-	-	-
Growth & Mission Fund	-	-	-	-
Parish Energy Support grants	-	-	-	-
Repairs and Maintenance Grant	-	-	-	-
Strategic Development Fund				
Plymouth Partnership in Mission	3	-	129	129
Exeter, St Matt's	2	-	461	461
Bay Church	4	-	347	347
Total	9	-	937	937
Total	209	386	1,911	2,297

Grants paid from designated funds have been included within unrestricted funds.

Cooper Legacy grants approved by the Board at 31 December 2023 but not yet disbursed at that date were £6k.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

A20 SUMMARY OF FUND MOVEMENTS (2023)

	Balances at 1 January 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2023 £'000
UNRESTRICTED FUNDS						
General	7,201	12,492	(13,368)	630	1,229	8,184
Church Buildings Fund	692	1	-	-	11	704
Board Properties	20,776	-	-	(590)	-	20,186
Clergy Housing Repairs	775	-	-	(609)	-	166
Diocesan Mission Funds	76	-	-	-	-	76
Diocesan Mission & Growth Fund	167	-	(81)	-	-	86
Clergy Conference Fund	64	-	-	30	-	94
Burrington School Fund	34	-	-	-	-	34
Plymouth SDF Project	53	-	(27)	-	-	26
Miscellaneous Funds	166	-	-	(21)	-	145
	<u>22,803</u>	<u>1</u>	<u>(108)</u>	<u>(1,190)</u>	<u>11</u>	<u>21,517</u>
RESTRICTED FUNDS						
Diocesan Pastoral Account	3,905	97	(20)	-	262	4,244
Diocesan Stipends Income	-	2,101	(2,101)	-	-	-
Bampton School sale	314	-	(12)	-	-	302
Agricultural/Rural & Cooper Legacy	16	-	-	-	-	16
Retired Clergy Housing	276	6	-	-	18	300
Growth & Mission Fund	690	71	(101)	-	-	660
Strategic Development Projects	11	1,011	(1,016)	-	-	6
Ministerial Education Training	-	158	(158)	-	-	-
Strategic Ministry Fund	-	420	(420)	-	-	-
Clergy Widows	99	-	-	-	-	99
Diocesan Investment Prog	-	147	-	(133)	-	14
Miscellaneous Restricted Funds	3	57	(57)	-	-	3
	<u>5,314</u>	<u>4,068</u>	<u>(3,885)</u>	<u>(133)</u>	<u>280</u>	<u>5,644</u>
ENDOWMENT FUNDS						
Permanent						
Dr Nobbs	82	-	-	-	7	89
Expendable						
Diocesan Stipends Capital						
Glebe Property	10,912	-	-	(109)	-	10,803
Investment Fund	43,781	-	-	(24,076)	-	19,705
Unapplied Total Return	-	444	-	24,245	3,126	27,815
Benefice Property	27,347	-	-	633	-	27,980
Church Schools	3,936	-	-	-	309	4,245
The Church College Hostel Trust	780	-	-	-	74	854
	<u>86,838</u>	<u>444</u>	<u>-</u>	<u>693</u>	<u>3,516</u>	<u>91,491</u>
EDBF Total funds	<u>122,156</u>	<u>17,005</u>	<u>(17,361)</u>	<u>-</u>	<u>5,036</u>	<u>126,836</u>
Subsidiaries – General Funds						
EDPS Ltd	9	146	(146)	-	-	9
Group Total	<u>122,165</u>	<u>17,151</u>	<u>(17,507)</u>	<u>-</u>	<u>5,036</u>	<u>126,845</u>

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

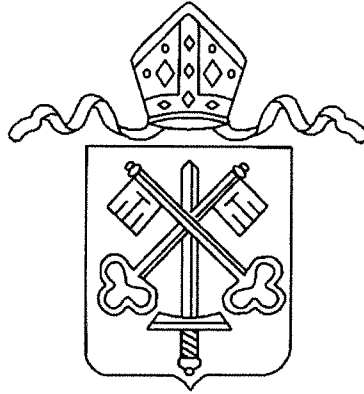
A21 SUMMARY OF ASSETS BY FUND (2023)	Tangible/ Intangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Unrestricted funds – General	516	8,629	1,401	(2,362)	8,184
Unrestricted - designated					
Church Buildings Fund	-	128	576	-	704
Board Properties	20,107	-	198	(119)	20,186
Clergy Housing Repairs	-	-	166	-	166
Diocesan Mission Funds	-	-	76	-	76
Mission & Growth Fund	-	-	86	-	86
Clergy Conference Fund	-	-	94	-	94
Burrington School Fund	-	-	34	-	34
Plymouth SDF Project	-	-	26	-	26
Million for Mission	-	-	3	(3)	-
Miscellaneous Designated Funds	-	-	145	-	145
	20,107	128	1,404	(122)	21,517
Restricted					
Diocesan Pastoral Account	-	3,023	1,225	(4)	4,244
Diocesan Stipends Income	-	-	132	(132)	-
Bampton School sale	-	-	302	-	302
Agricultural/Rural & Cooper Legacy	-	-	16	-	16
Retired Clergy Housing	346	204	(250)	-	300
Growth & Mission Fund	-	-	667	(7)	660
Strategic Development Fund Projects	-	-	8	(2)	6
Ministerial Education Training	-	-	195	(195)	-
Strategic Ministry Fund	-	-	72	(72)	-
Clergy Widows	21	-	78	-	99
Diocesan Investment Programme	-	-	144	(130)	14
Miscellaneous Restricted Funds	-	-	99	(96)	3
	367	3,227	2,688	(638)	5,644
Endowment					
Permanent					
Dr Nobbs	-	83	6	-	89
Expendable					
Diocesan Stipends Capital					
Glebe Property	10,803	-	-	-	10,803
Investment Fund	-	19,705	-	-	19,705
Unapplied Total Return	-	25,270	2,548	(3)	27,815
Benefice Property	25,825	-	2,155	-	27,980
Church Schools	119	3,565	561	-	4,245
Church College Hostel Trust	-	854	-	-	854
	36,747	49,477	5,270	(3)	91,491
Total EDBF funds	57,737	61,461	10,763	(3,125)	126,836
Subsidiaries					
EDPS Ltd	-	-	24	(15)	9
Total Group funds	57,737	61,461	10,787	(3,140)	126,845

For Fund Descriptions, please see note 23 on pages 74 – 77.

THE EXETER DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249798

Accounts



THE EXETER DIOCESAN BOARD OF FINANCE LIMITED

ANNUAL REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

**Company limited by guarantee (No. 00186001)
Registered charity (No. 249798)**

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Key to abbreviations

EDBF	The Exeter Diocesan Board of Finance Limited
EDPS	EDPS Limited – the Board's Trading Company
SOFA	Statement of Financial Activities
SORP	Charities SORP (Statement of Recommended Practice) 'Accounting and Reporting by Charities' 2019
PCC	Parochial Church Council
MC	Mission Community

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

OUR VISION

'I am the vine, you are the branches. Those who abide in me and I in them bear much fruit.'
John 15.5

As God's pilgrim people, we seek to share in the mission of God as revealed in the life, death and resurrection of Jesus Christ by:

Growing in prayer

We want to abide in Christ and live our lives close to God. This means taking risks as we become more honest with ourselves and more honest with God. Prayer opens up deep places within us to God's grace, which is why it is such a life-giving activity. Going deeper in prayer is essential if we are to witness to God's Kingdom and grow into the people God is calling us to be.

Making new disciples

A disciple is someone who follows Jesus Christ. With Christ as our companion and guide, we can travel through life differently and invite others to share in the adventure. We want to be more faithful in our discipleship and allow God to shape our priorities and values. The gospel is good news but, if we are to bring more people to Christ, we need to find new ways of telling the story, of explaining our faith and giving a reason for the hope that is in us.

Serving the people of Devon with joy

We want to be ambassadors for Christ, making a difference in the world and witnessing to God's love and justice, especially in the communities where we live and in our schools and workplaces. Working in partnership with others who are transforming lives, we seek to address the global issues confronting our generation so that all may flourish.

+Jackie

Acting Bishop of Exeter

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

OUR VALUES

Generosity of Spirit

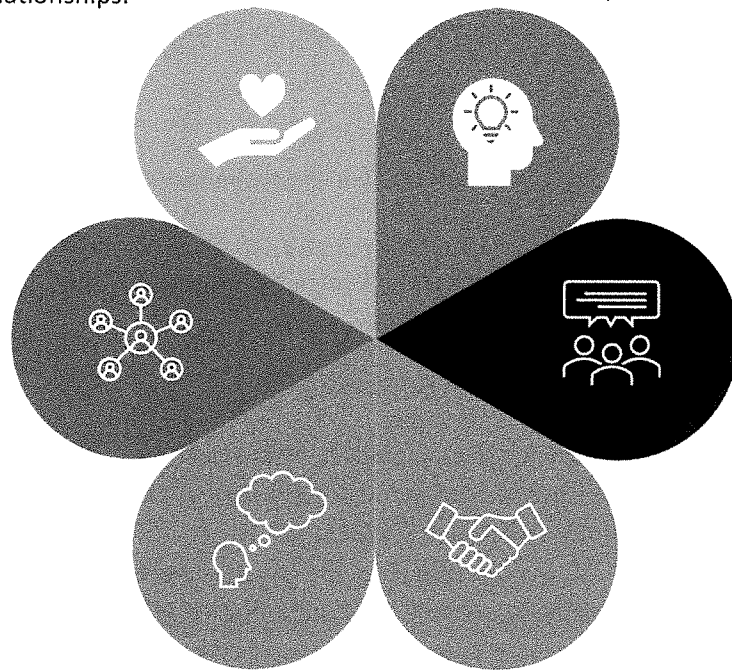
We seek God’s face in all, believing that everyone is made in the image of God. Preferring others and not thinking too highly of ourselves, we are compassionate, approachable and build trusting relationships.

Wisdom

We want our priorities to reflect scripture and our Christian values. Listening to voices unlike our own, we seek the wisdom of the Holy Spirit when making decisions after open and informed discussion.

Respect

We welcome those who are different from us and show heartfelt respect in the way we speak with one another, treating all people with the dignity they deserve.



Team Working

We collaborate and work with others to achieve the best outcomes for those we serve and support. We are positive, flexible and constructive, releasing others to use their gifts.

Openness

We open our hearts and minds without judgement so that we learn from God and one another and allow others to challenge us.

Honesty

Our principles are rooted in our Christian faith. We seek to be people of integrity: fair, responsible, and consistent in all we do. We speak honestly with others and about them.

**Love ❖ Joy ❖ Peace ❖ Patience ❖ Kindness ❖ Generosity
Faithfulness ❖ Gentleness ❖ Self-Control**

Our GROWTH Values are rooted in the Fruit of the Spirit (Galatians 5.22)

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

The trustees, who are also directors for the purposes of company law, present their annual report, together with the audited consolidated financial statements, for the year ended 31 December 2023.

The directors/trustees are the same and in signing as Trustees, they are offering the strategic report sections in their capacity as directors.

The combined report satisfies the legal requirements for:

- A Directors Report of a charitable company and group;
- A Strategic Report under the Companies Act 2006; and
- A Trustees Annual Report under the Charities Act 2011.

LEGAL OBJECTS

The objects of the Diocese of Exeter cover the entire county of Devon.

The principal object of The Exeter Diocesan Board of Finance (EDBF) is to promote, assist and advance the work of the Church of England in the Diocese of Exeter by acting as the financial executive of the Exeter Diocesan Synod.

EDBF has the following statutory responsibilities:

- i. The management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976 and the Church Property Measure 2018;
- ii. The repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972 and the Church Property Measure 2018;
- iii. The management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 1991; and
- iv. The custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of EDBF are established by the Diocesan Synod in communication with Deanery Synods, PCCs, MCs, and the Bishop of Exeter. To this end, significant time and effort is committed to communication between these bodies and the bishop, as well as with the church nationally, and to implementation of the outcomes. This includes a series of consultations on specific matters relating to the priorities for the forthcoming year and further ahead and taking forward the commitments arising from the Diocesan Synod and church nationally, including the diocesan budget.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

STRATEGIC REPORT

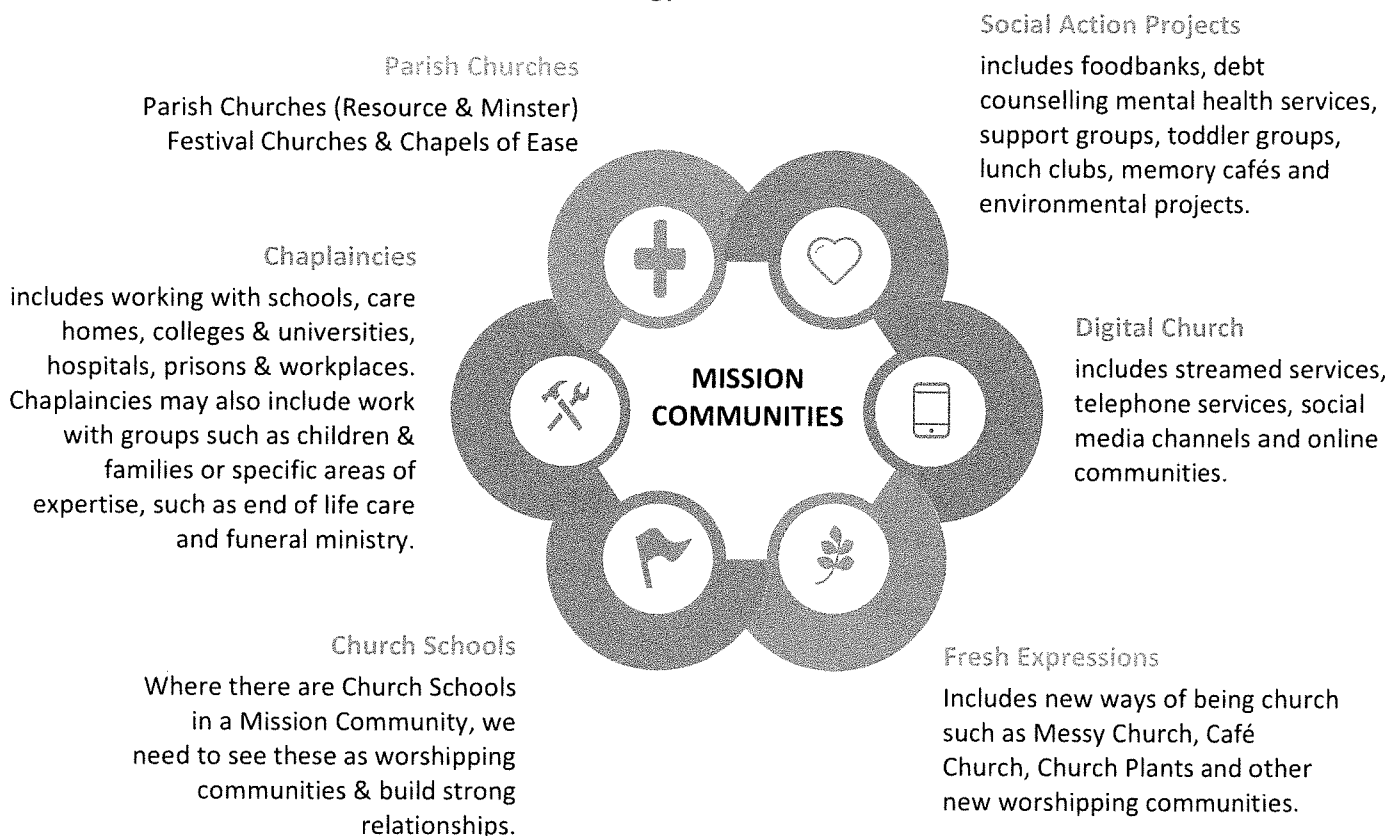
STRATEGIC AIMS

The main role of EDBF is to identify and manage the financial aspects of the provision of ministry within the Diocese so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop’s Council, Deaneries, Mission Communities and Parishes to further the mission and strategic priorities of the Diocese and in particular the strategic priorities set out in the Next Steps Vision Statement, which can be found on the diocesan website at www.exeter.anglican.org.

We seek to work together in Mission Communities

We seek to fulfil our calling to love God and serve the people of Devon with joy through our network of Mission Communities. These are diverse, vibrant and sustainable groupings of parishes across the Diocese, which are mission-oriented, community-focused and locally-rooted. At the heart of this network are our parish churches, which for centuries have been places of prayer, pastoral care, evangelism and community service in Devon. Increasingly today, they are complemented by chaplaincies, social action projects and varied and creative new expressions of worship, the result of which is an exciting mixed ecology. Together, they speak of God’s compassion and love, and ensure a Christian presence in every community across the county.

Mission Communities Mixed Ecology



**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

STRATEGIC AIMS (continued)

Communities are how human beings relate to one another. We discover both what we need from others and what we can offer so that all may flourish. As the Church, our MCs help us to be more effective in our discipleship of Jesus Christ. They enable us to be flexible and to work across boundaries, breaking down any sense of isolation. They enable us to be more adept at responding to the variety of contexts and cultures of Devon, whether market towns, coastal communities, remote rural villages or large urban centres of population. They encourage the development of specialist and pioneering ministries, and support our work with schools, children, young people, families and older people in the community.

The pandemic has taught us that we can adapt and change if we want to. As we take stock, we need to be unflinchingly realistic about the challenges confronting us, matched by our trust in the Holy Spirit who leads us.

Not every parish can offer every aspect of the Church's life and ministry, but by joining in partnership with neighbouring churches and forming a MC we can work together more effectively.

There are 120 MCs across the Diocese of Exeter. We aim to be mission-oriented, community-focussed and locally rooted. As God's people we are called to live out our faith and continue the mission of God as revealed in the life, death and resurrection of Jesus Christ.

The strategy of the Trustees for achieving EDBF's priorities is to maintain a sound financial structure which will enable EDBF to resource ministry and mission.

Each year a request is made to every parish for contributions towards the Common Fund, the parish share scheme, which is designed to distribute the financial costs of the Diocese equitably. The Common Fund pays for a significant proportion of the clergy stipends, their pension and housing, clergy and lay training, safeguarding and central support, but it only works properly if each parish in each MC contributes regularly and fully. We support all PCCs and MCs in their financial administration to develop efficient ways to collect and manage resources including through the Parish Giving Scheme.

The Board reviews the financial plan on an annual basis, and this was most recently undertaken in May 2024, with the current plan covering the years 2025 to 2050. The plan shows a continuing budget deficit of around £2.5m per annum and action is now being taken to address this and establish a sustainable long-term plan. This requires stringent cost control across all areas of the budget and assumes an increase in the number of unpaid licensed ministers (self-supporting clergy and licensed lay ministers) and unpaid lay people involved in ministry, alongside a reduction in the number of stipendiary clergy working within the Diocese. Total Return accounting has also now been adopted, to release funds from the Diocesan Stipends Capital Fund.

OBJECTIVES FOR THE YEAR

The strategic aims were established by the Diocesan Synod in March 2016 and refreshed in June 2019. The aims have informed, and will continue to inform, decisions and policies at all levels. The vision is what we would like the future to look like and the strategy sets out how we seek to work together in MCs to enable this to happen.

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OBJECTIVES FOR THE YEAR (continued)

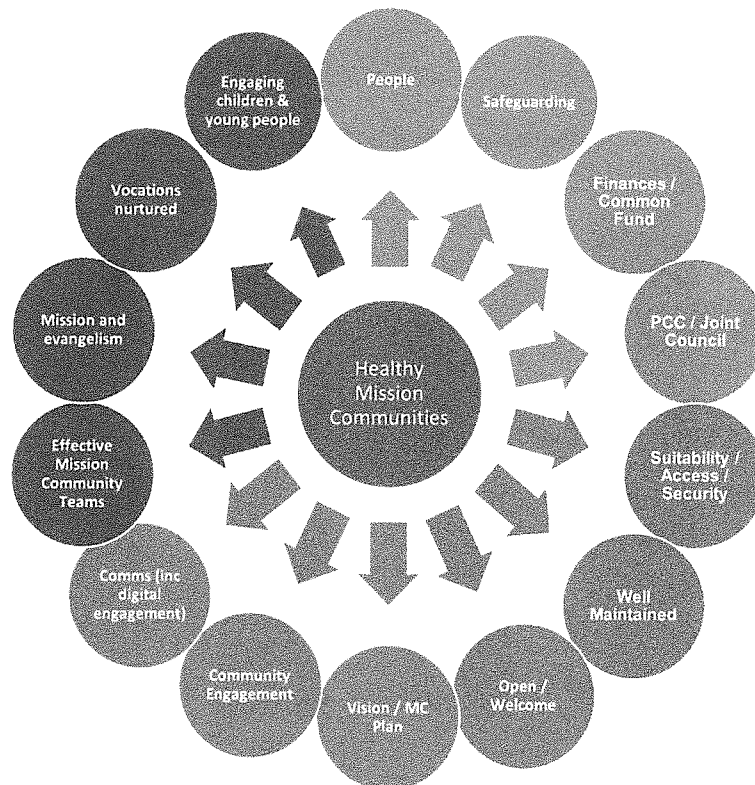
It is vital that our planning continues to reflect our priorities, whilst continuing to meet our statutory and operational requirements.

Next Steps

Next Steps is a further refreshment of our vision to grow in prayer, make new disciples and serve the people of Devon with joy. Every parish is unique and special, but churches thrive when they work in partnership with each other in MCs. This is why our strategy has always been to support MCs to develop and flourish. Next Steps offers a range of sustainability indicators for MCs in the areas of mission and ministry, resources and finance, buildings and governance.

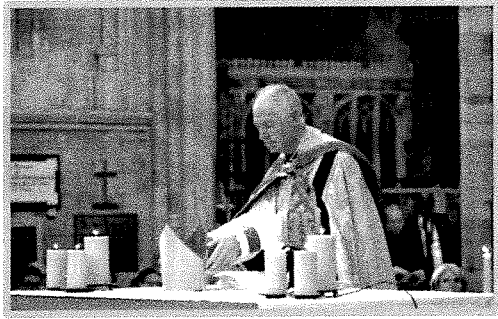
Healthy churches are shaped by the growth values of the Fruit of the Spirit: love, joy, peace, patience, kindness, generosity, faithfulness, gentleness and self-control. We are developing tools to help MCs identify where to put their efforts and resources in the short term and how best to plan for the long-term. The Mission Community Health Check has been piloted and is now being offered to MCs across the Diocese. It uses two on-line surveys to provide data on perceptions and priorities of those who are regular worshippers and those in the community and this forms the basis of a facilitated conversation, leading to a simple action plan. In 2023, 30 different MCs engaged with the Mission Community Health Check, with 11 reaching completion.

Other resources include *'Lightening the Load'*, *'Love Your Church'* fundraising resources and *Generosity* resources. The tools being developed draw inspiration from Jesus' teaching on the Vine in John 15.



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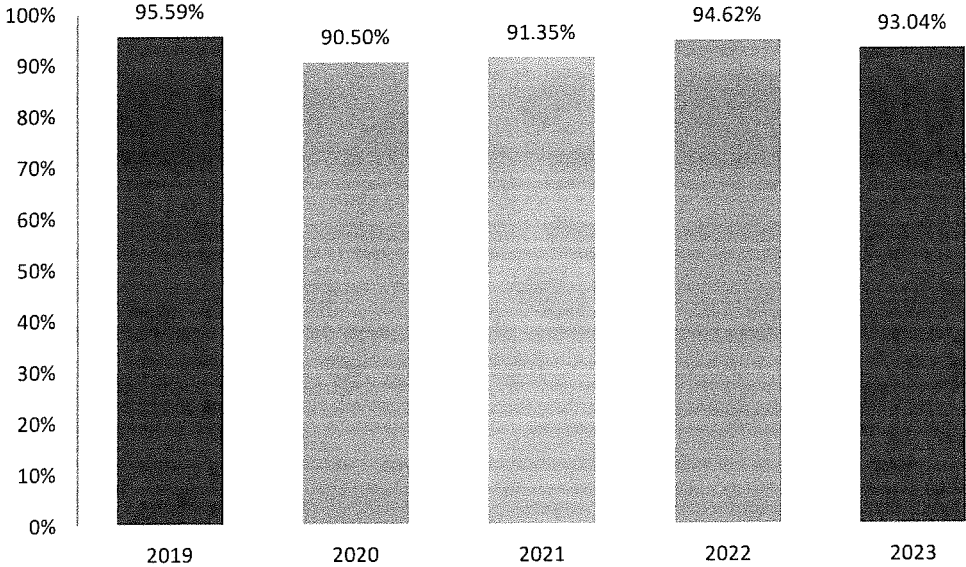
The most significant event in 2023 was the retirement of Bishop Robert at the end of September, after leading and serving our diocese since April 2014. It is testament to his leadership that the vision he shared with us in his installation sermon still underpins all that we do: to grow in prayer, to make new disciples and to serve the people of Devon with joy. Bishop Robert has overseen a period of significant change in our diocese with grace and discernment. We would like to thank him for everything that he did for God's Kingdom here in Devon and wish him well in his retirement.



ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

We saw a significant improvement in Common Fund collections in 2022, as life started to return to normal after the pandemic, which was very encouraging. Disappointingly, the level of contributions dropped back in 2023. As a result, the total contributions received by the end of February 2024 were £8.4m (2022: £8.5m), which represented 93.04% (2022: 94.62%) of the amount requested from parishes. As ever, we are very grateful to the continuing generosity of the people in our worshipping communities, particularly in the current economic climate.

Common Fund Collection Rates 2019 - 2023



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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Safeguarding

The Diocesan Safeguarding Team (DST) has a wide range of experience in applying safeguarding in complex situations. The DST manage allegations and concerns relating to church officers, manage the risks posed by known offenders who regularly attend church, and give advice on all other aspects of safeguarding. The DST also deliver safeguarding training to leaders in the diocese, manage all Disclosure and Barring Service (DBS) applications. The DST works with a network of nearly 400 Parish Safeguarding Officers (PSO). The PSOs are all volunteers, and without their dedication we could not effectively manage safeguarding across the 482 parishes that make up the diocese.

The DST continue to manage approximately 100 new referrals each year and holds regular Core Group meetings to manage safeguarding cases. The DST also respond to a much higher number of requests for support and advice about safeguarding concerns that do not include an allegation against a church officer; these include members of congregations who are experiencing domestic abuse and concern for people in the community at risk of harm from child abuse, exploitation, and adults at risk of harm whose ability to protect themselves is significantly impaired. The DST regularly make referrals to statutory agencies to provide appropriate support and protection to those at risk of harm from abuse or neglect. The DST also manages around 30 Safety Plans for known offenders who regularly attend church, to mitigate any risks linked to their attendance. The DST also deliver 2 training sessions each week, and over the course of the year the DST delivered training to around 500 people. The DST also processed around 2,000 DBS applications in the year, which highlighted approximately 20 blemished certificates from applicants seeking to work with vulnerable people, who had convictions that needed to be assessed.

The Diocese was one of the “Pathfinders” piloting the National Church’s response to the Independent Inquiry into Child Sexual Abuse (IICSA). Following the completion and evaluation of the Pathfinder, General Synod has now approved the changes to Canon 42, which will see the Diocesan Safeguarding Adviser become a Diocesan Safeguarding Officer (DSO) with greater independence, and the National Church is also now expected to adopt the model of Regional Supervision we have been trialling.

The Diocese has upgraded its Parish Safeguarding Dashboard with the Parish Safeguarding Hub, which will give parishes the ability to manage their safeguarding training and Safer Recruitment through the Hub. We are planning to adopt the National Safeguarding Case Management System (NSCMS) in the Autumn of 2024. The National Safeguarding Team (NST) have updated the Safeguarding Learning Framework and the guidance on Managing Allegations. We expect to see final versions of these later in the year. The NST have also introduced a Safeguarding Quality Assurance Framework, with five key safeguarding themes: Prevention, Culture & Leadership & Capacity, Risk Management, Victims & Survivors, and Learning & Supervision. The diocese is due to be subject to an external audit, commissioned by the National Church, later in 2024.

The National Church has received the recommendations of Professor Jay on the future of Safeguarding in the Church. The Church is currently consulting on this before deciding on next steps.

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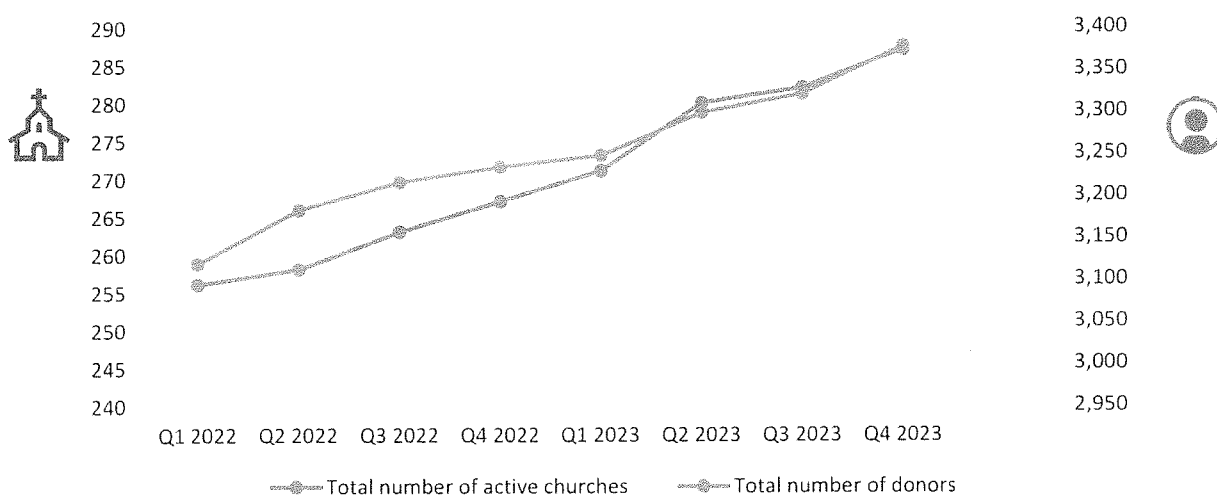
ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Parish Giving Scheme

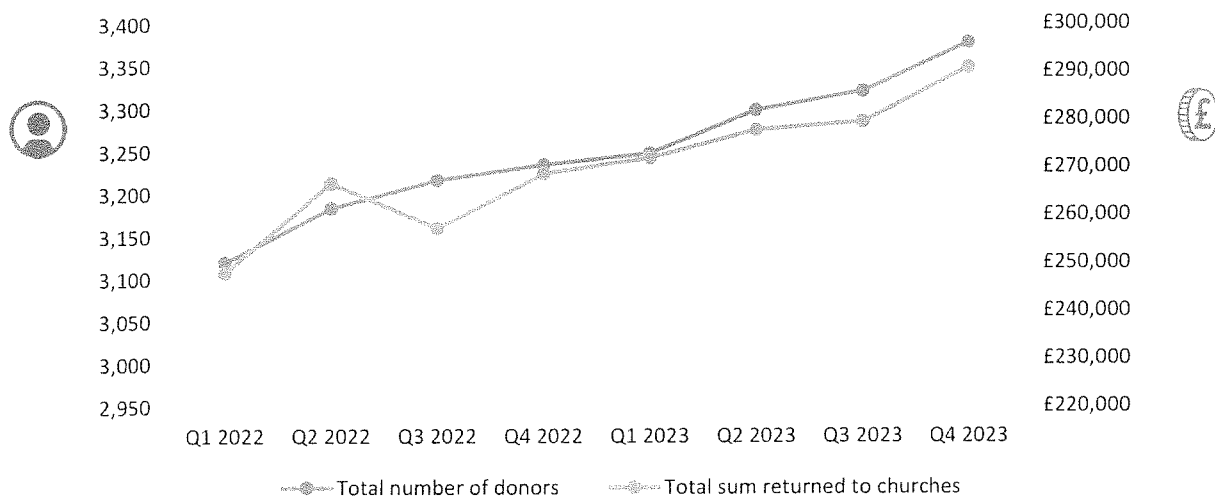
The Parish Giving Scheme has continued to grow across the Diocese, encouraging a deeper understanding of generous giving, streamlining administration in parishes, improving parishes' cash flows by returning gift aid to parishes every month, and giving donors the option to increase their future giving in line with inflation. In December 2023 there were 3,377 (2022: 3,234) people in our Diocese that made 39,631 gifts (2022: 38,138) to 287 (2022: 267) active church accounts, contributing a total (excluding gift aid) of £2.7m (2022: £2.5m) during the year. A further £0.6m was claimed in gift aid. The average gift (excluding gift aid) was £15.80 per week (2022: £14.98).

Parish Giving Scheme

Total number of active churches/Total number of donors at the end of each quarter



Total number of donors /Total sum returned to churches



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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

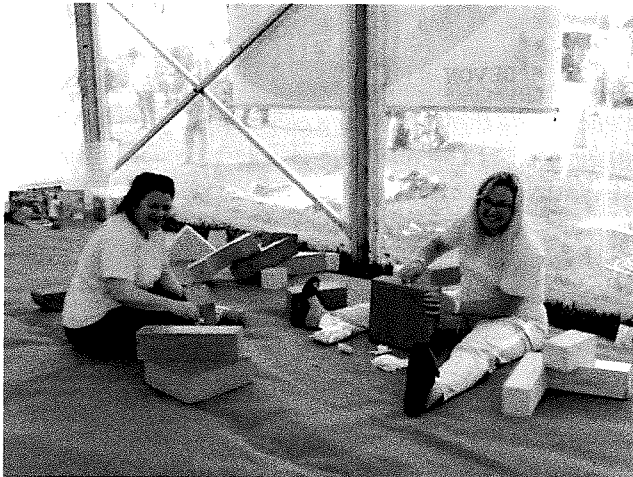
Mission and Ministry

The Mission and Ministry team is here to inspire, resource and support mission and ministry throughout the Diocese of Exeter.

2023 brought the retirement of Rev Philip Sourbut as Director of Mission & Ministry and the induction of his successor, Rev Ian Bussell. We thank Philip for his leadership of the Mission & Ministry team and wish him well in his retirement.

In the summer of 2023 Rev Steve Jones, the Rector of the Littleham cum Exmouth with Lympstone Mission Community and his team trained a group of mediators who are now available to be used in mediation in mission communities.

In May 2023, the diocesan mission tent at the annual Devon County Show showcased the 'This is My Story' exhibition, which continues to make its way around the county hosted by different churches. We led a lively and engaging children's tent at the Show, supported by workers and volunteers from across the Diocese.



We appointed a new Mission Enabler, Revd. Jeremy Putnam, in July, who quickly helped us prepare for the Come and See mission weekend in November. Different MCs hosted a whole range of Come and See events to invite friends and neighbours to. We also welcomed the Archbishop of Canterbury who travelled all over the Diocese, helping us engage with our communities in different ways, confidently sharing the gospel. The Come and See theme continued with Christmas events and will be picked up again in 2024.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Mission and Ministry (continued)

We were sad to say goodbye to Lydia Perris, our Creation Care officer, but at the same time grateful for the matched funding she and Sophie Philips achieved to enable Sarah Charker to join us in November. Amongst other things, Sarah is focussing on supporting churches in the Eco Church award scheme. We now have 37 (2022: 18) churches that have achieved Bronze Eco Church and 15 (2022: 9) Silver.

We have continued to partner with several Christian organisations, using their skills and expertise in running more than 10 training sessions this year for Children and Family workers and volunteers, as well as running the Craft tent at South West Youth Ministry's Spree gathering – with over 1,500 children and young people. Additionally, new networks of children and family workers and volunteers are growing local expertise in different parts of the Diocese.

December brought a day of prayer in the Cathedral when we came together in this year of transition, led by Bishop Jackie, our acting Diocesan Bishop, to pray for the mission and ministry of this diocese. 4,300 people came to the cathedral that day, many taking part in the day of prayer in a variety of creative ways.

The Vocations Development Officer and the Diocesan Director of Ordinands (DDO), with their teams, work to foster and encourage those sensing a call to serve God in the authorised lay and ordained ministries. Two events were held to help people consider and explore both ordained and lay licensed ministry, as well as other focused work. Developing the ministry of women; encouraging candidates from a UK Minority Ethnic (UKME) heritage; and encouraging younger vocations, remain significant priorities and the diocese encourages attendance at national events for such groups. Planning has also begun for a regional Southwest event for young people called Step Forward in September 2025.

We continue to have close links with our two local ministry training providers, South West Ministry Training Course and St Mellitus College.

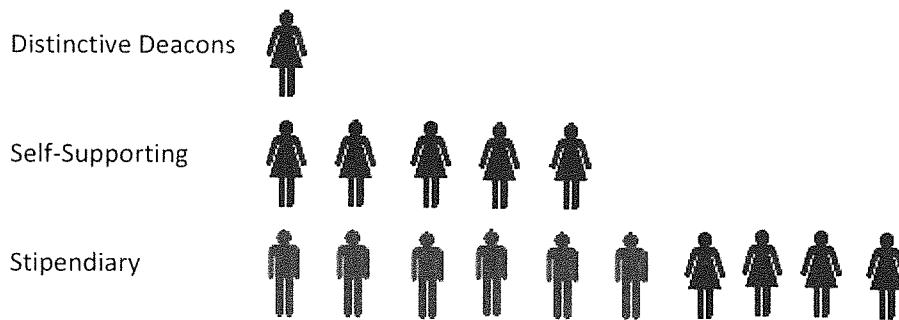
We have run 13 different Grow courses, and piloted video versions that can be accessed at any time. 130 people took part in these courses, with many more accessing material themselves. Grow is a suite of on-line courses that provide basic learning in a number of different roles. As an outcome of a training review, the Lay Discipleship project is now gearing up for the transfer of the successful Foundations in Christian Ministry course from South West Ministry Training Course (SWTMC) into the Mission & Ministry department. The updated Foundations course is due to launch in September 2024, and aims to be more accessible, allowing greater numbers to access the course.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Mission and Ministry (continued)

Deacons Ordained in 2023	Male	Female	TOTAL
Distinctive Deacons	-	1	1
Self-Supporting	-	5	5
Stipendiary	6	4	10
TOTAL	6	10	16



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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Mission and Ministry (continued)

Priests	Male	Female	TOTAL
Ordained in 2023			
Self-Supporting	1	1	2
Stipendiary	4	8	12
TOTAL	5	9	14



Ordinands starting training in 2023:

Age	Male	Female	TOTAL
31 and under	-	-	-
32 - 39	1	2	3
40 - 54	1	1	2
55 and over	1	1	2
TOTAL	3	4	7

Board of Education

On 1 January 2023 the Diocesan Board of Education was reconstituted to become a committee of the Diocesan Board of Finance (DBF). The DBE Committee exercises the powers and duties conferred on the DBF in its capacity as Diocesan Board of Education (DBE) by or pursuant to the 2021 Measure and which must be delegated to the DBE committee by the DBF (the DBE Functions) in accordance with the Scheme made by the Diocesan Synod. The new Board has a good range of skills and experience and is chaired by The Venerable Douglas Dettmer, Archdeacon of Totnes. The Board monitor and evaluate the effectiveness of the Diocesan Education Team's work. The Education Team have seen significant changes this year and enter 2024 with new, but experienced, staff joining the existing team members.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Board of Education (continued)

The DBE's Strategic Plan has four Strategic Priorities, as follows:

- To ensure that the Diocese of Exeter has a successful diocesan family of schools.
- To respond pro-actively to the changing educational landscape in a way which strengthens school performance, capacity, and sustainability.
- To work effectively and demonstrate positive impact.
- To play our part in ensuring schools are a central part of the diocesan mission.

The work of the DBE and the Education Team has been positive as together we have sought to enable all through the love of God in Jesus Christ, to 'live life in all its fullness' and fulfil our vision to 'nurture vision-inspired education; nourish personal and spiritual growth; and enable connected communities that flourish'.

Much of our work is to ensure Church of England schools are living out their Christian foundation and Christian vision and Christian distinctiveness are central to the work of each school. We do this through providing a comprehensive training and network programme for schools, including bespoke training based on their context and needs. Officers work closely with leaders, including those involved in governance, to ensure each school has a Christian vision, underpinned by theology, which drives and shapes the school as it seeks to enable all to 'live life in all its fullness'. Work with schools ensures vision influences provision and results in impact.

At the beginning of this academic year (September 2023) following a period of collaborative planning, the Diocese of Exeter's Education Team joined with the other southwest dioceses in an exciting pilot to introduce the Programme for Church School Flourishing (PCSF) across our family of schools. PCSF is intended to enrich and deepen the expertise of academy trusts and larger federations, enabling the flourishing of their church schools, their children, young people and adults. Feedback to date has been positive and we plan to offer a bespoke version from September 2024 called Exeter Flourishing Partnership.

The DBE Committee is committed to playing its part in ensuring schools are a central part of the diocesan mission.

Church School Leaders Commissioning Services: This year we have seen a significant increase in the proportion of commissioning services held in local churches for new school headteachers. These services show the commitment of church communities to walk alongside new headteachers as they seek to uphold the Christian foundation of their Church of England School. It is a very positive start for a new leader and clearly demonstrates the importance of the relationship between the church, school and families.



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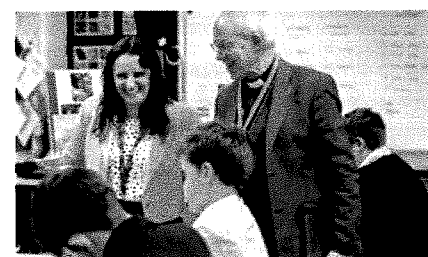
ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Board of Education (continued)

School built on Prayer: Lamerton C of E Primary has been following its vision of ‘dreaming, believing and achieving together’ after experiencing a fire in February 2023. During the school’s rebuilding process, both students and staff had a moving way of reflecting on this new season. Melody, the headteacher, explained, “we managed to write prayers and place them in the walls of our new building. Our new school was built with prayer.”



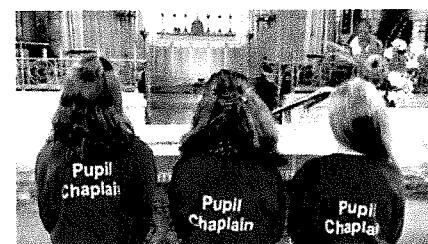
Archbishop brings 'Incredible Message of Hope': In November, the Archbishop of Canterbury visited two schools in North Devon: Ilfracombe C of E Academy and Ilfracombe C of E Junior School. During his visit to Ilfracombe Academy the Archbishop spoke with staff and students, and led collective worship in which he opened up about how he had experienced a difficult childhood.



Students call for change in COP28 video:

Pupils at The Beacon C of E Primary School have starred in a film that was shown at the COP28 Conference in Dubai. Headteacher Anne Billington said, “Asking the big questions about and becoming courageous advocates in caring for God’s world is rooted in our Christian vision to live life in all its fullness (John 10:10).”

Pupil Chaplains: Torre C of E Academy appointed Pupil Chaplains in September 2023, and they are making a real difference to their school. Each Pupil Chaplain is linked to a class and delivers engaging opportunities for worship and reflection. Headteacher Laura Kendall said, “In order to live life to the fullest, we believe in developing ourselves beyond academia through values led experiences and curriculum. Reflections, theology, spirituality and advocacy are an important part of the supportive role that our chaplains play in their linked classes.”



At the start of 2024, there were 134 Church of England schools within the Diocese of Exeter; 122 primary, 3 infant, 4 junior and 5 secondary schools. 113 of our schools are now in a multi-school grouping (federation or multi-academy trust), resulting in only 21 schools remaining outside a formal partnership. A formal partnership is defined as one with shared accountability through governance, for example an academy trust or a federation. 63% of our Church of England Schools (84/134) are now academies within academy trusts. Of the 21 schools that are not in an academy trust or federation, a third are currently exploring potential partnership options. Working with schools’ governance, to support them in their explorations around partnerships and subsequent due diligence about potential partners, has been a significant and increasing part of our work.

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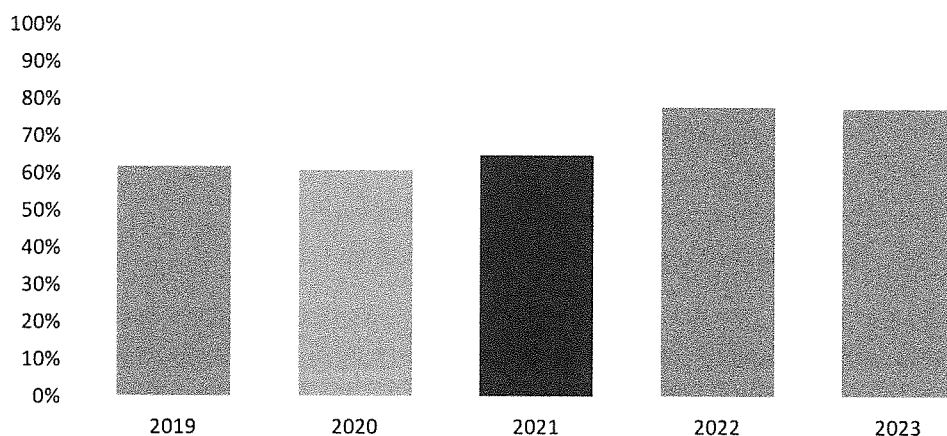
ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Board of Education (continued)

The DBE and Education Team continue to play an important part as a system leader within the education landscape. Our role includes significant liaison and connectivity with the Department for Education and their South West Regions Group, Multi-Academy Trusts, other dioceses and the Church of England Education Office. The geographical boundaries of the diocese mean we also work closely with three Local Authorities: Devon, Torbay and Plymouth.

Our Annual Report to Diocesan Synod 2023 can be viewed on the diocesan website at <https://exeter.anglican.org/schools/edbe-vision-strategy/>

**Percentage of Diocese of Exeter Church of England
schools subscribing to our Education Service Level
Agreements**



Communications and Engagement

In 2023 we launched the This is My Story project. This is a faith-sharing photo portrait exhibition featuring images and testimonies of Christians from across Devon. It is currently touring churches and is also available online and on social media. In May 2023 we ran a This is My Story exhibit at the Devon County Show. Other big projects for the communications team included the Coronation, the farewell to Bishop Robert, the Come and See Archbishop's mission weekend in November 2023, which involved helping create the Come and See course, and the Come and Pray event at Exeter Cathedral in December 2023.

The team also supported the Vacancy in See process to seek a new diocesan bishop by helping facilitate consultations and producing the Statement of Needs. Nationally we have been supporting the Diocesan Communicators network in the areas of wellbeing and the Living in Love and Faith process. We also continue to run the Devon Church Weddings project and have recently taken on communications oversight for Growing the Rural Church and Devon Pilgrim.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Communications and Engagement (continued)

In addition to project work we aim to embed our vision to Grow in Prayer, Make New Disciples and Serve the People of Devon with Joy in all our communications and engagement work. We continue to run regular communications training for churches (such as the Digital Ministry Grow Course), provide tailored communications support for parishes (including crisis comms) and aim to effectively communicate with churches and communities through our newsletters, website, social media platforms and through the local and national media.

Racial Justice Charter and Strategy

Our Racial Justice Charter is a challenge and an invitation. We believe we are called by God to identify, challenge and address racism in all its forms. We invite people everywhere to join us in a journey of change in our society. We recognise that change takes time and requires commitment, and there are significant challenges before us. The journey ahead of us will be characterised by choices, failures, risk-taking and renewal, but as Christians, we are people of hope and will be sustained by the grace of God.

We have four guiding commitments:

- Committed to Jesus Christ and His Kingdom;
- Committed to conversation;
- Committed to action and better representation;
- Committed to accountability and transparency.

Diocesan Synod approved the Charter and Strategy and a series of actions in March 2023. The first annual update was presented to the March 2024 Diocesan Synod. The priority in year 1 was to focus on participation and overall progress was made, but there remains more work to be done. Two appointments (one lay and one clergy) have been made to the Bishop's Diocesan Council of people from a UK Minority Ethnic (UKME) background, thereby strengthening the representation on this key decision-making body.

KEY PERFORMANCE INDICATORS

Comprehensive quarterly operational reports are produced, and these are presented to the trustees through the Bishop's Diocesan Council and shared more widely with staff and other key stakeholders. The individual key performance indicators are shown against the relevant sections in the report above. The reports are also available on the diocesan website.

FUTURE PLANS

The financial consequences of the pandemic have presented a considerable challenge to EDBF. An operating deficit of well over £2m is budgeted for in 2024 and, without remedial action, deficits of this magnitude would be likely to recur. While EDBF has substantial reserves and is able to meet the budgeted deficit, they are not without limit. A portion of the underlying assets, clergy housing, is needed for ministry while proceeds from glebe suitable for development are unlikely to be realised within the next two to three years.

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FUTURE PLANS (continued)

There remains some surplus housing stock and there is the option of selling some investments, but such sales reduce rental and investment income. As a consequence, in 2024 and, in all likelihood, 2025 and beyond, the trustees and Diocesan Synod will need to review the prospects for income growth, principally the Common Fund, and determine the sustainable level of expenditure, 67% of which is the cost of stipendiary ministry, with a view to reducing and eventually eliminating, EDBF's operating deficits.

EDBF takes Diocesan Synod's adoption of the National Routemap to Net Zero Carbon (NZC) by 2030 very seriously but the extent to which promised National Church funding of £190m will be made available to the dioceses, cathedrals and parishes remains to be determined. This uncertainty combined with the financial pressures faced by EDBF points to the need to review immediate NZC spending plans.

In the autumn of 2024, we look forward to welcoming Bishop Mike as our new Bishop and benefitting from his wisdom and leadership. He will lead, develop and shape the Vision and Strategy of the Diocese during his tenure of office and there may be change. In the meantime, we remain committed to making new disciples, growing in prayer and serving the people of Devon with joy. Supporting this commitment and with the aim of ensuring a Christian presence in every place in Devon, the focus on a mixed ecology of ordained and lay leaders set out in Next Steps is likely to be widened by the adoption of an enhanced lay training programme and further use of the Mission Community Health Check tool.

SECTION 172(1) STATEMENT

The trustees act in good faith to continually balance the success of EDBF against many other factors, including ensuring that:

- Business is conducted morally and ethically, in line with the EDBF's Code of Conduct;
- Short term gains do not have an adverse consequence on EDBF's long-term strategy, success and benefits;
- Employee and clergy welfare, training and interests are taken care of;
- Supplier relationships are strong, mutually beneficial and comply with EDBF's policies;
- Good relationships exist with our PCCs and MCs; and
- Any community and environmental impacts as a result of EDBF's operations are considered.

There have been no major changes to any of the above areas in 2023.

FINANCIAL REVIEW

Financial performance

The Consolidated Statement of Financial Activities (page 43) for the year shows that the income (before investment gains) totalled £17.2m (2022: £17.8m) and expenditure amounted to £17.5m (2022: £16.6m) resulting in net expenditure (before investment gains/losses) of £0.4m (2022: net income of £1.2m).

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FINANCIAL REVIEW (continued)

Financial performance (continued)

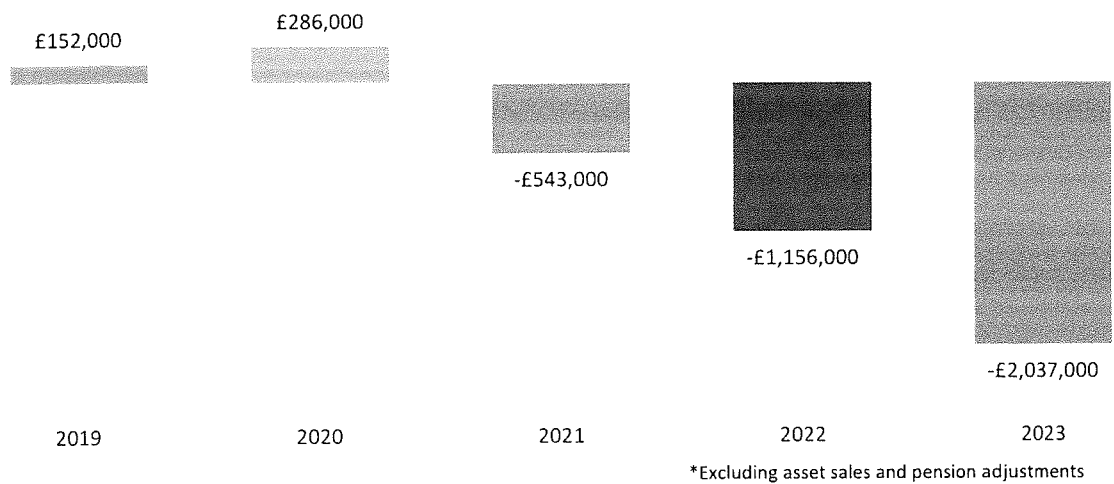
The net income, after allowing for net investment gains of £5m on investment properties and financial investments, resulted in a net increase in funds amounting to £4.7m. Total fund balances increased from £122.2m to £126.9m over the year.

The net operating deficit in 2023 was £2.0m, after excluding the surplus from sale of property.

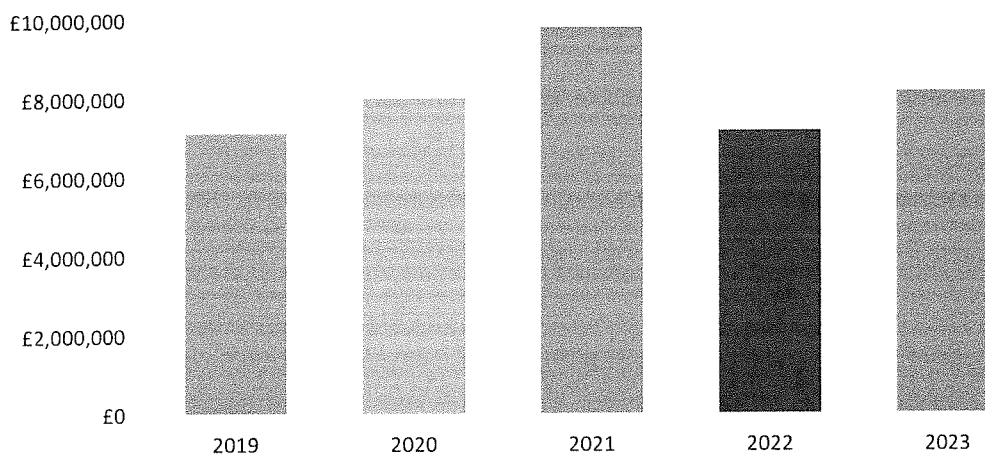
At 31 December 2023 the unrestricted and undesignated reserves (see Notes 20 and 21) amounted to £8.2m (2022: £7.2m).

There was an aggregate gain on the revaluation of investment assets of £5.0m, based on the value at the start of the year. The value of investment held as property increased by £1.2m and listed investments increased by of £3.8m.

Operational surplus/(deficit)*



Unrestricted Reserves balance



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FINANCIAL REVIEW (continued)

Significant Property Transactions

Whilst no new houses were purchased in 2023, our policy continues to be, as finance allows:

- To replace unsuitable properties;
- To accommodate the changing geographical deployment of clergy within the Diocese; and
- To realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

One area of glebe land was sold with planning permission and terms were agreed with a promoter for the development of two further parcels of glebe land.

Six houses and one flat were sold within the year and a planning appeal for a housing plot on a retained parcel of land was submitted.

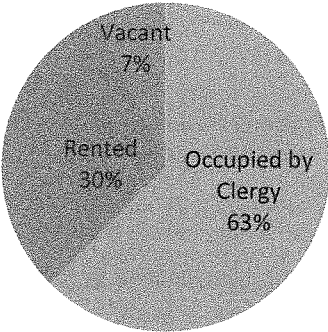
The long term aim continues to be to seek to maximise income returns and to adjust the balance of EDBF’s asset holdings, but sales are required to underpin cashflow and to support the budget in the short term.

Thirty-two in-going schemes were undertaken in advance of newly appointed clergy taking occupation and quinquennial repairs were instructed on 57 properties.

Properties continue to be rented when not needed to house clergy and the gross rental income achieved was £1.2m. A further £0.4m is received from the rental of glebe property and land.

Current use of Clergy Housing

Number of Clergy Houses in portfolio	315
Occupied by Clergy	195
Rented	95
Vacant	25



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FINANCIAL REVIEW (continued)

Balance sheet position

The trustees consider that the balance sheet together with details in note 21 show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held.

While the net assets at the balance sheet date totalled £126.8m (2022: £122.2m) it must be remembered that included in these totals are properties, mostly in use for the ministry, whose carrying value amounted to £57.5m (2022: £58.6m). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot be used for the general purposes of EDBF.

Reserves policy

Unrestricted reserves

EDBF needs unrestricted reserves for the following purposes:

- a) To cover Common Fund shortfalls in the short-term;
- b) To ensure that funds are available to cover the legal employment entitlements of all employees and stipendiary clergy;
- c) To cover expenditure during the time it would take for the Diocese to adjust to a major change resulting from external and irresistible forces;
- d) To provide a fund for specific aspects of diocesan work earmarked as coming from reserves; and
- e) Excess reserves being necessary in an individual year, in line with the expectations in the long-term finance plan.

EDBF aims for an ongoing level of unrestricted reserves of 25% to 30% of annual budgeted expenditure, in order to cover items a) to c), above. Any amounts required to cover items d) and e), above, are considered on an annual basis. The unrestricted free reserves as at 31 December 2023 are outside this range at 47% of 2024 budgeted expenditure of £17.4m. This is mainly the result of selling property assets that were previously in the designated fund. However, at the current time, with the significant economic uncertainty, and with a forecast deficit in 2024 of £2.6m, having a higher level of unrestricted reserves is considered necessary. EDBF also holds endowment and restricted reserves which are legally limited in use to specific purposes. Both EDBF's reserve policy and the level of reserves are reviewed annually.

Reserves tied up in fixed assets

The general (unrestricted) fund comprises net assets amounting to £8.2m of which £0.5m is tied up in intangible and tangible fixed assets.

Designated funds

The trustees may, with the approval of the Board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent.

**The Exeter Diocesan Board of Finance Limited
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FINANCIAL REVIEW (continued)

Reserves policy (continued)

Designated funds (continued)

Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention.

A description of each reserve together with the intended use of the reserve is set out in note 23. At 31 December 2023 total designated reserves were £21.5m (2022: £22.8m), of which £20.1m was tied up in tangible fixed assets.

Restricted and endowment funds

As set out in note 20 to 23 EDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2023 restricted funds totalled £5.6m (2022: £5.3m) and endowment funds totalled £91.5m (2022: £86.8m), with one proviso, neither is available for the general purposes of EDBF.

In December 2023, the directors of EDBF approved the adoption of Total Return Accounting in respect of the investments held within the Diocesan Stipends Capital Fund, under the powers given in the Stipends Funds (Amendment) Measure 2016. The directors approved a base date of 1 January 2001 and agreed to use the Consumer Prices Index (CPI) for the indexation. An initial sum of £900k has been allocated in the 2024 budget for work to improve the Energy Performance Certificate (EPC) rating and Net Zero in our clergy housing. Future allocation of funds from the Unapplied Total Return (UTR) allocation will be determined by the directors within the budget planning process for 2025 and beyond. As at 31 December 2023, the balance on the Trust for Investment amounted to £19.8m and is not available for the general purposes of EDBF. The balance on the Unapplied Total Return fund at the year-end was £27.8m. The Unapplied Total Return fund is available to support clergy stipends and housing over the long term.

Grant making and donations policies

All grants and donations are made in furtherance of EDBF's strategic aims and objectives – see note 11.

The policies on the making of principal grants are:

- Ordinands – grants for living expenses are paid to ordinands against an assessment of need in line with national policy;
- Removal and resettlement grants – grants normally covering the full cost of removal expenses and resettlement grants in line with national guidelines are available to stipendiary clergy on moving to or within the Diocese;
- Archbishops' Council – the Board continues to contribute to the various costs of the national church as requested; and
- Strategic Development Fund (SDF) – this fund relates to grants received from the Archbishops' Council and EDBF funding for those projects in receipt of SDF.

All grants are taken into account when a non-cancellable commitment to pay has arisen.

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FINANCIAL REVIEW (continued)

Investment policy

All investments held by EDBF have been acquired under powers available to the Trustees.

The investment of diocesan funds aims to achieve the income requirements of the diocesan budget, whilst maintaining, so far as possible, the purchasing power of the investments, year-on-year. Investment decisions will take account of the ethical considerations implicit in investing on behalf of the Diocese.

	Funds at 31 December 2023 £'000	Proportion of Portfolio	Income yield in year	Total Return in year
CCLA Managed				
CBF Investment Fund	34,347	100%	2.65%	+12.34%
CBF Deposit Fund	8	-	4.51%	+4.51%
Other Funds	5	-		
	<u>34,360</u>	100%		

EDBF also holds investment properties, in the form of three commercial properties and historic glebe land and property. These are all held within the Diocesan Stipends Capital Account (see notes 20 – 23).

	Funds at 31 December 2023 £'000	Income yield in year	Total Return in year
Investment Properties	27,101	1.38%	6.78%

Operational relationships

EDBF fosters relationships with the parishes across the diocese, through the provision of clergy, support and training and by engaging with them where it is important to obtain their views, particularly where there are Common Fund considerations. EDBF fosters relationships with suppliers by seeking to work with them to build mutually beneficial relationships and by paying invoices within agreed credit terms.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees are responsible for the identification, mitigation and or management of risk and have carried out a formal risk management process to assess business risks and to implement risk management strategies.

To help achieve this, a register of all the risks identified is maintained (the Risk Register) and, alongside it, a management and mitigation strategy formed. This is reviewed annually by the trustees.

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The above process has been delegated to the Assets Group with the responsibility for delivery of the mitigation identified by the annual review being delegated to the Diocesan Director of Finance.

The Risk Register identifies the types of risks that EDBF faces, prioritising them in terms of potential impact and likelihood of occurrence, and the means of mitigating them. The Assets Group in conjunction with officers keep under review known risks and seek to identify new circumstances which may pose a risk to EDBF as part of their ongoing work.

The current risks with the highest residual risk score and the steps taken by senior management to mitigate them are as follows:

- Fall in the number of people within our worshipping communities;
 - Clear statement of our vision and strategy is constantly reinforced by the Bishops and the senior leadership team
 - Provision of additional diocesan-wide support through the Lay Discipleship project and support to Mission Communities
 - Provision of Living in Love and Faith (LLF) resources, training and support for parishes and Mission Communities
 - A number of mission initiatives have been adopted to encourage and improve participation in church life, with support through Strategic Development Funding
- Financial sustainability of EDBF;
 - Financial plan, covering the period through to 2050
 - Regular reports to BDC and Diocesan Synod setting out the scale of the challenge and mitigation required
 - Sale of surplus DBF clergy housing, where no longer required for ministry
 - Adoption of Total Return accounting
 - Engagement with the Diocesan Finances Review
 - Engagement with the National Vision & Strategy team to develop plans for securing Diocesan Investment Programme funding
- A shortfall in the Common Fund request;
 - Regular communication of our vision and strategy by the Bishops and the senior leadership team
 - Support provided by the Mission Resources Team to parishes and MCs
 - Promotion of the Parish Giving Scheme as an effective means of regular giving
 - Development of the diocesan giving strategy

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- EDBF becoming responsible for (multiple) church buildings where there is no longer a PCC;
 - Through Growing the Rural Church initiative and pastoral reorganisation, the Church Buildings Strategy group ensures that information and support is available for the extended use of church buildings.
- Reduction in rental income due to changes in tenancy legislation;
 - Representation made to Government as part of recent consultation process relating to Section 21 (no fault) notices
 - Pastoral care and counselling services are available to all members of staff
- Failure to recruit and retain suitable qualified and skilled leaders and governors in our schools;
 - Engagement with national recruitment bodies
 - Work with strategic partners to ensure training opportunities are provided for future leaders
 - Work in partnership with multi-academy trusts and teaching schools to talent spot and to develop training packages
- Unexpected departure or protracted unavailability of a key member of management team;
 - Members of staff have been trained to a level where should this situation arise, there is resource available to cover key areas of responsibility
 - Annual appraisals and regular one to one meetings provide support and high-level communication, with reviews of workload pressures

The trustees are satisfied that all major risks have been reviewed and systems or procedures have been established to manage these risks.

STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is the established church, and HM The King is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 dioceses. Each diocese is a See under the care of a bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the diocese.

The National Church has a General Synod comprised of ex-officio and elected representatives from each diocese and it agrees Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for clergy and lay workers. Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that responsibility as bishop within the Diocesan Synod.

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STRUCTURE AND GOVERNANCE (continued)

Summary information about the structure of the Church of England (continued)

The Diocese of Exeter is itself divided into 21 deaneries, each with its own synod and within each parish there is a parochial church council which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod.

Whilst each diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each diocese to seek support from and work in partnership with neighbouring dioceses.

Organisational structure

EDBF is a company limited by guarantee (No. 00186001) registered in England & Wales and a registered charity (No. 249798) governed by its Memorandum and Articles of Association.

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Exeter. It was established in its present form in 1922 and is successor in title to the Exeter Diocesan Trustees.

EDBF's governance and oversight of policy development is the responsibility of the trustees, who are also directors of the company and trustees for the purposes of charity law.

The trustees/directors of EDBF can comprise:

- 11 ex-officio members consisting of the diocesan and two suffragan bishops, the dean, four archdeacons and the chairs of the Synod House of Clergy and Synod House of Laity and the Chair of EDBF;
- 4 clergy elected from the house of clergy from among their number on the basis of one per archdeaconry;
- 8 lay persons elected by members of the house of laity on the basis of two per archdeaconry; and
- A minimum of 3 and a maximum of 8 members nominated by the diocesan bishop.

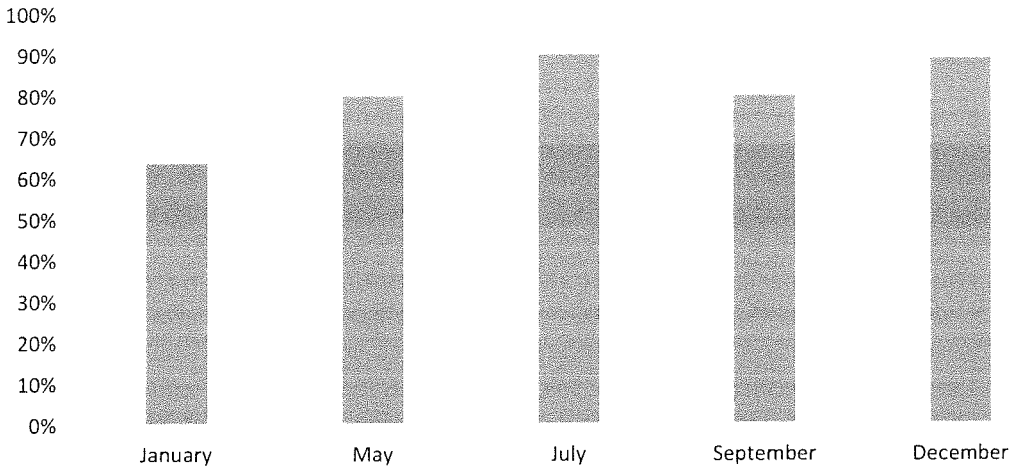
The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Diocesan Bishop. The Synod membership is elected every three years; the current members took office on 1 August 2021. Whilst EDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 EDBF is subject to the direction of the Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

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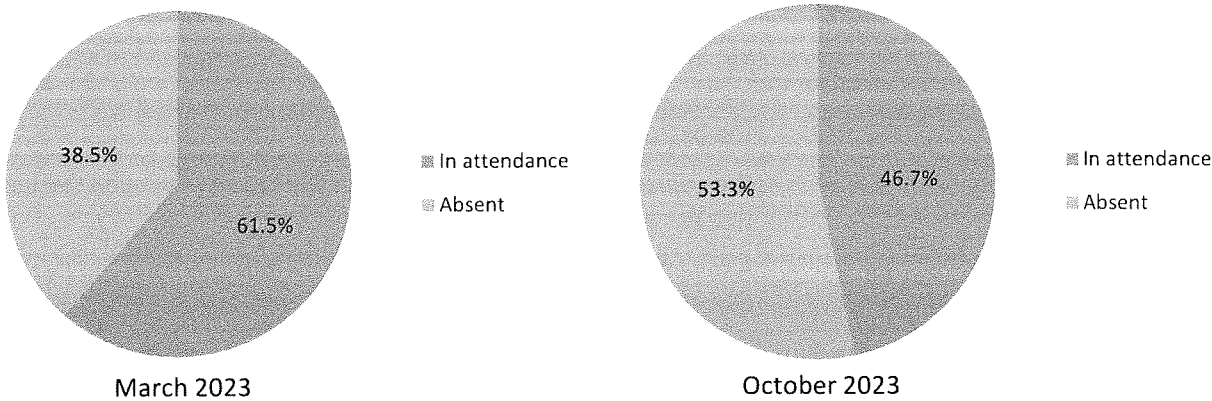
STRUCTURE AND GOVERNANCE (continued)

Attendance rates at meetings in 2023

Attendance rates at Bishop's Diocesan Council



Attendance rates at Diocesan Synod



Governance Update 2023

The first half of 2023 witnessed an important innovation in the governance of the Diocese, as well as significant decision-making in two policy areas in particular. In respect of the former, on 1st January new arrangements arising from the Diocesan Boards of Education Measure were brought into effect such that the functions of the Diocesan Board of Education, as specified in the Measure, were delegated to a new committee of the Diocesan Board of Finance, operating under clear terms of reference, called the Diocesan Board of Education Committee.

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STRUCTURE AND GOVERNANCE (continued)

Governance Update 2023 (continued)

In terms of policy development, the Diocesan Synod approved for the first time a Diocesan Racial Justice Charter and Strategy and in so doing it started on a journey to implement the recommendations of the national report 'From Lament to Action'. It also approved a series of commitments and long-term strategic targets relating to the achievement of Net Zero Carbon that will be in delivery for the best part of a decade.

Heading into the second half of the year, governance work was strongly impacted by the retirement of Bishop Robert, which triggered a wide range of statutory processes and activated the work of the Vacancy in See Committee. The members of the Committee, supported by a wide range of DBF staff, undertook consultations, drafted the required Diocesan Statement of Needs and elected representatives to the Crown Nominations Commission, that would ultimately be responsible for discerning the identity of the next Bishop of Exeter.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, to support its primary object to promote, assist and advance the work of the Church of England within the Diocese of Exeter are set by the Diocesan Synod and EDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary.

EDBF meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by EDBF.

The trustees, meeting within the context of the Bishop's Diocesan Council, hold up to six meetings during the year to formulate and coordinate policies on mission, ministry and finance by:

- Initiating proposals for action by the Synod and advising it on matters of policy;
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with Synod Standing Orders;
- Acting as the trustees of EDBF;
- Planning the business of the Synod, preparing the agenda for its session, and circulating to members information about matters for discussion;
- Advising the Bishop on any matters he may refer to the committee;
- Initiating consideration of any restructuring of Committees and Departments which may appear necessary and for the establishment of ad hoc review groups, their terms of reference and membership;
- Carrying out such other functions as the Synod delegates to it; and
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod.

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

Other than the Board's Standing Committee, which may make urgent decisions on behalf of the Board between meetings and has responsibility for staffing and personnel matters, EDBF has the following sub committees, each of which have written terms of reference:

Assets Group

This Group has responsibility for monitoring all diocesan income and expenditure and the investment and protection of assets.

The Bishop's Strategy Group

This Group comprises the Bishop's Staff Team, the Chairs of both the House of Clergy and Laity, the Chair and Vice Chairs of the Board of Finance and members of the Senior Management Team, who attend as required, depending on the subject matter. The Group has a strategic focus and the subjects discussed are in line with the Diocesan Vision & Strategy. The Group's decisions will be directed by the Board and Bishop's Diocesan Council in accordance with the policies agreed by the Diocesan Synod. The Group is also responsible for considering and advising the Board on key financial considerations and the annual budget setting process.

In addition to these sub-committees EDBF is assisted in its work by the following other committees:

Exeter Diocesan Board of Education

The Board has a responsibility to promote or assist in the advancement of education, which is consistent with the faith and practice of the Church of England, and in the promotion and assistance of religious education and religious worship in schools. In our 134 Church of England schools, of which 78 are academies and 56 are maintained schools (26 Voluntary Aided and 30 Voluntary Controlled), the Board has a responsibility to assist and advise governors on matters affecting church schools, and to promote co-operation between the Board and others involved with education in the Diocese. As part of this, the Diocese is keen to ensure the Christian distinctiveness of all Church of England schools is protected and enhances their community. Under the Diocesan Boards of Education Measure 2021, the DBE became a formal sub-committee of the DBF from 1 January 2023.

Parsonages Committee

This committee, which has the same membership as the Assets Group, is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting policy for buying, repairing, maintaining and any disposal of parsonage houses, team vicarages and houses owned by EDBF. There are four archidiaconal parsonage committees which exercise delegated powers for the day-to-day decisions on clergy housing.

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

Glebe Committee

This committee, which has the same membership as the Assets Group, is responsible for determining policy and making decisions concerning the management of glebe property and investments for the benefit of the diocesan stipends fund.

Diocesan Mission and Pastoral Committee

This committee, which has the same membership as the Bishop's Council and Standing Committee and the trustees of EDBF, is responsible for the reorganisation of parishes, benefices, church buildings, deaneries and archdeaconries, taking account of available clergy numbers and making use of new patterns of ministry.

Diocesan Advisory Committee for the Care of Churches

This committee advises on matters affecting churches and places of worship such as the granting of faculties, architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

Exeter Diocesan Board of Patronage

The Board is constituted under the provisions of the Patronage (Benefices) Measure 1986 and is sole patron or joint patron of a number of benefices.

Church Building Strategy Committee

This committee carries out statutory functions with regard to churches, which either have been closed for regular worship, or where that option is being considered.

Vacancy in See Committee

This committee under the Vacancy in See Regulations 1993 (as amended) assumes certain responsibilities in the event of a vacancy in the post of diocesan bishop.

Diocesan Synod

The Diocese of Exeter has its origins in the creation of a diocese for Devon in 909AD and took broadly its present form in 1877 when the Diocese of Truro was created as a separate diocese. The ecclesiastical boundaries of the Diocese equate almost exactly to the county of Devon, which covers an area of 6,707 square kilometres (2,589 square miles).

Devon is predominantly rural, with two major moorland areas, but also includes the two cities of Plymouth and Exeter and the urban area of Torbay. The overall resident population of the county is more than 1.2 million, with the north and south coastal areas attracting many tourists in the summer months.

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STRUCTURE AND GOVERNANCE (continued)

Diocesan Synod (continued)

The governance of the Diocese provides for elected clergy and lay members alongside the Bishop in Diocesan Synod, which also includes ex-officio members such as Suffragan Bishops, Archdeacons and the Dean, as well as co-opted members appointed for their skill or experience. Diocesan Synod is presided over by the Diocesan Bishop. Its role is to:

- Consider matters affecting the Church of England in the Diocese;
- Act as a forum for debate of Christian opinion on matters of religious or public interest;
- Advise the Diocesan Bishop where requested;
- Deal with matters referred to it by General Synod; and
- Provide for the finances of the Diocese through EDBF.

At archdeaconry and deanery levels

The Diocese consists of 482 parishes arranged into 21 deaneries within the four archdeaconries of Exeter, Totnes, Barnstaple and Plymouth. Within these parishes there are 594 Church of England places of worship in the Diocese, the 4th highest number in England.

Each deanery has a Synod consisting of a house of clergy and a house of laity. The Synod is chaired jointly by the Lay Chair, elected by the lay members from among their number, and the Rural Dean, who is appointed by the clergy and commissioned by the Diocesan Bishop.

The role of the Deanery Synod is to:

- Give effect to the decisions made by Diocesan Synod;
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- Raise with Diocesan Synod such matters as it considers appropriate; and
- Elect members of the deanery to Diocesan Synod and of the Diocese to General Synod.

Mission Communities

Whilst MCs are a central part of the structure and governance of the Diocese, they are not of themselves legal entities.

MCs will vary from place to place, but will usually involve 150 or more worshipping adults, together with children and young people, in order to form a critical mass. The commitment to work together may be formalised as a united benefice, as a single parish, as a team ministry, or be expressed through a looser partnership.

Each MC is encouraged to have a Mission Community Action Plan. This should be a working document which helps the local church look outwards, to grow in prayer, to make new disciples and to serve the people of Devon with joy.

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STRUCTURE AND GOVERNANCE (continued)

At a parish level

Each ecclesiastical parish has a PCC, whose members include the local parochial clergy, locally elected members of the Diocesan and Deanery Synods, the Churchwardens, a number of elected representatives and, possibly, a small number of co-opted members. Its members are trustees and therefore have trustee responsibilities.

Under current charity law, PCCs with an income of under £100,000 a year are classified as charities but are currently excepted from registration with the Charity Commission. PCCs with an income in excess of £100,000 in any year are required to register as charities with the Charity Commission. The financial transactions and balances of PCCs are not reflected in these financial statements.

Exeter Cathedral

The Cathedral is the seat of the Bishop and a centre of worship, teaching and mission. It has its own separate legal charitable constitution and prepares its own financial statements, copies of which may be obtained from the Cathedral Office, 1 The Cloisters, Exeter, EX1 1HS. Exeter Cathedral does not form part of EDBF group for accounting purposes.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out above. Trustees are given induction at the beginning of each three-year term (triennium) and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest.

Standing Committee of the Exeter Diocesan Board of Finance

Emoluments of senior employees are determined by the Standing Committee of the Bishop's Council, consisting of the Chair of EDBF, the Diocesan Secretary (non-voting), and up to four other Directors (normally the Chairs of the Houses of Clergy and Laity or their deputies, plus one further member elected by EDBF).

The terms of reference for this group is established by the Bishop's Diocesan Council and include: agreeing the annual increases in salaries for all lay staff; considering and determining changes in the grading of any lay staff; to respond to requests from staff to alter working hours, levels of responsibility or other elements of their employment contract; to make recommendations regarding staffing levels, needs or problems in any area; to assess options and proposals for structural changes in the way in which EDBF operates; and to take decisions on behalf of EDBF on matters which must be decided urgently and for which it is impossible for the normal processes to apply.

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STRUCTURE AND GOVERNANCE (continued)

Delegation of day-to-day delivery

The trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and his colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of EDBF in accordance with the policies framed by the trustees.

Funds held as Custodian Trustee

EDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are PCCs and others. These assets are not aggregated in the financial statements as they do not form part of EDBF's assets. They are segregated from EDBF's own assets in separate bank and investments accounts and are accounted for separately.

Further details of financial trust assets, whose market value amounted to £22.6m at 31 December 2023 (2022: £21.8m), are available from EDBF on request, and are summarised in note 29. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by EDBF's solicitor, Stephens Scown LLP.

Funds held on behalf of schools

The Board of Education (as incorporated within EDBF) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amounts included in creditors as at 31 December 2023 were:

- £599,000 (2022: £706,000) received from governors and the Department for Education in advance of repairs and improvements to schools, held in the general bank account; and
- £391,000 (2022: £613,000) held in a separate CCLA deposit account on behalf of the governors of Church of England schools in respect of building funds devolved from the Department for Education.

The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £1.8m and £1.7m respectively in 2023 (2022: £2.4m and £1.5m). The Excess of income over expenditure in the year is due to the timing of receipt of funding (mainly in advance) for school capital projects.

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TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of EDBF for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements, unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and parent charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the group and parent charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

In so far as the Trustees are aware:

- a) There is no relevant audit information of which EDBF's auditor is unaware; and
- b) The Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that EDBF's auditor is aware of that information.

APPOINTMENT OF AUDITORS

The re-appointment of Bishop Fleming LLP as auditors to EDBF will be proposed at the Annual General Meeting.

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ADMINISTRATIVE DETAILS

Trustees

The trustees and directors of EDBF are either ex-officio, nominated, elected or appointed as detailed in the standing orders of Exeter Diocesan Synod, a copy of which can be inspected at EDBF's registered office. The following were directors throughout the year (unless otherwise stated):

Ex officio

The Rt Rev Robert Atwell, Lord Bishop of Exeter (until 30 September 2023)
The Rt Rev Jacqueline Searle, Acting Bishop of Exeter and Bishop of Crediton
The Rt Rev James Grier, Bishop of Plymouth
The Ven Jane Bakker, Archdeacon of Plymouth (from 13 June 2023)
The Ven Andrew Beane, Archdeacon of Exeter
The Ven Verena Breed, Archdeacon of Barnstaple
The Ven Douglas Dettmer, Archdeacon of Totnes
The Ven Nicholas Shutt, Archdeacon of Plymouth (until 30 April 2023)
The Very Rev Jonathan Greener, Dean of Exeter
The Rev Preb Michael Partridge (Chair, House of Clergy)
Mr Giles Frampton (nominated by the Bishop as Chair)
Mrs Annie Jefferies (Chair, House of Laity)

Appointed by the Bishop

Mrs Laura Ford
Dr Lystra Hagley-Dickinson (from 20 June 2023)
The Rev Tanya Hockley-Still (from 22 May 2023)
Mr Robert Mills (Vice Chair)
The Rev Samantha Stayte
The Rev Canon Dr Michael Williams (Vice Chair)
Dr Michael Wykes

Elected by Barnstaple Archdeaconry

Mr Nigel Price
The Rev Rosie Austin (from 28 June 2023)

Elected by Exeter Archdeaconry

Mrs Antoinette Foreman
The Rev Edward Hobbs
Mr Keith Rushforth

Elected by Plymouth Archdeaconry

The Rev Andrew Atkins
Mr Michael Jefferies
Mr Julian Payne (until 22 November 2023)

Elected by Totnes Archdeaconry

Ms Hannah Dunn (until 8 May 2023)
The Rev Peter March
Mr Stephen Macey

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023

ADMINISTRATIVE DETAILS (continued)

Senior staff and advisers

Diocesan Secretary	Stephen Hancock
Assistant Diocesan Secretary	Ed Moffatt
Director of Mission & Ministry	Philip Sourbut (until 30/06/2023)
Director of Mission & Ministry	Ian Bussell (from 02/05/2023)
Director of Education	Sue Lockwood
Director of Finance and Company Secretary	Neil Williams
Director of People & Safeguarding	Anthea Carter-Savigear
Director of Property	Graham Davies
Director of Communications	Chloe Axford
Strategic Programme Manager	Rafael Krasnodebski
Operations Manager	Annemarie Kendell

Registered Office: The Old Deanery
The Cloisters
Exeter. EX1 1HS

Bankers: NatWest Bank plc
59 High Street
Exeter. EX4 3DP

Auditors: Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor, Stratus House,
Emperor Way, Exeter Business Park
Exeter. EX1 3QS

Solicitors: Stephens Scown LLP
Curzon House
Southernhay West
Exeter. EX1 1RS

Investment advisers: CCLA Investment Management Ltd
One Angel Lane
London. EC4R 3AB

Insurance brokers: PIB Insurance Brokers
Poppleton Grange
Low Poppleton Lane
York. YO26 6GZ

Main Insurers: Ecclesiastical Insurance Group plc
Montpellier House
Montpellier
Gloucester. GL1 1LF

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

ADMINISTRATIVE DETAILS (continued)

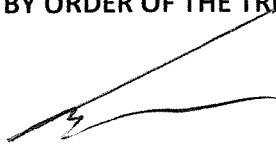
The directors and trustees of the Board's subsidiary undertakings who served throughout the year (unless otherwise stated) were as follows:

DIRECTORS OF EDPS LIMITED

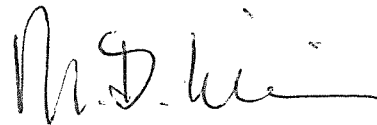
Mr Giles Frampton (Chair)
Mrs Jan Keliher
The Rev Canon Dr Michael Williams
Mr Neil Williams

In approving this Annual Report (pages 3 – 37), the trustees are also approving the Strategic Report included on pages 4 – 25 within their capacity as company directors.

BY ORDER OF THE TRUSTEES



Giles Frampton
Chair
16 July 2024



Michael Williams
Vice Chair

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN BOARD OF FINANCE LIMITED

We have audited the financial statements of the Exeter Diocesan Board of Finance Limited (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 31 December 2023 which comprise the consolidated statement of the financial activities, the consolidated income and expenditure account, the consolidated and EDBF balance sheets, the consolidated cashflow statement and 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 United Kingdom 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 the parent charitable company's affairs as at 31 December 2023, and of the groups incoming resources and application of resources, including its income and expenditure, 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 requirements of the Companies Act 2006.

Basis of 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 and parent charitable company 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 trustees' 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 group's or parent charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Other information

The other information comprises the information included in the annual report and consolidated financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and consolidated financial statements. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' report (incorporating the strategic report and the directors' report prepared for the purposes of Company Law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the group and parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The group and parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 34, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and parent charitable company'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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditors under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We have considered the nature of the sector, control environment and financial performance of the group and parent charitable company;
- We have considered the results of enquiries with management and Directors in relation to their own identification and assessment of the risk of irregularities within the group and parent charitable company;

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisations for fraud and identified incorrect revenue recognition to be a significant risk. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override of controls, including through the use of journal entries, this being a further significant risk.

We have also obtained understanding of the legal and regulatory frameworks that the group and parent charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Acts, Church Measures, FRS 102, the Charities SORP and tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent charitable company's ability to operate or avoid a material penalty. These included employment and health and safety legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of Bishop's Diocesan Council meetings;
- Enquiring of management and those charged with governance in relation to actual and potential claims or litigations;
- Reviewing the financial statements disclosures and testing to supporting documentation to assess the recognition of revenue; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

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.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and group and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Craig Sullivan FCCA (Senior Statutory Auditor)
For and on behalf of:
Bishop Fleming LLP, Chartered Accountants & Statutory Auditors
2nd Floor, Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS

14 August 2024

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2023

	Note	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2023	Total funds 2022
		General £'000	Designated £'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations	2						
Parish contributions		8,485	-	-	-	8,485	8,624
Archbishop's Council		15	-	1,652	-	1,667	1,971
Other donations		171	-	1,359	-	1,530	1,220
Charitable activities	3	711	-	69	-	780	754
Other trading activities	4	1,411	-	-	-	1,411	1,492
Investments	5	608	1	988	-	1,597	1,503
Other	6	1,237	-	-	444	1,681	2,231
Total income and endowments		12,638	1	4,068	444	17,151	17,795
Expenditure on							
Costs of raising funds	7	176	-	72	-	248	283
Charitable activities	8	13,338	108	3,813	-	17,259	16,294
Total expenditure		13,514	108	3,885	-	17,507	16,577
Net income/(expenditure) before investment gains		(876)	(107)	183	444	(356)	1,218
Net gain/(loss) on investments	16	1,229	11	280	3,516	5,036	5,936
Net income/(expenditure)		353	(96)	463	3,960	4,680	7,154
Transfers between funds	13	630	(1,190)	(133)	693	-	-
Net movement in funds		983	(1,286)	330	4,653	4,680	7,154
Total funds brought forward		7,210	22,803	5,314	86,838	122,165	115,011
Total funds carried forward	20	8,193	21,517	5,644	91,491	126,845	122,165

All activities derive from continuing activities. The notes on pages 48 to 92 form part of the financial statements.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2023**

	Total 2023 £'000	Total 2022 £'000
Total incoming resources	16,707	16,442
Resources expended	(17,507)	(16,577)
Operating surplus/(deficit) for the year	(800)	(135)
Net gain/(loss) on investments	1,520	(1,729)
Net income for the year	720	(1,864)
Other comprehensive income:		
Net assets transferred (to)/from endowments	(693)	(479)
Total comprehensive income	27	(2,343)

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023

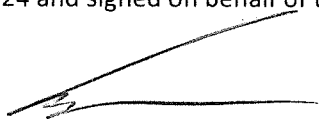
CONSOLIDATED AND EDBF BALANCE SHEETS
At 31 December 2023

<i>Company Number – 186001</i>		2023		2022	
	Note	Group £'000	EDBF £'000	Group £'000	EDBF £'000
FIXED ASSETS					
<i>Intangible Assets</i>	14	39	39	59	59
<i>Tangible assets</i>	15	57,698	57,698	58,828	58,828
<i>Investments</i>	16	61,461	61,461	61,570	61,570
Total fixed assets		<u>119,198</u>	<u>119,198</u>	<u>120,457</u>	<u>120,457</u>
CURRENT ASSETS					
<i>Debtors</i>	17	1,904	1,992	1,678	1,842
<i>Cash on deposit</i>		35	35	34	34
<i>Cash at bank and in hand</i>		8,848	8,737	3,492	3,284
Total current assets		<u>10,787</u>	<u>10,764</u>	<u>5,204</u>	<u>5,160</u>
CREDITORS: amounts falling due within one year	18	<u>(2,354)</u>	<u>(2,340)</u>	<u>(2,310)</u>	<u>(2,275)</u>
NET CURRENT ASSETS		<u>8,433</u>	<u>8,424</u>	<u>2,894</u>	<u>2,885</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		127,631	127,622	123,351	123,342
CREDITORS: amounts falling due after one year	19	<u>(786)</u>	<u>(786)</u>	<u>(1,186)</u>	<u>(1,186)</u>
TOTAL NET ASSETS		<u><u>126,845</u></u>	<u><u>126,836</u></u>	<u><u>122,165</u></u>	<u><u>122,156</u></u>
FUNDS					
Endowment funds					
<i>(Including investment revaluation reserve of £34,222k (2022: £31,902k))</i>		91,491	91,491	86,838	86,838
Restricted income funds					
<i>(Including investment revaluation reserve of £1,403k (2022: £1,123k))</i>		5,644	5,644	5,314	5,314
Unrestricted income funds:					
<i>General Funds (Including investment revaluation reserve of £3,273k (2022: £3,121k))</i>		8,184	8,184	7,201	7,201
<i>Designated Funds (Including investment revaluation reserve of (£8k) (2022: £3k))</i>		21,517	21,517	22,803	22,803
<i>Trading subsidiary</i>		9	-	9	-
TOTAL CHARITY FUNDS	21	<u><u>126,845</u></u>	<u><u>126,836</u></u>	<u><u>122,165</u></u>	<u><u>122,156</u></u>

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

**CONSOLIDATED AND EDBF BALANCE SHEETS (continued)
At 31 December 2023**

The Cash Flow Statement and the notes on pages 48 to 92 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 16 July 2024 and signed on behalf of the Board by:



**Giles Frampton
Chair of the Board**

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating Activities		(5,020)		(3,012)
Cash flows from investing activities				
Dividends, interest and rent from investments	2,852		2,726	
Proceeds from the sale of:				
Tangible fixed assets	3,151		3,339	
Fixed asset investments	5,000		456	
Purchase of:				
Tangible fixed assets for the use of the EDBF	(210)		(1,395)	
Fixed asset investments	-		(292)	
Net cash provided by/(used in) investing Activities		10,793		4,834
Cash flows from financing activities				
Loans repaid by the EDBF	(434)		(434)	
New lending by EDBF	(15)		(61)	
Loans repaid to EDBF	33		120	
Net cash provided by/(used in) financing Activities		(416)		(375)
Change in cash and cash equivalents in the reporting period		5,357		1,447
Cash and cash equivalents at 1 January		3,526		2,079
Cash and cash equivalents at 31 December		8,883		3,526
Reconciliation of net income/(expenditure) before investment gains to net cash flow from operating activities				
Net income/(expenditure) before investment gains for the year ended 31 December		(356)		1,218
Adjustments for:				
Depreciation/amortisation charges		48		40
Dividends, interest and rent from investments		(2,852)		(2,726)
Surplus/(deficit) on sale of functional assets		(1,681)		(2,231)
Decrease/(increase) in debtors		(224)		457
(Decrease)/increase in creditors		45		230
Net cash provided by/(used in) operating activities		(5,020)		(3,012)
Analysis of cash and cash equivalents				
Cash in hand		8,848		3,492
Notice deposits (less than 3 months)		35		34
		8,883		3,526

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019 (FRS 102)), the Companies Act 2006 and applicable accounting standards (FRS 102) (effective 1 January 2019).

EDBF meets the definition of a public benefit entity under FRS 102. It is a company limited by guarantee and is constituted under a memorandum and articles of association. The company is also a registered charity. The address of the registered office is given in the administrative details on page 36. The nature of the charity's operations and its principal activities are set out in the annual report.

These financial statements consolidate the results of the company and its wholly owned subsidiary (see Note 33) on a line-by-line basis. A separate Statement of Financial Activities and income and expenditure account for the company has not been presented because the company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The principal accounting policies and estimation techniques are as follows:

a) Income

All income is included in the Statement of Financial Activities (SOFA) when EDBF is legally entitled to the income or capital respectively, ultimate receipt is more likely than not and the amount to be recognised can be quantified with reasonable accuracy.

- i) **Common Fund (Parish contributions)** is recognised as income of the year in respect of which it is receivable, with a cut-off date of 29 February 2024 for the 2023 year.
- ii) **Rental income** is brought into the accounts when receivable.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v) **Statutory Parochial fees** are recognised as income of the year to which they relate with a cut-off date of 29 February 2024 for the 2023 year.
- vi) **Donations** other than grants are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the EDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other resources expended.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2023

1. ACCOUNTING POLICIES (continued)

b) Expenditure

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category.

- i) **Expenditure on raising funds** is constrained to costs relating to the investment management costs of glebe and any other investment properties and the running costs of EDPS Ltd, EDBF's trading subsidiary.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, and expenditure on education and Church of England schools in the Diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient, except in those cases where the offer is conditional and there are no conditions at the discretion of EDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** EDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pension Scheme (see note 27). The pension costs charged as resources expended represent EDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the multi-employer pension schemes to which EDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year, with any adjustments required reflected in the SOFA.
- vi) **Redundancy and termination payments** are recognised when EDBF is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date, or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.
- vii) **Irrecoverable VAT** is charged as a cost against the activity for which the expenditure was incurred.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2023**

1. ACCOUNTING POLICIES (continued)

c) Tangible fixed assets and depreciation

Freehold properties

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. EDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence.

In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the original value of the related loan at the balance sheet date.

Investment properties and land

Glebe properties and land which are held for investment purposes and rented out have been included at their fair value.

Parsonage houses

EDBF has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. EDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their historic cost value.

d) Other tangible fixed assets

All capital expenditure over £1,000 is capitalised and depreciated as follows. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:

Motor vehicles	25% per annum	reducing balance basis
Fixtures and fittings	10% per annum	straight line basis
Equipment	25% per annum	straight line basis
Telephone system	10% per annum	straight line basis
Photovoltaic panels	4% per annum	straight line basis

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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1. ACCOUNTING POLICIES (continued)

- e) **Fixed asset investments** are included in the balance sheet at fair value and the gain or loss taken to the Statement of Financial Activities. The investment in the subsidiary undertaking is valued at cost less any provisions for impairment.
- f) **Leases.** EDBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause (if expected to be exercised) whichever is shorter in time.
- g) **Debtors.** Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.
- h) **Cash at bank and in hand and cash on deposit.** Cash at bank and in hand and cash on deposit includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening.
- i) **Creditors and provisions.** Creditors and provisions are recognised where the group and parent charity 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.
- j) **Financial instruments.** EDBF only has material financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.
- k) **Fund balances**
Fund Balances are split between unrestricted (general and designated), restricted and endowment funds.
- **Unrestricted funds** are EDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of EDBF. There are two types of unrestricted funds:
 - **General funds** which EDBF intends to use for the general purposes of EDBF; and
 - **Designated funds** set aside out of unrestricted funds by EDBF for a purpose specified by the Trustees.
 - **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

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1. ACCOUNTING POLICIES (continued)

- **Endowment funds** are those held on trust to be retained for the benefit of the charitable company or group as a capital fund. In the case of the endowment funds administered by EDBF, there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

Trusts where EDBF acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the notes to the financial statements.

- l) Preparation of the accounts on a going concern basis.** Having undertaken a review, the Trustees have no concerns about the ability of EDBF to meet its liabilities and on that basis the company is a going concern.
- m) Significant accounting estimates.** The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Revaluation of investment properties

EDBF carries its investment property at fair value, with changes in fair value being recognised in the Statement of Financial Activities. Commercial investment properties are revalued each year by an independent valuation specialist. Glebe property is revalued by an independent valuation specialist every five years, with annual reviews of fair value made by management with reference to appropriate indices, or to reflect any changes in the status of the property. Where appropriate, the valuation will reflect the development potential of individual glebe holdings.

Pension and other post-employment benefits

The liabilities in respect of defined benefit pension schemes and other pension related provisions are determined using actuarial calculations by an independent actuary. The calculations involve making assumptions about discount rates, future salary increases, mortality rates and future pension increases.

Depreciation of freehold properties

The board does not depreciate its freehold properties as it judges any depreciation charge to be immaterial on the basis of the long life of the asset and high residual value on the basis of the board policy of regular maintenance. The board carries out an annual impairment review.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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1. ACCOUNTING POLICIES (continued)

Benefice houses recognition

Benefice houses are legally vested in the incumbent of the benefice. However, the board recognises these as functional assets of the board on the basis that the board carries both obligations in terms of maintenance and improvement and beneficial entitlements of ownership.

2. DONATIONS

Parish Contributions

The majority of donations are collected from the parishes of the Diocese through the common fund system.

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year assessments	9,021	-	-	-	9,021	8,958
Shortfall in contributions	(628)	-	-	-	(628)	(482)
	<u>8,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,393</u>	<u>8,476</u>
Receipts for previous years	92	-	-	-	92	136
Receipts for future years	-	-	-	-	-	12
Total Income	<u>8,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,485</u>	<u>8,624</u>

Current year common fund receipts represent 93.04% of the total assessed (2022: 94.62%).

Archbishop's Council

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Lowest Income Communities Funding	-	-	1,204	-	1,204	1,190
Strategic Ministry Funding	-	-	420	-	420	318
Parish Energy Support Grant	-	-	-	-	-	463
Capacity Grant	-	-	18	-	18	-
Net Zero Carbon Grant	15	-	10	-	25	-
	<u>15</u>	<u>-</u>	<u>1,652</u>	<u>-</u>	<u>1,667</u>	<u>1,971</u>

The Lowest Income Communities Funding is the annual grant for either supporting specific parish mission and development projects or for clergy stipends.

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2. DONATIONS (continued)

Other donations and grants

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
	General £'000	Designated £'000				
Benefact Trust	129	-	-	-	129	147
Legacies	-	-	-	-	-	-
Other Donations and grants	42	-	1,201	-	1,243	800
Resourcing Ministerial Education	-	-	158	-	158	273
	<u>171</u>	<u>-</u>	<u>1,359</u>	<u>-</u>	<u>1,530</u>	<u>1,220</u>

The other donations and grants figure above includes the following: Strategic Development Funding (£1,012k); Diocesan Investment Programme Funding (£189k) and Other grants (£42k).

3. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
	General £'000	Designated £'000				
Statutory fees	606	-	-	-	606	604
Chaplaincy income	9	-	57	-	66	73
Feed in/Export Tariffs						
- PV panels	44	-	-	-	44	22
Course/training fees	26	-	-	-	26	24
Miscellaneous income	26	-	12	-	38	31
	<u>711</u>	<u>-</u>	<u>69</u>	<u>-</u>	<u>780</u>	<u>754</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
	General £'000	Designated £'000				
Housing income	1,240	-	-	-	1,240	1,207
Other rental income	16	-	-	-	16	16
Trading – EDPS Ltd	155	-	-	-	155	269
	<u>1,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,411</u>	<u>1,492</u>

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5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
	General £'000	Designated £'000				
Dividends receivable	417	-	614	-	1,031	1,066
Interest receivable	191	1	1	-	193	30
Rents receivable	-	-	373	-	373	407
	<u>608</u>	<u>1</u>	<u>988</u>	<u>-</u>	<u>1,597</u>	<u>1,503</u>

6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
	General £'000	Designated £'000				
Gains on sale of Properties	1,237	-	-	444	1,681	2,231
	<u>1,237</u>	<u>-</u>	<u>-</u>	<u>444</u>	<u>1,681</u>	<u>2,231</u>

7. COSTS OF RAISING FUNDS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
	General £'000	Designated £'000				
Glebe agents' fees	-	-	46	-	46	48
Other glebe expenses	30	-	26	-	56	54
Trading activities – EDPS Ltd	146	-	-	-	146	181
	<u>176</u>	<u>-</u>	<u>72</u>	<u>-</u>	<u>248</u>	<u>283</u>

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8. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	Total funds
	General £'000	Designated £'000			2023 £'000	2022 £'000
Contributions to Archbishops' Council						
Training for Ministry National Church Responsibilities	346	-	-	-	346	346
Grants and provisions	203	-	-	-	203	212
Mission agency pension Costs	36	-	-	-	36	29
Retired clergy housing Costs	11	-	-	-	11	14
Pooling of ordinands maintenance grants	137	-	-	-	137	131
	45	-	-	-	45	44
	<u>778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>778</u>	<u>776</u>
Resourcing Ministry and Mission						
Parish Ministry						
Stipends and national Insurance	3,239	-	2,524	-	5,763	5,610
Pension costs	1,351	-	16	-	1,367	1,578
Housing costs	3,994	-	3	-	3,997	2,983
Removal, resettlement and grants	242	-	-	-	242	213
Clergy Pension Fund Deficit	-	-	-	-	-	(143)
Other expenses	285	-	16	-	301	325
	<u>9,111</u>	<u>-</u>	<u>2,559</u>	<u>-</u>	<u>11,670</u>	<u>10,566</u>
Support for parish ministry						
Mission and Ministry	1,270	108	1,222	-	2,600	2,236
Creation Care & Social Justice	100	-	-	-	100	77
Mission and Ministry Development and Growth Fund	-	-	-	-	-	26
Parish Energy Support grants	-	-	-	-	-	463
Cooper Legacy grants	-	-	-	-	-	10
Support services	1,542	-	20	-	1,562	1,594
	<u>12,023</u>	<u>108</u>	<u>3,801</u>	<u>-</u>	<u>15,932</u>	<u>14,972</u>
Expenditure on Education and Church of England Schools						
Support for church schools and parishes	537	-	12	-	549	546
	<u>13,338</u>	<u>108</u>	<u>3,813</u>	<u>-</u>	<u>17,259</u>	<u>16,294</u>

The year-on-year increase in housing costs of £1m relates to the continued catch-up from works delayed during the pandemic, the significant increase in labour and material costs and a higher number of clergy moving into properties in the year.

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9. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Pension Funds Deficit Adjustment £'000	Total costs 2023 £'000	Total costs 2022 £'000
Raisings funds						
Charitable activities:	248	-	-	-	248	283
Contributions to Archbishop's Council	-	778	-	-	778	776
Resourcing parish ministry	12,851	1,519	1,562	-	15,932	14,972
Education	549	-	-	-	549	546
	<u>13,648</u>	<u>2,297</u>	<u>1,562</u>	<u>-</u>	<u>17,507</u>	<u>16,577</u>

Net income/(expenditure) for the year is stated after charging amortisation £20k (2022: £19k), depreciation £28k (2022: £22k) and audit fees EDBF £24k, EDPS £5k (2022: EDBF £23k, EDPS £3k).

10. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
	General £'000	Designated £'000				
Central support/administration	1,413	-	20	-	1,433	1,444
Governance:						
External audit of EDBF	24	-	-	-	24	23
External audit of EDPS	5	-	-	-	5	3
Registrar and Chancellor	86	-	-	-	86	99
Synodical costs	14	-	-	-	14	25
	<u>1,542</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>1,562</u>	<u>1,594</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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11. ANALYSIS OF GRANTS MADE	No.	Individuals £'000	Institutions £'000	Total 2023 £'000	Total 2022 £'000
From unrestricted funds for national Church responsibilities:					
Contributions to Archbishop's Council	-	-	778	778	776
From unrestricted funds:					
Ordinands in training	16	116	-	116	111
Clergy ordination	18	48	-	48	38
Clergy resettlement	31	77	-	77	70
Clergy removals	38	106	-	106	77
Clergy 1 st incumbency	10	26	-	26	33
Churches together in Devon	1	-	6	6	5
Mission & Growth Fund	3	-	113	113	33
Church schools – Repairs/improvement	2	-	11	11	3
Support for Lay workers	-	-	-	-	12
Strategic Development Fund	6	-	27	27	-
Transforming Plymouth Together	1	-	10	10	15
St Mellitus South West	-	-	-	-	35
Other small grants	74	13	29	42	23
	<u>200</u>	<u>386</u>	<u>196</u>	<u>582</u>	<u>455</u>
From restricted funds for various purposes within resourcing parish ministry:					
Cooper Legacy Fund	-	-	-	-	10
Growth & Mission Fund	-	-	-	-	14
Parish Energy Support grants	-	-	-	-	463
Repairs and Maintenance Grant	-	-	-	-	26
Strategic Development Fund					
Plymouth Partnership in Mission	3	-	129	129	108
Exeter, St Matt's	2	-	461	461	137
Bay Church	4	-	347	347	202
Total	<u>9</u>	<u>-</u>	<u>937</u>	<u>937</u>	<u>960</u>
Total	<u>209</u>	<u>386</u>	<u>1,911</u>	<u>2,297</u>	<u>2,191</u>

Grants paid from designated funds have been included within unrestricted funds.

Cooper Legacy grants approved by the Board at 31 December 2023 but not yet disbursed at that date were £6k.

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12. STAFF COSTS	2023	2022
	£'000	£'000
Employee costs during the year were as follows:		
Wages and salaries	1,962	1,886
National insurance contributions	196	193
Pension costs – current year	385	398
	<u>2,543</u>	<u>2,477</u>

The average number of persons employed by the group during the year:

	2023	2022
	Number	Number
Administration and financial management	26	27
Grant funded projects	1	2
Clergy Housing	4	4
Mission, Ministry and Stewardship	15	15
Safeguarding	3	4
Archdeacons' staff	2	3
Education and Schools	9	11
	<u>60</u>	<u>66</u>

The average number of persons employed by the group during the year based on full-time equivalents:

	2023	2022
	Number	Number
Administration and financial management	22.0	20.7
Grant funded projects	1.0	1.8
Clergy Housing	3.8	3.7
Mission, Ministry and Stewardship	11.6	11.0
Safeguarding	2.7	3.5
Archdeacons' staff	1.8	2.1
Education and Schools	8.0	9.3
	<u>50.9</u>	<u>52.1</u>

The numbers of staff whose emoluments (including benefits in kind, but excluding pension contributions) amounted to more than £60,000 were as follows:

	2023	2022
	Number	Number
£60,001 - £70,000	2	3
£70,001 - £80,000	1	2
£80,001 - £90,000	2	1
	<u>5</u>	<u>6</u>

Pension payments of £69k (2022: £75k) were made for these employees.

All benefits are recognised when either a legal or contractual obligation arises.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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12. STAFF COSTS (continued)

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Diocese. The members of the Senior Management Team were:

Diocesan Secretary	Stephen Hancock
Assistant Diocesan Secretary	Ed Moffatt
Director of Mission & Ministry	Philip Sourbut (until 30/06/2023)
Director of Mission & Ministry	Ian Bussell (from 02/05/2023)
Director of Education	Sue Lockwood
Director of Finance and Company Secretary	Neil Williams
Director of People & Safeguarding	Anthea Carter-Savigear
Director of Property	Graham Davies
Director of Communications	Chloe Axford
Strategic Programme Manager	Rafael Krasnodebski
Operations Manager	Annemarie Kendell

Remuneration, pensions and expenses for these 11 employees amounted to £792k (2022: 10 employees, amounting to £737k).

Trustees' emoluments

No trustee received any remuneration for services as trustee (2022: none). 12 trustees received travelling and out of pocket expenses, totalling £46k (2022: 8 trustees received £27k) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as trustees.

EDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. EDBF is also responsible for the provision of housing for stipendiary clergy in the Diocese, including the suffragan bishops, but excluding the diocesan bishop and cathedral staff.

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12. STAFF COSTS (continued)

The following table gives details of those clergy trustees who were in receipt of a stipend and/or housing and whether this was provided by EDBF during the year:

	Stipend	Housing
The Right Rev R Atwell	No	No
The Right Rev J Searle	No	Yes
The Right Rev J Grier	No	Yes
The Very Rev J Greener	No	No
The Ven A Beane	Yes	Yes
The Ven V Breed	Yes	Yes
The Ven D Dettmer	Yes	Yes
The Ven J Bakker	Yes	Yes
The Ven N Shutt	Yes	No
The Rev A Atkins	Yes	Yes
The Rev E Hobbs	Yes	Yes
The Rev T Hockley-Still	Yes	Yes
The Rev P March	Yes	Yes
The Rev Preb M Partridge	Yes	Yes
The Rev S Stayte	Yes	Yes
The Rev R Austin	Yes	Yes
The Rev Canon Dr M Williams	No	No

Clergy costs

EDBF paid an average of 188 full time equivalent (2022: 191) stipendiary clergy and stipendiary licensed lay workers as office holders holding parochial or diocesan appointments in the Diocese, and the costs were as follows:

	2023	2022
	£'000	£'000
Stipends	5,347	5,200
National insurance contributions	416	410
Pension costs - current year	1,367	1,785
	<u>7,130</u>	<u>7,395</u>
Pension costs - deficit reduction	-	(207)
	<u><u>7,130</u></u>	<u><u>7,188</u></u>

The above figures do not include contributions made towards stipends paid by other organisations, e.g. chaplaincies. During the year there were non-contractual severance benefits of £231k paid to 6 clergy, of which £140k had been previously provided for (2022: £0k). All benefits are recognised when either a legal or constructive obligation arises.

In addition to the stipendiary clergy, the Diocese also has the following other licensed ministry:

- Self-supporting ministers 54 (2022: 57),
of which 16 (2022: 14) are in training curacies
- Licensed Lay Ministers 197 (2022:238)
- Clergy holding licence under seal 40 (2022: 37)

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12. STAFF COSTS (continued)

Clergy costs (continued)

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £39,953 - £48,972 (2022 range: £38,050 - £46,640).

The annual rate of stipend, funded by EDBF, paid to Archdeacons in 2023 was £39,058 (2022: £37,198) and other clergy who were Trustees were paid £28,820 (2022: £27,445).

13. ANALYSIS OF TRANSFERS BETWEEN FUNDS	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
Property Sales	971	(971)	-	-
Property Purchases and improvements	(1,074)	250	-	824
Transfers as a result of parsonage replacement	-	131	-	(131)
Adjustment for clergy housing maintenance work not yet contracted	609	(609)	-	-
Clergy Conference	(30)	30	-	-
Miscellaneous adjustment to funds	154	(21)	(133)	
	<u>630</u>	<u>(1,190)</u>	<u>(133)</u>	<u>693</u>

14. INTANGIBLE FIXED ASSETS

	Website & Software £'000
Cost	
At 1 January 2023	120
Additions	-
At 31 December 2023	<u>120</u>
Amortisation	
At 1 January 2023	61
Charge for the year	20
At 31 December 2023	<u>81</u>
Net Book Value	
At 31 December 2023	<u>39</u>
At 31 December 2022	<u>59</u>

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15. TANGIBLE FIXED ASSETS

	Freehold Properties & Land £'000	Office Equipment £'000	Fixtures & Fittings (inc. PV Panels £'000	Total £'000
Cost				
At 1 January 2023	58,631	306	361	59,298
Additions	193	16	1	210
Disposals	(1,312)	-	-	(1,312)
At 31 December 2023	<u>57,512</u>	<u>322</u>	<u>362</u>	<u>58,196</u>
Depreciation				
At 1 January 2023	-	282	188	470
Disposals	-	-	-	-
Charge for the year	-	13	15	28
At 31 December 2023	<u>-</u>	<u>295</u>	<u>203</u>	<u>498</u>
Net Book Value				
At 31 December 2023	<u>57,512</u>	<u>27</u>	<u>159</u>	<u>57,698</u>
At 31 December 2022	<u>58,631</u>	<u>24</u>	<u>173</u>	<u>58,828</u>

Freehold properties and land fall into a number of asset classes:

	Glebe Houses (Endowment) £'000	Parsonage Houses (Endowment) £'000	Education Property (Endowment) £'000	Other Houses (Restricted) £'000	Board Property (Designated/ Unrestricted) £'000	Total £'000
At 1 January 2023	10,912	25,859	119	367	21,374	58,631
Additions	42	97	-	-	54	193
Disposals	(151)	-	-	-	(1,161)	(1,312)
Transfers (note 13)	-	(131)	-	-	131	-
At 31 December 2023	<u>10,803</u>	<u>25,825</u>	<u>119</u>	<u>367</u>	<u>20,398</u>	<u>57,512</u>

All of the properties in the balance sheet are freehold and are vested in EDBF, except for benefice houses which are vested in the incumbent. Two properties (2022: 2) were previously purchased with the help of value-linked loans from the Church Commissioners; the appropriate share of the net sale proceeds, when the houses are disposed of, will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £118k (2022: £118k).

Up to and including 31 December 1999 it was EDBF's policy to include freehold properties at their 31 December 1994 open market value. From 1 January 2000 EDBF adopted the policy not to revalue tangible fixed assets. Whilst previous valuations have been maintained they have not been updated.

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16. FIXED ASSETS INVESTMENTS

	At 1 January 2023 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	At 31 December 2023 £'000
Unrestricted funds						
Listed investments	10,511	-	(3,000)	-	1,240	8,751
Unlisted investments	5	-	-	-	-	5
	<u>10,516</u>	<u>-</u>	<u>(3,000)</u>	<u>-</u>	<u>1,240</u>	<u>8,756</u>
Restricted funds						
Listed investments	2,948	-	-	-	280	3,228
Endowment funds						
Investment property	25,989	10	(155)	-	1,257	27,101
Listed investments	22,117	-	(2,000)	-	2,259	22,376
	<u>48,106</u>	<u>-</u>	<u>(2,155)</u>	<u>-</u>	<u>3,516</u>	<u>49,477</u>
Total EDBF	<u>61,570</u>	<u>10</u>	<u>(5,155)</u>	<u>-</u>	<u>5,036</u>	<u>61,461</u>

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16. FIXED ASSETS INVESTMENTS (continued)

The corresponding historical cost figures are:	Group 2023 £'000	EDBF 2023 £'000	Group 2022 £'000	EDBF 2022 £'000
Unrestricted funds				
Listed investments	5,470	5,470	7,393	7,393
Unlisted investments	5	5	5	5
	<u>5,475</u>	<u>5,475</u>	<u>7,398</u>	<u>7,398</u>
Restricted funds				
Listed investments	1,825	1,825	1,825	1,825
Endowment funds				
Investment property	3,345	3,345	3,343	3,343
Listed investments	11,910	11,910	12,861	12,861
	<u>15,255</u>	<u>15,255</u>	<u>16,204</u>	<u>16,204</u>
Total	<u><u>22,555</u></u>	<u><u>22,555</u></u>	<u><u>25,427</u></u>	<u><u>25,427</u></u>

Investment property

- a) A full list of properties is available for inspection at The Old Deanery.
- b) All land and buildings held on 31 December 2023 are held on a freehold basis.
- c) Commercial investment properties were valued as at 31 December 2023 by Stratton Creber Commercial (Chartered Surveyors) on an open market basis and residential properties were revalued by the trustees on an open market value basis. Historic glebe was valued by Savills (Chartered Surveyors) on an open market basis at 31 December 2022, and their value has been updated by trustees to 31 December 2023, having regard to suitable indices.
- d) The investment properties form part of the Diocesan Stipends Capital Account – see notes 20 – 23.
- e) The income yield, net of fees/costs, on the value of the property investments held as fixed assets in the year was 1.38% (2022: 1.63%). The total return was 6.78% (2022: 65.25%).
- f) Investment properties are held to provide an investment return, rather than as programme investments.

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17. DEBTORS – GROUP and EDBF	Group	EDBF	Group	EDBF
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Due within one year				
Loans to parishes	32	32	29	29
Common Fund	115	115	195	195
Gift aid from EDPS Ltd	-	82	-	85
Current account with subsidiary company	-	10	-	88
Department for Education/ governors	637	637	166	166
Prepayments	239	239	238	238
Other debtors	788	784	940	931
	<u>1,811</u>	<u>1,899</u>	<u>1,568</u>	<u>1,732</u>
Due after more than one year				
Loans to parishes	67	67	88	88
Other debtors and prepayments	26	26	22	22
	<u>93</u>	<u>93</u>	<u>110</u>	<u>110</u>
Total debtors	<u><u>1,904</u></u>	<u><u>1,992</u></u>	<u><u>1,678</u></u>	<u><u>1,842</u></u>
18. CREDITORS: amounts falling due within one year				
	Group	EDBF	Group	EDBF
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Trade creditors	442	442	135	135
Taxation and social security	72	65	58	43
Other creditors and accruals	1,204	1,199	1,527	1,525
Proceeds of property sold by Board payable to external organisations	51	51	51	51
Receipts in advance	185	183	105	87
CBF Loans – Photovoltaic Panels (parsonages)	-	-	34	34
NatWest Loan – CBILS	400	400	400	400
Total creditors: amounts falling due within one year	<u><u>2,354</u></u>	<u><u>2,340</u></u>	<u><u>2,310</u></u>	<u><u>2,275</u></u>

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19. CREDITORS: amounts falling due after more than one year

	Group 2023 £'000	EDBF 2023 £'000	Group 2022 £'000	EDBF 2022 £'000
Loan repayment instalments due after more than one year				
NatWest Loan – CBILS	667	667	1,067	1,067
Church Commissioners value-linked loans	119	119	119	119
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total creditors: amounts falling due after more than one year	<u>786</u>	<u>786</u>	<u>1,186</u>	<u>1,186</u>

	2023 £'000	2022 £'000
The maturity of the above loans may be analysed as follows:		
Between one and two years	400	400
Between two and five years	267	667
In five years and more	119	119
	<u> </u>	<u> </u>
	<u>786</u>	<u>1,186</u>

The loan with NatWest is repayable over 5 years by equal instalments, starting in September 2021. The interest rate is fixed at 2.66% per annum and the loan can be repaid early at any point without penalty. The loan is secured by a floating debenture over EDBF's assets.

Value-linked loans (VLLs) represent amounts advanced to EDBF for the purchase of two properties on an equity sharing basis and are repayable on the disposal of the related property. As at 31 December 2023 the Board had no intention of disposing of either of the properties funded via VLLs.

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20. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2023 £'000
UNRESTRICTED FUNDS						
General	7,201	12,492	(13,368)	630	1,229	8,184
Church Buildings Fund	692	1	-	-	11	704
Board Properties	20,776	-	-	(590)	-	20,186
Clergy Housing Repairs	775	-	-	(609)	-	166
Diocesan Mission Funds	76	-	-	-	-	76
Diocesan Mission & Growth Fund	167	-	(81)	-	-	86
Clergy Conference Fund	64	-	-	30	-	94
Burrington School Fund	34	-	-	-	-	34
Plymouth SDF Project	53	-	(27)	-	-	26
Miscellaneous Funds	166	-	-	(21)	-	145
	<u>22,803</u>	<u>1</u>	<u>(108)</u>	<u>(1,190)</u>	<u>11</u>	<u>21,517</u>
RESTRICTED FUNDS						
Diocesan Pastoral Account	3,905	97	(20)	-	262	4,244
Diocesan Stipends Income	-	2,101	(2,101)	-	-	-
Bampton School sale	314	-	(12)	-	-	302
Agricultural/Rural & Cooper Legacy	16	-	-	-	-	16
Retired Clergy Housing	276	6	-	-	18	300
Growth & Mission Fund	690	71	(101)	-	-	660
Strategic Development Projects	11	1,011	(1,016)	-	-	6
Ministerial Education Training	-	158	(158)	-	-	-
Strategic Ministry Fund	-	420	(420)	-	-	-
Clergy Widows	99	-	-	-	-	99
Diocesan Investment Prog	-	147	-	(133)	-	14
Miscellaneous Restricted Funds	3	57	(57)	-	-	3
	<u>5,314</u>	<u>4,068</u>	<u>(3,885)</u>	<u>(133)</u>	<u>280</u>	<u>5,644</u>
ENDOWMENT FUNDS						
Permanent						
Dr Nobbs	82	-	-	-	7	89
Expendable						
Diocesan Stipends Capital						
Glebe Property	10,912	-	-	(109)	-	10,803
Investment Fund	43,781	-	-	(24,076)	-	19,705
Unapplied Total Return	-	444	-	24,245	3,126	27,815
Benefice Property	27,347	-	-	633	-	27,980
Church Schools	3,936	-	-	-	309	4,245
The Church College Hostel Trust	780	-	-	-	74	854
	<u>86,838</u>	<u>444</u>	<u>-</u>	<u>693</u>	<u>3,516</u>	<u>91,491</u>
EDBF Total funds	<u>122,156</u>	<u>17,005</u>	<u>(17,361)</u>	<u>-</u>	<u>5,036</u>	<u>126,836</u>
Subsidiaries – General Funds						
EDPS Ltd	9	146	(146)	-	-	9
Group Total	<u>122,165</u>	<u>17,151</u>	<u>(17,507)</u>	<u>-</u>	<u>5,036</u>	<u>126,845</u>

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21. SUMMARY OF ASSETS BY FUND	Tangible/ Intangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Unrestricted funds – General	516	8,629	1,401	(2,362)	8,184
Unrestricted - designated					
Church Buildings Fund	-	128	576	-	704
Board Properties	20,107	-	198	(119)	20,186
Clergy Housing Repairs	-	-	166	-	166
Diocesan Mission Funds	-	-	76	-	76
Mission & Growth Fund	-	-	86	-	86
Clergy Conference Fund	-	-	94	-	94
Burrington School Fund	-	-	34	-	34
Plymouth SDF Project	-	-	26	-	26
Million for Mission	-	-	3	(3)	-
Miscellaneous Designated Funds	-	-	145	-	145
	<u>20,107</u>	<u>128</u>	<u>1,404</u>	<u>(122)</u>	<u>21,517</u>
Restricted					
Diocesan Pastoral Account	-	3,023	1,225	(4)	4,244
Diocesan Stipends Income	-	-	132	(132)	-
Bampton School sale	-	-	302	-	302
Agricultural/Rural & Cooper Legacy	-	-	16	-	16
Retired Clergy Housing	346	204	(250)	-	300
Growth & Mission Fund	-	-	667	(7)	660
Strategic Development Fund Projects	-	-	8	(2)	6
Ministerial Education Training	-	-	195	(195)	-
Strategic Ministry Fund	-	-	72	(72)	-
Clergy Widows	21	-	78	-	99
Diocesan Investment Programme	-	-	144	(130)	14
Miscellaneous Restricted Funds	-	-	99	(96)	3
	<u>367</u>	<u>3,227</u>	<u>2,688</u>	<u>(638)</u>	<u>5,644</u>
Endowment					
Permanent					
Dr Nobbs	-	83	6	-	89
Expendable					
Diocesan Stipends Capital					
Glebe Property	10,803	-	-	-	10,803
Investment Fund	-	19,705	-	-	19,705
Unapplied Total Return	-	25,270	2,548	(3)	27,815
Benefice Property	25,825	-	2,155	-	27,980
Church Schools	119	3,565	561	-	4,245
Church College Hostel Trust	-	854	-	-	854
	<u>36,747</u>	<u>49,477</u>	<u>5,270</u>	<u>(3)</u>	<u>91,491</u>
Total EDBF funds	<u>57,737</u>	<u>61,461</u>	<u>10,763</u>	<u>(3,125)</u>	<u>126,836</u>
Subsidiaries					
EDPS Ltd	-	-	24	(15)	9
Total Group funds	<u><u>57,737</u></u>	<u><u>61,461</u></u>	<u><u>10,787</u></u>	<u><u>(3,140)</u></u>	<u><u>126,845</u></u>

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22. ENDOWMENT FUND - TOTAL RETURN

	Investment Fund £'000	Unapplied Total Return £'000	Total Endowment £'000
At 1 January 2023	43,781	-	43,781
Initial Indexation using CPI (establishing UTR)*	(24,076)	24,076	-
Movements in the reporting period			
Dividends and interest	-	44	44
Glebe land rental income	-	16	16
Glebe commercial property	-	15	15
Improvement costs property	-	18	18
Transfer of glebe property (for disposal)	-	151	151
Surplus on sale of property	-	444	444
Realised and unrealised gains/(losses)	-	3,126	3,126
Less:			
Glebe land and commercial management fees	-	(4)	(4)
Glebe land and commercial other costs	-	(2)	(2)
	<u>(24,076)</u>	<u>27,884</u>	<u>3,808</u>
Unapplied Total Return allocated to income to be used for stipends			
Equating to dividend, interest and rents	-	(69)	(69)
	-	(81)	(69)
Net movements in report period:	<u>(24,076)</u>	<u>27,815</u>	<u>3,739</u>
At 31 December 2023	<u><u>19,705</u></u>	<u><u>27,815</u></u>	<u><u>47,520</u></u>

The trustees adopted a Total Return accounting approach under the Diocesan Stipend Funds (Amendment) Measure 2016 with effect from 1 December 2023.

* In order to establish the UTR, indexation was applied from 1 January 2001, using the Consumer Prices Index (CPI).

As Total Return accounting was only adopted with effect from 1 December 2023, the income and expenditure shown above represents one twelfth of the total for 2023, so the whole amount has continued to be shown against the unrestricted/restricted funds in 2023, as the sums are not considered to be material.

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23. DESCRIPTION OF FUNDS

General fund	The general fund is EDBF's unrestricted undesignated fund, available for any of EDBF's purposes without restriction.
Church building fund	This designated fund was created from the previous balances within the new church building and church building repair funds and is used to provide loans for parishes undertaking strategic reviews or major improvements of church buildings.
Board properties	This designated fund represents the properties owned and used by EDBF in the furtherance of its work and includes curates housing.
Clergy housing repairs	This designated fund is used to support spending on the repair and maintenance of clergy housing.
Diocesan Mission funds	These designated funds are all part of the mission and ministry development fund, which provide funds for one-off projects to promote the ministry of the church and its overall mission in the Diocese. The growth fund, together with the mustard seed funds has been set aside specifically to fund initiatives in mission communities.
Diocesan Mission & Growth Fund	This designated fund is available to support local initiatives within Mission Communities to deliver the diocesan priorities, particularly to support work with children, young people and families.
Clergy conference fund	This designated fund provides funding for the diocesan clergy conference, held every three to five years.
Burrington School Fund	This designated fund holds the net proceeds from the sale of the former Burrington School (in 2019), which can be used to support educational purposes.
Plymouth SDF Project	This designated fund was established in 2019 to provide EDBF's agreed funding for the church planting SDF project in Plymouth.
Miscellaneous funds	This designated fund is used for holding monies received by EDBF for supporting specific projects/initiatives.
Diocesan Pastoral account	The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used under the more recent Diocesan and Pastoral Measure 2011 are:

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23. DESCRIPTION OF FUNDS (continued)

Diocesan Pastoral account (continued)

- To defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees;
- To make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese;
- Other purposes of the Diocese or any benefice or parish in the Diocese;
- To make grants or loans to any other Diocese; and
- To transfer funds to the diocesan stipends fund income or capital accounts.

Diocesan stipends income This restricted fund represents the income from the Diocesan Stipends Capital account, which has not yet been applied to pay clergy stipends.

Bampton School sale This restricted fund was created to separately identify the previous Bampton School sale proceeds from the general Church School funds.

Agricultural/rural funds This restricted fund represents donations received to enable the Diocese to provide support to the farming community across the Diocese.

Retired clergy housing This restricted fund comprises the properties and any sale proceeds held for this purpose.

Growth and Mission fund This restricted fund was established in 2015 to provide funding for specific growth initiatives across the Diocese. Three have so far been approved by Diocesan Synod – Growing the rural church, new housing areas and local mission community support.

Strategic Development Fund Projects

This restricted fund was established to hold any funding received or due in relation to those projects receiving Strategic Development Funding. EDBF is not deemed to have the benefit of the income associated with these projects until the expenditure has been incurred and claimed accordingly. Any changes to the original submission have to be approved by the Church Commissioners.

Ministerial Education Training

This restricted fund represents the balance at any time on the funding of ordinands training.

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23. DESCRIPTION OF FUNDS (continued)

Strategic Ministry Fund	This restricted fund was established in 2020 to manage the grant funding received from the Archbishops' Council to support the appointment of additional stipendiary curates.
Clergy widows	This restricted fund represents properties purchased from donations to provide for clergy widows.
Cooper legacy	This restricted fund, arising from the legacy of Mrs Cooper and is used to provide grants to assist parishes with church building repairs.
Diocesan Investment Programme	This restricted funds represents grants that have been received in advance from the Archbishops' Council, and have yet to be applied to individual projects.
Miscellaneous Restricted Funds	This restricted fund represents the unspent balance of donations received for parishes and for managing the ministry in Cranbrook.
Dr Nobbs	This is a permanent endowment held by EDBF for the support of clergy following marriage breakdown.
Diocesan stipends capital	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. The fund also represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses. The funds may be invested in the CBF Church of England Property, Investment or Fixed Interest Securities Funds, or simply held on deposit.
Benefice property fund	This restricted fund comprises of benefice houses or the sale proceeds of former benefice houses held on suspense by the Church Commissioners. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, EDBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of EDBF.

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23. DESCRIPTION OF FUNDS (continued)

Church Schools funds	This fund represents premises and endowments vested in EDBF under the Education Act 1993.
Church College Hostel Trust	This fund supports the Board of Education in all of its statutory powers and duties under various education acts together with the training of teachers in the principles of the Church of England.

24. CAPITAL COMMITMENTS

At 31 December 2023 EDBF had capital expenditure commitments authorised but not contracted for of £2.2m (2022: £603k).

25. OPERATING LEASES

At 31 December 2023 EDBF had future minimum lease commitments under non-cancellable operating leases as follows:

	2023	2022
	£'000	£'000
Non-Land & Buildings operating leases:		
Within one year of the balance sheet date	1	3
In the second to fifth years inclusive of the balance sheet date	-	1
	<u>1</u>	<u>4</u>

26. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

There were no post balance sheet events or contingent liabilities at the balance sheet date.

27. PENSIONS

EDBF participates in three pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of EDBF and the other participating employers. One of these is the **Church of England Funded Pensions Scheme** for stipendiary clergy. The other two are part of the **Church Workers Pension Fund**.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

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27. PENSIONS (continued)

These schemes are multi-employer last man standing defined benefit pension schemes for which EDBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of FRS102 requires EDBF to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for EDBF. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme

With effect from 1 January 1998, diocesan clergy became members of the Church of England Funded Pensions Scheme. This defined benefit scheme provides benefits based on the National Minimum Stipend in the year before their date of retirement and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Benefits are currently being accrued on the basis of half of the National Minimum Stipend (NMS) being paid as the normal pension on reaching the age of 68 on completion of maximum service of 41.5 years, or 1.25 times this amount for archdeacons, plus a lump sum of three times the pension based on the previous year's NMS payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 will be provided for by the Church Commissioners under the previous arrangements.

EDBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This 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 Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme.

The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £1,367k in 2023 (2022: £1,578k), plus any figures arising from contributions in respect of the Scheme's deficit (see below). In addition, a further £21k (2022: £34k) has been charged in relation to EDBF employees who are also in this scheme. The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0 (2022: £207k).

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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27. PENSIONS (continued)

Church of England Funded Pensions Scheme (continued)

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 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% per annum;
- RPI 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; and
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI 2020 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% per annum and an allowance for 2020 data of 0% (i.e. 2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

	% of pensionable stipend
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

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

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27. PENSIONS (continued)

Church of England Funded Pensions Scheme (continued)

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	-	350,000
Deficit contribution paid	-	(207,000)
Interest cost (recognised in SOFA)	-	-
Remaining change to the balance sheet liability* (recognised in SOFA)	-	(143,000)
Balance sheet liability at 31 December	-	-

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of 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 to total pensionable payroll	n/a	n/a	-1.5% pa

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

Church Workers Pension Fund – Defined Benefits Scheme

EDBF participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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27. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Defined Benefits Scheme (“DBS”) section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, DBS is divided into sub-pools in respect of each participating employer, as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. This does not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers’ sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SOFA during the year are contributions payable towards benefits and expenses accrued in that year (2023: £130k; 2022: £141k). As there is no longer a deficit in the DBS, as highlighted in the table below the total charge recognised in the SOFA was £130k for 2023 (2022: £141k).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers’ sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board having taken advice from the Actuary.

A valuation of the DBS is carried out once every three years. The most recently finalised valuation was carried out as at 31 December 2022. In this valuation, the scheme showed an overall surplus of £73.6m.

The next actuarial valuation is due at 31 December 2025.

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27. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

Following the 2022 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 21.8% or 20% of pensionable salary (depending on the accrual rate) and expenses of £20,700 per year. The movement in the provision is set out below:

	2023	2022
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SOFA)	-	-
Remaining change to the balance sheet liability* (recognised in SOFA)	-	-
Balance sheet liability at 31 December	-	-

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

Where relevant, this liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	December 2023	December 2022	December 2021
Discount rate	N/A	0.00%	0.00%

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

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two subsections:

- A deferred annuity section known as Pension Builder Classic; and
- A cash balance section known as Pension Builder 2014

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

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27. PENSIONS (continued)

Pension Builder Scheme (continued)

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are the contributions payable (2023: £234k; 2022: £223k).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2022.

For the Pension Builder Classic section, the 2022 valuation revealed a surplus of £34.8m on the on-going assumptions used. At the most recent annual review, effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of the service prior to April 1997; and a bonus on pensions in payment in respect of post 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the 2022 valuation revealed a surplus of £8.5m on the on-going assumptions used. There is no requirement for deficit payments at the current time.

The next valuation is due at 31 December 2025.

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

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28. RELATED PARTY TRANSACTIONS

There are no direct related party transactions involving trustees other than the provision of stipends, housing and expenses as set out in note 12 to the consolidated financial statements.

The wife of Giles Frampton (the Chair of the Board of Finance) is a Self-Supporting Minister (unpaid) leading one of our Mission Communities. A parsonage house is provided by EDBF for this role, with any expenses incurred being paid by the Mission Community.

The wife of the Venerable Andrew Beane has been paid to provide consultancy services for social media on the Growing the Rural Church project. Catherine Beane received £2,625 (2022: £4,200) for the provision of this service.

29. FUNDS HELD AS CUSTODIAN TRUSTEE

EDBF acts as custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as EDBF does not control them.

The financial assets held in this way may be summarised as follows:

	2023	2022
	£'000	£'000
CBF Church of England Investment Fund income shares	14,261	12,819
CBF Church of England Investment Fund accumulation shares	736	661
CBF Church of England Fixed Interest Securities Fund shares	251	237
CBF Church of England Property Fund shares	865	921
CBF Global Equity Income Fund	1,225	1,066
Charifund – Income Units	2,439	2,517
Charibond Fixed Interest Income	7	7
Other common investment fund holdings	124	128
Direct holdings in UK gilts	24	24
Other fixed interest stocks	5	5
CBF Church of England Deposit Fund	706	1,477
Charles Stanley	677	690
Brewin Dolphin	1,271	1,190
Cash at bank	16	19
	<u>22,607</u>	<u>21,761</u>
Total assets held as custodian trustee	<u>22,607</u>	<u>21,761</u>

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30. ANALYSIS OF NET DEBT

	As at 1 January 2023 £'000	Cash flows £'000	At 31 December 2023 £'000
Cash at bank and in hand	3,492	5,356	8,848
Cash equivalents	34	1	35
Debt due after 1 year	(1,186)	400	(786)
Debt due within 1 year	(434)	34	(400)
	<u>1,906</u>	<u>5,791</u>	<u>7,697</u>

31. MONEY HELD AS INTERMEDIARY AGENT FOR OTHERS

EDBF occasionally holds money as intermediary agents for others as follows:

- In respect of the Board of Education's involvement in the maintenance and improvement of Church of England schools' buildings, money is sometimes held in advance of work being undertaken. At the end of 2023 the sum of £599,000 (2022: £706,000) was held in the general bank account for this purpose; and
- The board also holds the Department for Education's Formula Capital funding on behalf of Church of England schools in Devon and the sum so held on 31 December 2023 amounted to £391,000 (2022: £613,000) and was also held in the general bank account for this purpose.

Neither of the above sums is included in the board's Balance Sheet at the year-end.

32. EDBF LIMITED – LIABILITY OF BOARD MEMBERS

The Exeter Diocesan Board of Finance Limited is a company limited by guarantee and as such has no share capital. In the event of winding-up, the liability of board members is limited to £1 each.

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33. SUBSIDIARY UNDERTAKING (EDPS Limited)

The wholly owned trading subsidiary, EDPS Limited, which is incorporated in the United Kingdom (Registered Company No. 4477446), provides services to Church of England academies and schools. EDBF owns 100% of the issued share capital of two ordinary shares of £1 each. A summary of the trading results is shown below:

	2023	2022
	£'000	£'000
Summary profit and loss account		
Turnover	153	266
Cost of sales	<u>(141)</u>	<u>(174)</u>
Gross Profit	12	92
Other operating income	2	3
Administrative expenses	<u>(5)</u>	<u>(7)</u>
Operating profit	9	88
Gift made to parent company	(9)	(88)
Profit/(Loss) after tax	<u><u>-</u></u>	<u><u>-</u></u>
Assets and liabilities		
Current assets	116	218
Current liabilities	<u>(107)</u>	<u>(209)</u>
Total net assets	<u><u>9</u></u>	<u><u>9</u></u>
Capital and reserves		
Issued share capital and retained profit	<u><u>9</u></u>	<u><u>9</u></u>

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34. 2022 Comparative figures by fund

Due to space constraints within the main body of the accounts, this note shows the breakdown by fund for 2022 for the following notes:

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2022

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000
	General £'000	Designated £'000			
Income and endowments from					
Donations					
Parish contributions	8,624	-	-	-	8,624
Archbishop's Council	-	-	1,971	-	1,971
Other donations	307	-	913	-	1,220
Charitable activities	697	-	57	-	754
Other trading activities	1,492	-	-	-	1,492
Investments	467	1	1,035	-	1,503
Other	878	-	-	1,353	2,231
Total income and endowments	12,465	1	3,976	1,353	17,795
Expenditure on					
Costs of raising funds	206	-	77	-	283
Charitable activities	12,145	176	3,973	-	16,294
Total expenditure	12,351	176	4,050	-	16,577
Net income/(expenditure) before investment gains	114	(175)	(74)	1,353	1,218
Net gain/(loss) on investments	(1,380)	6	(355)	7,665	5,936
Net income/(expenditure)	(1,266)	(169)	(429)	9,018	7,154
Transfers between funds	(1,347)	868	-	479	-
Net movement in funds	(2,613)	699	(429)	9,497	7,154
Total funds brought forward	9,823	22,104	5,743	77,341	115,011
Total funds carried forward	7,210	22,803	5,314	86,838	122,165

All activities derive from continuing activities.

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A2. DONATIONS (2022)

Parish Contributions

The majority of donations are collected from the parishes of the Diocese through the common fund system.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000
	General £'000	Designated £'000			
Current Year assessments	8,958	-	-	-	8,958
Shortfall in contributions	(482)	-	-	-	(482)
	<u>8,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,476</u>
Receipts for previous years	136	-	-	-	136
Receipts for future years	12	-	-	-	12
	<u>8,624</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,624</u>

Archbishop's Council

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000
	General £'000	Designated £'000			
Lowest Income Communities Funding	-	-	1,190	-	1,190
Parish Energy Support grants	-	-	463	-	463
Strategic Ministry funding	-	-	318	-	318
	<u>-</u>	<u>-</u>	<u>1,971</u>	<u>-</u>	<u>1,971</u>

The Lowest Income Communities Funding is the annual grant either for supporting specific parish mission and development projects or for clergy stipends.

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A2. DONATIONS (2022) (continued)

Other Donations and grants

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000
	General £'000	Designated £'000			
All Churches Trust Grant	147	-	-	-	147
Legacies	-	-	-	-	-
Donations and grants	160	-	640	-	800
Resourcing Ministerial Education	-	-	273	-	273
	<u>307</u>	<u>-</u>	<u>913</u>	<u>-</u>	<u>1,220</u>

A3. CHARITABLE ACTIVITIES (2022)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000
	General £'000	Designated £'000			
Statutory fees	604	-	-	-	604
Chaplaincy income	16	-	57	-	73
Feed in/Export Tariffs					
- PV panels	22	-	-	-	22
Course/training fees	24	-	-	-	24
Miscellaneous income	31	-	-	-	31
	<u>697</u>	<u>-</u>	<u>57</u>	<u>-</u>	<u>754</u>

A4. OTHER TRADING ACTIVITIES (2022)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000
	General £'000	Designated £'000			
Housing income	1,207	-	-	-	1,207
Other rental income	16	-	-	-	16
Trading – EDPS Ltd	269	-	-	-	269
	<u>1,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,492</u>

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A5. INVESTMENT INCOME (2022)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000
	General £'000	Designated £'000			
Dividends receivable	438	-	628	-	1,066
Interest receivable	29	1	-	-	30
Rents receivable	-	-	407	-	407
	<u>467</u>	<u>1</u>	<u>1,035</u>	<u>-</u>	<u>1,503</u>

A6. OTHER INCOMING RESOURCES (2022)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000
	General £'000	Designated £'000			
Gains on sale of Properties	878	-	-	1,353	2,231
Surplus on disposal of fixed assets	-	-	-	-	-
	<u>878</u>	<u>-</u>	<u>-</u>	<u>1,353</u>	<u>2,231</u>

A7. COSTS OF RAISING FUNDS (2022)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000
	General £'000	Designated £'000			
Glebe agents' fees	-	-	48	-	48
Other glebe expenses	25	-	29	-	54
Trading activities – EDPS Ltd	181	-	-	-	181
	<u>206</u>	<u>-</u>	<u>77</u>	<u>-</u>	<u>283</u>

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A8. CHARITABLE ACTIVITIES (2022)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000
	General £'000	Designated £'000			
Contributions to					
Archbishops' Council					
Training for Ministry	346	-	-	-	346
National Church					
Responsibilities	212	-	-	-	212
Grants and provisions	29	-	-	-	29
Mission agency pension					
Costs	14	-	-	-	14
Retired clergy housing					
Costs	131	-	-	-	131
Pooling of ordinands'					
maintenance grants	44	-	-	-	44
	<u>776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>776</u>
Resourcing Ministry and					
Mission					
Parish Ministry					
Stipends and national					
Insurance	3,099	-	2,511	-	5,610
Pension costs	1,541	-	37	-	1,578
Housing costs	2,983	-	-	-	2,983
Removal, resettlement					
and grants	213	-	-	-	213
Clergy Pension Fund Deficit	(143)	-	-	-	(143)
Other expenses	283	-	42	-	325
	<u>7,976</u>	<u>-</u>	<u>2,590</u>	<u>-</u>	<u>10,566</u>
Support for parish ministry					
Mission and Ministry	1,192	176	868	-	2,236
Church and Society	77	-	-	-	77
Mission and Ministry grants	-	-	26	-	26
Cooper Legacy grants	-	-	463	-	463
Cooper Armstrong Legacy	-	-	10	-	10
Support services	1,578	-	16	-	1,594
	<u>2,847</u>	<u>176</u>	<u>1,383</u>	<u>-</u>	<u>4,406</u>
	<u>10,823</u>	<u>176</u>	<u>3,973</u>	<u>-</u>	<u>14,972</u>
Expenditure on Education and Church of England Schools					
Support for church schools					
and parishes	546	-	-	-	546
	<u>12,145</u>	<u>176</u>	<u>3,973</u>	<u>-</u>	<u>16,294</u>

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A9. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS (2022)

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Pension Deficit Fund Adjustment £'000	Total costs 2022 £'000
Raisings funds	283	-	-	-	283
Charitable activities:					
Contributions to Archbishop's Council	-	776	-	-	776
Resourcing parish ministry	11,963	1,415	1,594	-	14,972
Education	546	-	-	-	546
	<u>12,792</u>	<u>2,191</u>	<u>1,594</u>	<u>-</u>	<u>16,577</u>

Net income/(expenditure) for the year is stated after charging amortisation £19k, depreciation £22k and audit fees EDBF £23k, EDPS £3k.

A10. ANALYSIS OF SUPPORT COSTS (2022)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000
	General £'000	Designated £'000			
Central support/administration	1,428	-	16	-	1,444
Governance:					
External audit of EDBF	23	-	-	-	23
External audit of EDPS	3	-	-	-	3
Registrar and Chancellor	99	-	-	-	99
Synodical costs	25	-	-	-	25
	<u>1,578</u>	<u>-</u>	<u>16</u>	<u>-</u>	<u>1,594</u>

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A11. ANALYSIS OF GRANTS MADE (2022)	Nbr.	Individuals	Institutions	Total
		£'000	£'000	2022
				£'000
From unrestricted funds for national Church responsibilities:				
Contributions to Archbishop's Council	6	-	776	776
From unrestricted funds:				
Ordinands in training	19	111	-	111
Clergy ordination	15	38	-	38
Clergy resettlement	28	70	-	70
Clergy removals	28	77	-	77
Clergy 1 st incumbency	14	33	-	33
Churches together in Devon	1	-	5	5
Mission & Growth Fund	9	-	33	33
Church schools – Repairs/improvements	1	-	3	3
Support for lay workers	3	-	12	12
Transforming Plymouth Together	1	-	15	15
St Mellitus South West	1	-	35	35
Other small grants	33	11	12	23
	<u>153</u>	<u>340</u>	<u>115</u>	<u>455</u>
From restricted funds for various purposes within resourcing parish ministry:				
Cooper Legacy Fund	4	-	10	10
Growth & Mission Fund	2	-	14	14
Parish Energy Support grants	318	-	463	463
Repairs and Maintenance Grant	1	-	26	26
Strategic Development Fund				
Plymouth Partnership in Mission	5	-	108	108
Exeter, St Matt's	4	-	137	137
Bay Church	4	-	202	202
	<u>338</u>	<u>-</u>	<u>960</u>	<u>960</u>
Total	<u>497</u>	<u>340</u>	<u>1,851</u>	<u>2,191</u>

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A20 SUMMARY OF FUND MOVEMENTS (2022)

	Balances at 1 January 2022	Income	Expenditure	Transfers	Gains and Losses	Balances at 31 December 2022
	£'000	£'000	£'000	£'000	£'000	£'000
UNRESTRICTED FUNDS						
General	9,814	12,284	(12,170)	(1,347)	(1,380)	7,201
Church Buildings Fund	685	1	-	-	6	692
Board Properties	20,148	-	-	628	-	20,776
Clergy Housing Repairs	565	-	-	210	-	775
Diocesan Mission Funds	276	-	-	(200)	-	76
Diocesan Mission & Growth Fund	-	-	(33)	200	-	167
Clergy Conference Fund	156	-	(122)	30	-	64
Burrington School Fund	34	-	-	-	-	34
Plymouth SDF Project	74	-	(21)	-	-	53
Miscellaneous Funds	166	-	-	-	-	166
	<u>22,104</u>	<u>1</u>	<u>(176)</u>	<u>868</u>	<u>6</u>	<u>22,803</u>
RESTRICTED FUNDS						
Diocesan Pastoral Account	4,204	82	(15)	-	(366)	3,905
Diocesan Stipends Income	-	2,135	(2,135)	-	-	-
Bampton School sale	314	-	-	-	-	314
Agricultural/Rural	10	-	-	-	-	10
Retired Clergy Housing	259	6	-	-	11	276
Growth & Mission Fund	811	11	(132)	-	-	690
Strategic Development Projects	7	624	(620)	-	-	11
Ministerial Education Training	-	273	(273)	-	-	-
Strategic Ministry Fund	-	318	(318)	-	-	-
Clergy Widows	99	-	-	-	-	99
Cooper Legacy	16	-	(10)	-	-	6
Miscellaneous Restricted Funds	23	527	(547)	-	-	3
	<u>5,743</u>	<u>3,976</u>	<u>(4,050)</u>	<u>-</u>	<u>(355)</u>	<u>5,314</u>
ENDOWMENT FUNDS						
Permanent						
Dr Nobbs	92	-	-	-	(10)	82
Expendable						
Diocesan Stipends Capital	45,215	1,253	-	14	8,211	54,693
Benefice Property	26,782	100	-	465	-	27,347
Church Schools	4,368	-	-	-	(432)	3,936
The Church College Hostel Trust	884	-	-	-	(104)	780
	<u>77,341</u>	<u>1,353</u>	<u>-</u>	<u>479</u>	<u>7,665</u>	<u>86,838</u>
EDBF Total funds	<u>115,002</u>	<u>17,614</u>	<u>(16,396)</u>	<u>-</u>	<u>5,936</u>	<u>122,156</u>
Subsidiaries						
General Funds						
EDPS Ltd	9	181	(181)	-	-	9
Group Total	<u>115,011</u>	<u>17,795</u>	<u>(16,577)</u>	<u>-</u>	<u>5,936</u>	<u>122,165</u>

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2023

A21. SUMMARY OF ASSETS BY FUND (2022)

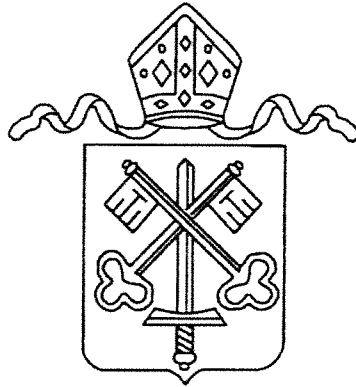
	Tangible/ Intangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Unrestricted funds – General	736	10,400	(1,259)	(2,676)	7,201
Unrestricted - designated					
Church Buildings Fund	-	117	575	-	692
Board Properties	20,893	-	2	(119)	20,776
Clergy Housing Repairs	-	-	775	-	775
Diocesan Mission Funds	-	-	79	(3)	76
Mission & Growth Fund	-	-	167	-	167
Clergy Conference Fund	-	-	64	-	64
Burrington School Fund	-	-	34	-	34
Plymouth SDF Project	-	-	61	(8)	53
Miscellaneous Designated Funds	-	-	166	-	166
	20,893	117	1,923	(130)	22,803
Restricted					
Diocesan Pastoral Account	-	2,761	1,144	-	3,905
Diocesan Stipends Income	-	-	114	(114)	-
Bampton School sale	-	-	314	-	314
Agricultural/Rural	-	-	10	-	10
Retired Clergy Housing	346	186	(256)	-	276
Growth & Mission Fund	-	-	692	(2)	690
Strategic Development Fund Projects	-	-	47	(36)	11
Ministerial Education Training	-	-	157	(157)	-
Strategic Ministry Fund	-	-	83	(83)	-
Clergy Widows	21	-	78	-	99
Cooper Legacy	-	-	6	-	6
Miscellaneous Restricted Funds	-	-	266	(263)	3
	367	2,947	2,655	(655)	5,314
Endowment					
Permanent					
Dr Nobbs	-	76	6	-	82
Expendable					
Diocesan Stipends Capital	10,912	43,994	(213)	-	54,693
Benefice Property	25,860	-	1,487	-	27,347
Church Schools	119	3,256	561	-	3,936
Church College Hostel Trust	-	780	-	-	780
	36,891	48,106	1,841	-	86,838
Total EDBF funds	58,887	61,570	5,160	(3,461)	122,156
Subsidiaries					
EDPS Ltd	-	-	44	(35)	9
Total Group funds	58,887	61,570	5,204	(3,496)	122,165

For Fund Descriptions, please see note 23 on pages 71 – 74.

THE EXETER DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249798

Accounts



THE EXETER DIOCESAN BOARD OF FINANCE LIMITED

ANNUAL REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022

Company limited by guarantee (No. 00186001)
Registered charity (No. 249798)

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Key to abbreviations

EDBF	The Exeter Diocesan Board of Finance Limited
EDPS	EDPS Limited – the Board's Trading Company
SOFA	Statement of Financial Activities
SORP	Charities SORP (Statement of Recommended Practice) 'Accounting and Reporting by Charities' 2019
PCC	Parochial Church Council
MC	Mission Community

**The Exeter Diocesan Board of Finance Limited
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OUR VISION

'I am the vine, you are the branches. Those who abide in me and I in them bear much fruit.'
John 15.5

As God's pilgrim people, we seek to share in the mission of God as revealed in the life, death and resurrection of Jesus Christ by:

Growing in prayer

We want to abide in Christ and live our lives close to God. This means taking risks as we become more honest with ourselves and more honest with God. Prayer opens up deep places within us to God's grace, which is why it is such a life-giving activity. Going deeper in prayer is essential if we are to witness to God's Kingdom and grow into the people God is calling us to be.

Making new disciples

A disciple is someone who follows Jesus Christ. With Christ as our companion and guide, we can travel through life differently and invite others to share in the adventure. We want to be more faithful in our discipleship and allow God to shape our priorities and values. The gospel is good news but, if we are to bring more people to Christ, we need to find new ways of telling the story, of explaining our faith and giving a reason for the hope that is in us.

Serving the people of Devon with joy

We want to be ambassadors for Christ, making a difference in the world and witnessing to God's love and justice, especially in the communities where we live and in our schools and workplaces. Working in partnership with others who are transforming lives, we seek to address the global issues confronting our generation so that all may flourish.

+Robert Exon

Bishop of Exeter

The Exeter Diocesan Board of Finance Limited
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OUR VALUES

Generosity of Spirit

We seek God's face in all, believing that everyone is made in the image of God. Preferring others and not thinking too highly of ourselves, we are compassionate, approachable and build trusting relationships.

Wisdom

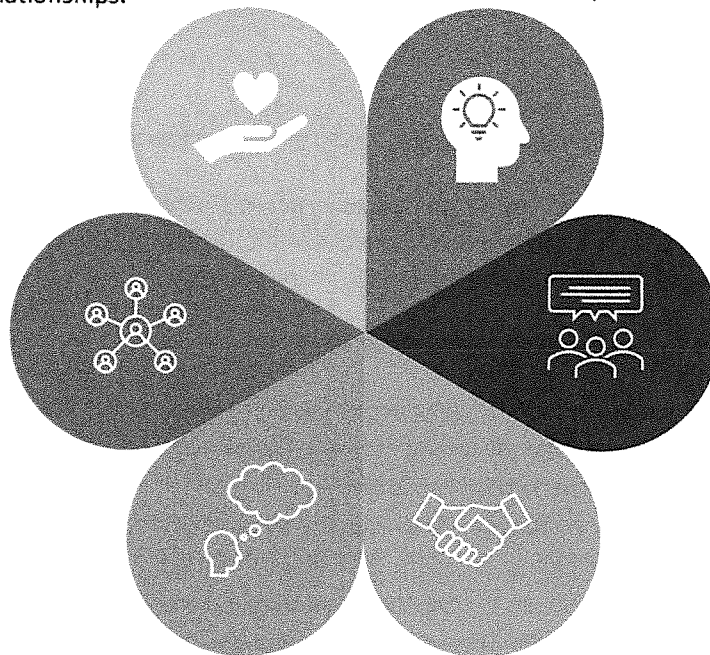
We want our priorities to reflect scripture and our Christian values. Listening to voices unlike our own, we seek the wisdom of the Holy Spirit when making decisions after open and informed discussion.

Respect

We welcome those who are different from us and show heartfelt respect in the way we speak with one another, treating all people with the dignity they deserve.

Team Working

We collaborate and work with others to achieve the best outcomes for those we serve and support. We are positive, flexible and constructive, releasing others to use their gifts.



Openness

We open our hearts and minds without judgement so that we learn from God and one another and allow others to challenge us.

Honesty

Our principles are rooted in our Christian faith. We seek to be people of integrity: fair, responsible, and consistent in all we do. We speak honestly with others and about them.

Love ❖ Joy ❖ Peace ❖ Patience ❖ Kindness ❖ Generosity
Faithfulness ❖ Gentleness ❖ Self-Control

Our GROWTH Values are rooted in the Fruit of the Spirit (Galatians 5.22)

**The Exeter Diocesan Board of Finance Limited
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The trustees, who are also directors for the purposes of company law, present their annual report, together with the audited consolidated financial statements, for the year ended 31 December 2022.

The directors/trustees are the same and in signing as Trustees, they are offering the strategic report sections in their capacity as directors.

The combined report satisfies the legal requirements for:

- A Directors Report of a charitable company and group;
- A Strategic Report under the Companies Act 2006; and
- A Trustees Annual Report under the Charities Act 2011.

LEGAL OBJECTS

The objects of the Diocese of Exeter cover the entire county of Devon.

The principal object of The Exeter Diocesan Board of Finance (EDBF) is to promote, assist and advance the work of the Church of England in the Diocese of Exeter by acting as the financial executive of the Exeter Diocesan Synod.

EDBF has the following statutory responsibilities:

- i. The management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976 and the Church Property Measure 2018;
- ii. The repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972 and the Church Property Measure 2018;
- iii. The management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 1991; and
- iv. The custodian of permanent endowment and real property assets relating to trusts held by incumbents and Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of EDBF are established by the Diocesan Synod in communication with Deanery Synods, PCCs, MCs, and the Bishop of Exeter. To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally, and to implementation of the outcomes. This includes a series of consultations on specific matters relating to the priorities for the forthcoming year and further ahead and taking forward the commitments arising from the Diocesan Synod and church nationally, including the diocesan budget.

**The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2022**

STRATEGIC REPORT

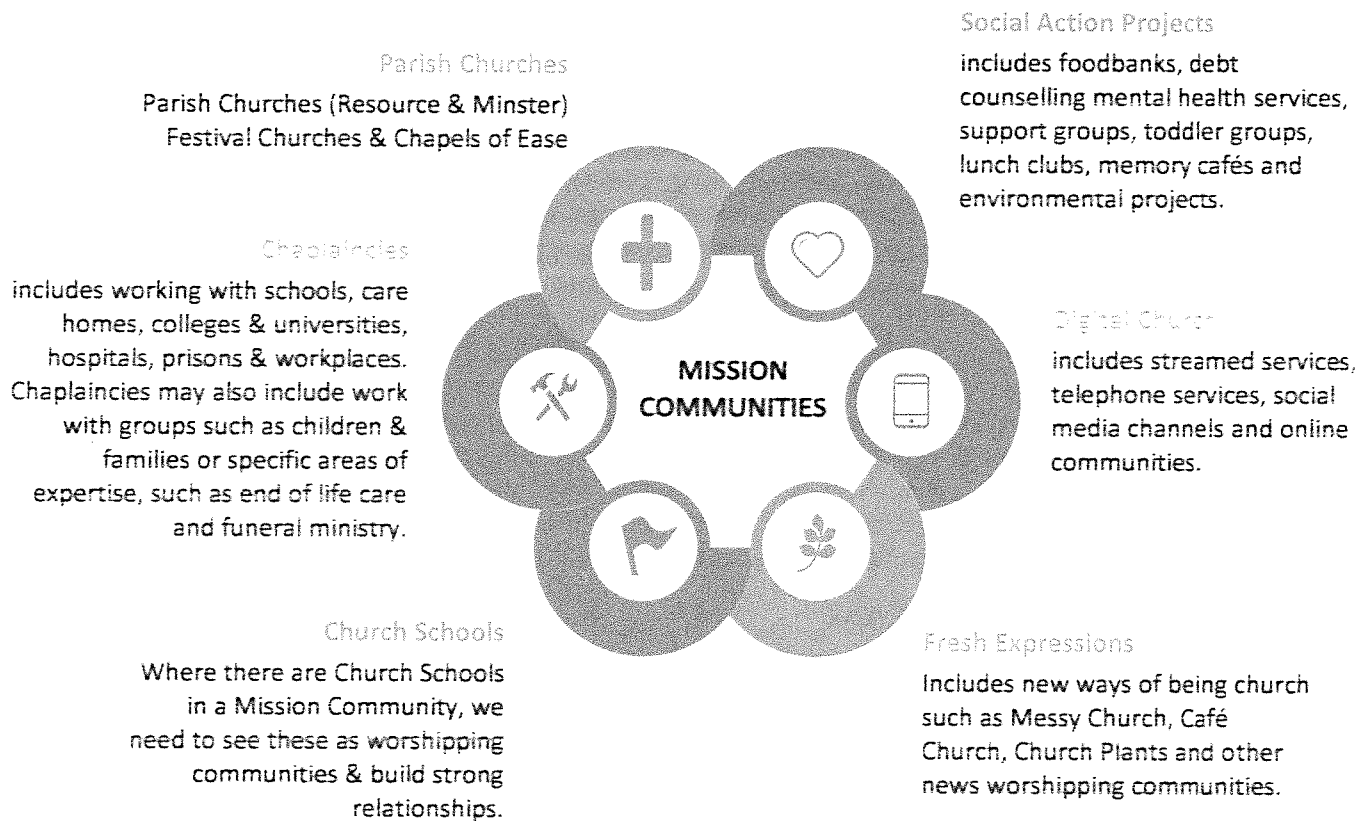
STRATEGIC AIMS

The main role of EDBF is to identify and manage the financial aspects of the provision of ministry within the Diocese so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop’s Council, Deaneries, Mission Communities and Parishes to further the mission and strategic priorities of the Diocese and in particular the strategic priorities set out in the Next Steps Vision Statement, which can be found on the diocesan website at www.exeter.anglican.org.

We seek to work together in Mission Communities

We seek to fulfil our calling to love God and serve the people of Devon with joy through our network of Mission Communities. These are diverse, vibrant and sustainable groupings of parishes across the Diocese, which are mission-oriented, community-focused and locally-rooted. At the heart of this network are our parish churches, which for centuries have been places of prayer, pastoral care, evangelism and community service in Devon. Increasingly today, they are complemented by chaplaincies, social action projects and varied and creative new expressions of worship, the result of which is an exciting mixed ecology. Together, they speak of God’s compassion and love, and ensure a Christian presence in every community across the county.

Mission Communities Mixed Ecology



**The Exeter Diocesan Board of Finance Limited
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STRATEGIC AIMS (continued)

Communities are how human beings relate to one another. We discover both what we need from others and what we can offer so that all may flourish. As the Church, our Mission Communities help us to be more effective in our discipleship of Jesus Christ. They enable us to be flexible and to work across boundaries, breaking down a sense of isolation. They enable us to be more adept at responding to the variety of contexts and cultures of Devon, whether market towns, coastal communities, remote rural villages or large urban centres of population. They encourage the development of specialist and pioneering ministries, and support our work with schools, children, young people, families and older people in the community.

The pandemic has taught us that we can adapt and change if we want to. As we take stock, we need to be unflinchingly realistic about the challenges confronting us, matched by our trust in the Holy Spirit who leads us.

Not every parish can offer every aspect of the Church's life and ministry, but by joining in partnership with neighbouring churches and forming a MC we can work together more effectively.

There are 120 MCs across the Diocese of Exeter. We aim to be mission-oriented, community-focussed and locally rooted. As God's people we are called to live out our faith and continue the mission of God as revealed in the life, death and resurrection of Jesus Christ.

The strategy of the Trustees for achieving EDBF's priorities is to maintain a sound financial structure which will enable EDBF to resource ministry and mission.

Each year a request is made to every parish for contributions towards the Common Fund, the parish share scheme, which is designed to distribute the financial costs of the Diocese equitably. The Common Fund pays for a significant proportion of the clergy stipends, their pension and housing, clergy and lay training, safeguarding and central support, but it only works properly if each parish in each MC contributes regularly and fully. We support all PCCs and MCs in their financial administration to develop efficient ways to collect and manage resources including through the Parish Giving Scheme.

The Board reviews the financial plan on an annual basis, and this was most recently undertaken in May 2023, with the current plan covering the years 2024 to 2035. The plan requires stringent cost control across all areas of the budget and assumes an increase in the number of unpaid licensed ministers (self-supporting clergy and readers) and unpaid lay people involved in ministry, alongside a reduction in the number of stipendiary clergy working within the Diocese. One of the key aims is to increase vocations, including the number of self-supporting ministers deployed.

OBJECTIVES FOR THE YEAR

The strategic aims were established by the Diocesan Synod in March 2016 and refreshed in June 2019. The aims have informed and will continue to inform decisions and policies at all levels. The vision is what we would like the future to look like and the strategy sets out how we seek to work together in MCs to enable this to happen.

**The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2022**

OBJECTIVES FOR THE YEAR (continued)

It is vital that our planning continues to reflect our priorities, whilst continuing to meet our statutory and operational requirements.

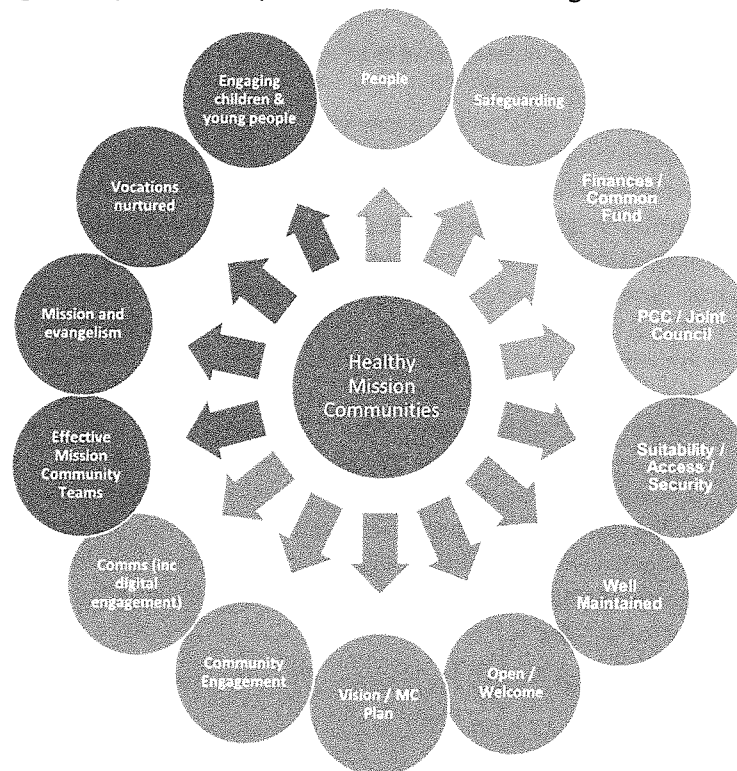
Next Steps

Next Steps is a further refreshment of our vision to grow in prayer, make new disciples and serve the people of Devon with joy. Every parish is unique and special, but churches thrive when they work in partnership with each other in MCs. This is why our strategy has always been to support MCs to develop and flourish. Next Steps offers a range of sustainability indicators for MCs in the areas of mission and ministry, resources and finance, buildings and governance.

Healthy churches are shaped by the growth values of the Fruit of the Spirit: love, joy, peace, patience, kindness, generosity, faithfulness, gentleness and self-control. We are developing tools to help MCs identify where to put their efforts and resources in the short term and how best to plan for the long-term. The Mission Community Health Check has been piloted and is now being offered to Mission Communities across the Diocese. It uses two on-line surveys to provide data on perceptions and priorities of those who are regular worshippers and those in the community and this forms the basis of a facilitated conversation, leading to a simple action plan.

Other resources include *'Lightening the Load'*, *'Love Your Church'* fundraising resources and *Generosity* resources.

The tools being developed draw inspiration from Jesus' teaching on the Vine in John 15.

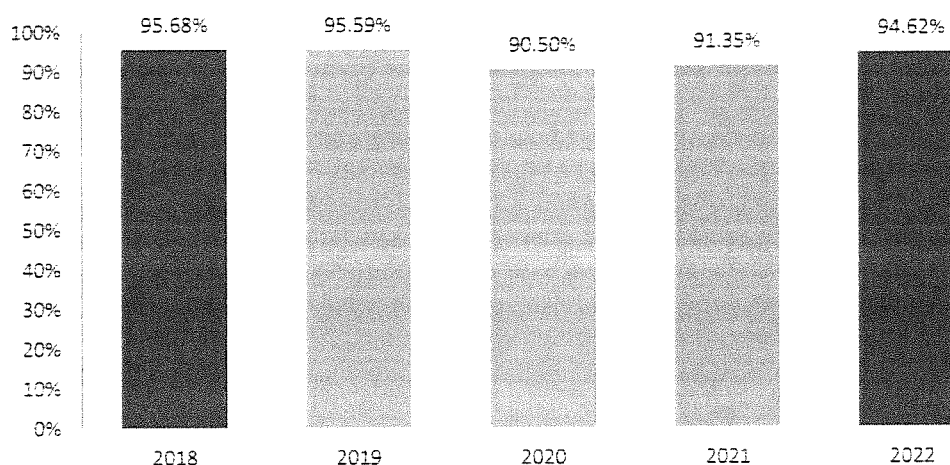


**The Exeter Diocesan Board of Finance Limited
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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Many parishes struggled to meet the full Common Fund request in 2020 and 2021, as a direct result of the pandemic, with many using their reserves to continue making contributions. We saw a significant improvement in 2022, as life started to return to normal. As a result, the total contributions received by the end of February 2023 were £8.6m (2021: £8.3m), which represented 94.62% (2021: 91.35%) of the amount requested from parishes. As ever, we are very grateful to the continuing generosity of the people in our worshipping communities, particularly in the current climate.

Common Fund Collection Rates 2018 - 2022



By autumn 2022, 24 candidates from the Diocese of Exeter were training for ordained ministry at theological college. This follows 11 people being recommended for ordination by the Bishops Advisory Panel over the previous academic year, which was a 100% recommendation rate from the panel for Exeter candidates. Numbers offering themselves for training are lower due to the impact of the pandemic. The ordination service for deacons at Exeter Cathedral (15 people ordained), and for the priests (13 people ordained) at various churches across Devon in September 2022, were live streamed to enable more people to participate. The services continue to attract media interest, most notably because the new deacons were among the first to swear allegiance to His Majesty the King. There was coverage in many national newspapers.

The new Shared Discernment Process (SDP) that the Church of England launched nationally has been in place for a year. The pandemic continued to affect the roll out of the new process, but we are now in year two, so the new ways of working are becoming more embedded. The process is complex with a two-stage process at national level, following extensive discernment work with candidates locally before each stage. This has involved the Exeter team in implementing and aligning diocesan work with the new 6 Qualities framework used by the national team.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Safeguarding

Safeguarding continued to have a high priority, with the Diocese providing training courses, advice to parishes, case management, formal risk assessment work and active support. The National Learning Framework has placed an increased demand upon our staff to deliver the higher-level Leadership Pathway. Many dioceses now have a dedicated trainer but have stopped delivering face to face training. We do not have a trainer, but we continue to offer some face-to-face training, as we recognise that many people in parishes prefer this. We have also continued to deliver Permission to Officiate training as an alternative to the Leadership Pathway for retired clergy with PtO, although many other dioceses have stopped delivering PtO Training. We have also delivered face to face Parish Safeguarding Representative training and Domestic Abuse training in each Archdeaconry. The introductory Basic and Foundation pathway training is made available predominantly on-line, but in our Diocese, we have also delivered some face to face Basic and Foundation courses. Many of these Basic and Foundation courses have been delivered by our volunteer trainers, and we are grateful for their support.

We very much appreciate the work of our volunteer Parish Safeguarding Representatives (PSR) and have surveyed all our PSRs to get a better understanding of the main challenges they face, and the ways in which we can best support them. The national Church Policy change from Disclosure and Barring Service (DBS) checks being renewed every five years to every three years has increased demand on our administrator. Until recently we have been unable to use the DBS digital identification check service (except during Covid), or the update service. However, we now have an opportunity to use these services for many, but not all, roles. We hope this will help evidence checkers out in parishes.

We have purchased access to the new Parish Safeguarding Hubs. These add the function of Safer Recruitment to Parish Safeguarding Dashboards, which should make the management of DBS and Training much easier at parish level.

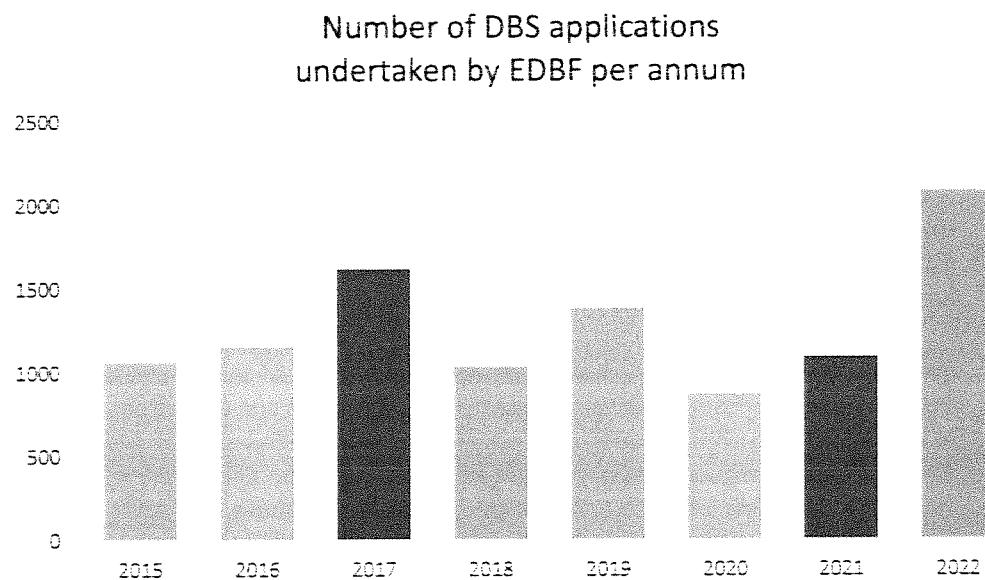
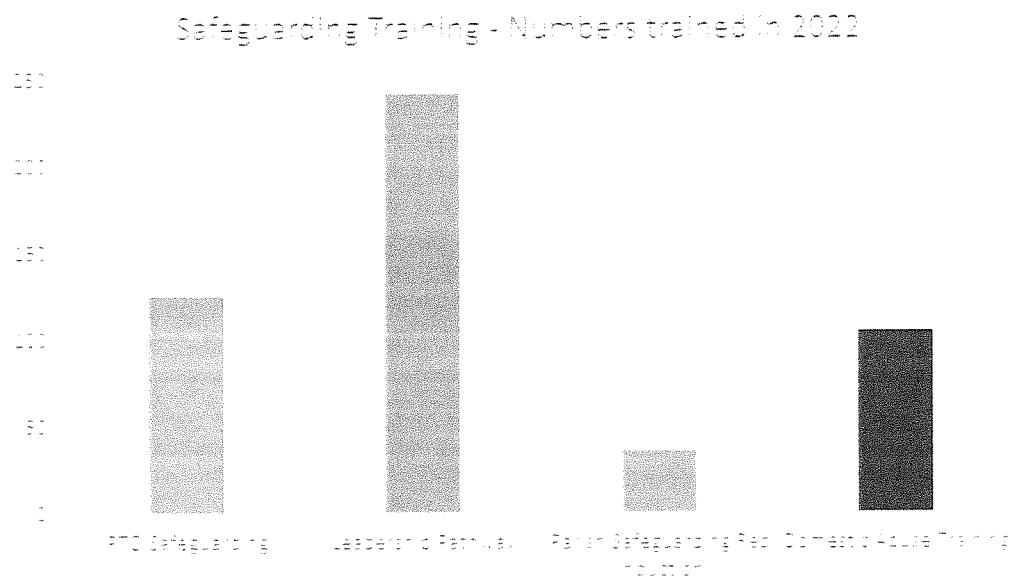
We will soon be adopting the new National Safeguarding Case Management System (NSCMS), which will help with the management of concerns and allegations. Last year the team managed just over 100 new referrals, and had around 35 people on Attendance Agreements or Safeguarding Contracts at anytime. Across the Church there has been an increase in reporting linked to Adults, especially Domestic Abuse, and Adult referrals now form the majority of all referrals. Approximately one third of all cases involve Church Officers (including clergy, volunteers, and elected officers). The majority of cases relate to members of the congregation.

We continue to be one of the Pathfinder Dioceses, piloting new procedures on behalf of the National Church. This has included new training in Supervision, Risk Assessment, development of National Safeguarding Standards and a Quality Assurance Framework. In the coming year we will be focusing on two themes for the Pathfinder: Risk Management and Leadership, Culture, Capacity.

**The Exeter Diocesan Board of Finance Limited
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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Safeguarding (continued)



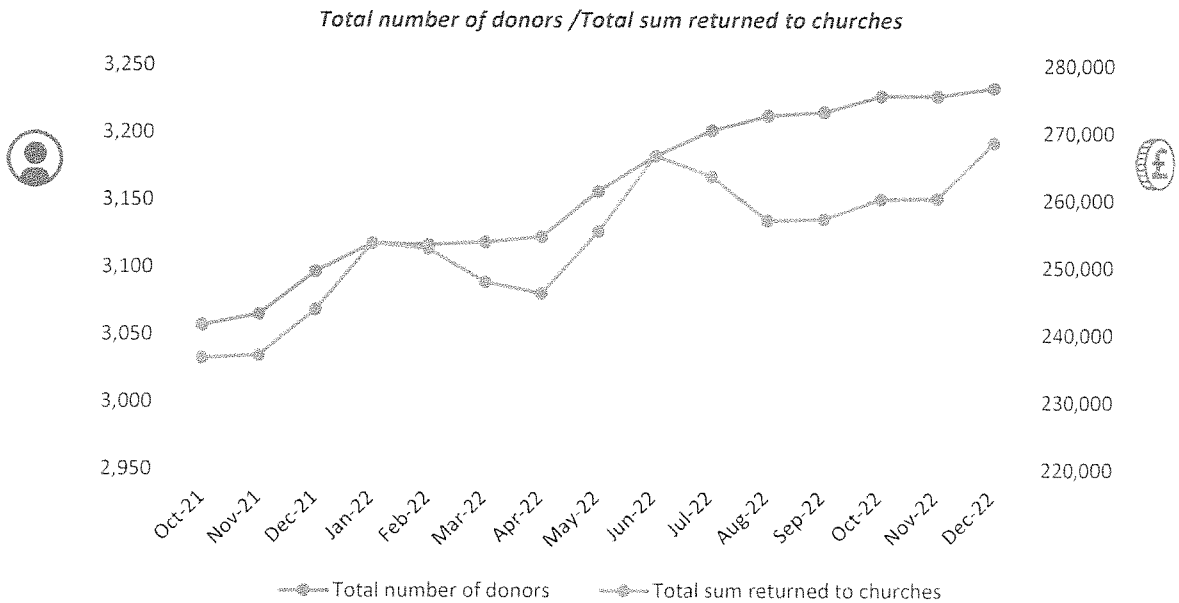
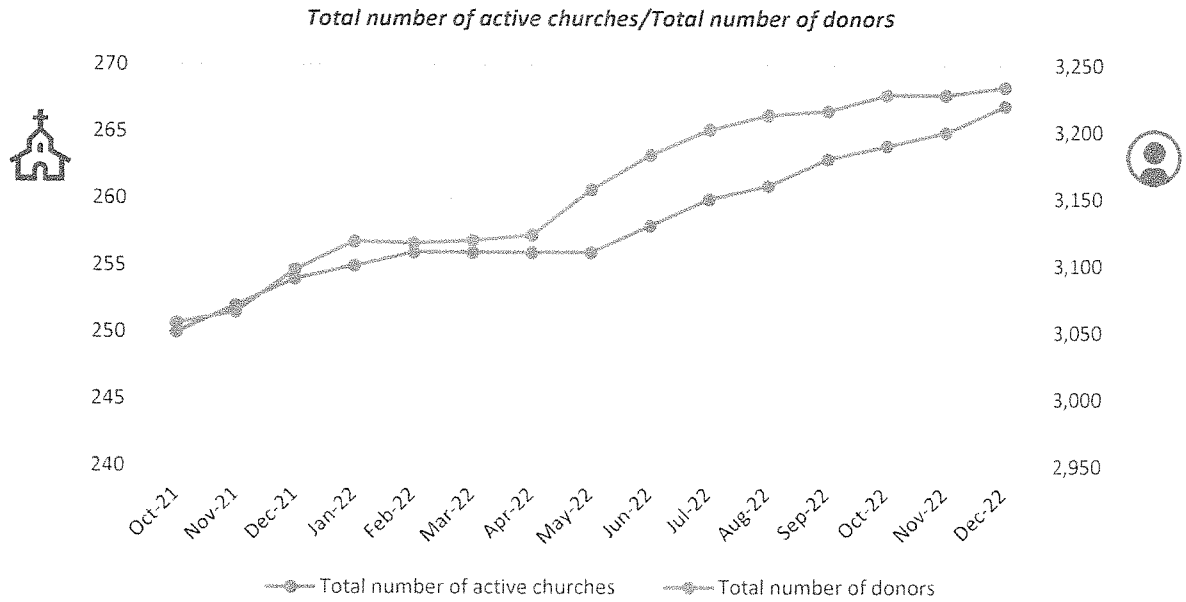
Parish Giving Scheme

The Parish Giving Scheme has continued to grow across the Diocese, encouraging a deeper understanding of generous giving, streamlining administration in parishes, improving parishes' cash flows by returning gift aid to parishes every month, and giving donors the option to increase their future giving in line with inflation. In December 2022 there were 3,234 (2021: 3,097) people in our Diocese making donations to 267 (2020: 254) churches, contributing a total (excluding gift aid) of £2.5m (2021: £2.3m) during the year. A further £0.6m was claimed in gift aid. The average gift (excluding gift aid) was £14.98 per week (2021: £14.25). EDBF does not carry out any significant fundraising activities.

**The Exeter Diocesan Board of Finance Limited
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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Parish Giving Scheme



**The Exeter Diocesan Board of Finance Limited
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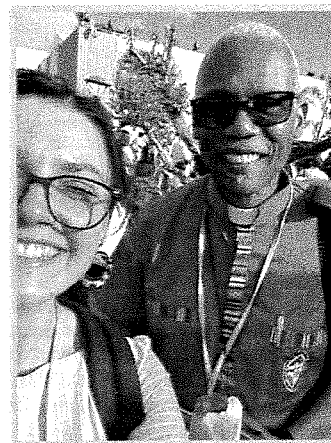
ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Mission and Ministry

The Mission and Ministry team continue to work in close collaboration with other teams based at the Diocesan Offices. The team's purpose is to support MCs as they seek to live out the diocesan vision.

During the early part of the year, we supported the Living in Love and Faith process by training facilitators, as well as running a number of on-line courses.

In June 2022, we held a three day residential conference for licensed clergy at the Royal Agricultural University in Cirencester. It was five years since the previous such event and we were blessed with good weather, excellent speakers and a deep sense of unity. It was very good to spend time together after the isolation of the pandemic.



In September 2022, our Diocesan Mission Enabler, James Grier, became the Bishop of Plymouth. He retains his links with Mission & Ministry as portfolio holder for the department on the Bishop's Staff Team.

During 2022, Sophie Phillips joined the team as the Net Zero Carbon Officer, to lead the diocese's work on setting goals, as we work together towards the target of achieving Net Zero Carbon by 2030.

Our Grow lay discipleship courses attracted participants from across the diocese. Content and attendance figures were as follows: Carbon Literacy (7), Digital Ministry (31); Growing in Prayer (7), Children, Youth and Schools (7), Administration (7) and Leading from the Front in Person (27 – and also available to download).

The Foundations in Christian Ministry Course restarted with a new cohort of 25 in September 2022.



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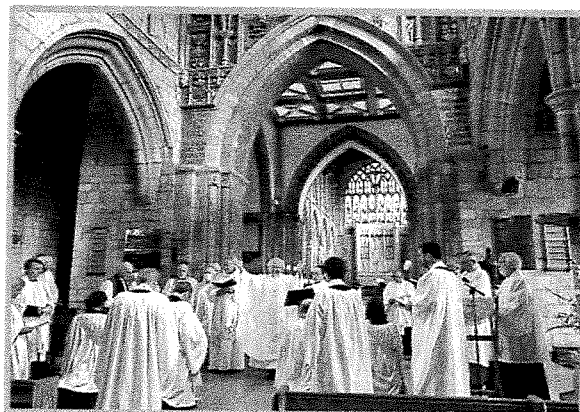
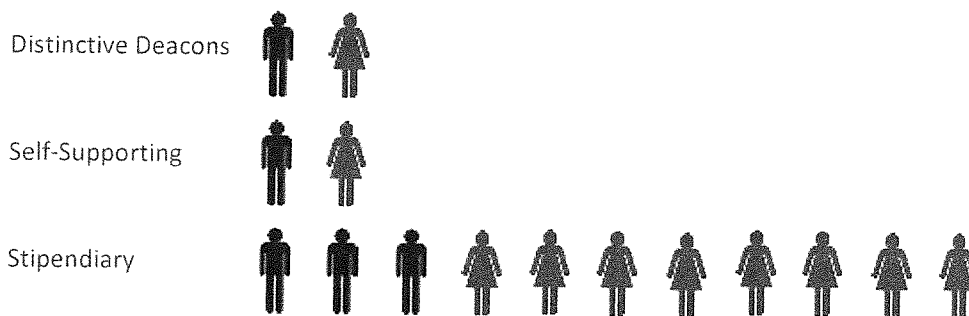
ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Mission and Ministry (continued)

The Vocations Development Officer and the Diocesan Director of Ordinands (DDO), with their teams, work to foster and encourage those sensing a call to serve God in the authorised lay and ordained ministries. Two events were held to help people consider and explore both ordained and lay licensed ministry as well as other focused work. Developing the ministry of women; encouraging candidates from a UK Minority Ethnic (UKME) heritage; and encouraging younger vocations, remain significant priorities. A Diocesan Calendar for 2022 focused vocations, and there was a drive to invite individuals to consider if God is calling them to self-supporting ordained ministry. During 2022, the Rev Wiz Slater joined the team, as an Assistant Director of Ordinands.

We continue to have close links with our two local ministry training providers, South West Ministry Training Course and St Mellitus College.

Deacons Ordained in 2022	Male	Female	TOTAL
Distinctive Deacons	1	1	2
Self-Supporting	1	1	2
Stipendiary	3	8	11
TOTAL	5	10	15



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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Mission and Ministry (continued)

Priests 2022	Male	Female	TOTAL
Self-Supporting	0	2	2
Stipendiary	8	3	11
TOTAL	8	5	13



Ordinands starting training in 2022:

Age*	Male	Female	TOTAL
31 and under	1	2	3
32 - 39	0	0	0
40 - 54	1	2	3
55 and over	2	1	3
TOTAL	4	5	9

Board of Education

The Diocesan Board of Education (DBE) and Education Team play an important part as a system leader within education. The geographical boundaries of the diocese mean we work closely with three Local Authorities: Devon, Torbay and Plymouth. We also have significant connectivity with Teaching Schools, Multi-Academy Trusts (MATs), the South West Regional Delivery Directorate, the Department for Education, other dioceses and the Church of England Education Office. The DBE's responsibilities and powers are set out in the renewed DBE Measure 2021.

The DBE has again focussed its strategic work around the three 'pillars' of Achievement, Mission and Leadership. The work of the DBE and the Education Team has been positive as together we have sought to enable all through the love of God in Jesus Christ, to 'live life in all its fullness' and fulfil our vision to 'nurture vision-inspired education; nourish personal and spiritual growth; and enable connected communities that flourish.' More information can be found in the DBE strategic plan monitoring and final evaluation for the triennium ending in December 2022, which can be found on the diocesan website at www.exeter.anglican.org.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Board of Education (continued)



At the start of 2022, there were 134 Church of England (CofE) schools within the Diocese of Exeter; 122 primaries, 3 infant, 4 junior and 5 secondary schools. At the time of the January 2022 Census there were 25,914 young people attending our CofE Schools. Our CofE school sizes vary considerably, ranging from 17 pupils in the smallest primary school to 1,301 students at our largest secondary school (Jan. 22 census). 66 CofE schools (49%) had less than 110 pupils. 110 of our schools are now in a multi-school grouping

(federation or multi-academy trust), resulting in only 24 schools remaining outside a formal partnership. Working with schools' governance to support them in their explorations around partnerships and subsequent due diligence about potential partners has been a significant and increasing part of our work.

In August 2022, we saw the sad closure of Chittlehampton CofE Primary School, which had low numbers. It was one of 4 CofE schools in the diocese with less than 30 pupils. Pupil numbers have dropped in many areas of the county due to low birth rates.

In September 2022, a community school relaunched itself as a Church of England school having actively pursued a change of designation (Department of Education approval followed). We are delighted to welcome St Gabriel's CofE Primary to our church school family.

Our engagement with our CofE schools is good. Due to community schools forming a part of our multi-school groupings, we also have connectivity with over 100 community schools through shared leadership, including governance. This has offered new opportunities for mission.

All CofE schools have access to our core service and the option to subscribe to our Service Level Agreement. We have seen a further increase in schools subscribing to our Service Level Agreement (78%, up from 49% in 2018). It is clear our SLA bespoke support is valued. Whilst our central offer remains important, our best attended events are the forums/hubs/induction rather than specific training courses.

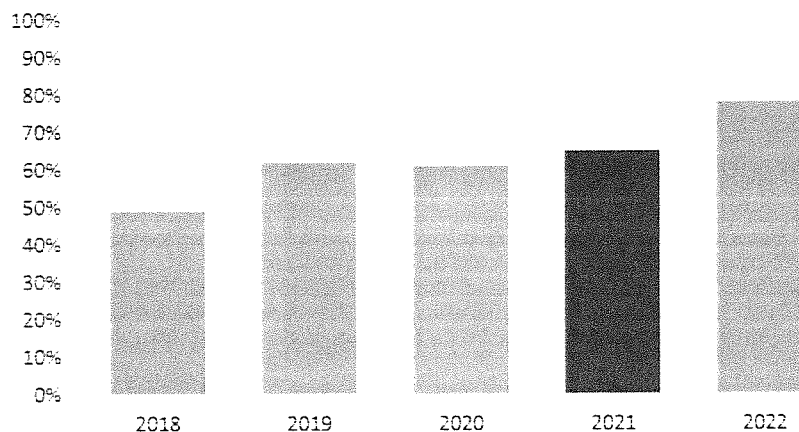
A very significant part of the DBE's work this year, following the nationally led reconstitution of DBEs, has been to prepare, in partnership with EDBF, a Scheme and Terms of Reference for the changes to our own DBE. The decision was made that the DBE in the Diocese of Exeter should become a committee of EDBF from 1 January 2023.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Board of Education (continued)

Percentage of schools subscribing to our
Education Service Level Agreements



Communications and Engagement

During 2022 the Communications and Engagement team ran a vocations campaign called Kingdom Calling with a view to encouraging people to explore lay and ordained vocations within the Diocese of Exeter. We also continued to promote the Devon Church Weddings campaign and Devon Pilgrim. We helped roll out Next Steps (the diocesan strategic plan for the next five years) and did a lot of work to promote and facilitate the Church of England's Living in Love and Faith course. We ran the Digital Ministry Grow course and continued to run regular free communications training sessions for churches and clergy. As a team we continue to produce high quality media content (videos, photos, news articles) which regularly features in local and national media and gets widespread engagement on social media. We have also begun taking on some outside media and brand management work for organisations, including SWMTC.

A photographic exhibition '*This is My Story*' has been put together to tell people's faith stories. This provides an opportunity to learn about the 16 people featured, how they came to faith and how it has helped them in their lives. The exhibition shows real people living in Devon today, with a real faith, and will encourage us to think about our own lives and beliefs.

Racial Justice Charter and Strategy

Our Racial Justice Charter is a challenge and an invitation. We believe we are called by God to identify, challenge and address racism in all its forms. We invite people everywhere to join us in a journey of change in our society. We recognise that change takes time and requires commitment, and there are significant challenges before us. The journey ahead of us will be characterised by choices, failures, risk-taking and renewal, but as Christians, we are people of hope and will be sustained by the grace of God.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Racial Justice Charter and Strategy (continued)

We have four guiding commitments:

- Committed to Jesus Christ and His Kingdom;
- Committed to conversation;
- Committed to action and better representation;
- Committed to accountability and transparency.

Diocesan Synod has approved the Charter and Strategy and a series of actions. Diocesan Synod will receive an annual update on progress.

KEY PERFORMANCE INDICATORS

Comprehensive quarterly operational reports are produced, and these are presented to the trustees following the end of each quarter, through the Bishop's Diocesan Council, and shared more widely with staff and other key stakeholders. The individual key performance indicators are shown against the relevant sections in the report above. The reports are also available on the diocesan website.

FUTURE PLANS

We remain committed to our key aims to make new disciples, grow in prayer and serve the people of Devon with joy. Next Steps is key to how we shape ministry in the coming years, with a keener focus on a mixed ecology of ordained and lay leaders. The Mission Community Health Check tool is currently being piloted and will enable everyone look at what they do well and also areas where there is an opportunity to try new things.

The pandemic has given us the opportunity to think differently and try new things, whilst being mindful of the financial challenges that our parishes and mission communities continue to face. Whilst we have seen a 15% fall in the number of people in our worshipping communities in the period from 2019 to 2022, we aim to build on all of the new ways of working that have proved successful during the pandemic in reaching out to those who have not previously been involved with church, or have returned to church.

The cost-of-living increases we are all now facing will continue to make setting budgets, both at EDBF and parish level, very challenging. The squeeze on family income is likely to have an effect on the level of giving to parishes, which in turn will make it more difficult for parishes to meet the full Common Fund request.

The General Synod aim to achieve Net (Carbon) Zero by 2030 will present every diocese, cathedral, church and church school with significant challenges. The Diocesan Synod has adopted the National Routemap to Net Zero Carbon by 2030. For the sake of God's creation, EDBF takes achieving this target very seriously and will focus in the coming year on plans for how this can be achieved and what funds may need to be allocated to do so.

We said farewell to Bishop Nick in July 2022 and welcomed Bishop James Grier as the new Bishop of Plymouth in September 2022.

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FUTURE PLANS (continued)

The 15% reduction in the number of people in our worshipping communities means that Diocesan Synod approved the 2023 diocesan budget with a shortfall of £2m. A similar deficit is projected for 2024 and the Bishop's Diocesan Council will develop contingency plans for approval by Diocesan Synod in the autumn of 2023 should the situation not improve when the 2023 participation numbers are received. The Bishop's Diocesan Council was clear that this level of deficit each year cannot be sustained.



Bishop James at the South Devon Railway during his pilgrimage walk from Exeter to Plymouth

SECTION 172(1) STATEMENT

The trustees act in good faith to continually balance the success of EDBF against many other factors, including ensuring that:

- Business is conducted morally and ethically, in line with the EDBF's Code of Conduct;
- Short term gains do not have an adverse consequence on EDBF's long-term strategy, success and benefits;
- Employee and clergy welfare, training and interests are taken care of;
- Supplier relationships are strong, mutually beneficial and comply with EDBF's policies;
- Good relationships exist with our PCCs; and
- Any community and environmental impacts as a result of EDBF's operations are considered.

There have been no major changes to any of the above areas in 2023.

FINANCIAL REVIEW

Financial performance

The Consolidated Statement of Financial Activities (page 42) for the year shows that the income (before investment gains) totalled £17.8m (2021: £15.7m) and expenditure amounted to £16.6m (2021: £14.1m) resulting in net income (before investment gains/losses) of £1.2m (2021: £1.7m).

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FINANCIAL REVIEW (continued)

Financial performance (continued)

The net income, after allowing for net investment gains of £5.9m on investment properties and financial investments, resulted in a net increase in funds amounting to £7.2m. Total fund balances increased from £115.0m to £122.2m over the year.

The net operating deficit in 2022 was £1.0m, after excluding the surplus from sale of property.

At 31 December 2022 the unrestricted and undesignated reserves (see Notes 20 and 21) amounted to £7.2m (2021: £9.8m).

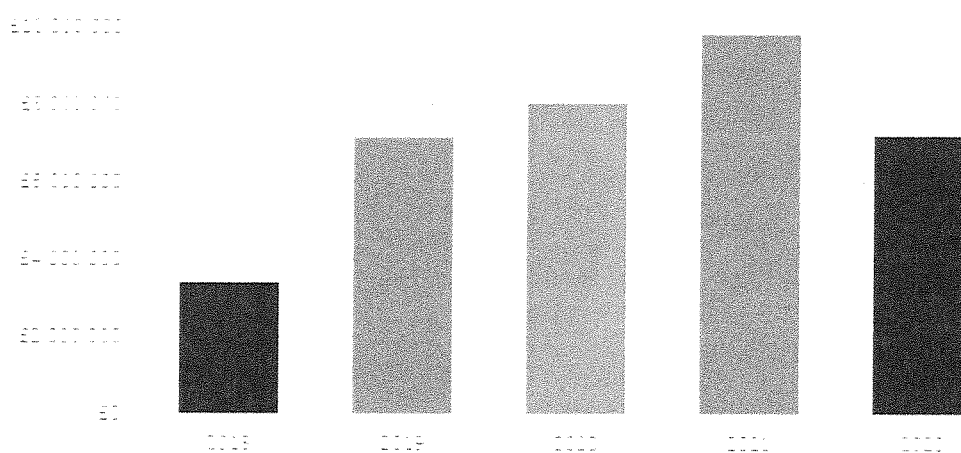
There was an aggregate gain on the revaluation of investment assets of £5.9m, based on the value at the start of the year. The value of investment held as property increased by £10.6m and listed investments reduced by of £4.7m.

Operational surplus/(deficit)*



*Excluding asset sales and pension adjustments

Unrestricted Reserves balance



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FINANCIAL REVIEW (continued)

Significant Property Transactions

Two properties were purchased during the year, one of which required some conversion work to be undertaken. Our policy continues to be, as finance allows:

- To replace unsuitable properties;
- To accommodate the changing geographical deployment of clergy within the Diocese; and
- To realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

In relation to the last bullet point, one new vicarage was built and planning approval for new dwellings obtained on another site.

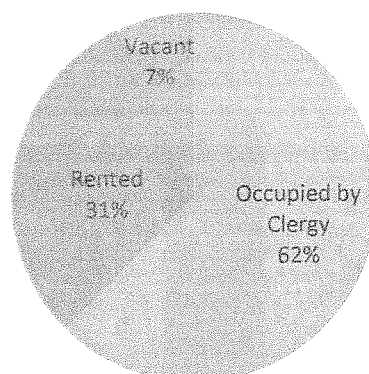
Eleven parcels of glebe land and six houses were sold within the year and sections of vicarage gardens sold off in a further two cases. The long-term aim continues to be to seek to maximise income return and to adjust the balance of EDBF's asset holdings, but sales are required to underpin cashflow and budget in the short-term.

Thirty-four in-going schemes were undertaken in advance of newly appointed clergy taking occupation and quinquennial repairs were instructed on 57 properties.

Properties continue to be rented when not needed to house clergy and the gross rental income achieved was £1.2m.

Current use of Clergy Housing

Number of Clergy Houses in portfolio	322
Occupied by Clergy	201
Rented	98
Vacant	23



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FINANCIAL REVIEW (continued)

Balance sheet position

The trustees consider that the balance sheet together with details in note 21 show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held.

While the net assets at the balance sheet date totalled £122.2m (2021: £115.0m) it must be remembered that included in these totals are properties, mostly in use for the ministry, whose carrying value amounted to £58.6m (2021: £58.3m). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot be used for the general purposes of EDBF.

Reserves policy

Unrestricted reserves

EDBF needs unrestricted reserves for the following purposes:

- a) To cover Common Fund shortfalls in the short-term;
- b) To ensure that funds are available to cover the legal employment entitlements of all employees and stipendiary clergy;
- c) To cover expenditure during the time it would take for the Diocese to adjust to a major change resulting from external and irresistible forces;
- d) To provide a fund for specific aspects of diocesan work earmarked as coming from reserves; and
- e) Excess reserves being necessary in an individual year, in line with the expectations in the long-term finance plan.

EDBF aims for an ongoing level of unrestricted reserves of 25% to 30% of annual budgeted expenditure, in order to cover items a) to c), above. Any amounts required to cover items d) and e), above, are considered on an annual basis. The unrestricted free reserves as at 31 December 2022 are outside this range at 44.7% of the 2023 budgeted expenditure of £16.1m. This is mainly the result of selling property assets that were previously in the designated fund. However, at the current time, with the significant economic uncertainty, and with a forecast deficit in 2023 of £2.3m, having a higher short term level of unrestricted reserves is considered necessary. The unrestricted free reserves also reduced from the position at 31 December 2021. EDBF also holds endowment and restricted reserves which are legally limited in use to specific purposes. Both EDBF's reserve policy and the level of reserves are reviewed annually.

Reserves tied up in fixed assets

The general (unrestricted) fund comprises net assets amounting to £7.2m of which £0.7m is tied up in intangible and tangible fixed assets.

Designated funds

The trustees may, with the approval of the Board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent.

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FINANCIAL REVIEW (continued)

Reserves policy (continued)

Designated funds (continued)

Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention.

A description of each reserve together with the intended use of the reserve is set out in note 22. At 31 December 2022 total designated reserves were £22.8m (2021: £22.1m), of which £20.9m was tied up in tangible fixed assets.

Restricted and endowment funds

As set out in note 20 to 22 EDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2022 restricted funds totalled £5.3m (2021: £5.7m) and endowment funds totalled £86.8m (2021: £77.3m). Neither is available for the general purposes of EDBF.

Grant making and donations policies

All grants and donations are made in furtherance of EDBF's strategic aims and objectives – see note 11.

The policies on the making of principal grants are:

- Ordinands – grants for living expenses are paid to ordinands against an assessment of need in line with national policy;
- Removal and resettlement grants – grants normally covering the full cost of removal expenses and resettlement grants in line with national guidelines are available to stipendiary clergy on moving to or within the Diocese;
- Archbishops' Council – the Board continues to contribute to the various costs of the national church as requested; and
- Strategic Development Fund – grants made from this fund relate to grants received from the Archbishops' Council and EDBF funding for specific projects.
- Parish Energy Support Grants – funding was received from the Church Commissioners, to provide financial support to parishes to offer some relief from the increase in energy costs. The grants were awarded in proportion to the energy costs reported by PCCs in 2021.

All grants are taken into account when a non-cancellable commitment to pay has arisen.

Investment policy

All investments held by EDBF have been acquired under powers available to the Trustees.

The investment of diocesan funds aims to achieve the income requirements of the diocesan budget, whilst maintaining, so far as possible, the purchasing power of the investments, year-on-year. Investment decisions will take account of the ethical considerations implicit in investing on behalf of the Diocese.

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FINANCIAL REVIEW (continued)

Investment policy (continued)

	Funds at 31 December 2022 £'000	Proportion of Portfolio	Income yield in year	Total Return in year
CCLA Managed				
CBF Investment Fund	35,568	100%	2.99%	-9.2%
CBF Deposit Fund	8	-	1.30%	+1.3%
Other Funds	5	-		
	35,581	100%		

EDBF also holds investment properties, in the form of three commercial properties and historic glebe land and property. These are all held within the Diocesan Stipends Capital Account (see notes 20 – 22).

	Funds at 31 December 2022 £'000	Income yield in year	Total Return in year
Investment Properties	25,989	1.63%	65.25%

The income yield in 2022 was lower than in previous years, following the revaluation of a number of glebe holdings with development potential, leading to a significant increase in value. This also accounts for the substantial total return percentage in 2022.

Operational relationships

EDBF fosters relationships with the parishes across the diocese, through the provision of clergy, support and training and by engaging with them where it is important to obtain their views, particularly where there are Common Fund considerations. EDBF fosters relationships with suppliers by seeking to work with them to build mutually beneficial relationships and by paying invoices within agreed credit terms.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees are responsible for the identification, mitigation and or management of risk and have carried out a formal risk management process to assess business risks and to implement risk management strategies.

To help achieve this, a register of all the risks identified is maintained (the Risk Register) and, alongside it, a management and mitigation strategy formed. This is reviewed annually by the trustees.

The above process has been delegated to the Assets Group with the responsibility for delivery of the mitigation identified by the annual review being delegated to the Diocesan Director of Finance.

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The Risk Register identifies the types of risks that EDBF faces, prioritising them in terms of potential impact and likelihood of occurrence, and the means of mitigating them. The Assets Group in conjunction with officers keep under review known risks and seek to identify new circumstances which may pose a risk to EDBF as part of their ongoing work.

The current risks with the highest residual risk score and the steps taken by senior management to mitigate them are as follows:

- Fall in the number of people within our worshipping communities;
 - Clear statement of our vision and strategy is constantly reinforced by the Bishops and the senior leadership team
 - Provision of additional diocesan-wide support through the Lay Discipleship project and support to Mission Communities
 - Provision of Living in Love and Faith (LLF) resources, training and support for parishes and Mission Communities
 - A number of mission initiatives have been adopted to encourage and improve participation in church life, with support through Strategic Development Funding
- A shortfall in the Common Fund request;
 - Regular communication of our vision and strategy by the Bishops and the senior leadership team
 - Support provided by the Mission Resources Team to parishes and MCs
 - Promotion of the Parish Giving Scheme as an effective means of regular giving
 - Development of the diocesan giving strategy
- EDBF becoming responsible for (multiple) church buildings where there is no longer a PCC;
 - Through Growing the Rural Church initiative and pastoral reorganisation, the Church Buildings Strategy group ensures that information and support is available for the extended use of church buildings.
- Reduction in rental income due to changes in tenancy legislation;
 - Representation made to Government as part of recent consultation process relating to Section 21 (no fault) notices
- Unexpected departure or protracted unavailability of a key member of management team;
 - Members of staff have been trained to a level where should this situation arise, there is resource available to cover key areas of responsibility
 - Annual appraisals and regular one to one meetings provide support and high-level communication, with reviews of workload pressures
 - Pastoral care and counselling services are available to all members of staff

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- A stock market collapse;
 - EDBF's portfolio is diversified to help minimise risk
 - A statement of Investment Principles was adopted
 - Regular review of the financial position is performed by the Assets Group
- Adverse publicity arising from the eviction of tenants;
 - Liaison with agents to ensure tenants' expectations are managed as far as possible
 - Include statement in tenancy contract making it clear that the property is held for clergy housing and any tenancy will therefore be ended when a clergy person requires the property
- Failure of multi-academy trusts;
 - EDBF protected from financial failure through the oversight and ownership of any issues by EDEN
 - Maintain a strong network of MAT CEOs with transparent communication and best practice shared
 - Shared opportunities to work with strategic partners to find the best Church of England solutions
- Failure to recruit and retain suitable qualified and skilled leaders and governors in our schools;
 - Engagement with national recruitment bodies
 - Work with strategic partners to ensure training opportunities are provided for future leaders
 - Work in partnership with multi-academy trusts and teaching schools to talent spot and to develop training packages
- Insufficient people with the necessary qualities offering themselves for ministerial training;
 - Increased provision through Vocations Development Officer, backed by a team of voluntary vocations advisers
 - National drive to encourage younger vocations
 - Targeted vocations events

The trustees are satisfied that all major risks have been reviewed and systems or procedures have been established to manage these risks.

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STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is the established church, and HM The King is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 dioceses. Each diocese is a See under the care of a bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the diocese.

The National Church has a General Synod comprised of ex-officio and elected representations from each diocese and it agrees and lays before Parliament, Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for clergy and lay workers. Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that responsibility as bishop within the Diocesan Synod. The Diocese of Exeter is itself divided into 21 deaneries, each with its own synod and within each parish there is a parochial church council which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod.

Whilst each diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each diocese to seek support from and application for partnership with neighbouring dioceses.

Organisational structure

EDBF is a company limited by guarantee (No. 00186001) registered in England & Wales and a registered charity (No. 249798) governed by its Memorandum and Articles of Association.

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Exeter. It was established in its present form in 1922 and is successor in title to the Exeter Diocesan Trustees.

Governance and policy of EDBF is the responsibility of the trustees, who are also members of the company and trustees for the purposes of charity law.

The trustees/directors of EDBF can comprise:

- 11 ex-officio members consisting of the diocesan and two suffragan bishops, the dean, four archdeacons and the chairs of the Synod House of Clergy and Synod House of Laity and the Chair of the Board;
- 4 clergy elected from the house of clergy from among their number on the basis of one per archdeaconry;
- 8 lay persons elected by members of the house of laity on the basis of two per archdeaconry; and
- A minimum of 3 and a maximum of 8 members nominated by the diocesan bishop.

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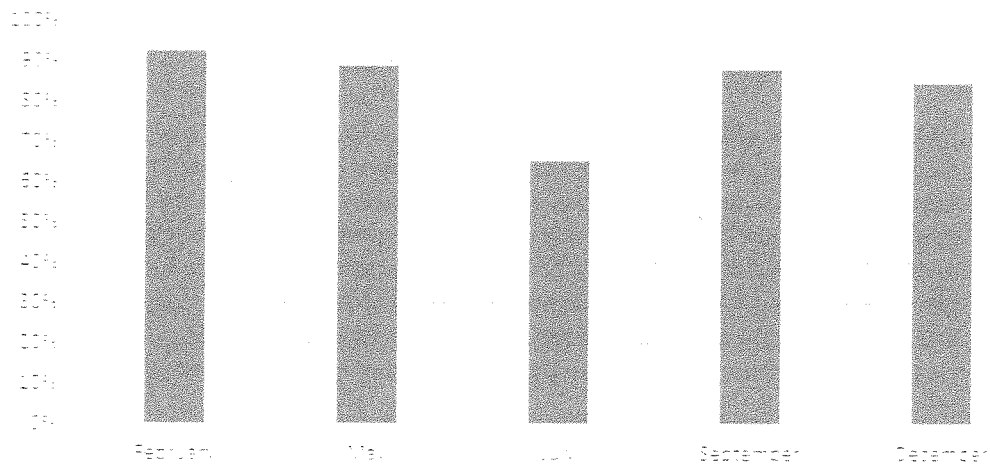
STRUCTURE AND GOVERNANCE (continued)

Organisational structure

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Diocesan Bishop. The Synod membership is elected every three years, with the current members elected to take office from 1 August 2021. Whilst EDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 EDBF is subject to the direction of the Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Attendance rates at meetings in 2022

Attendance rates at Bishop's Diocesan Council



Attendance rates at Diocesan Synod



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STRUCTURE AND GOVERNANCE (continued)

Governance Update 2022

January 2022 saw the start of a new triennium for the Bishop's Council and Standing Committee, the Diocesan Mission and Pastoral Committee and the Executive of the Diocesan Board of Finance, as well as for a number of subsidiary committees and working groups. Although the temporary, pandemic-related legal provisions have fallen away, arrangements have been made where possible to continue with the practice of holding some meetings remotely, some in person and others in hybrid form. This represents good use of resources (both financial and environmental) but care needs to be taken that the 'quality' of the meeting does not suffer as a result, which could in turn impact decision-making.

Work continued during the course of the year to promote the adoption of Joint Councils to streamline parochial governance and also to carry out pastoral reorganisation. A number of Parochial Church Councils facing the prospect of inquoracy (and thereby ceasing to be capable of discharging their legal responsibilities) have received temporary assistance to continue functioning, pending the agreement of arrangements to achieve a more sustainable solution that reflects the current circumstances of the local context.

Preliminary work was also undertaken on a diocesan Racial Justice Charter and Strategy that, if adopted, would seek to increase the representatives of UK Minority Ethnic groups on diocesan governance bodies. Finally, all necessary work arising from the Diocesan Boards of Education Measure 2021 was completed, with the existing arrangements brought to an orderly conclusion at the end of 2022 and new arrangements in place for the start of 2023. Henceforward the functions of the Diocesan Board of Education, as specified in the Measure, will be delegated to a new committee of the Diocesan Board of Finance, operating under clear terms of reference, called the Diocesan Board of Education Committee.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Exeter are set by the Diocesan Synod and EDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary.

EDBF meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by EDBF.

The trustees, meeting within the context of the Bishop's Diocesan Council, hold up to six meetings during the year to formulate and coordinate policies on mission, ministry and finance by:

- Initiating proposals for action by the Synod and advising it on matters of policy;
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with Synod Standing Orders;
- Acting as the trustees of EDBF;
- Planning the business of the Synod, preparing the agenda for its session, and circulating to members information about matters for discussion;

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

- Advising the Bishop on any matters he may refer to the committee;
- Initiating consideration of any restructuring of Synod Committees and Departments which may appear necessary and for the establishment of ad hoc review groups, their terms of reference and membership;
- Carrying out such other functions as the Synod delegates to it; and
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod.

Other than the Board's Standing Committee, which may make urgent decisions on behalf of the Board between meetings and has responsibility for staffing and personnel matters, EDBF has the following sub committees, each of which have written terms of reference:

Assets Group

This Group has responsibility for monitoring all diocesan income and expenditure and the investment and protection of assets.

The Bishop's Strategy Group

This Group comprises the Bishop's Staff Team, the Chairs of both the House of Clergy and Laity, the Chair and Vice Chairs of the Board of Finance and members of the Senior Management Team, who attend as required, depending on the subject matter. The Group has a strategic focus and the subjects discussed are in line with the Diocesan Vision & Strategy. The Group's decisions will be directed by the Board and Bishop's Diocesan Council in accordance with the policies agreed by the Diocesan Synod. The Group is also responsible for considering and advising the Board on key financial considerations and the annual budget setting process.

In addition to these sub-committees EDBF is assisted in its work by the following other committees:

Exeter Diocesan Board of Education

The Board has a responsibility to promote or assist in the advancement of education, which is consistent with the faith and practice of the Church of England, and in the promotion and assistance of religious education and religious worship in schools. In our 134 Church of England schools, of which 78 are academies and 56 are maintained schools (26 Voluntary Aided and 30 Voluntary Controlled), the Board has a responsibility to assist and advise governors on matters affecting church schools, and to promote co-operation between the Board and others involved with education in the Diocese. As part of this, the Diocese is keen to ensure the Christian distinctiveness of all Church of England schools is protected and enhances their community. Under the Diocesan Boards of Education Measure 2021, Diocesan Synod confirmed that the DBE will become a formal sub-committee of the DBF from 1 January 2023.

**The Exeter Diocesan Board of Finance Limited
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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

Parsonages Committee

This committee, which has the same membership as the Assets Group, is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting policy for buying, repairing, maintaining and any disposal of parsonage houses, team vicarages and houses owned by EDBF. There are four archidiaconal parsonage committees which exercise delegated powers for the day-to-day decisions on clergy housing.

Glebe Committee

This committee, which has the same membership as the Assets Group, is responsible for determining policy and making decisions concerning the management of glebe property and investments for the benefit of the diocesan stipends fund.

Diocesan Mission and Pastoral Committee

This committee, which has the same membership as the Bishop's Diocesan Council and the trustees of EDBF, is responsible for the reorganisation of parishes, benefices, church buildings, deaneries and archdeaconries, taking account of available clergy numbers and making use of new patterns of ministry.

Diocesan Advisory Committee for the Care of Churches

This committee advises on matters affecting churches and places of worship such as the granting of faculties, architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

Exeter Diocesan Board of Patronage

The Board is constituted under the provisions of the Patronage (Benefices) Measure 1986 and is sole patron or joint patron of a number of benefices.

Church Building Strategy Committee

This committee carries out statutory functions with regard to churches, which either have been closed for regular worship, or where that option is being considered.

Vacancy in See Committee

This committee under the Vacancy in See Regulations 1993 (as amended) assumes certain responsibilities in the event of a vacancy in the post of diocesan bishop.

Diocesan Synod

The Diocese of Exeter has its origins in the creation of a diocese for Devon in 909AD and took broadly its present form in 1877 when the Diocese of Truro was created as a separate diocese. The ecclesiastical boundaries of the Diocese equate almost exactly to the county of Devon, which covers an area of 6,707 square kilometres (2,589 square miles).

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STRUCTURE AND GOVERNANCE (continued)

Diocesan Synod (continued)

Devon is predominantly rural, with two major moorland areas, but also includes the two cities of Plymouth and Exeter and the urban area of Torbay. The overall resident population of the county is 1.19 million (based on mid-2019 estimates), with the north and south coastal areas attracting many tourists in the summer months.

The governance of the Diocese provides for elected clergy and lay members alongside the Bishop in Diocesan Synod, which also includes ex-officio members such as Suffragan Bishops, Archdeacons and the Dean, as well as co-opted members appointed for their skill or experience. Diocesan Synod is presided over by the Diocesan Bishop. Its role is to:

- Consider matters affecting the Church of England in the Diocese;
- Act as a forum for debate of Christian opinion on matters of religious or public interest;
- Advise the Diocesan Bishop where requested;
- Deal with matters referred to it by General Synod; and
- Provide for the finances of the Diocese through EDBF.

At archdeaconry and deanery levels

The Diocese consists of 483 parishes arranged into 21 deaneries within the four archdeaconries of Exeter, Totnes, Barnstaple and Plymouth. Within these parishes there are 595 Church of England places of worship in the Diocese, the 4th highest number in England.

Each deanery has a Synod consisting of a house of clergy and a house of laity. The Synod is chaired jointly by the Lay Chair, elected by the lay members from among their number, and the Rural Dean, who is appointed by the clergy and commissioned by the Diocesan Bishop.

The role of the Deanery Synod is to:

- Give effect to the decisions made by Diocesan Synod;
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- Raise with Diocesan Synod such matters as it considers appropriate; and
- Elect members of the deanery to Diocesan Synod and of the Diocese to General Synod.

Mission Communities

Whilst MCs are a central part of the structure and governance of the Diocese, they are not of themselves, legal entities.

MCs will vary from place to place, but will usually involve 150 or more worshipping adults, together with children and young people, in order to form a critical mass. The commitment to work together may be formalised as a united benefice, as a single parish, as a team ministry, or be expressed through a looser partnership.

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STRUCTURE AND GOVERNANCE (continued)

Mission Communities (continued)

Each MC is encouraged to have a Mission Community Action Plan. This should be a working document which helps the local church look outwards, to grow in prayer, to make new disciples and to serve the people of Devon with joy.

At a parish level

Each ecclesiastical parish has a PCC, whose members include the local parochial clergy, locally elected members of the Diocesan and Deanery Synods, the Churchwardens, a number of elected representatives and, possibly, a small number of co-opted members. Its members are trustees and therefore have trustee responsibilities.

Under current charity law, PCCs with an income of under £100,000 a year are classified as charities but excepted from registration with the Charity Commission. PCC's with an income in excess of £100,000 in any year are required to register as charities with the Charity Commission. The financial transactions and balances of PCC's are not reflected in these financial statements.

Exeter Cathedral

The Cathedral is the seat of the Bishop and a centre of worship, teaching and mission. It has its own separate legal charitable constitution and prepares its own financial statements, copies of which may be obtained from the Cathedral Office, 1 The Cloisters, Exeter, EX1 1HS. Exeter Cathedral does not form part of EDBF group for accounting purposes.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out above. Trustees are given induction at the beginning of each three-year term (triennium) and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest.

Standing Committee of the Exeter Diocesan Board of Finance

Emoluments of senior employees are determined by the Standing Committee of the Bishop's Council, consisting of the Chair of EDBF, the Diocesan Secretary (non-voting), and up to four other Directors (normally the Chairs of the Houses of Clergy and Laity or their deputies, plus one further member elected by EDBF).

The terms of reference for this group is established by the Bishop's Diocesan Council and include: agreeing the annual increases in salaries for all lay staff; considering and determining changes in the grading of any lay staff; to respond to requests from staff to alter working hours, levels of responsibility or other elements of their employment contract; to make recommendations regarding staffing levels, needs or problems in any area; to assess options and proposals for structural changes in the way in which EDBF operates;

The Exeter Diocesan Board of Finance Limited
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STRUCTURE AND GOVERNANCE (continued)

Standing Committee of the Exeter Diocesan Board of Finance (continued)

and to take decisions on behalf of EDBF on matters which must be decided urgently and for which it is impossible for the normal processes to apply.

Delegation of day-to-day delivery

The trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and his colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of EDBF in accordance with the policies framed by the trustees.

Funds held as Custodian Trustee

EDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are PCCs and others. These assets are not aggregated in the financial statements as they do not form part of EDBF's assets. They are segregated from EDBF's own assets in separate bank and investments accounts and are accounted for separately.

Further details of financial trust assets, whose market value amounted to £21.8m at 31 December 2022 (2021: £24.7m), are available from EDBF on request, and are summarised in note 28. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by EDBF's solicitor, Stephens Scown LLP.

Funds held on behalf of schools

The Board of Education (as incorporated within EDBF) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amounts included in creditors as at 31 December 2022 were:

- £706,000 (2021: £1,706,000) received from governors and the Department for Education in advance of repairs and improvements to schools, held in the general bank account; and
- £613,000 (2021: £297,000) held in a separate CCLA deposit account on behalf of the governors of Church of England schools in respect of building funds devolved from the Department for Education.

The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £2.4m and £1.5m respectively in 2022 (2021: £2.7m and £2.5m). The Excess of income over expenditure in the year is due to the timing of receipt of funding (mainly in advance) for school capital projects.

**The Exeter Diocesan Board of Finance Limited
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TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of EDBF for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements, unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and parent charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the group and parent charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

In so far as the Trustees are aware:

- a) There is no relevant audit information of which EDBF's auditor is unaware; and
- b) The Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that EDBF's auditor is aware of that information.

APPOINTMENT OF AUDITORS

The re-appointment of Bishop Fleming LLP as auditors to EDBF will be proposed at the Annual General Meeting.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2022**

ADMINISTRATIVE DETAILS

Trustees

The trustees and directors of EDBF are either ex-officio, nominated, elected or appointed as detailed in the standing orders of Exeter Diocesan Synod, a copy of which can be inspected at EDBF's registered office. The following were directors throughout the year (unless otherwise stated):

Ex officio

The Rt Rev Robert Atwell, Lord Bishop of Exeter
The Rt Rev Nicholas McKinnel, Bishop of Plymouth (until 31 August 2022)
The Rt Rev Jacqueline Searle, Bishop of Crediton
The Rt Rev James Grier, Bishop of Plymouth (from 29 September 2022)
The Ven Andrew Beane, Archdeacon of Exeter
The Ven Verena Breed, Archdeacon of Barnstaple
The Ven Douglas Dettmer, Archdeacon of Totnes
The Ven Nicholas Shutt, Archdeacon of Plymouth (until 30 April 2023)
The Very Rev Jonathan Greener, Dean of Exeter
The Rev Preb Michael Partridge (Chair, House of Clergy)
Mr Giles Frampton (nominated by the Bishop as Chair)
Mrs Annie Jefferies (Chair, House of Laity)

Appointed by the Bishop

Mrs Laura Ford
Mrs Tanya Hockley-Still (from 22 May 2023)
Mr Robert Mills (Vice Chair)
The Rev Jacqueline Taylor (until 31 May 2022)
The Rev Canon Dr Michael Williams (Vice Chair)
Dr Michael Wykes

Elected by Barnstaple Archdeaconry

Mr Nigel Price
The Rev Samantha Stayte

Elected by Exeter Archdeaconry

Mrs Antoinette Foreman
The Rev Edward Hobbs
Mr Keith Rushforth

Elected by Plymouth Archdeaconry

The Rev Andrew Atkins
Mr Michael Jefferies
Mr Julian Payne

Elected by Totnes Archdeaconry

Ms Hannah Dunn (until 8 May 2023)
The Rev Peter March
Mr Stephen Macey

**The Exeter Diocesan Board of Finance Limited
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ADMINISTRATIVE DETAILS (continued)

Senior staff and advisers

Diocesan Secretary	Stephen Hancock
Assistant Diocesan Secretary	Ed Moffatt
Director of Mission & Ministry	Philip Sourbut
Director of Education	Sue Lockwood
Director of Finance and Company Secretary	Neil Williams
Director of People & Safeguarding	Anthea Carter-Savigear
Director of Property	Graham Davies
Director of Communications	Chloe Axford
Strategic Programme Manager	Rafael Krasnodebski
Operations Manager	Annemarie Kendell

Registered Office:	The Old Deanery The Cloisters Exeter. EX1 1HS
Bankers:	NatWest Bank plc 59 High Street Exeter. EX4 3DP
Auditors:	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor, Stratus House, Emperor Way, Exeter Business Park Exeter. EX1 3QS
Solicitors:	Stephens Scown LLP Curzon House Southernhay West Exeter. EX1 1RS
Investment advisers:	CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London. EC4V 4ET
Insurance brokers:	PIB Insurance Brokers Poppleton Grange Low Poppleton Lane York. YO26 6GZ
Main Insurers:	Ecclesiastical Insurance Group plc Montpellier House Montpellier Gloucester. GL1 1LF

**The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2022**

ADMINISTRATIVE DETAILS (continued)

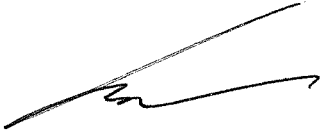
The directors and trustees of the Board's subsidiary undertakings who served throughout the year (unless otherwise stated) were as follows:

DIRECTORS OF EDPS LIMITED

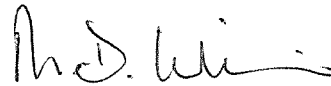
Mr Giles Frampton (Chair)
Mrs Jan Keliher
The Rev Canon Dr Michael Williams
Mr Neil Williams

In approving this Annual Report (pages 3 – 36), the trustees are also approving the Strategic Report included on pages 4 – 24 within their capacity as company directors.

BY ORDER OF THE TRUSTEES



Giles Frampton
Chair
12 September 2023



Michael Williams
Vice Chair

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2022**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN BOARD OF FINANCE LIMITED

We have audited the financial statements of the Exeter Diocesan Board of Finance Limited (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 31 December 2022 which comprise the consolidated statement of the financial activities, the consolidated income and expenditure account, the consolidated and EDBF balance sheets, the consolidated cashflow statement and 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 United Kingdom 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 the parent charitable company's affairs as at 31 December 2022, and of the groups incoming resources and application of resources, including its income and expenditure, 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 requirements of the Companies Act 2006.

Basis of 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 and parent charitable company 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 trustees' 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 group's or parent charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2022**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN BOARD OF FINANCE LIMITED (continued)

Other information

The other information comprises the information included in the annual report and consolidated financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and consolidated financial statements. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the group and parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The group and parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2022**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 33, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and parent charitable company'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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditors under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We have considered the nature of the sector, control environment and financial performance of the group and parent charitable company;
- We have considered the results of enquiries with management and Directors in relation to their own identification and assessment of the risk of irregularities within the group and parent charitable company;

**The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2022**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN BOARD OF FINANCE LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisations for fraud and identified incorrect revenue recognition to be a significant risk. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override of controls, including through the use of journal entries, this being a further significant risk.

We have also obtained understanding of the legal and regulatory frameworks that the group and parent charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Acts, Church Measures, FRS 102, the Charities SORP and tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent charitable company's ability to operate or avoid a material penalty. These included employment and health and safety legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of Bishop's Diocesan Council meetings;
- Enquiring of management and those charged with governance in relation to actual and potential claims or litigations;
- Reviewing the financial statements disclosures and testing to supporting documentation to assess the recognition of revenue; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2022**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

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.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and group and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Craig Sullivan FCCA (Senior Statutory Auditor)
For and on behalf of:
Bishop Fleming LLP, Chartered Accountants & Statutory Auditors
2nd Floor, Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS

18 September 2023

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2022

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2022

	Note	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2022	Total funds 2021
		General £'000	Designated £'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations	2						
Parish contributions		8,624	-	-	-	8,624	8,298
Archbishop's Council		-	-	1,971	-	1,971	1,369
Other donations		307	-	913	-	1,220	1,129
Charitable activities	3	697	-	57	-	754	691
Other trading activities	4	1,492	-	-	-	1,492	1,581
Investments	5	467	1	1,035	-	1,503	1,415
Other	6	878	-	-	1,353	2,231	1,231
Total income and endowments		12,465	1	3,976	1,353	17,795	15,714
Expenditure on							
Costs of raising funds	7	206	-	77	-	283	312
Charitable activities	8	12,145	176	3,973	-	16,294	13,746
Total expenditure		12,351	176	4,050	-	16,577	14,058
Net income/(expenditure) before investment gains		114	(175)	(74)	1,353	1,218	1,656
Net gain/(loss) on investments	16	(1,380)	6	(355)	7,665	5,936	5,968
Net income/(expenditure)		(1,266)	(169)	(429)	9,018	7,154	7,624
Transfers between funds	13	(1,347)	868	-	479	-	-
Net movement in funds		(2,613)	699	(429)	9,497	7,154	7,624
Total funds brought forward		9,823	22,104	5,743	77,341	115,011	107,387
Total funds carried forward	20	7,210	22,803	5,314	86,838	122,165	115,011

All activities derive from continuing activities. The notes on pages 47 to 90 form part of the financial statements.

The Exeter Diocesan Board of Finance Limited
 Annual Report & Consolidated Financial Statements
 For the year ended 31 December 2022

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
 For the year ended 31 December 2022

	Total 2022 £'000	Total 2021 £'000
Total incoming resources	16,442	15,161
Resources expended	(16,577)	(14,058)
Operating surplus/(deficit) for the year	(135)	1,103
Net gain/(loss) on investments	(1,729)	1,566
Net income for the year	(1,864)	2,669
Other comprehensive income:		
Net assets transferred from/(to) endowments	(479)	(75)
Total comprehensive income	(2,343)	2,594

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2022

CONSOLIDATED AND EDBF BALANCE SHEETS
At 31 December 2022

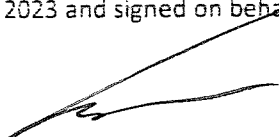
<i>Company Number – 186001</i>		2022		2021	
	Note	Group £'000	EDBF £'000	Group £'000	EDBF £'000
FIXED ASSETS					
<i>Intangible Assets</i>	14	59	59	72	72
<i>Tangible assets</i>	15	58,828	58,828	58,562	58,562
<i>Investments</i>	16	61,570	61,570	55,798	55,798
Total fixed assets		120,457	120,457	114,432	114,432
CURRENT ASSETS					
<i>Debtors</i>	17	1,678	1,842	2,198	2,338
<i>Cash on deposit</i>		34	34	34	34
<i>Cash at bank and in hand</i>		3,492	3,284	2,045	1,833
Total current assets		5,204	5,160	4,277	4,205
CREDITORS: amounts falling due within one year	18	(2,310)	(2,275)	(1,812)	(1,749)
NET CURRENT ASSETS		2,894	2,885	2,465	2,456
TOTAL ASSETS LESS CURRENT LIABILITIES					
		123,351	123,342	116,897	116,888
CREDITORS: amounts falling due after one year	19	(1,186)	(1,186)	(1,886)	(1,886)
TOTAL NET ASSETS		122,165	122,156	115,011	115,002
FUNDS					
Endowment funds					
<i>(Including investment revaluation reserve of £31,902k (2021: £24,389k))</i>		86,838	86,838	77,341	77,341
Restricted income funds					
<i>(Including investment revaluation reserve of £1,123k (2021: £1,503k))</i>		5,314	5,314	5,743	5,743
Unrestricted income funds:					
<i>General Funds (Including investment revaluation reserve of £3,121k (2021: £4,501k))</i>		7,201	7,201	9,814	9,814
<i>Designated Funds (Including investment revaluation reserve of (£3k) (2021: £6k))</i>		22,803	22,803	22,104	22,104
<i>Trading subsidiary</i>		9	-	9	-
TOTAL CHARITY FUNDS	21	122,165	122,156	115,011	115,002

**The Exeter Diocesan Board of Finance Limited
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**CONSOLIDATED AND EDBF BALANCE SHEETS (continued)
At 31 December 2022**

The Cash Flow Statement and the notes on pages 47 to 90 form part of these financial statements.
The financial statements were approved by the Board of Trustees and authorised for issue on
2023 and signed on behalf of the Board by:

12 September



**Giles Frampton
Chair of the Board**

The Exeter Diocesan Board of Finance Limited
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CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating Activities		(3,012)		(3,609)
Cash flows from investing activities				
Dividends, interest and rent from investments	2,726		2,717	
Proceeds from the sale of:				
Tangible fixed assets	3,339		1,789	
Fixed asset investments	456		4,016	
Purchase of:				
Tangible fixed assets for the use of the EDBF	(1,395)		(399)	
Fixed asset investments	(292)		(8,005)	
Net cash provided by/(used in) investing Activities		4,834		118
Cash flows from financing activities				
Loans repaid by the EDBF	(434)		(169)	
New lending by EDBF	(61)		(100)	
Loans repaid to EDBF	120		82	
Net cash provided by/(used in) financing Activities		(375)		(187)
Change in cash and cash equivalents in the reporting period		1,447		(3,678)
Cash and cash equivalents at 1 January		2,079		5,757
Cash and cash equivalents at 31 December		3,526		2,079
Reconciliation of net income/(expenditure) before investment gains to net cash flow from operating activities				
Net income/(expenditure) before investment gains for the year ended 31 December		1,218		1,656
Adjustments for:				
Depreciation/amortisation charges		40		51
Dividends, interest and rent from investments		(2,726)		(2,717)
Surplus/(deficit) on sale of functional assets		(2,231)		(1,231)
Decrease/(increase) in debtors		457		(140)
(Decrease)/increase in creditors		230		(1,228)
Net cash provided by/(used in) operating activities		(3,012)		(3,609)
Analysis of cash and cash equivalents				
Cash in hand		3,492		2,045
Notice deposits (less than 3 months)		34		34
		3,526		2,079

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019 (FRS 102)), the Companies Act 2006 and applicable accounting standards (FRS 102) (effective 1 January 2019).

EDBF meets the definition of a public benefit entity under FRS 102. It is a company limited by guarantee and is constituted under a memorandum and articles of association. The company is also a registered charity. The address of the registered office is given in the administrative details on page 35. The nature of the charity's operations and its principal activities are set out in the annual report.

These financial statements consolidate the results of the company and its wholly owned subsidiary (see Note 32) on a line-by-line basis. A separate Statement of Financial Activities and income and expenditure account for the company has not been presented because the company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The principal accounting policies and estimation techniques are as follows:

a) **Income**

All income is included in the Statement of Financial Activities (SOFA) when EDBF is legally entitled to the income or capital respectively, ultimate receipt is more likely than not and the amount to be recognised can be quantified with reasonable accuracy.

- i) **Common Fund (Parish contributions)** is recognised as income of the year in respect of which it is receivable, with a cut-off date of 28 February 2023 for the 2022 year.
- ii) **Rental income** is brought into the accounts when receivable.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v) **Statutory Parochial fees** are recognised as income of the year to which they relate with a cut-off date of 28 February 2023 for the 2022 year.
- vi) **Donations** other than grants are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the EDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other resources expended.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

1. ACCOUNTING POLICIES (continued)

b) Expenditure

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category.

- i) **Expenditure on raising funds** is constrained to costs relating to the investment management costs of glebe and any other investment properties and the running costs of EDPS Ltd, EDBF's trading subsidiary.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, and expenditure on education and Church of England schools in the Diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient, except in those cases where the offer is conditional and there are no conditions at the discretion of EDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** EDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pension Scheme (see note 26). The pension costs charged as resources expended represent EDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which EDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year, with any adjustments required reflected in the SOFA.
- vi) **Redundancy and termination payments** are recognised when EDBF is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date, or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.
- vii) **Irrecoverable VAT** is charged as a cost against the activity for which the expenditure was incurred.

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

1. ACCOUNTING POLICIES (continued)

c) Tangible fixed assets and depreciation

Freehold properties

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. EDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence.

In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the original value of the related loan at the balance sheet date.

Investment properties

Glebe properties which are held for investment purposes and rented out have been included at their fair value.

Parsonage houses

EDBF has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. EDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their historic cost value.

d) Other tangible fixed assets

All capital expenditure over £1,000 is capitalised and depreciated as follows. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:

Motor vehicles	25% per annum	reducing balance basis
Fixtures and fittings	10% per annum	straight line basis
Equipment	25% per annum	straight line basis
Telephone system	10% per annum	straight line basis
Photovoltaic panels	4% per annum	straight line basis

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

1. ACCOUNTING POLICIES (continued)

- e) **Fixed asset investments** are included in the balance sheet at fair value and the gain or loss taken to the Statement of Financial Activities. The investments in the subsidiary undertaking are valued at cost less any provisions for impairment.
- f) **Leases.** EDBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause (if expected to be exercised) whichever is shorter in time.
- g) **Debtors.** Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.
- h) **Cash at bank and in hand and cash on deposit.** Cash at bank and in hand and cash on deposit includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening.
- i) **Creditors and provisions.** Creditors and provisions are recognised where the group and parent charity 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.
- j) **Financial instruments.** EDBF only has material financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.
- k) **Fund balances**
Fund Balances are split between unrestricted (general and designated), restricted and endowment funds.
- **Unrestricted funds** are EDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of EDBF. There are two types of unrestricted funds:
 - **General funds** which EDBF intends to use for the general purposes of EDBF; and
 - **Designated funds** set aside out of unrestricted funds by EDBF for a purpose specified by the Trustees.
 - **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

1. ACCOUNTING POLICIES (continued)

- **Endowment funds** are those held on trust to be retained for the benefit of the charitable company or group as a capital fund. In the case of the endowment funds administered by EDBF, there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

Trusts where EDBF acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the notes to the financial statements.

- i) **Preparation of the accounts on a going concern basis.** Having undertaken a review, the Trustees have no concerns about the ability of EDBF to meet its liabilities and on that basis the company is a going concern.
- m) **Significant accounting estimates.** The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Revaluation of investment properties

EDBF carries its investment property at fair value, with changes in fair value being recognised in the Statement of Financial Activities. Commercial investment properties are revalued each year by an independent valuation specialist. Glebe property is revalued by an independent valuation specialist every five years, with annual reviews of fair value made by management with reference to appropriate indices, or to reflect any changes in the status of the property. Where appropriate, the valuation will reflect the development potential of individual glebe holdings.

Pension and other post-employment benefits

The liabilities in respect of defined benefit pension schemes and other pension related provisions are determined using actuarial calculations by an independent actuary. The calculations involve making assumptions about discount rates, future salary increases, mortality rates and future pension increases.

Depreciation of freehold properties

The board does not depreciate its freehold properties as it judges any depreciation charge to be immaterial on the basis of the long life of the asset and high residual value on the basis of the board policy of regular maintenance. The board carries out an annual impairment review.

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

1. ACCOUNTING POLICIES (continued)

Benefice houses recognition

Benefice houses are legally vested in the incumbent of the benefice. However, the board recognises these as functional assets of the board on the basis that the board carries both obligations in terms of maintenance and improvement and beneficial entitlements of ownership.

2. DONATIONS

Parish Contributions

The majority of donations are collected from the parishes of the Diocese through the common fund system.

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year assessments	8,958	-	-	-	8,958	8,996
Shortfall in contributions	(482)	-	-	-	(482)	(778)
	<u>8,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,476</u>	<u>8,218</u>
Receipts for previous years	136	-	-	-	136	80
Receipts for future years	12	-	-	-	12	-
Total Income	<u>8,624</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,624</u>	<u>8,298</u>

Current year common fund receipts represent 94.62% of the total assessed (2021: 91.35%).

Archbishop's Council

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Lowest Income Communities Funding	-	-	1,190	-	1,190	1,207
Parish Energy Support grants	-	-	463	-	463	-
Strategic Ministry funding	-	-	318	-	318	162
	<u>-</u>	<u>-</u>	<u>1,971</u>	<u>-</u>	<u>1,971</u>	<u>1,369</u>

The Lowest Income Communities Funding is the annual grant for either supporting specific parish mission and development projects or for clergy stipends.

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

2. DONATIONS (continued)

Other donations and grants

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
	General £'000	Designated £'000				
Benefact Trust Grant	147	-	-	-	147	158
Legacies	-	-	-	-	-	19
Donations and grants	160	-	640	-	800	641
Resourcing Ministerial Education	-	-	273	-	273	311
	<u>307</u>	<u>-</u>	<u>913</u>	<u>-</u>	<u>1,220</u>	<u>1,129</u>

The donations and grants figure above includes the following: Strategic Development Funding (£640k); Capacity Funding (£140k) and Other grants (£20k).

3. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
	General £'000	Designated £'000				
Statutory fees	604	-	-	-	604	528
Chaplaincy income	16	-	57	-	73	63
Feed in/Export Tariffs						
- PV panels	22	-	-	-	22	37
Course/training fees	24	-	-	-	24	18
Miscellaneous income	31	-	-	-	31	45
	<u>697</u>	<u>-</u>	<u>57</u>	<u>-</u>	<u>754</u>	<u>691</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
	General £'000	Designated £'000				
Housing income	1,207	-	-	-	1,207	1,286
Other rental income	16	-	-	-	16	16
Trading – EDPS Ltd	269	-	-	-	269	279
	<u>1,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,492</u>	<u>1,581</u>

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
	General £'000	Designated £'000				
Dividends receivable	438	-	628	-	1,066	1,011
Interest receivable	29	1	-	-	30	-
Rents receivable	-	-	407	-	407	404
	<u>467</u>	<u>1</u>	<u>1,035</u>	<u>-</u>	<u>1,503</u>	<u>1,415</u>

6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
	General £'000	Designated £'000				
Gains on sale of Properties	878	-	-	1,353	2,231	1,230
Surplus on disposal of fixed assets	-	-	-	-	-	1
	<u>878</u>	<u>-</u>	<u>-</u>	<u>1,353</u>	<u>2,231</u>	<u>1,231</u>

7. COSTS OF RAISING FUNDS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
	General £'000	Designated £'000				
Giebe agents' fees	-	-	48	-	48	47
Other giebe expenses	25	-	29	-	54	58
Trading activities – EDPS Ltd	181	-	-	-	181	207
	<u>206</u>	<u>-</u>	<u>77</u>	<u>-</u>	<u>283</u>	<u>312</u>

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

8. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2022	Total funds 2021
	General £'000	Designated £'000			£'000	£'000
Contributions to						
Archbishops' Council						
Training for Ministry	346	-	-	-	346	346
National Church Responsibilities	212	-	-	-	212	242
Grants and provisions	29	-	-	-	29	30
Mission agency pension Costs	14	-	-	-	14	16
Retired clergy housing Costs	131	-	-	-	131	127
Pooling of ordinands maintenance grants	44	-	-	-	44	33
	<u>776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>776</u>	<u>794</u>
Resourcing Ministry and Mission						
Parish Ministry						
Stipends and national insurance	3,099	-	2,511	-	5,610	5,569
Pension costs	1,541	-	37	-	1,578	1,572
Housing costs	2,983	-	-	-	2,983	2,016
Removal, resettlement and grants	213	-	-	-	213	198
Clergy Pension Fund Deficit	(143)	-	-	-	(143)	7
Other expenses	283	-	42	-	325	443
	<u>7,576</u>	<u>-</u>	<u>2,590</u>	<u>-</u>	<u>10,566</u>	<u>9,805</u>
Support for parish ministry						
Mission and Ministry	1,192	176	868	-	2,236	2,133
Social Justice/Creation Care	77	-	-	-	77	57
Mission and Ministry grants	-	-	26	-	26	3
Parish Energy Support grants	-	-	463	-	463	-
Cooper Legacy grants	-	-	10	-	10	3
Cooper Armstrong Legacy	-	-	-	-	-	6
Support services	1,578	-	16	-	1,594	1,429
Lay Pension Fund Deficit	-	-	-	-	-	(975)
	<u>10,823</u>	<u>176</u>	<u>3,973</u>	<u>-</u>	<u>14,972</u>	<u>12,461</u>
Expenditure on Education and Church of England Schools						
Support for church schools and parishes						
	<u>546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>546</u>	<u>491</u>
	<u>12,145</u>	<u>176</u>	<u>3,973</u>	<u>-</u>	<u>16,294</u>	<u>13,746</u>

Of the year-on-year increase of £165k in support services costs, £75k can be attributed to planned repairs required to the main office building.

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

9. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Pension Funds Deficit Adjustment £'000	Total costs 2022 £'000	Total costs 2021 £'000
Raisings funds	283	-	-	-	283	312
Charitable activities:						
Contributions to Archbishop's Council	-	776	-	-	776	794
Resourcing parish ministry	11,963	1,415	1,594	-	14,972	12,461
Education	546	-	-	-	546	491
	<u>12,792</u>	<u>2,191</u>	<u>1,594</u>	<u>-</u>	<u>16,577</u>	<u>14,058</u>

Net income/(expenditure) for the year is stated after charging amortisation £19k (2021: £18k), depreciation £22k (2021: £32k) and audit fees EDBF £23k, EDPS £3k (2021: EDBF £23k, EDPS £3k).

10. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2022 £'000	Total funds 2021 £'000
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Central support/administration	1,428	-	16	-	1,444	1,298
Governance:						
External audit of EDBF	23	-	-	-	23	23
External audit of EDPS	3	-	-	-	3	3
Registrar and Chancellor	99	-	-	-	99	85
Synodical costs	25	-	-	-	25	20
	<u>1,578</u>	<u>-</u>	<u>16</u>	<u>-</u>	<u>1,594</u>	<u>1,429</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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11. ANALYSIS OF GRANTS MADE	No.	Individuals £'000	Institutions £'000	Total 2022 £'000	Total 2021 £'000
From unrestricted funds for national Church responsibilities:					
Contributions to Archbishop's Council	5	-	776	776	794
From unrestricted funds:					
Ordinands in training	19	111	-	111	82
Clergy ordination	15	38	-	38	38
Clergy resettlement	28	70	-	70	70
Clergy removals	28	77	-	77	80
Clergy 1 st incumbency	14	33	-	33	22
Churches together in Devon	1	-	5	5	5
Mission & Growth Fund	9	-	33	33	-
Church schools – Repairs/improvement	1	-	3	3	6
Support for lay workers	3	-	12	12	16
Transforming Plymouth Together	1	-	15	15	15
Strategic Development Fund-Plymouth	-	-	-	-	119
Partnership in Mission					
St Mellitus South West	1	-	35	35	-
Other small grants	33	11	12	23	21
	<u>153</u>	<u>340</u>	<u>115</u>	<u>455</u>	<u>474</u>
From restricted funds for various purposes within resourcing parish ministry:					
Cooper Legacy Fund	4	-	10	10	6
Cooper Armstrong Legacy	-	-	-	-	3
Growth & Mission Fund	2	-	14	14	11
Parish Energy Support grants	318	-	453	453	-
Repairs and Maintenance Grant	1	-	26	26	3
Strategic Development Fund					
Plymouth Partnership in Mission	5	-	108	108	146
Exeter, St Matt's	4	-	137	137	132
Bay Church	4	-	202	202	111
	<u>338</u>	<u>-</u>	<u>960</u>	<u>960</u>	<u>412</u>
Total	<u>497</u>	<u>340</u>	<u>1,851</u>	<u>2,191</u>	<u>1,680</u>

Grants paid from designated funds have been included within unrestricted funds.

Cooper Legacy grants approved by the Board at 31 December 2022 but not yet disbursed at that date were £6k.

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12. STAFF COSTS	2022	2021
	£'000	£'000
Employee costs during the year were as follows:		
Wages and salaries	1,886	1,934
National insurance contributions	193	187
Pension costs – current year	398	404
	<u>2,477</u>	<u>2,525</u>
The average number of persons employed by the group during the year:		
	2022	2021
	Number	Number
		Restated
Administration and financial management	27	26
Grant funded projects	2	3
Clergy Housing	4	4
Mission, Ministry and Stewardship	15	15
Safeguarding	4	4
Archdeacons' staff	3	4
Education and Schools	11	10
	<u>66</u>	<u>66</u>
The average number of persons employed by the group during the year based on full-time equivalents:		
	2022	2021
	Number	Number
		Restated
Administration and financial management	20.7	20.6
Grant funded projects	1.8	2.8
Clergy Housing	3.7	3.4
Mission, Ministry and Stewardship	11.0	11.5
Safeguarding	3.5	3.4
Archdeacons' staff	2.1	2.1
Education and Schools	9.3	8.7
	<u>52.1</u>	<u>52.5</u>
The numbers of staff whose emoluments (including benefits in kind, but excluding pension contributions) amounted to more than £60,000 were as follows:		
	2022	2021
	Number	Number
£60,001 - £70,000	3	3
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
	<u>6</u>	<u>5</u>

Pension payments of £75k (2021: £55k) were made for these employees.

All benefits are recognised when either a legal or contractual obligation arises.

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12. STAFF COSTS (continued)

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Diocese. The members of the Senior Management Team were:

Diocesan Secretary	Stephen Hancock
Assistant Diocesan Secretary	Ed Moffatt
Director of Mission & Ministry	Philip Sourbut
Director of Education	Sue Lockwood
Director of Finance and Company Secretary	Neil Williams
Director of People & Safeguarding	Anthea Carter-Savigear
Director of Property	Graham Davies
Director of Communications	Chloe Axford
Strategic Programme Manager	Rafael Krasnodebski
Operations Manager	Annemarie Kendell

Remuneration, pensions and expenses for these 10 employees amounted to £737k (2021: 10 employees, amounting to £700k).

Trustees' emoluments

No trustee received any remuneration for services as trustee (2021: none). 8 trustees received travelling and out of pocket expenses, totalling £27k (2021: 8 trustees received £17k) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as trustees.

EDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. EDBF is also responsible for the provision of housing for stipendiary clergy in the Diocese, including the suffragan bishops, but excluding the diocesan bishop and cathedral staff.

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12. STAFF COSTS (continued)

The following table gives details of those clergy trustees who were in receipt of a stipend and/or housing and whether this was provided by EDBF during the year:

	Stipend	Housing
The Right Rev R Atwell	No	No
The Right Rev N McKinne!	No	Yes
The Right Rev J Searle	No	Yes
The Right Rev J Grier	No	Yes
The Very Rev J Greener	No	No
The Ven A Beane	Yes	Yes
The Ven V Breed	Yes	Yes
The Ven D Dettmer	Yes	Yes
The Ven N Shutt	Yes	No
The Rev A Atkins	Yes	Yes
The Rev E Hobbs	Yes	Yes
The Rev T Hockley-Still!	Yes	Yes
The Rev P March	Yes	Yes
The Rev M Partridge	Yes	Yes
The Rev S Stayte	Yes	Yes
The Rev J Taylor	Yes	Yes
The Rev Canon Dr M Williams	No	No

Clergy costs

EDBF paid an average of 191 full time equivalent (2021: 191) stipendiary clergy and stipendiary licensed lay workers as office holders holding parochial or diocesan appointments in the Diocese, and the costs were as follows:

	2022 £'000	2021 £'000
Stipends	5,200	5,131
National insurance contributions	410	438
Pension costs - current year	1,785	1,923
	<u>7,395</u>	<u>7,492</u>
Pension costs - deficit reduction	(207)	(351)
	<u>7,188</u>	<u>7,141</u>

The above figures do not include contributions made towards stipends paid by other organisations, e.g. chaplaincies. During the year there were no non-contractual severance benefits paid (2021: £117k; 3 clergy). Agreements have been agreed/signed with 4 clergy, who will leave in 2023. Provision has been made for the payments of £140k. All benefits are recognised when either a legal or constructive obligation arises.

In addition to the stipendiary clergy, the Diocese also has the following other licensed ministry:

- Self-supporting ministers 57 (2021: 54),
of which 14 (2021: 15) are in training curacies
- Readers 116 (2021: 110)
- Clergy holding licence under seal 37 (2021: 38)

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12. STAFF COSTS (continued)

Clergy costs (continued)

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £38,050 - £46,640 (2021 range: £37,670 - £46,180).

The annual rate of stipend, funded by EDBF, paid to Archdeacons in 2022 was £37,198 (2021: £36,785) and other clergy who were Trustees were paid £27,445 (2021: £27,175).

13. ANALYSIS OF TRANSFERS BETWEEN FUNDS	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
Improvements to clergy housing	(376)	147	-	229
Purchase of replacement Benefice house	(565)	-	-	565
Purchase of replacement curate's house	(440)	440	-	-
Property transfers from Benefice to Board	-	315	-	(315)
From General Fund to Clergy Housing Repairs	(210)	210	-	-
From General Fund for Clergy Conference	(30)	30	-	-
From Designated to General Fund for properties earmarked for sale	274	(274)	-	-
	<u>(1,347)</u>	<u>868</u>	<u>-</u>	<u>479</u>

14. INTANGIBLE FIXED ASSETS

	Website & Software £'000
Cost	
At 1 January 2022	114
Additions	6
At 31 December 2022	<u>120</u>
Amortisation	
At 1 January 2022	42
Charge for the year	19
At 31 December 2022	<u>61</u>
Net Book Value	
At 31 December 2022	<u>59</u>
At 31 December 2021	<u>72</u>

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15. TANGIBLE FIXED ASSETS

	Freehold Properties & Land £'000	Office Equipment £'000	Fixtures & Fittings (inc. PV Panels £'000	Total £'000
Cost				
At 1 January 2022	58,347	298	369	59,014
Additions	1,381	8	-	1,389
Disposals	(1,097)	-	(8)	(1,105)
At 31 December 2022	58,631	306	361	59,298
Depreciation				
At 1 January 2022	-	274	178	452
Disposals	-	-	(3)	(3)
Charge for the year	-	8	13	21
At 31 December 2022	-	282	188	470
Net Book Value				
At 31 December 2022	58,631	24	173	58,828
At 31 December 2021	58,347	24	191	58,562

Freehold properties and land fall into a number of asset classes:

	Glebe Houses (Endowment) £'000	Parsonage Houses (Endowment) £'000	Education Property (Endowment) £'000	Other Houses (Restricted) £'000	Board Property (Designated/ Unrestricted) £'000	Total £'000
At 1 January 2022	11,456	25,404	119	367	21,001	58,347
Additions	14	780	-	-	587	1,381
Disposals	(558)	(10)	-	-	(529)	(1,097)
Transfers (note 13)	-	(315)	-	-	315	-
At 31 December 2022	10,912	25,859	119	367	21,374	58,631

All of the properties in the balance sheet are freehold and are vested in EDBF, except for benefice houses which are vested in the incumbent. Two properties (2021: 2) were previously purchased with the help of value-linked loans from the Church Commissioners; the appropriate share of the net sale proceeds, when the houses are disposed of, will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £118k (2021: £118k).

Up to and including 31 December 1999 it was EDBF's policy to include freehold properties at their 31 December 1994 open market value. From 1 January 2000 EDBF adopted the policy not to revalue tangible fixed assets. Whilst previous valuations have been maintained they have not been updated.

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16. FIXED ASSETS INVESTMENTS

	At 1 January 2022 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	At 31 December 2022 £'000
Unrestricted funds						
Listed investments	11,885	110	(110)	-	(1,374)	10,511
Unlisted investments	5	-	-	-	-	5
	<u>11,890</u>	<u>110</u>	<u>(110)</u>	<u>-</u>	<u>(1,374)</u>	<u>10,516</u>
Restricted funds						
Listed investments	3,303	182	(182)	-	(355)	2,948
Endowment funds						
Investment property	15,553	-	(164)	-	10,600	25,989
Listed investments	25,052	-	-	-	(2,935)	22,117
	<u>40,605</u>	<u>-</u>	<u>(164)</u>	<u>-</u>	<u>7,665</u>	<u>48,106</u>
Total EDBF	<u>55,798</u>	<u>292</u>	<u>(456)</u>	<u>-</u>	<u>5,936</u>	<u>61,570</u>

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16. FIXED ASSETS INVESTMENTS (continued)

The corresponding historical cost figures are:	Group 2022 £'000	EDBF 2022 £'000	Group 2021 £'000	EDBF 2021 £'000
Unrestricted funds				
Listed investments	7,393	7,393	7,378	7,378
Unlisted investments	5	5	5	5
	<u>7,398</u>	<u>7,398</u>	<u>7,383</u>	<u>7,383</u>
Restricted funds				
Listed investments	1,825	1,825	1,800	1,800
Endowment funds				
Investment property	3,343	3,343	3,355	3,355
Listed investments	12,861	12,861	12,861	12,861
	<u>16,204</u>	<u>16,204</u>	<u>16,216</u>	<u>16,216</u>
Total	<u>25,427</u>	<u>25,427</u>	<u>25,399</u>	<u>25,399</u>

Investment property

- A full list of properties is available for inspection at The Old Deanery.
- All land and buildings held on 31 December 2022 are held on a freehold basis.
- Commercial investment properties were valued as at 31 December 2022 by Stratton Creber Commercial (Chartered Surveyors) on an open market basis and residential properties were revalued by the trustees on an open market value basis. Historic giebels were valued by Savills (Chartered Surveyors) on an open market basis at 31 December 2022.
- The investment properties form part of the Diocesan Stipends Capital Account – see notes 20 – 22.
- The income yield, net of fees/costs, on the value of the property investments held as fixed assets in the year was 1.63% (2021: 2.60%). The total return was 65.25% (2021: 12.29%).
- Investment properties are held to provide an investment return, rather than as programme investments.

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17. DEBTORS – GROUP and EDBF	Group	EDBF	Group	EDBF
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Due within one year				
Loans to parishes	29	29	115	115
Loan to St Mellitus College	-	-	40	40
Common Fund	195	195	199	199
Gift aid from EDPS Ltd	-	85	-	71
Current account with subsidiary company	-	88	-	87
Department for Education/ governors	166	166	700	700
Prepayments	238	238	200	200
Other debtors	940	931	861	843
	<u>1,568</u>	<u>1,732</u>	<u>2,115</u>	<u>2,255</u>
Due after more than one year				
Loans to parishes	88	88	61	61
Other debtors and prepayments	22	22	22	22
	<u>110</u>	<u>110</u>	<u>83</u>	<u>83</u>
Total debtors	<u><u>1,678</u></u>	<u><u>1,842</u></u>	<u><u>2,198</u></u>	<u><u>2,338</u></u>
18. CREDITORS: amounts falling due within one year				
	Group	EDBF	Group	EDBF
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Trade creditors	135	135	94	94
Taxation and social security	58	43	85	47
Other creditors and accruals	1,527	1,525	962	959
Proceeds of property sold by Board payable to external organisations	51	51	51	51
Receipts in advance	105	87	103	81
CBF Loans – Photovoltaic Panels (parsonages)	34	34	34	34
NatWest Loan – CBiLS	400	400	133	133
Pension scheme liabilities				
Ciergy Pension Scheme	-	-	350	350
Total creditors: amounts falling due within one year	<u><u>2,310</u></u>	<u><u>2,275</u></u>	<u><u>1,812</u></u>	<u><u>1,749</u></u>

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19. CREDITORS: amounts falling due after more than one year

	Group 2022 £'000	EDBF 2022 £'000	Group 2021 £'000	EDBF 2021 £'000
Loan repayment instalments due after more than one year				
CBF Loans – Photovoltaic Panels (parsonages)	-	-	34	34
NatWest Loan – CBILS	1,067	1,067	1,733	1,733
Church Commissioners value-linked loans	119	119	119	119
Total creditors: amounts falling due after more than one year	1,186	1,186	1,886	1,886

	2022 £'000	2021 £'000
The maturity of the above loans may be analysed as follows:		
Between one and two years	400	167
Between two and five years	667	1,600
In five years and more	119	119
	1,186	1,886

The loans with CBF are repayable over 10 years by equal annual instalments. Interest is calculated on a daily basis and is payable semi-annually. All CBF loans are repayable within 5 years. The monthly interest rate is the average rate declared by the CCLA Deposit Fund over the month, plus 0.55%.

The loan with NatWest is repayable over 5 years by equal instalments, starting in September 2021. The interest rate is fixed at 2.66% per annum and the loan can be repaid early at any point without penalty. The loan is secured by a floating debenture over EDBF's assets.

Value-linked loans (VLLs) represent amounts advanced to EDBF for the purchase of two properties on an equity sharing basis and are repayable on the disposal of the related property. As at 31 December 2022 the Board had no intention of disposing of either of the properties funded via VLLs.

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20. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2022 £'000
UNRESTRICTED FUNDS						
General	9,814	12,284	(12,170)	(1,347)	(1,380)	7,201
Church Buildings Fund	685	1	-	-	6	692
Board Properties	20,148	-	-	628	-	20,776
Clergy Housing Repairs	565	-	-	210	-	775
Diocesan Mission Funds	276	-	-	(200)	-	76
Diocesan Mission & Growth Fund	-	-	(33)	200	-	167
Clergy Conference Fund	156	-	(122)	30	-	64
Burrington School Fund	34	-	-	-	-	34
Plymouth SDF Project	74	-	(21)	-	-	53
Miscellaneous Funds	166	-	-	-	-	166
	<u>22,104</u>	<u>1</u>	<u>(176)</u>	<u>868</u>	<u>6</u>	<u>22,803</u>
RESTRICTED FUNDS						
Diocesan Pastoral Account	4,204	82	(15)	-	(366)	3,905
Diocesan Stipends Income	-	2,135	(2,135)	-	-	-
Bampton School sale	314	-	-	-	-	314
Agricultural/Rural	10	-	-	-	-	10
Retired Clergy Housing	259	6	-	-	11	276
Growth & Mission Fund	811	11	(132)	-	-	690
Strategic Development Projects	7	624	(620)	-	-	11
Ministerial Education Training	-	273	(273)	-	-	-
Strategic Ministry Fund	-	318	(318)	-	-	-
Clergy Widows	99	-	-	-	-	99
Cooper Legacy	16	-	(10)	-	-	6
Miscellaneous Restricted Funds	23	527	(547)	-	-	3
	<u>5,743</u>	<u>3,976</u>	<u>(4,050)</u>	<u>-</u>	<u>(355)</u>	<u>5,314</u>
ENDOWMENT FUNDS						
Permanent						
Dr Nobbs	92	-	-	-	(10)	82
Expendable						
Diocesan Stipends Capital	45,215	1,253	-	14	8,211	54,693
Benefice Property	26,782	100	-	465	-	27,347
Church Schools	4,368	-	-	-	(432)	3,936
The Church College Hostel Trust	884	-	-	-	(104)	780
	<u>77,341</u>	<u>1,353</u>	<u>-</u>	<u>479</u>	<u>7,665</u>	<u>86,838</u>
EDBF Total funds	<u>115,002</u>	<u>17,614</u>	<u>(16,396)</u>	<u>-</u>	<u>5,936</u>	<u>122,156</u>
Subsidiaries						
General Funds						
EDPS Ltd	9	181	(181)	-	-	9
Group Total	<u>115,011</u>	<u>17,795</u>	<u>(16,577)</u>	<u>-</u>	<u>5,936</u>	<u>122,165</u>

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21. SUMMARY OF ASSETS BY FUND

	Tangible/ Intangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Unrestricted funds – General	736	10,400	(1,259)	(2,676)	7,201
Unrestricted - designated					
Church Buildings Fund	-	117	575	-	692
Board Properties	20,893	-	2	(119)	20,776
Clergy Housing Repairs	-	-	775	-	775
Diocesan Mission Funds	-	-	79	(3)	76
Mission & Growth Fund	-	-	167	-	167
Clergy Conference Fund	-	-	64	-	64
Burrington School Fund	-	-	34	-	34
Plymouth SDF Project	-	-	61	(8)	53
Miscellaneous Designated Funds	-	-	166	-	166
	20,893	117	1,923	(130)	22,803
Restricted					
Diocesan Pastoral Account	-	2,761	1,144	-	3,905
Diocesan Stipends Income	-	-	114	(114)	-
Bampton School sale	-	-	314	-	314
Agricultural/Rural	-	-	10	-	10
Retired Clergy Housing	346	186	(256)	-	276
Growth & Mission Fund	-	-	692	(2)	690
Strategic Development Fund Projects	-	-	47	(36)	11
Ministerial Education Training	-	-	157	(157)	-
Strategic Ministry Fund	-	-	83	(83)	-
Clergy Widows	21	-	78	-	99
Cooper Legacy	-	-	6	-	6
Miscellaneous Restricted Funds	-	-	266	(263)	3
	367	2,947	2,655	(655)	5,314
Endowment					
Permanent					
Dr Nobbs	-	76	6	-	82
Expendable					
Diocesan Stipends Capital	10,912	43,994	(213)	-	54,693
Benefice Property	25,860	-	1,487	-	27,347
Church Schools	119	3,256	561	-	3,936
Church College Hostel Trust	-	780	-	-	780
	36,891	48,106	1,841	-	86,838
Total EDBF funds	58,887	61,570	5,160	(3,461)	122,156
Subsidiaries					
EDPS Ltd	-	-	44	(35)	9
Total Group funds	58,887	61,570	5,204	(3,496)	122,165

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22. DESCRIPTION OF FUNDS

General fund	The general fund is EDBF's unrestricted undesignated fund, available for any of EDBF's purposes without restriction.
Church building fund	This designated fund was created from the previous balances within the new church building and church building repair funds and is used to provide loans for parishes undertaking strategic reviews or major improvements of church buildings.
Board properties	This designated fund represents the properties owned and used by EDBF in the furtherance of its work and includes curates housing.
Clergy housing repairs	This designated fund is used to support spending on the repair and maintenance of clergy housing.
Diocesan Mission funds	These designated funds are all part of the mission and ministry development fund, which provide funds for one-off projects to promote the ministry of the church and its overall mission in the Diocese. The growth fund, together with the mustard seed funds has been set aside specifically to fund initiatives in mission communities.
Diocesan Mission & Growth Fund	This designated fund is available to support local initiatives within Mission Communities to deliver the diocesan priorities, particularly to support work with children, young people and families.
Clergy conference fund	This designated fund provides funding for the diocesan clergy conference, held every three to five years.
Burrington School Fund	This designated fund holds the net proceeds from the sale of the former Burrington School (in 2019), which can be used to support educational purposes.
Plymouth SDF Project	This designated fund was established in 2019 to provide EDBF's agreed funding for the church planting SDF project in Plymouth.
Miscellaneous funds	This designated fund is used for holding monies received by EDBF for supporting specific projects/initiatives.
Diocesan Pastoral account	The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used under the more recent Diocesan and Pastoral Measure 2011 are:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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22. DESCRIPTION OF FUNDS (continued)

Diocesan Pastoral account (continued)

- To defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees;
- To make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese;
- Other purposes of the Diocese or any benefice or parish in the Diocese;
- To make grants or loans to any other Diocese; and
- To transfer funds to the diocesan stipends fund income or capital accounts.

Diocesan stipends income This restricted fund represents the income from the Diocesan Stipends Capital account, which has not yet been applied to pay clergy stipends.

Bampton School sale This restricted fund was created to separately identify the previous Bampton School sale proceeds from the general Church School funds.

Agricultural/rural funds This restricted fund represents donations received to enable the Diocese to provide support to the farming community across the Diocese.

Retired clergy housing This restricted fund comprises the properties and any sale proceeds held for this purpose.

Growth and Mission fund This restricted fund was established in 2015 to provide funding for specific growth initiatives across the Diocese. Three have so far been approved by Diocesan Synod – Growing the rural church, new housing areas and local mission community support.

SDF Projects This restricted fund was established to hold any funding received or due in relation to those projects receiving Strategic Development Funding. EDBF is not deemed to have the benefit of the income associated with these projects until the expenditure has been incurred and claimed accordingly. Any changes to the original submission have to be approved by the Church Commissioners.

Ministerial Education Training

This restricted fund represents the balance at any time on the funding of ordinands training.

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22. DESCRIPTION OF FUNDS (continued)

Strategic Ministry Fund	This restricted fund was established in 2020 to manage the grant funding received from the Archbishops' Council to support the appointment of additional stipendiary curates.
Clergy widows	This restricted fund represents properties purchased from donations to provide for clergy widows.
Cooper legacy	This restricted fund, arising from the legacy of Mrs Cooper and is used to provide grants to assist parishes with church building repairs.
Miscellaneous Restricted Funds	This restricted fund represents the unspent balance of donations received for parishes and for managing the ministry in Cranbrook.
Dr Nobbs	This is a permanent endowment held by EDBF for the support of clergy following marriage breakdown.
Diocesan stipends capital	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. The fund also represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses. The funds may be invested in the CBF Church of England Property, Investment or Fixed Interest Securities Funds, or simply held on deposit.
Benefice property fund	This restricted fund comprises of benefice houses or the sale proceeds of former benefice houses held on suspense by the Church Commissioners. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, EDBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of EDBF.
Church Schools funds	This fund represents premises and endowments vested in EDBF under the Education Act 1993.

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22. DESCRIPTION OF FUNDS (continued)

Church College Hostel Trust

This fund supports the Board of Education in all of its statutory powers and duties under various education acts together with the training of teachers in the principles of the Church of England.

23. CAPITAL COMMITMENTS

At 31 December 2022 EDBF had capital expenditure commitments authorised but not contracted for of £603k (2021: £992k) and contracted for but not yet due of £0 (2021: £101k).

24. OPERATING LEASES

At 31 December 2022 EDBF had future minimum lease commitments under non-cancellable operating lease as follows:

	2022 £'000	2021 £'000
Non-Land & Buildings operating leases:		
Within one year of the balance sheet date	3	24
In the second to fifth years inclusive of the balance sheet date	1	3
	<u> </u>	<u> </u>

25. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

There were no post balance sheet events or contingent liabilities at the balance sheet date.

26. PENSIONS

EDBF participates in three pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of EDBF and the other participating employers. One of these is the **Church of England Funded Pensions Scheme** for stipendiary clergy. The other two are part of the **Church Workers Pension Fund**.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

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26. PENSIONS (continued)

These schemes are multi-employer last man standing defined benefit pension schemes for which EDBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of FRS102 requires EDBF to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for EDBF. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme

With effect from 1 January 1998, diocesan clergy became members of the Church of England Funded Pensions Scheme. This defined benefit scheme provides benefits based on the National Minimum Stipend in the year before their date of retirement and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Benefits are currently being accrued on the basis of half of the National Minimum Stipend (NMS) being paid as the normal pension on reaching the age of 68 on completion of maximum service of 41.5 years, or 1.25 times this amount for archdeacons, plus a lump sum of three times the pension based on the previous year's NMS payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 will be provided for by the Church Commissioners under the previous arrangements.

EDBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This 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 to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme.

The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2022: £1,578k; 2021: £1,572k), 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 £1,435k (2021: £1,579k). In addition, a further £34k (2021: £42k) has been charged in relation to EDBF employees who are also in this scheme.

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26. PENSIONS (continued)

Church of England Funded Pensions Scheme (continued)

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 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% per annum;
- RPI 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; and
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI 2020 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% per annum and an allowance for 2020 data of 0% (i.e. 2020 = 0%).

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

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

% of pensionable stipends	January 2018 to December 2020	January 2021 to March 2022*	April 2022 to December 2022
Deficit repair contributions	11.9%	7.1%	3.2%

*A deficit repair contribution rate of 7.1% was originally planned for the period January 2021 to December 2022.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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26. PENSIONS (continued)

Church of England Funded Pensions Scheme (continued)

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

	2022	2021
Balance sheet liability at 1 January	350,000	694,000
Deficit contribution paid	(207,000)	(351,000)
Interest cost (recognised in SOFA)	-	1,000
Remaining change to the balance sheet liability* (recognised in SOFA)	(143,000)	6,000
Balance sheet liability at 31 December	-	350,000

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

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

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

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

Church Workers Pension Fund – Defined Benefits Scheme

EDBF participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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26. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Defined Benefits Scheme (“DBS”) section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, DBS is divided into sub-pools in respect of each participating employer, as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. This does not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers’ sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SOFA during the year are contributions payable towards benefits and expenses accrued in that year (2022: £141k; 2021: £137k). As there is no longer a deficit in the DBS, as highlighted in the table below the total charge recognised in the SOFA was £141k for 2022 (2021: net credit of £838k).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers’ sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board having taken advice from the Actuary.

A valuation of the DBS is carried out once every three years. The most recently finalised valuation was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers’ sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

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26. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 51.3% of pensionable salary and expenses of £11,900 per year. The movement in the provision is set out below:

	2022	2021
Balance sheet liability at 1 January	-	975,000
Deficit contribution paid	-	-
interest cost (recognised in SOFA)	-	5,000
Remaining change to the balance sheet liability* (recognised in SOFA)	-	(980,000)
Balance sheet liability at 31 December	-	-

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	December 2022	December 2021	December 2020
Discount rate	0.00%	0.00%	0.50%

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

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two subsections:

- A deferred annuity section known as Pension Builder Classic; and
- A cash balance section known as Pension Builder 2014

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

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26. PENSIONS (continued)

Pension Builder Scheme (continued)

Pension Builder Classic provides a pension accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are the contributions payable (2022: £223k; 2021: £225k).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the on-going assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 10.1%, following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the on-going assumptions used. There is no requirement for deficit payments at the current time.

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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27. RELATED PARTY TRANSACTIONS

There are no direct related party transactions involving trustees other than the provision of stipends, housing and expenses as set out in note 12 to the consolidated financial statements.

The wife of Giles Frampton (the Chair of the Board of Finance) is a Self-Supporting Minister (unpaid) leading one of our Mission Communities. A parsonage house is provided by EDBF for this role, with any expenses incurred being paid by the Mission Community.

The wife of the Venerable Andrew Beane has been paid to provide consultancy services for social media on the Growing the Rural Church project. She received £4,200 (2021: £1,725) for the provision of this service.

28. FUNDS HELD AS CUSTODIAN TRUSTEE

EDBF acts as custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as EDBF does not control them.

The financial assets held in this way may be summarised as follows:

	2022	2021
	£'000	£'000
CBF Church of England Investment Fund income shares	12,819	14,821
CBF Church of England Investment Fund accumulation shares	661	748
CBF Church of England Fixed Interest Securities Fund shares	237	300
CBF Church of England Property Fund shares	921	1,080
CBF Global Equity Income Fund	1,066	1,280
Charifund – Income Units	2,517	2,747
Charibond Fixed Interest Income	7	8
Other common investment fund holdings	128	156
Direct holdings in UK gilts	24	41
Other fixed interest stocks	5	6
CBF Church of England Deposit Fund	1,477	1,238
Charles Stanley	690	812
Brewin Dolphin	1,190	1,400
Cash at bank	19	19
	<hr/>	<hr/>
Total assets held as custodian trustee	21,761	24,656
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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29. ANALYSIS OF NET DEBT

	As at 1 January 2022 £'000	Cash flows £'000	At 31 December 2022 £'000
Cash at bank and in hand	2,045	1,447	3,492
Cash equivalents	34	-	34
Debt due after 1 year	(1,886)	700	(1,186)
Debt due within 1 year	(167)	(267)	(434)
	<u>26</u>	<u>1,880</u>	<u>1,906</u>

30. MONEY HELD AS INTERMEDIARY AGENT FOR OTHERS

EDBF occasionally holds money as intermediary agents for others as follows:

- In respect of the Board of Education's involvement in the maintenance and improvement of Church of England schools' buildings, money is sometimes held in advance of work being undertaken. At the end of 2022 the sum of £706,000 (2021: £1,706,000) was held in the general bank account for this purpose; and
- The board also holds the Department for Education's Formula Capital funding on behalf of Church of England schools in Devon and the sum so held on 31 December 2022 amounted to £613,000 (2021: £297,000) and was also held in the general bank account for this purpose.

Neither of the above sums is included in the board's Balance Sheet at the year-end.

31. EDBF LIMITED – LIABILITY OF BOARD MEMBERS

The Exeter Diocesan Board of Finance Limited is a company limited by guarantee and as such has no share capital. In the event of winding-up, the liability of board members is limited to £1 each.

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32. SUBSIDIARY UNDERTAKING (EDPS Limited)

The wholly owned trading subsidiary, EDPS Limited, which is incorporated in the United Kingdom (Registered Company No. 4477446), provides services to Church of England academies and schools. EDBF owns 100% of the issued share capital of two ordinary shares of £1 each. A summary of the trading results is shown below:

Summary profit and loss account	2022 £'000	2021 £'000
Turnover	256	273
Cost of sales	<u>(174)</u>	<u>(204)</u>
Gross Profit	92	69
Other operating income	3	6
Administrative expenses	<u>(7)</u>	<u>(3)</u>
Operating profit	88	72
Gift made to parent company	(88)	(72)
Profit/(Loss) after tax	<u><u>-</u></u>	<u><u>-</u></u>
Assets and liabilities		
Current assets	218	230
Current liabilities	<u>(209)</u>	<u>(221)</u>
Total net assets	<u><u>9</u></u>	<u><u>9</u></u>
Capital and reserves		
Issued share capital and retained profit	<u><u>9</u></u>	<u><u>9</u></u>

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33. 2021 Comparative figures by fund

Due to space constraints within the main body of the accounts, this note shows the breakdown by fund for 2021 for the following notes:

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2021

	Note	Unrestricted funds General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000
Income and endowments from						
Donations	2					
Parish contributions		8,298	-	-	-	8,298
Archbishop's Council		-	-	1,369	-	1,369
Other donations		194	7	928	-	1,129
Charitable activities	3	656	-	35	-	691
Other trading activities	4	1,581	-	-	-	1,581
Investments	5	391	-	1,024	-	1,415
Other	6	678	-	-	553	1,231
Total income and endowments		11,798	7	3,356	553	15,714
Expenditure on						
Raising funds	7	230	-	82	-	312
Charitable activities	8	10,230	120	3,396	-	13,746
Total expenditure		10,460	120	3,478	-	14,058
Net income/(expenditure) before investment gains		1,338	(113)	(122)	553	1,656
Net gains on investments		1,189	13	364	4,402	5,968
Net income/(expenditure)		2,527	(100)	242	4,955	7,624
Transfers between funds	14	(734)	687	(28)	75	-
Net movement in funds		1,793	587	214	5,030	7,624
Total funds brought forward		8,030	21,517	5,529	72,311	107,387
Total funds carried forward	21	9,823	22,104	5,743	77,341	115,011

All activities derive from continuing activities.

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A2. DONATIONS (2021)

Parish Contributions

The majority of donations are collected from the parishes of the Diocese through the common fund system.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000
	General £'000	Designated £'000			
Current Year assessments	8,996	-	-	-	8,996
Shortfall in contributions	(778)	-	-	-	(778)
	<u>8,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,218</u>
Receipts for previous years	80	-	-	-	80
Receipts for future years	-	-	-	-	-
	<u>8,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,298</u>

Archbishop's Council

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000
	General £'000	Designated £'000			
Lowest Income Communities Funding	-	-	1,207	-	1,207
Transitional funding	-	-	-	-	-
Strategic Ministry funding	-	-	162	-	162
Sustainability funding	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,369</u>	<u>-</u>	<u>1,369</u>

The Lowest Income Communities Funding is the annual grant either for supporting specific parish mission and development projects or for clergy stipends.

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A2. DONATIONS (2021) (continued)

Other Donations and grants

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000
	General £'000	Designated £'000			
All Churches Trust Grant	158	-	-	-	158
Legacies	19	-	-	-	19
Donations and grants	17	7	617	-	641
Resourcing Ministerial Education	-	-	311	-	311
	<u>194</u>	<u>7</u>	<u>928</u>	<u>-</u>	<u>1,129</u>

A3. CHARITABLE ACTIVITIES (2021)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000
	General £'000	Designated £'000			
Statutory fees	528	-	-	-	528
Chaplaincy income	36	-	27	-	63
Feed in/Export Tariffs					
- PV panels	37	-	-	-	37
Course/training fees	17	-	1	-	18
Miscellaneous income	38	-	7	-	45
	<u>656</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>691</u>

A4. OTHER TRADING ACTIVITIES (2021)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000
	General £'000	Designated £'000			
Housing income	1,286	-	-	-	1,286
Other rental income	16	-	-	-	16
Trading – EDPS Ltd	279	-	-	-	279
	<u>1,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,581</u>

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A5. INVESTMENT INCOME (2021)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000
	General £'000	Designated £'000			
Dividends receivable	391	-	620	-	1,011
Interest receivable	-	-	-	-	-
Rents receivable	-	-	404	-	404
	<u>391</u>	<u>-</u>	<u>1,024</u>	<u>-</u>	<u>1,415</u>

A6. OTHER INCOMING RESOURCES (2021)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000
	General £'000	Designated £'000			
Gains on sale of Properties	677	-	-	553	1,230
Surplus on disposal of fixed assets	1	-	-	-	1
	<u>678</u>	<u>-</u>	<u>-</u>	<u>553</u>	<u>1,231</u>

A7. COSTS OF RAISING FUNDS (2021)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000
	General £'000	Designated £'000			
Glebe agents' fees	-	-	47	-	47
Other glebe expenses	23	-	35	-	58
Trading activities – EDPS Ltd	207	-	-	-	207
	<u>230</u>	<u>-</u>	<u>82</u>	<u>-</u>	<u>312</u>

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

A8. CHARITABLE ACTIVITIES (2021)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000
	General £'000	Designated £'000			
Contributions to					
Archbishops' Council					
Training for Ministry	346	-	-	-	346
National Church					
Responsibilities	242	-	-	-	242
Grants and provisions	30	-	-	-	30
Mission agency pension					
Costs	16	-	-	-	16
Retired clergy housing					
Costs	127	-	-	-	127
Pooling of ordinands'					
maintenance grants	33	-	-	-	33
	<u>794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>794</u>
Resourcing Ministry and					
Mission					
Parish Ministry					
Stipends and national					
insurance	3,387	-	2,182	-	5,569
Pension costs	1,532	-	40	-	1,572
Housing costs	2,016	-	-	-	2,016
Removal, resettlement					
and grants	198	-	-	-	198
Clergy Pension Fund Deficit	7	-	-	-	7
Other expenses	255	-	188	-	443
	<u>7,395</u>	<u>-</u>	<u>2,410</u>	<u>-</u>	<u>9,805</u>
Support for parish ministry					
Mission and Ministry	1,052	120	961	-	2,133
Church and Society	57	-	-	-	57
Mission and Ministry grants	-	-	3	-	3
Cooper Legacy grants	-	-	3	-	3
Cooper Armstrong Legacy	-	-	6	-	6
Support services	1,416	-	13	-	1,429
Lay Pension Deficit Fund	(975)	-	-	-	(975)
	<u>1,550</u>	<u>120</u>	<u>986</u>	<u>-</u>	<u>2,656</u>
	<u>8,945</u>	<u>120</u>	<u>3,396</u>	<u>-</u>	<u>12,461</u>
Expenditure on Education and Church of England Schools					
Support for church schools					
and parishes	491	-	-	-	491
	<u>10,230</u>	<u>120</u>	<u>3,396</u>	<u>-</u>	<u>13,746</u>

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

A9. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS (2021)

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Pension Deficit Fund Adjustment £'000	Total costs 2021 £'000
Raisings funds	312	-	-	-	312
Charitable activities:					
Contributions to Archbishop's Council	-	794	-	-	794
Resourcing parish ministry	11,121	886	1,429	(975)	12,461
Education	491	-	-	-	491
	<u>11,924</u>	<u>1,680</u>	<u>1,429</u>	<u>(975)</u>	<u>14,058</u>

Net income/(expenditure) for the year is stated after charging amortisation £18,000, depreciation £32,000 and audit fees EDBF £23,000, EDPS £3,000.

A10. ANALYSIS OF SUPPORT COSTS (2021)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000
	General £'000	Designated £'000			
Central support/administration	1,285	-	13	-	1,298
Governance:					
External audit of EDBF	23	-	-	-	23
External audit of EDPS	3	-	-	-	3
Registrar and Chancellor	85	-	-	-	85
Synodical costs	20	-	-	-	20
	<u>1,416</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>1,429</u>

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

A11. ANALYSIS OF GRANTS MADE (2021)	Nbr.	Individuals	Institutions	Total
		£'000	£'000	2021 £'000
From unrestricted funds for national Church responsibilities:				
Contributions to Archbishop's Council	6	-	794	794
From unrestricted funds:				
Ordinands in training	24	82	-	82
Clergy ordination	15	38	-	38
Clergy resettlement	29	70	-	70
Clergy removals	30	80	-	80
Clergy 1 st incumbency	9	22	-	22
Churches together in Devon	1	-	5	5
Church schools – Repairs/improvements	1	-	6	6
Support for lay workers	4	-	16	16
Transforming Plymouth Together	1	-	15	15
Strategic Development Fund/Plymouth Partnership in Mission	2	-	119	119
Other small grants	35	12	9	21
	151	304	170	474
From restricted funds for various purposes within resourcing parish ministry:				
Cooper Legacy Fund	1	-	6	6
Cooper Armstrong Legacy	1	-	3	3
Growth & Mission Fund	2	-	11	11
Repairs and Maintenance Grant	2	-	3	3
Strategic Development Fund				
Plymouth Partnership in Mission	10	-	146	146
Exeter, St Matt's	3	-	132	132
Bay Church	1	-	111	111
Total	20	-	412	412
Total	177	304	1,376	1,680

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

A20 SUMMARY OF FUND MOVEMENTS (2021)

	Balances at 1 January 2021	Income	Expenditure	Transfers	Gains and Losses	Balances at 31 December 2021
	£'000	£'000	£'000	£'000	£'000	£'000
UNRESTRICTED FUNDS						
General	8,021	11,591	(10,253)	(734)	1,189	9,814
Church Buildings Fund	672	-	-	-	13	685
Board Properties	19,864	-	-	284	-	20,148
Clergy Housing Repairs	220	-	-	345	-	565
Diocesan Mission Funds	276	-	-	-	-	276
Clergy Conference Fund	127	-	(1)	30	-	156
Burrington School Fund	27	7	-	-	-	34
Plymouth SDF Project	193	-	(119)	-	-	74
Miscellaneous Funds	138	-	-	28	-	166
	<u>21,517</u>	<u>7</u>	<u>(120)</u>	<u>687</u>	<u>13</u>	<u>22,104</u>
RESTRICTED FUNDS						
Diocesan Pastoral Account	3,791	82	(13)	-	344	4,204
Diocesan Stipends Income	26	2,148	(2,146)	(28)	-	-
Bampton School sale	314	-	-	-	-	314
Agricultural/Rural	10	-	-	-	-	10
Retired Clergy Housing	231	8	-	-	20	259
Growth & Mission Fund	1,023	1	(213)	-	-	811
Strategic Development Projects	8	595	(596)	-	-	7
Ministerial Education Training	-	311	(311)	-	-	-
Strategic Ministry Fund	-	162	(162)	-	-	-
Clergy Widows	99	-	-	-	-	99
Cooper Legacy	18	-	(2)	-	-	16
Cooper Armstrong Legacy	6	-	(6)	-	-	-
Miscellaneous Restricted Funds	3	49	(29)	-	-	23
	<u>5,529</u>	<u>3,356</u>	<u>(3,478)</u>	<u>(28)</u>	<u>364</u>	<u>5,743</u>
ENDOWMENT FUNDS						
Permanent						
Dr Nobbs	81	-	-	-	11	92
Expendable						
Diocesan Stipends Capital	40,830	504	-	10	3,871	45,215
Benefice Property	26,668	49	-	65	-	26,782
Church Schools	3,952	-	-	-	416	4,368
The Church College Hostel Trust	780	-	-	-	104	884
	<u>72,311</u>	<u>553</u>	<u>-</u>	<u>75</u>	<u>4,402</u>	<u>77,341</u>
EDBF Total funds	<u>107,378</u>	<u>15,507</u>	<u>(13,851)</u>	<u>-</u>	<u>5,968</u>	<u>115,002</u>
Subsidiaries						
General Funds						
EDPS Ltd	9	207	(207)	-	-	9
Group Total	<u>107,387</u>	<u>15,714</u>	<u>(14,058)</u>	<u>-</u>	<u>5,968</u>	<u>115,011</u>

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

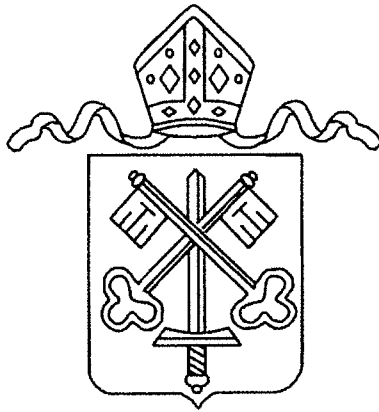
A21. SUMMARY OF ASSETS BY FUND (2021)	Tangible/ Intangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Unrestricted funds – General	1,023	11,779	(277)	(2,711)	9,814
Unrestricted - designated					
Church Buildings Fund	-	111	574	-	685
Board Properties	20,265	-	2	(119)	20,148
Clergy Housing Repairs	-	-	565	-	565
Diocesan Mission Funds	-	-	279	(3)	276
Clergy Conference Fund	-	-	156	-	156
Burrington School Fund	-	-	34	-	34
Plymouth SDF Project	-	-	74	-	74
Miscellaneous Designated Funds	-	-	166	-	166
	<u>20,265</u>	<u>111</u>	<u>1,850</u>	<u>(122)</u>	<u>22,104</u>
Restricted					
Diocesan Pastoral Account	-	3,128	1,077	(1)	4,204
Diocesan Stipends Income	-	-	124	(124)	-
Bampton School Sale	-	-	314	-	314
Agricultural/Rural	-	-	10	-	10
Retired Clergy Housing	346	175	(262)	-	259
Growth & Mission Fund	-	-	816	(5)	811
Strategic Development Fund Projects	-	-	37	(30)	7
Ministerial Education Training	-	-	139	(139)	-
Strategic Ministry Fund	-	-	56	(56)	-
Clergy Widows	21	-	78	-	99
Cooper Legacy	-	-	16	-	16
Cooper Armstrong Legacy	-	-	-	-	-
Miscellaneous Restricted Funds	-	-	117	(94)	23
	<u>367</u>	<u>3,303</u>	<u>2,522</u>	<u>(449)</u>	<u>5,743</u>
Endowment					
Permanent					
Dr Nobbs	-	86	6	-	92
Expendable					
Diocesan Stipends Capital	11,456	35,947	(1,839)	(350)	45,215
Benefice Property	25,404	-	1,381	(3)	26,782
Church Schools	119	3,588	561	-	4,368
Church College Hostel Trust	-	884	-	-	884
	<u>36,979</u>	<u>40,605</u>	<u>110</u>	<u>(353)</u>	<u>77,341</u>
Total EDBF funds	<u>58,634</u>	<u>55,798</u>	<u>4,205</u>	<u>(3,635)</u>	<u>115,002</u>
Subsidiaries					
EDPS Ltd	-	-	72	(63)	9
Total Group funds	<u><u>58,634</u></u>	<u><u>55,798</u></u>	<u><u>4,277</u></u>	<u><u>(3,698)</u></u>	<u><u>115,011</u></u>

For Fund Descriptions, please see note 22 on pages 69 – 72.

THE EXETER DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249798

Accounts



THE EXETER DIOCESAN BOARD OF FINANCE LIMITED

ANNUAL REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2021

**Company limited by guarantee (No. 00186001)
Registered charity (No. 249798)**

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Key to abbreviations

EDBF	The Exeter Diocesan Board of Finance Limited
EDPS	EDPS Limited – the Board's Trading Company
SOFA	Statement of Financial Activities
SORP	Charities SORP (Statement of Recommended Practice) 'Accounting and Reporting by Charities' 2019
PCC	Parochial Church Council
MC	Mission Community

**The Exeter Diocesan Board of Finance Limited
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OUR VISION

'I know the plans I have for you, says the Lord, plans for your welfare and not for harm, to give you a future with hope.' Jeremiah 29.11

We seek to be people who together are:

Growing in prayer

We want to grow in prayer, living a life close to God. This means taking risks as we become more honest with ourselves and more honest with God. Prayer opens up deep places within us to God's grace, which is why it is such a life-giving activity. Growing in prayer is essential if we are to witness to God's Kingdom and become the people God has called us to be.

Making new disciples

A disciple is someone who follows Jesus Christ. With him as our companion and guide, we can travel through life differently, and we hope others will share the adventure with us. We want to be more faithful in our discipleship and allow God to shape our priorities and values. The Christian gospel is good news, and we need to find new ways of telling the story, of explaining the faith and giving a reason for the hope that is in us.

Serving the people of Devon with joy

We want to make a difference in the world and witness to God's love and justice, especially in the communities and schools where we live. Working in partnership with others who are transforming lives, we seek to address the global issues confronting our generation so that everyone may flourish.

+ Robert Exon

(Bishop of Exeter)

**The Exeter Diocesan Board of Finance Limited
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The trustees, who are also directors for the purposes of company law, present their annual report, together with the audited consolidated financial statements, for the year ended 31 December 2021.

The directors/trustees are the same and in signing as Trustees, they are offering the strategic report sections in their capacity as directors.

The combined report satisfies the legal requirements for:

- A Directors Report of a charitable company and group;
- A Strategic Report under the Companies Act 2006; and
- A Trustees Annual Report under the Charities Act 2011.

LEGAL OBJECTS

The objects of the Diocese of Exeter cover the entire county of Devon.

The principal object of The Exeter Diocesan Board of Finance (EDBF) is to promote, assist and advance the work of the Church of England in the Diocese of Exeter by acting as the financial executive of the Exeter Diocesan Synod.

EDBF has the following statutory responsibilities:

- i. The management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976 and the Church Property Measure 2018;
- ii. The repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972 and the Church Property Measure 2018;
- iii. The management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 1991; and
- iv. The custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of EDBF are established by the Diocesan Synod in communication with Deanery Synods, PCCs, MCs, and the Bishop of Exeter. To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally, and to implementation of the outcomes. This includes a series of consultations on specific matters relating to the priorities for the forthcoming year and further ahead and taking forward the commitments arising from the Diocesan Synod and church nationally, including the diocesan budget.

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STRATEGIC REPORT

STRATEGIC AIMS

The main role of EDBF is to identify and manage the financial aspects of the provision of ministry within the Diocese so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, Deaneries, Mission Communities and parishes to further the mission and strategic priorities of the Diocese and in particular the strategic priorities set out in the Vision Statement, which can be found on the diocesan website at www.exeter-anglican.org.

We seek to work together in Mission Communities

Communities are how we relate to one another. We discover both what we need from others and what we can offer so that all may flourish. In the same way MCs help us as the Church to work together across boundaries and break down any sense of isolation. They enable us to be flexible in our mission and more adept at responding to the different contexts and cultures of Devon.

Not every parish can offer every aspect of the Church's life and ministry, but by joining in partnership with neighbouring churches and forming a MC we can work together more effectively.

There are 120 MCs across the Diocese of Exeter. We aim to be mission-oriented, community-focussed and locally rooted. As God's people we are called to live out our faith and continue the mission of God as revealed in the life, death and resurrection of Jesus Christ.

The strategy of the Trustees for achieving these priorities is to maintain a sound financial structure which will enable EDBF to resource ministry and mission.

Each year a request is made to every parish for contributions towards the Common Fund, the parish share scheme, which is designed to distribute the financial costs of the Diocese equitably. The Common Fund pays for a significant proportion of the clergy stipends, their pension and housing, clergy and lay training, safeguarding and central support, but it only works properly if each parish in each MC contributes regularly and fully. We support all PCCs and MCs in their financial administration to develop efficient ways to collect and manage resources including through the Parish Giving Scheme.

The Board reviews the financial plan on an annual basis, and this was most recently undertaken in June 2021, with the current plan covering the years 2022 to 2035. The plan requires stringent cost control across all areas of the budget and includes a planned increase in the number of unpaid licensed ministers (self-supporting clergy and readers) and unpaid lay people involved in ministry, alongside a reduction in the number of stipendiary clergy working within the Diocese. One of the key aims is to increase vocations, including the number of self-supporting ministers deployed. This should now be read in the context of the Covid-19 Financial update on pages 17 to 18.

**The Exeter Diocesan Board of Finance Limited
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OBJECTIVES FOR THE YEAR

The strategic aims were established by the Diocesan Synod in March 2016 and refreshed in June 2019. The aims have informed and will continue to inform decisions and policies at all levels. The vision is what we would like the future to look like and the strategy sets out how we seek to work together in MCs to enable this to happen. It is vital that our planning continues to reflect our priorities, whilst continuing to meet our statutory and operational requirements.

Following an initial review with the Bishop's Strategy Group, four strategic focus groups were set up to consider how we can build on the positive work that has been taking place in our MCs. These groups looked at how we may continue to bring more people to Christ and make new disciples across four key demographic groups:

- **Children, young people and families**
 - Establish a 'platform' to hear and respond to the views of children and young people;
 - Coordinate a group of church schools to provide additional leadership, support and resources for parents and grandparents; and
 - Provide support to better equip existing and future clergy to minister more effectively with children, young people and families.
- **17 – 25 year olds**
 - Invite key leaders (lay and clergy) to refine the strategy and build a 17 – 25 focus group;
 - Develop a digital engagement strategy and create a Media Advisory Group to support social media/digital giving; and
 - Explore and develop possible lay chaplaincies for Further Education colleges by identifying key colleges and facilitating links to local church.
- **People over the age of 55**
 - Welcome and hospitality at a range of events, such as 'Retirement' sessions led by Bishop Robert and Bishops in Mission;
 - Focus on grandparents with annual 'Grandparents' days' in schools with church engagement; and
 - Addressing social isolation by exploring 'Anna Chaplains' roles, social engagement hubs and sharing of good practice in pastoral care.
- **Fringe Christians**
 - Know your church and community by using Growing the Rural church resources for community and church audits;
 - Enable effective outward-facing leadership by reviewing Continuing Ministerial Development to focus on collaborative models; and
 - Plan pathways and stepping stones from encounter to engagement by reviewing and redefining our understanding of participation, including key life events such as Baptism.

Diocesan Synod approved these priorities at the meeting held on 15 June 2019 and these strategic actions are being implemented over the next five years.

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OBJECTIVES FOR THE YEAR (continued)

Next Steps

Next Steps is a further refreshment of our vision to grow in prayer, make new disciples and serve the people of Devon with joy. Every parish is unique and special, but churches thrive when they work in partnership with each other in MCs. This is why our strategy has always been to support MCs to develop and flourish. Next Steps offers a range of sustainability indicators for MCs in the areas of mission and ministry, resources and finance, buildings and governance.

Healthy churches are shaped by the growth values of the Fruit of the Spirit: love, joy, peace, patience, kindness, generosity, faithfulness, gentleness and self-control. We are developing tools to help MCs identify where to put their efforts and resources in the short term and how best to plan for the long-term. This will include the Mission Community Health Check, Growing the Rural Church resources, Lightening the Load, Love Your Church fundraising resources and Generosity resources.

The tools being developed draw inspiration from Jesus' teaching on the Vine in John 15.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

"Growing in Prayer, making new disciples and serving the people of Devon with joy" was adopted by Synod as an integral part of our diocesan vision and strategy in March 2016, although it was from the very first moment the vision which Bishop Robert has called us to, and the vision and strategy flows naturally from it.

Many of our activities were once again curtailed in the first quarter of 2021, as we continued to see lockdowns and restrictions. The majority of staff continued to work from home, but as the situation improved, staff were able to return to the office.

Having seen a welcome increase in the contribution rate for Common Fund in 2019, the pandemic had a major impact in many parishes. Those parishes with established regular giving schemes, particularly the Parish Giving Scheme, fared significantly better than those reliant on church service collections and fund raising. As a result, the total contributions received by the end of February 2022 were £8.2m (2020: £8.3m), which represented 91.35% (2020: 90.50%) of the amount requested from parishes. As ever, we are very grateful to the continuing generosity of the people in our worshipping communities, particularly in the current climate.

The number of those going forward into training for diaconal/priestly ministry in 2021 was 12 – 9 women and 3 men (2020: 20 – 15 women and 5 men). Stipends were paid to an average of 191 clergy, which was broadly in line with the budget.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Safeguarding

Safeguarding continued to have a high priority, with the Diocese providing training courses, advice to parishes, case management, formal risk assessment work and active support of MC leaders. The team implemented the new National Learning Framework which has placed an increased demand upon our staff to deliver the higher-level Leadership Pathway training predominantly to those holding the Bishop's license. The introductory basic and foundation pathway training is made available predominantly on-line.

During 2021 the safeguarding team delivered training for 485 members of clergy and lay ministers. The Past Cases Review 2 Project, with an independent review of all case files and personnel files held by the Bishop's office and the EDBF, commenced in early 2020 and continued throughout until concluding with a final report in November 2021. Progress on the review was slowed by the pandemic but the report which has been approved by the National PCR2 Panel reported very positively on the Diocesan safeguarding arrangements and case handling. The EDBF has committed to the provision of the Parish Safeguarding Handbook which serves to assist in the management of safeguarding arrangements at a local level. At a cost of £1,200 per year, the diocesan safeguarding dashboard has, to date, been adopted by circa 60% of parishes in the Diocese of Exeter.

Parish Giving Scheme

The Parish Giving Scheme has continued to grow across the Diocese, following the launch in March 2015, encouraging a deeper understanding of generous giving, streamlining administration in parishes, improving parishes' cash flows by returning gift aid to parishes every month, and giving donors the option to increase their future giving in line with inflation. In December 2021 there were 3,097 (2020: 2,935) people in our Diocese making donations to 254 (2020: 236) churches, contributing a total (excluding gift aid) of £2.3m (2020: £2.2m) during the year. A further £0.5m was claimed in gift aid. The average gift (excluding gift aid) was £14.25 per week (2020: £14.02). EDBF does not carry out any significant fundraising activities.

Mission and Ministry

The Mission and Ministry team continue to work in close collaboration with other teams in the Old Deanery. The team's purpose is to support MCs as they seek to live out the diocesan vision.

In 2021 the team said farewell Chris Keppie (Church and Society Officer) and Helen Williams (Children's work advisor). In September, we were pleased to welcome Lydia Perris to the Church and Society role which has now been renamed 'Creation Care and Social Justice Officer'. A key part of this role will be to help us to address the challenge of reducing our carbon footprint as we respond to General Synod's motion for all parts of the Church of England to achieve Net Carbon Zero emissions by 2030.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Mission and Ministry (continued)

Continuing Ministerial Development events for clergy and readers continued online, with a total of nearly fifty events. Our planned clergy conference at the Royal Agricultural College, Cirencester in June was postponed to June 2022. However, we did run a very successful wellbeing day online in June 2021.

Our Grow lay discipleship courses attracted participants from across the diocese. Content and attendance figures were as follows:
Sharing Our Faith (15); Stewardship Advocates (6); Pastoral Care (25); Administration (6); Digital Ministry (30); Children, Youth and Schools (25); Preaching (22) and Small Group Leadership (26).

The Foundations in Christian Ministry Course restarted with a new cohort of 25 in September 2021.

The Vocations Development Officer and the Diocesan Director of Ordinands (DDO), with their teams, work to foster and encourage those sensing a call to serve God in the authorised lay and ordained ministries. Three events were held to help people consider and explore both ordained and lay licensed ministry as well as other focused work. Developing the ministry of women; encouraging candidates from a UKME heritage (including event planning with the National UK Minority Ethnic adviser); and encouraging younger vocations, remain significant priorities. There has also been work with the Communications and Engagement team on producing a Diocesan Calendar for 2022 focusing on the subject of vocations.

During 2021 the Rev Stephen Cook and Rev Clive Sedgewick stepped down from the role of Assistant Diocesan Director of Ordinands (ADDO). We thank them for their contributions. The Rev Laura Selman joined the team, as an ADDO, and it is a pleasure to welcome her.

By autumn 2021, 33 candidates from the Diocese of Exeter were training for ordained ministry at theological college. This follows 11 people being recommended for ordination by the Bishops Advisory Panel over the previous academic year, which was a 100% recommendation rate for Exeter candidates. The Covid-19 pandemic has continued to have a significant impact on the process, with candidates attending online discernment panels (rather than residential). The ordination service for deacons at Exeter Cathedral, and for priests at various churches across Devon, in September 2021, were livestreamed, since numbers allowed to attend were restricted due to the pandemic. The services continue to attract media interest. 16 new deacons were ordained, and 16 new priests.

The Church of England launched the new Shared Discernment Process for those considering ordained ministry in October 2021. This is a two-stage process at national level following extensive discernment work with candidates locally before each stage. This has involved the Exeter team in implementing and aligning diocesan work with the new 6 Qualities framework used by the national team.

We continue to have close links with our two local ministry training providers, South West Ministry Training Course and St Mellitus College.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Mission and Ministry (continued)

In 2021 we encouraged Mission Communities to run the Living in Love and Faith course. Living in Love and Faith is a suite of resources produced by the Church of England looking at issues of gender and sexuality, including a five-session course for groups. We supported the process by providing facilitator training for nearly 50 group leaders and by offering online courses for those who were unable to attend locally. Over 100 people attended the online courses. We also made chaplaincy provision for those who felt unable to seek pastoral support nearer to home.

The Next Steps process engaged with people from across the diocese and as part of our response, the Mission and Ministry team has been developing a health tool to help MCs understand their strengths and weaknesses. The tool is based on the image of the Vine in John 15 and is built on the assumption that healthy churches are more likely to grow. The tool attempts to gain a view of the church's life from both regular worshippers and those in the community. We intend to offer this tool across the diocese from autumn 2022.

Board of Education

The Diocesan Board of Education (DBE) has had a busy year working with our diocesan family of schools. Our number of Church of England schools rose to 134 when in September we saw the opening of St Michael's CofE Primary, a new Church of England school in Paignton.

Over 100 of our CofE schools are in a Multi-Academy Trust or Federation working together, with our support, to ensure that our children, young people, families and staff have the very best opportunities. The DBE is encouraging all schools to consider if joining a formal partnership will increase capacity, resilience and sustainability to serve the common good and enable flourishing for all, whilst being respectful of each school's individual vision and context. Many of these partnerships also involve community schools who then share in Foundation Governance. Through these relationships, the connections and influence of the Diocesan Board of Education continues to increase. The Schools White paper, published in March 2022, sets a target for every school to be in, or in the process of joining a multi-academy trust by 2030.

The pandemic has caused significant disruption and changed the way in which we have worked with schools. Much of our training has moved online. We have seen more schools subscribing to our Service Level Agreement (65% up from 61% in 2020, 62% in 2019 and 49% in 2018) and more delegates attending training (1,122 up from 836 in 2020, 765 in 2019 and 558 in 2018). We continue to support and challenge schools to think about how their response to Covid is shaped by their vision.

Ofsted and Statutory Inspections of Anglican and Methodist Schools (SIAMS) were also severely impacted with inspections halted for much of the year. Outcomes at the end of December 2021 at good or better levels are 88% for Ofsted and 98% for SIAMS, with 86% achieving good or better in both measures (2020: Ofsted 86%, SIAMS 98%, both 84%).

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Board of Education (continued)

Following a robust external recruitment process, Sue Lockwood, the Acting Diocesan Director of Education (Acting DDE), was appointed to the substantive DDE post in October 2021.

As a Board of Education, we have revisited our own vision which now sees us seeking to ‘nurture vision-inspired education, nourish personal and spiritual growth and enable connected communities that flourish’, as we enable all, through the love of God in Jesus Christ, to ‘live life in all its fullness’ (John 10:10b).

Communications and Engagement

During the pandemic, the Communications and Engagement team was at the forefront of helping churches adapt to online services and digital communications. We produced diocesan video services and daily prayer reflection videos. We also ran many training webinars. We ensured the covid rules regarding churches were well-communicated and supported churches where needed.

In 2021 we ran or supported a number of marketing and design projects including Devon Church Weddings and Devon Pilgrim (part of Growing the Rural Church), the Diocesan Lent Course and the Love Your Church fundraising resources. We also contributed to a national digital guide for churches and worked alongside the Melanesian Mission to plan and cover the September 2021 visit of the Archbishop of Canterbury to Devon. Our training work continued with the development of a new Digital Ministry Grow course.

KEY PERFORMANCE INDICATORS

Comprehensive quarterly operational reports are produced, and these are presented to the trustees following the end of each quarter, through the Bishop’s Diocesan Council, and shared more widely with staff and other key stakeholders. The reports are also available on the diocesan website. The key measures are shown in the table below:

Area	Target for 2021	Actual delivery in 2021
Common Fund collection rate	90.0%	91.4%
Total number of parishes signed up as members of the Parish Giving Scheme (based on 10% per annum target increase)	260	254
Total EDBF Income (excluding asset sales and revaluations)	£12,224k	£12,600k
Total EDBF Expenditure (excluding capital works and asset revaluations)	£14,170k	£13,473k

Please note that the income and expenditure figures in the table above are based on EDBF’s management accounts, which show net income/expenditure for some services.

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FUTURE PLANS

We remain committed to our key aims to make new disciples, grow in prayer and serve the people of Devon with joy. The pandemic has given us the opportunity to think differently and try new things, whilst being mindful of the financial challenges that our parishes will continue to face. Setting a budget for 2022 was once again very challenging, and we are all praying that 2022 will see us return to some form of normality, at least in terms of church. However, we aim to build on all of the new ways of working that have proved successful during the pandemic in reaching out to those who have not previously been involved with church.

The cost-of-living challenges we are all now facing will continue to make setting budgets, both at EDBF and parish level, very challenging. The squeeze on family income is likely to have an effect on the level of giving to parishes, which in turn will make it more difficult for parishes to meet the full Common Fund request.

Next Steps is key to how we shape ministry in the coming years, with a keener focus on a mixed ecology of ordained and lay leaders. The Mission Community Health Check tool will enable everyone look at what they do well and also areas where there is an opportunity to try new things.

The General Synod aim to achieve Net (Carbon) Zero by 2030 will present every diocese, cathedral, church and church school with significant challenges. For the sake of God's creation, EDBF takes achieving this target very seriously and will focus in the coming year on plans for how this can be achieved and what funds may need to be allocated to do so.

With the successful application for Strategic Development Funding for Bay Church in Torbay, the church is now beginning to establish itself in the Bay and had a launch service on Easter Sunday in 2022. This new church is increasing the opportunities available to grow the church in one of our more socially deprived areas.

We will also be welcoming a new Bishop of Plymouth in September 2022, with the retirement of Bishop Nick in July. We are very grateful to Nick for his ministry in this diocese over so many years and wish Nick and Jan every happiness in their retirement.

SECTION 172(1) STATEMENT

The trustees act in good faith to continually balance the success of EDBF against many other factors, including ensuring that:

- Business is conducted morally and ethically, in line with the EDBF's Code of Conduct;
- Short term gains do not have an adverse consequence on EDBF's long-term strategy, success and benefits;
- Employee and clergy welfare, training and interests are taken care of;
- Supplier relationships are strong, mutually beneficial and comply with EDBF's policies;
- Good relationships exist with our PCCs; and
- Any community and environmental impacts as a result of EDBF's operations are considered.

There have been no major changes to any of the above areas in 2021.

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FINANCIAL REVIEW

Financial performance

The Consolidated Statement of Financial Activities (page 35) for the year shows that the income (before investment gains) totalled £15.7m (2020: £16.5m) and expenditure amounted to £14.1m (2020: £14.3m) resulting in net income (before investment gains/losses) of £1.7m (2020: £2.2m).

The net income included a credit of £1.0m, as a consequence of the annual assessment of the Church Workers Pension Scheme for lay staff (see note 27).

The net income, after allowing for net investment gains of £6.0m on investment properties and financial investments, resulted in a net increase in funds amounting to £7.6m. Total fund balances increased from £107.4m to £115.0m over the year.

The Covid-19 pandemic has continued to have a major impact on the ability of parishes to make the full Common Fund contribution requested in 2021, leading to a shortfall of £778k. This was a slight improvement on 2020.

After adjusting for the pension scheme credit of £975k and excluding the surplus from sale of property, there was a net operating deficit in 2021 of £550k.

At 31 December 2021 the unrestricted and undesignated reserves (see Notes 21 and 22) amounted to £9.8m (2020: £8.0m).

There was an aggregate gain on the revaluation of investment assets of £5.9m, based on the value at the start of the year of £4.6m for listed investments and £1.3m for investments held as property.

Significant Property Transactions

No properties were purchased during the year. Notwithstanding, our policy continues to be:

- To replace unsuitable properties;
- To accommodate the changing geographical deployment of clergy within the Diocese; and
- To realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

In relation to the last bullet point, building work continues on one site for the provision of a new vicarage and planning applications for new dwellings were made on two other sites.

Thirty-two in-going schemes were undertaken in advance of newly appointed clergy taking occupation and quinquennial repairs were instructed on 47 properties. In addition to the repairs programme of works, £100k was invested in improving existing properties.

Two houses were sold within the year. The long-term aim continues to be to seek to maximise income return and to adjust the balance of EDBF's asset holdings, but sales continue to assist cashflow in the short-term. Gross rental income was £1.2m.

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FINANCIAL REVIEW (continued)

Balance sheet position

The trustees consider that the balance sheet together with details in note 22 show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held.

While the net assets at the balance sheet date totalled £115.0m (2020: £107.4m) it must be remembered that included in these totals are properties, mostly in use for the ministry, whose carrying value amounted to £58.3m (2020: £58.3m). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot be used for the general purposes of EDBF.

Reserves policy

Unrestricted reserves

EDBF needs unrestricted reserves for the following purposes:

- a) To cover Common Fund shortfalls in the short-term;
- b) To ensure that funds are available to cover the legal employment entitlements of all employees and stipendiary clergy;
- c) To cover expenditure during the time it would take for the Diocese to adjust to a major change resulting from external and irresistible forces;
- d) To provide a fund for specific aspects of diocesan work earmarked as coming from reserves; and
- e) Excess reserves being necessary in an individual year, in line with the expectations in the long-term finance plan.

EDBF aims for an ongoing level of unrestricted reserves of 25% to 30% of annual budgeted expenditure, in order to cover items a) to c), above. Any amounts required to cover items d) and e), above, are considered on an annual basis. The unrestricted reserves as at 31 December 2021 are outside this range at 67.6% of the 2022 budgeted expenditure of £14.5m. This is mainly the result of the increase in the value of the investments in 2021 and selling property assets that were previously in the designated fund (in order to improve the income return). However, at the current time, with the significant economic uncertainty, having a higher short term level of unrestricted reserves is considered prudent. EDBF also holds endowment and restricted reserves which are legally limited in use to specific purposes. Both EDBF's reserve policy and the level of reserves are reviewed annually.

Reserves tied up in fixed assets

The general (unrestricted) fund comprises net assets amounting to £9.8m of which £1.0m is tied up in intangible and tangible fixed assets.

Designated funds

The trustees may, with the approval of the Board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent.

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FINANCIAL REVIEW (continued)

Reserves policy (continued)

Designated funds (continued)

Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention.

A description of each reserve together with the intended use of the reserve is set out in note 23. At 31 December 2021 total designated reserves were £22.1m (2020: £21.5m), of which £20.3m was tied up in tangible fixed assets.

Restricted and endowment funds

As set out in note 21 to 23 EDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2021 restricted funds totalled £5.7m (2020: £5.5m) and endowment funds totalled £77.3m (2020: £72.3m). Neither is available for the general purposes of EDBF.

Grant making and donations policies

All grants and donations are made in furtherance of EDBF's strategic aims and objectives – see note 12.

The policies on the making of principal grants are:

- Ordinands – grants for living expenses are paid to ordinands against an assessment of need in line with national policy;
- Removal and resettlement grants – grants normally covering the full cost of removal expenses and resettlement grants in line with national guidelines are available to stipendiary clergy on moving to or within the Diocese;
- Archbishops' Council – the Board continues to contribute to the various costs of the national church as requested; and
- Strategic Development Fund – grants made from this fund relate to grants received from the Archbishops' Council and EDBF funding for specific projects.

All grants are taken into account when a non-cancellable commitment to pay has arisen.

Investment policy

All investments held by EDBF have been acquired under powers available to the Trustees.

The investment of diocesan funds aims to achieve the income requirements of the diocesan budget, whilst maintaining, so far as possible, the purchasing power of the investments, year-on-year. Investment decisions will take account of the ethical considerations implicit in investing on behalf of the Diocese.

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FINANCIAL REVIEW (continued)

Investment policy (continued)

	Funds at 31 December 2021 £'000	Proportion of Portfolio	Income yield in year	Total Return in year
CCLA Managed				
CBF Investment Fund	39,966	99.3%	2.82%	+19.01%
CBF Property Fund	266	0.7%	4.31%	+14.39%
CBF Deposit Fund	8	-	0.05%	+0.05%
Other Funds	5	-		
	40,245	100.0%		

EDBF also holds investment properties, in the form of three commercial properties and historic glebe land and property. These are all held within the Diocesan Stipends Capital Account (see notes 21 – 23).

	Funds at 31 December 2021 £'000	Income yield in year	Total Return in year
Investment Properties	15,553	2.60%	12.29%

Operational relationships

EDBF fosters relationships with the parishes across the diocese, through the provision of clergy, support and training and by engaging with them where it is important to obtain their views, particularly where there are Common Fund considerations. EDBF fosters relationships with suppliers by seeking to work with them to build mutually beneficial relationships and by paying invoices within agreed credit terms.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees are responsible for the identification, mitigation and or management of risk and have carried out a formal risk management process to assess business risks and to implement risk management strategies.

To help achieve this, a register of all the risks identified is maintained (the Risk Register) and, alongside it, a management and mitigation strategy formed. This is reviewed annually by the trustees.

The above process has been delegated to the Assets Group with the responsibility for delivery of the mitigation identified by the annual review being delegated to the Diocesan Director of Finance.

The Risk Register identifies the types of risks that EDBF faces, prioritising them in terms of potential impact and likelihood of occurrence, and the means of mitigating them. The Assets Group in conjunction with officers keep under review known risks and seek to identify new circumstances which may pose a risk to EDBF as part of their ongoing work.

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The risks were fully reviewed in the light of the Covid-19 pandemic and continue to be reviewed by a small group on a monthly basis.

The current principal risks and the steps taken by senior management to mitigate them are as follows:

- EDBF becoming responsible for (multiple) church buildings where there is no longer a PCC;
 - Through Growing the Rural Church initiative and pastoral reorganisation, the Church Buildings Strategy group ensures that information and support is available for the extended use of church buildings.
- Reduction in rental income due to changes in tenancy legislation;
 - Representation made to Government as part of recent consultation process relating to Section 21 (no fault) notices
- Fall in the number of people within our worshipping communities, including if the Living in Love and Faith (LLF) process is not managed well;
 - Clear statement of our vision and strategy is constantly reinforced by the Bishops and the senior leadership team
 - Provision of additional diocesan-wide support through the Lay Discipleship project and support to Mission Communities
 - Provision of LLF resources, training and support for parishes and Mission Communities
 - A number of mission initiatives have been adopted to encourage and improve participation in church life, with support through Strategic Development Funding
- A shortfall in the Common Fund request;
 - Regular communication of our vision and strategy by the Bishops and the senior leadership team
 - Support provided by the Mission Resources Team to parishes and MCs
 - Promotion of the Parish Giving Scheme as an effective means of regular giving
 - Development of the diocesan giving strategy
- Unexpected departure or protracted unavailability of a key member of management team;
 - Members of staff have been trained to a level where should this situation arise, there is resource available to cover key areas of responsibility
 - Annual appraisals and regular one to one meetings provide support and high-level communication, with reviews of workload pressures
 - Pastoral care and counselling services are available to all members of staff

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- A stock market collapse;
 - EDBF's portfolio is diversified to help minimise risk
 - A statement of Investment Principles was adopted
 - Regular review of the financial position is performed by the Assets Group
- Affordability of Pension Scheme Deficits (both clergy and lay);
 - Actuarial valuations (quantifies scale of risk)
 - Review of affordability by EDBF
 - Review of staff terms and conditions (lay)
 - National lobbying (clergy)
- Adverse publicity arising from the eviction of tenants;
 - Liaison with agents to ensure tenants' expectations are managed as far as possible
 - Include statement in tenancy contract making it clear that the property is held for clergy housing and any tenancy will therefore be ended when a clergy person requires the property
- Failure of multi-academy trusts;
 - EDBF protected from financial failure through the oversight and ownership of any issues by EDEN
 - Maintain a strong network of MAT CEOs with transparent communication and best practice shared
 - Shared opportunities to work with strategic partners to find the best Church of England solutions
- Failure to recruit and retain suitable qualified and skilled leaders and governors in our schools;
 - Engagement with national recruitment bodies
 - Work with strategic partners to ensure training opportunities are provided for future leaders
 - Work in partnership with multi-academy trusts and teaching schools to talent spot and to develop training packages
- Insufficient people with the necessary qualities offering themselves for ministerial training;
 - Increased provision through Vocations Development Officer, backed by a team of voluntary vocations advisers
 - National drive to encourage younger vocations
 - Targeted vocations events

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The trustees are satisfied that all major risks have been reviewed and systems or procedures have been established to manage these risks.

COVID-19 FINANCIAL UPDATE

This is now the second year when we have seen our finances impacted by the pandemic, which none of us thought would continue to have such a global impact for so long. We had the second lockdown in the early part of 2021, when the majority of our staff went back to working from home and parishes largely went back to meeting and worshipping on-line. The situation started to improve from Easter 2021 onwards, when churches started to re-open and staff returned to the offices. EDBF introduced a more formal hybrid working policy from the summer of 2021, enabling staff to split their working week between home working and the office. This has worked extremely well and is likely to continue as our new way of working.

We then saw the rise of the Omicron variant in the run up to Christmas 2021 and the guidance to work from home where possible in the early part of 2022.

In response to the pandemic, EDBF had previously taken the following action in 2020 to help mitigate the financial impact:

- The government's Job Retention Scheme (Furlough) was used where possible;
- All non-essential spending on clergy housing properties was paused;
- A £2m loan was secured from the NatWest bank under the government's Coronavirus Business Interruption Loan Scheme (CBILS) in August 2020, with this being interest free for the first 12 months. A subsequent decision was taken to convert this to a 5-year interest bearing loan in August 2021; and
- EDBF lay staffing was reviewed and it was clear from the review that there was no slack in the current system, but that the financial pressures dictated that reductions were nonetheless required. In the end a total of 9 posts were removed from the structure (out of 75). The Full Time Equivalent numbers were 6 FTE (out of 60). The above changes equate to a net reduction in the lay staff workforce of 11% and a budget reduction of £231k (8.5%).

PCC finances and therefore parishes' ability to continue making the requested Common Fund contributions was again impacted in 2021, when church buildings were closed, and it was not possible to hold any in-person fund raising events. Common Fund contributions from parishes is the main source of income for EDBF and the shortfalls in 2020 and 2021 were significantly higher than prior to the pandemic, leading to an additional shortfall of £900,000 across the two years. The early signs are that this is recovering in 2022, but the cost-of-living challenges we are all now facing are likely to impact the speed of any recovery.

We are currently reviewing EDBF's finance plan for the period 2022 – 2035, to assess the impact of the shortfalls in income that we have seen in 2020 and 2021. The Bishop's Diocesan Council considered the budget strategy at its meeting in May 2022, and this will shape the budget for 2023. EDBF now works with a three-year budget cycle, with indicative budgets being produced for years 2 and 3.

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COVID-19 FINANCIAL UPDATE (continued)

There are still challenges ahead and further surplus properties will be sold where appropriate, to increase the level of income and also to support the cashflow where necessary.

EDBF has sufficient unrestricted reserves to deal with any pressure in the next few years, so there are currently no concerns about the immediate viability of the company.

STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is the established church, and HM The Queen is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 dioceses. Each diocese is a See under the care of a bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the diocese.

The National Church has a General Synod comprised of ex-officio and elected representations from each diocese and it agrees and lays before Parliament, Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for clergy and lay workers. Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that responsibility as bishop within the Diocesan Synod. The Diocese of Exeter is itself divided into 21 deaneries, each with its own synod and within each parish there is a parochial church council which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod.

Whilst each diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each diocese to seek support from and application for partnership with neighbouring dioceses.

Organisational structure

EDBF is a company limited by guarantee (No. 00186001) registered in England & Wales and a registered charity (No. 249798) governed by its Memorandum and Articles of Association.

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Exeter. It was established in its present form in 1922 and is successor in title to the Exeter Diocesan Trustees.

Governance and policy of EDBF is the responsibility of the trustees, who are also members of the company and trustees for the purposes of charity law.

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STRUCTURE AND GOVERNANCE (continued)

Organisational structure

The trustees/directors of EDBF can comprise:

- 11 ex-officio members consisting of the diocesan and two suffragan bishops, the dean, four archdeacons and the chairs of the Synod House of Clergy and Synod House of Laity and the Chair of the Board;
- 4 clergy elected from the house of clergy from among their number on the basis of one per archdeaconry;
- 8 lay persons elected by members of the house of laity on the basis of two per archdeaconry; and
- A minimum of 3 and a maximum of 5 members nominated by the diocesan bishop.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Staff Team. The Synod membership is elected every three years, with the current members elected to take office from 1 August 2021. Whilst EDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 EDBF is subject to the direction of the Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Governance Update 2021

In terms of governance within the Diocese, the implementation of the Church Representation Rules (CRR) 2020 continued to have a significant impact. This latest edition of the CRR ushered in a wide range of substantive changes across the governance system, with the aim of increased local flexibility and simplification of arrangements in a number of different contexts including in respect of PCCs, Annual Parochial Church Meetings and elections. Importantly the quoracy requirements for PCCs were enhanced and a new arrangement for sharing governance at an inter-parish level, the Joint Council, was introduced. In 2021, the investment of preparatory work in Joint Council scheme templates started to bear fruit and the first schemes were approved and implemented. It is hoped that such Joint Councils will help to improve governance and reduce time spent on administrative processes particularly in multi-parish benefices.

The impact of the continuing pandemic on the governance system was very substantial and it interacted awkwardly with the provisions of the CRR, including some of those that had recently been introduced. Nevertheless, a full range of elections was held during the year, starting with Diocesan Synod and then the delayed elections to the General Synod. For this latter election there were substantial changes in the governing regulations, primarily to enable them to be held electronically. In spite of significant teething difficulties, the elections to General Synod were completed successfully. During the autumn there were triennial elections to a number of Diocesan councils, boards and committees, including the Bishop's Diocesan Council.

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Exeter are set by the Diocesan Synod and EDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary.

EDBF meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by EDBF.

The trustees, meeting within the context of the Bishop's Diocesan Council, hold up to six meetings during the year to formulate and coordinate policies on mission, ministry and finance by:

- Initiating proposals for action by the Synod and advising it on matters of policy;
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with Synod Standing Orders;
- Acting as the trustees of EDBF;
- Planning the business of the Synod, preparing the agenda for its session, and circulating to members information about matters for discussion;
- Advising the Bishop on any matters he may refer to the committee;
- Initiating consideration of any restructuring of Synod Committees and Departments which may appear necessary and for the establishment of ad hoc review groups, their terms of reference and membership;
- Carrying out such other functions as the Synod delegates to it; and
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod.

Other than the Board's Standing Committee, which may make urgent decisions on behalf of the Board between meetings and has responsibility for staffing and personnel matters, EDBF has the following sub committees, each of which have written terms of reference:

Assets Group

This Group has responsibility for monitoring all diocesan income and expenditure and the investment and protection of assets.

The Bishop's Strategy Group

This Group comprises the Bishop's Staff Team, the Chairs of both the House of Clergy and Laity, the Chair and Vice Chairs of the Board of Finance and members of the Senior Management Team, who attend as required, depending on the subject matter. The Group has a strategic focus and the subjects discussed are in line with the Diocesan Vision & Strategy. The Group's decisions will be directed by the Board and Bishop's Diocesan Council in accordance with the policies agreed by the Diocesan Synod. The Group is also responsible for considering and advising the Board on key financial considerations and the annual budget setting process.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2021**

STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

In addition to these sub-committees EDBF is assisted in its work by the following other committees:

Exeter Diocesan Board of Education

The Board has a responsibility to promote or assist in the advancement of education, which is consistent with the faith and practice of the Church of England, and in the promotion and assistance of religious education and religious worship in schools. In our 133 Church of England schools, of which 68 are academies and 65 are maintained schools (32 Voluntary Aided and 33 Voluntary Controlled), the Board has a responsibility to assist and advise governors on matters affecting church schools, and to promote co-operation between the Board and others involved with education in the Diocese. As part of this, the Diocese is keen to ensure the Christian distinctiveness of all Church of England schools is protected and enhances their community. Under the Diocesan Boards of Education Measure 2021, Diocesan Synod confirmed that the DBE will become a formal sub-committee of the DBF from 1 January 2023.

Parsonages Committee

This committee, which has the same membership as the Assets Group, is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting policy for buying, repairing, maintaining and any disposal of parsonage houses, team vicarages and houses owned by EDBF. There are four archidiaconal parsonage committees which exercise delegated powers for the day-to-day decisions on clergy housing.

Glebe Committee

This committee, which has the same membership as the Assets Group, is responsible for determining policy and making decisions concerning the management of glebe property and investments for the benefit of the diocesan stipends fund.

Diocesan Mission and Pastoral Committee

This committee, which has the same membership as the Bishop's Diocesan Council and the trustees of EDBF, is responsible for the reorganisation of parishes, benefices, church buildings, deaneries and archdeaconries, taking account of available clergy numbers and making use of new patterns of ministry.

Diocesan Advisory Committee for the Care of Churches

This committee advises on matters affecting churches and places of worship such as the granting of faculties, architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

Exeter Diocesan Board of Patronage

The Board is constituted under the provisions of the Patronage (Benefices) Measure 1986 and is sole patron or joint patron of a number of benefices.

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

Church Building Strategy Committee

This committee carries out statutory functions with regard to churches, which either have been closed for regular worship, or where that option is being considered.

Vacancy in See Committee

This committee under the Vacancy in See Regulations 1993 (as amended) assumes certain responsibilities in the event of any vacancy in the post of diocesan bishop.

Diocesan Synod

The Diocese of Exeter has its origins in the creation of a diocese for Devon in 909AD and took broadly its present form in 1877 when the Diocese of Truro was created as a separate diocese. The ecclesiastical boundaries of the Diocese equate almost exactly to the county of Devon, which covers an area of 6,707 square kilometres (2,589 square miles).

Devon is predominantly rural, with two major moorland areas, but also includes the two cities of Plymouth and Exeter and the urban area of Torbay. The overall resident population of the county is 1.19 million (based on mid-2019 estimates), with the north and south coastal areas attracting many tourists in the summer months.

The governance of the Diocese provides for elected clergy and lay members alongside the Bishop in Diocesan Synod, which also includes ex-officio members such as Suffragan Bishops, Archdeacons and the Dean, as well as co-opted members appointed for their skill or experience. Diocesan Synod is presided over by the Diocesan Bishop. Its role is to:

- Consider matters affecting the Church of England in the Diocese;
- Act as a forum for debate of Christian opinion on matters of religious or public interest;
- Advise the Diocesan Bishop where requested;
- Deal with matters referred to it by General Synod; and
- Provide for the finances of the Diocese through EDBF.

At archdeaconry and deanery levels

The Diocese consists of 484 parishes arranged into 21 deaneries within the four archdeaconries of Exeter, Totnes, Barnstaple and Plymouth. Within these parishes there are 595 Church of England places of worship in the Diocese, the 4th highest number in England.

Each deanery has a Synod consisting of a house of clergy and a house of laity. The Synod is chaired jointly by the Lay Chair, elected by the lay members from among their number, and the Rural Dean, who is appointed by the clergy and commissioned by the Diocesan Bishop.

**The Exeter Diocesan Board of Finance Limited
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STRUCTURE AND GOVERNANCE (continued)

At archdeaconry and deanery levels (continued)

The role of the Deanery Synod is to:

- Give effect to the decisions made by Diocesan Synod;
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- Raise with Diocesan Synod such matters as it considers appropriate; and
- Elect members of the deanery to Diocesan Synod and of the Diocese to General Synod.

Mission Communities

Whilst MCs are a central part of the structure and governance of the Diocese, they are not of themselves, legal entities.

MCs will vary from place to place, but will usually involve 150 or more worshipping adults, together with children and young people, in order to form a critical mass. The commitment to work together may be formalised as a united benefice, as a single parish, as a team ministry, or be expressed through a looser partnership.

Each MC is encouraged to have a Mission Community Action Plan. This should be a working document which helps the local church look outwards, to grow in prayer, to make new disciples and to serve the people of Devon with joy.

At a parish level

Each ecclesiastical parish has a PCC, whose members include the local parochial clergy, locally elected members of the Diocesan and Deanery Synods, the Churchwardens, a number of elected representatives and, possibly, a small number of co-opted members. Its members are trustees and therefore have trustee responsibilities.

Under current charity law, PCCs with an income of under £100,000 a year are classified as charities but excepted from registration with the Charity Commission. PCC's with an income in excess of £100,000 in any year are required to register as charities with the Charity Commission. The financial transactions and balances of PCC's are not reflected in these financial statements.

Exeter Cathedral

The Cathedral is the seat of the Bishop and a centre of worship, teaching and mission. It has its own separate legal charitable constitution and prepares its own financial statements, copies of which may be obtained from the Cathedral Office, 1 The Cloisters, Exeter, EX1 1HS. Exeter Cathedral does not form part of EDBF group for accounting purposes.

**The Exeter Diocesan Board of Finance Limited
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STRUCTURE AND GOVERNANCE (continued)

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out above. Trustees are given induction at the beginning of each three-year term (triennium) and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest.

Standing Committee of the Exeter Diocesan Board of Finance

Emoluments of senior employees are determined by the Standing Committee of the Bishop's Council, consisting of the Chair of EDBF, the Diocesan Secretary (non-voting), and up to four other Directors (normally the Chairs of the Houses of Clergy and Laity or their deputies, plus one further member elected by EDBF).

The terms of reference for this group is established by the Bishop's Diocesan Council and include: agreeing the annual increases in salaries for all lay staff; considering and determining changes in the grading of any lay staff; to respond to requests from staff to alter working hours, levels of responsibility or other elements of their employment contract; to make recommendations regarding staffing levels, needs or problems in any area; to assess options and proposals for structural changes in the way in which EDBF operates; and to take decisions on behalf of EDBF on matters which must be decided urgently and for which it is impossible for the normal processes to apply.

Delegation of day-to-day delivery

The trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and his colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of EDBF in accordance with the policies framed by the trustees.

Funds held as Custodian Trustee

EDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are PCCs and others. These assets are not aggregated in the financial statements as they do not form part of EDBF's assets. They are segregated from EDBF's own assets in separate bank and investments accounts and are accounted for separately.

Further details of financial trust assets, whose market value amounted to £24.7m at 31 December 2021 (2020: £23.2m), are available from EDBF on request, and are summarised in note 29. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by EDBF's solicitor, Stephens Scown LLP.

**The Exeter Diocesan Board of Finance Limited
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STRUCTURE AND GOVERNANCE (continued)

Funds held on behalf of schools

The Board of Education (as incorporated within EDBF) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amounts included in creditors as at 31 December 2021 were:

- £1,706,000 (2020: £994,000) received from governors and the Department for Education in advance of repairs and improvements to schools, held in the general bank account; and
- £297,000 (2020: £413,000) held in a separate CCLA deposit account on behalf of the governors of Church of England schools in respect of building funds devolved from the Department for Education.

The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £2.7m and £2.5m respectively in 2021 (2020: £2.1m and £2.3m). The Excess of income over expenditure in the year is due to the timing of receipt of funding (mainly in advance) for school capital projects.

TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of EDBF for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements, unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent charitable company will continue in operation.

**The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2021**

TRUSTEES' RESPONSIBILITIES (continued)

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and parent charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the group and parent charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

In so far as the Trustees are aware:

- a) There is no relevant audit information of which EDBF's auditor is unaware; and
- b) The Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that EDBF's auditor is aware of that information.

APPOINTMENT OF AUDITORS

The re-appointment of Bishop Fleming LLP as auditors to EDBF will be proposed at the Annual General Meeting.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2021**

ADMINISTRATIVE DETAILS

Trustees

The trustees and directors of EDBF are either ex-officio, nominated, elected or appointed as detailed in the standing orders of Exeter Diocesan Synod, a copy of which can be inspected at EDBF's registered office. The following were directors throughout the year (unless otherwise stated):

Ex officio

The Rt Rev Robert Atwell, Lord Bishop of Exeter
The Rt Rev Nicholas McKinnel, Bishop of Plymouth
The Rt Rev Jacqueline Searle, Bishop of Crediton
The Ven Andrew Beane, Archdeacon of Exeter
The Ven Verena Breed, Archdeacon of Barnstaple (from 15 September 2021)
The Ven Douglas Dettmer, Archdeacon of Totnes
The Ven Nicholas Shutt, Archdeacon of Plymouth
The Very Rev Jonathan Greener, Dean of Exeter
The Rev Preb Michael Partridge (Chair, House of Clergy)
Mr Giles Frampton (nominated by the Bishop as Chair)
Mrs Annie Jefferies (Chair, House of Laity)

Appointed by the Bishop

Mrs Laura Ford (from 1 January 2022)
The Rev Preb Simon Franklin (until 31 December 2021)
Mr Robert Mills (Vice Chair)
The Rev Jacqueline Taylor (until 31 May 2022)
The Rev Canon Dr Michael Williams (Vice Chair)
Dr Michael Wykes

Elected by Barnstaple Archdeaconry

Mr Nigel Price (from 1 January 2022)
Mrs Marguerite Shapland (until 31 December 2021)
Mr Raymond Shapland (until 31 December 2021)
The Rev Samantha Stayte

Elected by Exeter Archdeaconry

Mrs Antoinette Foreman
The Rev Edward Hobbs
Mr Philip Mumby (until 31 December 2021)
Mr Keith Rushforth (from 1 January 2022)

Elected by Plymouth Archdeaconry

The Rev Andrew Atkins (from 1 January 2022)
The Rev David Bailey (until 31 December 2021)
Mr Michael Jefferies
Mr Julian Payne

Elected by Totnes Archdeaconry

The Rev Nicholas Debney (until 31 December 2021)
Ms Hannah Dunn
The Rev Peter March (from 1 January 2022)
Mr Stephen Macey

**The Exeter Diocesan Board of Finance Limited
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ADMINISTRATIVE DETAILS (continued)

Senior staff and advisers

Diocesan Secretary	Stephen Hancock
Assistant Diocesan Secretary	Ed Moffatt
Director of Mission & Ministry	Philip Sourbut
Director of Education	Sue Lockwood
Director of Finance and Company Secretary	Neil Williams
Director of People & Safeguarding	Anthea Carter-Savigear
Director of Property	Graham Davies
Director of Communications	Chloe Axford
Strategic Programme Manager	Rafael Krasnodebski
Operations Manager	Annemarie Kendell

Registered Office:	The Old Deanery The Cloisters Exeter. EX1 1HS
Bankers:	NatWest Bank plc 59 High Street Exeter. EX4 3DP
Auditors:	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor, Stratus House, Emperor Way, Exeter Business Park Exeter. EX1 3QS
Solicitors:	Stephens Scown LLP Curzon House Southernhay West Exeter. EX1 1RS
Investment advisers:	CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London. EC4V 4ET
Insurance brokers:	PIB Insurance Brokers Poppleton Grange Low Poppleton Lane York. YO26 6GZ
Main Insurers:	Ecclesiastical Insurance Group plc Montpellier House Montpellier Gloucester. GL1 1LF

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2021**

ADMINISTRATIVE DETAILS (continued)

The directors and trustees of the Board's subsidiary undertakings who served throughout the year (unless otherwise stated) were as follows:

DIRECTORS OF EDPS LIMITED

Mr Giles Frampton (Chair)
Mrs Jan Keliher
The Rev Canon Dr Michael Williams
Mr Neil Williams

In approving this Annual Report, the trustees are also approving the Strategic Report included on pages 3 – 18 within their capacity as company directors.

BY ORDER OF THE TRUSTEES



Giles Frampton
Chair
6 July 2022



Michael Williams
Vice Chair

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2021**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN BOARD OF FINANCE LIMITED

We have audited the financial statements of the Exeter Diocesan Board of Finance Limited (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 31 December 2021 which comprise the consolidated statement of the financial activities, the consolidated income and expenditure account, the consolidated and EDBF balance sheets, the consolidated cashflow statement and 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 United Kingdom 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 the parent charitable company's affairs as at 31 December 2021, and of the groups incoming resources and application of resources, including its income and expenditure, 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 requirements of the Companies Act 2006.

Basis of 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 and parent charitable company 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 trustees' 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 group's or parent charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2021**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Other information

The other information comprises the information included in the annual report and consolidated financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and consolidated financial statements. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

**The Exeter Diocesan Board of Finance Limited
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 25 to 26, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and parent charitable company'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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditors under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We have considered the nature of the sector, control environment and financial performance of the group and parent charitable company;
- We have considered the results of enquiries with management and Directors in relation to their own identification and assessment of the risk of irregularities within the group and parent charitable company;

**The Exeter Diocesan Board of Finance Limited
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisations for fraud and identified incorrect revenue recognition to be a significant risk. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override of controls, including through the use of journal entries, this being a further significant risk.

We have also obtained understanding of the legal and regulatory frameworks that the group and parent charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Acts, Church Measures, FRS 102, the Charities SORP and tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent charitable company's ability to operate or avoid a material penalty. These included employment and health and safety legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of Bishop's Diocesan Council meetings;
- Enquiring of management and those charged with governance in relation to actual and potential claims or litigations;
- Reviewing the financial statements disclosures and testing to supporting documentation to assess the recognition of revenue; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

**The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2021**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

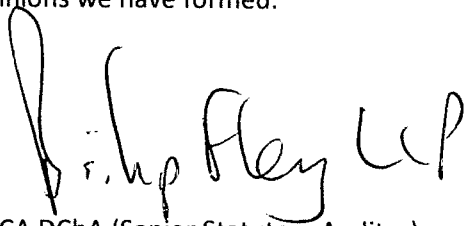
We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

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.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and group and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Borton FCA DChA (Senior Statutory Auditor)

For and on behalf of:

Bishop Fleming LLP, Chartered Accountants & Statutory Auditors

2nd Floor, Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS

15 September 2022

The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2021

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2021

	Note	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
		General	Designated	Funds	Funds	2021	2020
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations	2						
Parish contributions		8,298	-	-	-	8,298	8,332
Archbishop's Council		-	-	1,369	-	1,369	1,744
Other donations		194	7	928	-	1,129	1,133
Charitable activities	3	656	-	35	-	691	607
Other trading activities	4	1,581	-	-	-	1,581	1,332
Investments	5	391	-	1,024	-	1,415	1,334
Other	6	678	-	-	553	1,231	2,025
Total income and endowments		11,798	7	3,356	553	15,714	16,507
Expenditure on							
Costs of raising funds	7	230	-	82	-	312	229
Charitable activities	8	10,230	120	3,396	-	13,746	14,036
Other	9	-	-	-	-	-	-
Total expenditure		10,460	120	3,478	-	14,058	14,265
Net income/(expenditure) before investment gains		1,338	(113)	(122)	553	1,656	2,242
Net gain/(loss) on investments	17	1,189	13	364	4,402	5,968	2,120
Net income/(expenditure)		2,527	(100)	242	4,955	7,624	4,362
Transfers between funds	14	(734)	687	(28)	75	-	-
Net movement in funds		1,793	587	214	5,030	7,624	4,362
Total funds brought forward		8,030	21,517	5,529	72,311	107,387	103,025
Total funds carried forward	21	9,823	22,104	5,743	77,341	115,011	107,387

All activities derive from continuing activities. The notes on pages 40 to 83 form part of the financial statements.

**The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2021**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2021**

	Total 2021 £'000	Total 2020 £'000
Total incoming resources	15,161	15,458
Resources expended	(14,058)	(14,265)
Operating surplus/(deficit) for the year	1,103	1,193
Net gain/(loss) on investments	1,566	509
Net income for the year	2,669	1,702
Other comprehensive income:		
Net assets transferred from/(to) endowments	(75)	(252)
Total comprehensive income	<u>2,594</u>	<u>1,450</u>

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2021

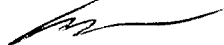
CONSOLIDATED AND EDBF BALANCE SHEETS
At 31 December 2021

<i>Company Number – 186001</i>		2021		2020	
	Note	Group £'000	EDBF £'000	Group £'000	EDBF £'000
FIXED ASSETS					
<i>Intangible Assets</i>	15	72	72	57	57
<i>Tangible assets</i>	16	58,562	58,562	58,532	58,532
<i>Investments</i>	17	55,798	55,798	46,096	46,096
		<u>114,432</u>	<u>114,432</u>	<u>104,685</u>	<u>104,685</u>
Total fixed assets		114,432	114,432	104,685	104,685
CURRENT ASSETS					
<i>Debtors</i>	18	2,198	2,338	2,040	2,061
<i>Cash on deposit</i>		34	34	34	34
<i>Cash at bank and in hand</i>		2,045	1,833	5,723	5,645
		<u>4,277</u>	<u>4,205</u>	<u>7,797</u>	<u>7,740</u>
Total current assets		4,277	4,205	7,797	7,740
CREDITORS: amounts falling due within one year	19	(1,812)	(1,749)	(2,143)	(2,095)
		<u>2,465</u>	<u>2,456</u>	<u>5,654</u>	<u>5,645</u>
NET CURRENT ASSETS		2,465	2,456	5,654	5,645
TOTAL ASSETS LESS CURRENT LIABILITIES		116,897	116,888	110,339	110,330
CREDITORS: amounts falling due after one year	20	(1,886)	(1,886)	(2,055)	(2,055)
NET ASSETS excluding Pension Liability due after one year				108,284	108,275
<i>Defined Benefit Pension scheme liabilities</i>	20	-	-	(897)	(897)
		<u>115,011</u>	<u>115,002</u>	<u>107,387</u>	<u>107,378</u>
TOTAL NET ASSETS		115,011	115,002	107,387	107,378
FUNDS					
Endowment funds					
<i>(Including investment revaluation reserve of £24,389k (2020: £20,136k))</i>		77,341	77,341	72,311	72,311
Restricted income funds					
<i>(Including investment revaluation reserve of £1,503k (2020: £1,141k))</i>		5,743	5,743	5,529	5,529
Unrestricted income funds:					
<i>General Funds (Including investment revaluation reserve of £4,501k (2020: £3,356k))</i>		9,814	9,814	8,021	8,021
<i>Designated Funds (Including investment revaluation reserve of £6k (2020: (£7k))</i>		22,104	22,104	21,517	21,517
<i>Trading subsidiary</i>		9	-	9	-
		<u>115,011</u>	<u>115,002</u>	<u>107,387</u>	<u>107,378</u>
TOTAL CHARITY FUNDS	22	115,011	115,002	107,387	107,378

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
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**CONSOLIDATED AND EDBF BALANCE SHEETS (continued)
At 31 December 2021**

The Cash Flow Statement and the notes on pages 40 to 83 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 6 July 2022 and signed on behalf of the Board by:



**Giles Frampton
Chair of the Board**

The Exeter Diocesan Board of Finance Limited
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CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2021

	2021		2020	
	£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating Activities		(3,609)		(2,958)
Cash flows from investing activities				
Dividends, interest and rent from investments	2,717		2,455	
Proceeds from the sale of:				
Tangible fixed assets	1,789		3,307	
Fixed asset investments	4,016		-	
Purchase of:				
Tangible fixed assets for the use of the EDBF	(399)		(233)	
Fixed asset investments	(8,005)		-	
Net cash provided by/(used in) investing Activities		118		5,529
Cash flows from financing activities				
Loans repaid by the EDBF	(169)		(34)	
New lending by EDBF	(100)		(60)	
Loans repaid to EDBF	82		143	
Cash inflow from new borrowing	-		2,000	
Net cash provided by/(used in) financing Activities		(187)		2,049
Change in cash and cash equivalents in the reporting period		(3,678)		4,620
Cash and cash equivalents at 1 January		5,757		1,137
Cash and cash equivalents at 31 December		2,079		5,757
Reconciliation of net movements in funds to net cash flow from operating activities				
Net movement in funds for the year ended 31 December		1,656		2,242
Adjustments for:				
Depreciation/amortisation charges		51		41
Dividends, interest and rent from investments		(2,717)		(2,455)
Surplus/(deficit) on sale of functional assets		(1,231)		(2,025)
Decrease/(increase) in debtors		(140)		(593)
(Decrease)/increase in creditors		(1,228)		(168)
Net cash provided by/(used in) operating activities		(3,609)		(2,958)
Analysis of cash and cash equivalents				
Cash in hand		2,045		5,723
Notice deposits (less than 3 months)		34		34
		2,079		5,757

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2021

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019 (FRS 102)), the Companies Act 2006 and applicable accounting standards (FRS 102) (effective 1 January 2019).

EDBF meets the definition of a public benefit entity under FRS 102. It is a company limited by guarantee and is constituted under a memorandum and articles of association. The company is also a registered charity. The address of the registered office is given in the administrative details on page 28. The nature of the charity's operations and its principal activities are set out in the annual report.

These financial statements consolidate the results of the company and its wholly owned subsidiary (see Note 33) on a line-by-line basis. A separate Statement of Financial Activities and income and expenditure account for the company has not been presented because the company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The principal accounting policies and estimation techniques are as follows:

a) Income

All income is included in the Statement of Financial Activities (SOFA) when EDBF is legally entitled to the income or capital respectively, ultimate receipt is more likely than not and the amount to be recognised can be quantified with reasonable accuracy.

- i) **Common Fund (Parish contributions)** is recognised as income of the year in respect of which it is receivable, with a cut-off date of 28 February 2022 for the 2021 year.
- ii) **Rental income** is brought into the accounts when receivable.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v) **Statutory Parochial fees** are recognised as income of the year to which they relate with a cut-off date of 28 February 2022 for the 2021 year.
- vi) **Donations** other than grants are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the EDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other resources expended.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2021**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021**

1. ACCOUNTING POLICIES (continued)

b) Expenditure

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category.

- i) **Expenditure on raising funds** is constrained to costs relating to the investment management costs of glebe and any other investment properties and the running costs of EDPS Ltd, EDBF's trading subsidiary.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, and expenditure on education and Church of England schools in the Diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient, except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of EDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** EDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pension Scheme (see note 27). The pension costs charged as resources expended represent EDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which EDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year, with any adjustments required reflected in the SOFA.
- vi) **Redundancy and termination payments** are recognised when EDBF is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date, or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.
- vii) **Irrecoverable VAT** is charged as a cost against the activity for which the expenditure was incurred.

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

1. ACCOUNTING POLICIES (continued)

c) Tangible fixed assets and depreciation

Freehold properties

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. EDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence.

In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the original value of the related loan at the balance sheet date.

Investment properties

Glebe properties which are held for investment purposes and rented out have been included at their fair value.

Parsonage houses

EDBF has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. EDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their historic cost value.

d) Other tangible fixed assets

All capital expenditure over £1,000 is capitalised and depreciated as follows. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:

Motor vehicles	25% per annum	reducing balance basis
Fixtures and fittings	10% per annum	straight line basis
Equipment	25% per annum	straight line basis
Telephone system	10% per annum	straight line basis
Photovoltaic panels	4% per annum	straight line basis

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021**

1. ACCOUNTING POLICIES (continued)

- e) **Fixed asset investments** are included in the balance sheet at fair value and the gain or loss taken to the Statement of Financial Activities. The investments in the subsidiary undertaking are valued at cost less any provisions for impairment.
- f) **Leases.** EDBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause whichever is shorter in time.
- g) **Debtors.** Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.
- h) **Cash at bank and in hand and cash on deposit.** Cash at bank and in hand and cash on deposit includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening.
- i) **Creditors and provisions.** Creditors and provisions are recognised where the charity 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.
- j) **Financial instruments.** EDBF only has material financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.
- k) **Fund balances**
Fund Balances are split between unrestricted (general and designated), restricted and endowment funds.
- **Unrestricted funds** are EDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of EDBF. There are two types of unrestricted funds:
 - **General funds** which EDBF intends to use for the general purposes of EDBF; and
 - **Designated funds** set aside out of unrestricted funds by EDBF for a purpose specified by the Trustees.
 - **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

1. ACCOUNTING POLICIES (continued)

- **Endowment funds** are those held on trust to be retained for the benefit of the charitable company or group as a capital fund. In the case of the endowment funds administered by EDBF, there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

Trusts where EDBF acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the notes to the financial statements.

- l) **Preparation of the accounts on a going concern basis.** Having undertaken a review of the impact of the Covid-19 pandemic (see Strategic Report, pages 17 to 18), the Trustees have no concerns about the ability of EDBF to meet its liabilities and on that basis the company is a going concern.
- m) **Significant accounting estimates.** The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Revaluation of investment properties

EDBF carries its investment property at fair value, with changes in fair value being recognised in the Statement of Financial Activities. Commercial investment properties are revalued each year by an independent valuation specialist. Glebe property is revalued by an independent valuation specialist every five years, with annual reviews of fair value made by management with reference to appropriate indices, or to reflect any changes in the status of the property.

Pension and other post-employment benefits

The liabilities in respect of defined benefit pension schemes and other pension related provisions are determined using actuarial calculations by an independent actuary. The calculations involve making assumptions about discount rates, future salary increases, mortality rates and future pension increases.

Depreciation of freehold properties

The board does not depreciate its freehold properties as it judges any depreciation charge to be immaterial on the basis of the long life of the asset and high residual value on the basis of the board policy of regular maintenance. The board carries out an annual impairment review.

**The Exeter Diocesan Board of Finance Limited
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021**

1. ACCOUNTING POLICIES (continued)

Benefice houses recognition

Benefice houses are legally vested in the incumbent of the benefice. However, the board recognises these as functional assets of the board on the basis that the board carries both obligations in terms of maintenance and improvement and beneficial entitlements of ownership.

2. DONATIONS

Parish Contributions

The majority of donations are collected from the parishes of the Diocese through the common fund system.

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year assessments	8,996	-	-	-	8,996	9,174
Shortfall in contributions	(778)	-	-	-	(778)	(871)
	<u>8,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,218</u>	<u>8,303</u>
Receipts for previous years	80	-	-	-	80	24
Receipts for future years	-	-	-	-	-	5
Total Income	<u>8,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,298</u>	<u>8,332</u>

Current year common fund receipts represent 91.35% of the total assessed (2020: 90.50%).

Archbishop's Council

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Lowest Income Communities Funding	-	-	1,207	-	1,207	1,231
Transitional funding	-	-	-	-	-	105
Strategic Ministry funding	-	-	162	-	162	58
Sustainability funding	-	-	-	-	-	350
	<u>-</u>	<u>-</u>	<u>1,369</u>	<u>-</u>	<u>1,369</u>	<u>1,744</u>

The Lowest Income Communities Funding is the annual grant for either supporting specific parish mission and development projects or for clergy stipends.

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

2. DONATIONS (continued)

Other donations and grants

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
	General £'000	Designated £'000				
All Churches Trust Grant	158	-	-	-	158	169
Legacies	19	-	-	-	19	-
Donations and grants	17	7	617	-	641	678
Resourcing Ministerial Education	-	-	311	-	311	286
	<u>194</u>	<u>7</u>	<u>928</u>	<u>-</u>	<u>1,129</u>	<u>1,133</u>

The donations and grants figure above includes the following: Donations (£30k); Strategic Development Funding (£596k); Past Cases Review (£11k) and Other grants (£4k).

3. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
	General £'000	Designated £'000				
Statutory fees	528	-	-	-	528	456
Chaplaincy income	36	-	27	-	63	69
Feed in/Export Tariffs						
- PV panels	37	-	-	-	37	39
Course/training fees	17	-	1	-	18	19
Miscellaneous income	38	-	7	-	45	24
	<u>656</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>691</u>	<u>607</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
	General £'000	Designated £'000				
Housing income	1,286	-	-	-	1,286	1,105
Other rental income	16	-	-	-	16	16
Trading – EDPS Ltd	279	-	-	-	279	211
	<u>1,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,581</u>	<u>1,332</u>

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
	General £'000	Designated £'000				
Dividends receivable	391	-	620	-	1,011	921
Interest receivable	-	-	-	-	-	6
Rents receivable	-	-	404	-	404	407
	<u>391</u>	<u>-</u>	<u>1,024</u>	<u>-</u>	<u>1,415</u>	<u>1,334</u>

6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
	General £'000	Designated £'000				
Gains on sale of Properties	677	-	-	553	1,230	2,025
Surplus on disposal of fixed assets	1	-	-	-	1	-
	<u>678</u>	<u>-</u>	<u>-</u>	<u>553</u>	<u>1,231</u>	<u>2,025</u>

7. COSTS OF RAISING FUNDS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
	General £'000	Designated £'000				
Glebe agents' fees	-	-	47	-	47	30
Other glebe expenses	23	-	35	-	58	44
Trading activities – EDPS Ltd	207	-	-	-	207	155
	<u>230</u>	<u>-</u>	<u>82</u>	<u>-</u>	<u>312</u>	<u>229</u>

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

8. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	funds	funds
	£'000	£'000	£'000	£'000	2021	2020
					£'000	£'000
Contributions to						
Archbishops' Council						
Training for Ministry	346	-	-	-	346	346
National Church						
Responsibilities	242	-	-	-	242	260
Grants and provisions	30	-	-	-	30	29
Mission agency pension						
Costs	16	-	-	-	16	13
Retired clergy housing						
Costs	127	-	-	-	127	124
Pooling of ordinands						
maintenance grants	33	-	-	-	33	52
	<u>794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>794</u>	<u>824</u>
Resourcing Ministry and						
Mission						
Parish Ministry						
Stipends and national						
Insurance	3,387	-	2,182	-	5,569	5,580
Pension costs	1,532	-	40	-	1,572	1,297
Housing costs	2,016	-	-	-	2,016	1,987
Removal, resettlement						
and grants	198	-	-	-	198	198
Clergy Pension Fund Deficit	7	-	-	-	7	48
Other expenses	255	-	188	-	443	317
	<u>7,395</u>	<u>-</u>	<u>2,410</u>	<u>-</u>	<u>9,805</u>	<u>9,427</u>
Support for parish ministry						
Mission and Ministry	1,052	120	961	-	2,133	1,831
Church and Society	57	-	-	-	57	52
Mission and Ministry grants	-	-	3	-	3	16
Cooper Legacy grants	-	-	3	-	3	3
Cooper Armstrong Legacy	-	-	6	-	6	8
Support services	1,416	-	13	-	1,429	1,328
Lay Pension Fund Deficit	(975)	-	-	-	(975)	21
	<u>1,550</u>	<u>120</u>	<u>986</u>	<u>-</u>	<u>2,656</u>	<u>3,259</u>
	<u>8,945</u>	<u>120</u>	<u>3,396</u>	<u>-</u>	<u>12,461</u>	<u>12,686</u>
Expenditure on Education and Church of England Schools						
Support for church schools						
and parishes	491	-	-	-	491	526
	<u>10,230</u>	<u>120</u>	<u>3,396</u>	<u>-</u>	<u>13,746</u>	<u>14,036</u>

The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

The year-on-year increase of £304k within Mission & Ministry is the result of an increase in grants paid in the year to the Strategic Development funded projects (£298k) mainly due to the launch of a new plant in Torbay and the support of capital projects. The increase on Support costs of £102k can mainly be attributed to £117k being paid for settlement and redundancy costs.

9. OTHER RESOURCES EXPENDED

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2021	Total funds 2020
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Loss on sale of assets	-	-	-	-	-	-

10. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Pension Funds	Total costs 2021 £'000	Total costs 2020 £'000
				Deficit Adjustment £'000		
Raisings funds	312	-	-	-	312	229
Charitable activities:						
Contributions to Archbishop's Council	-	794	-	-	794	824
Resourcing parish ministry	11,121	886	1,429	(975)	12,461	12,686
Education	491	-	-	-	491	526
Other resources expended	-	-	-	-	-	-
	<u>11,924</u>	<u>1,680</u>	<u>1,429</u>	<u>(975)</u>	<u>14,058</u>	<u>14,265</u>

Net income/(expenditure) for the year is stated after charging amortisation £18k (2020: £5k), depreciation £32k (2020: £34k) and audit fees EDBF £23k, EDPS £3k (2020: EDBF £23k, EDPS £3k).

11. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2021	Total funds 2020
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Central support/administration	1,285	-	13	-	1,298	1,200
Governance:						
External audit of EDBF	23	-	-	-	23	23
External audit of EDPS	3	-	-	-	3	3
Registrar and Chancellor	85	-	-	-	85	83
Synodical costs	20	-	-	-	20	18
	<u>1,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,429</u>	<u>1,327</u>

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12. ANALYSIS OF GRANTS MADE	No.	Individuals	Institutions	Total	Total
		£'000	£'000	2021	2020
				£'000	£'000
From unrestricted funds for national Church responsibilities:					
Contributions to Archbishop's Council	6	-	794	794	824
From unrestricted funds:					
Ordinands in training	24	82	-	82	132
Clergy ordination	15	38	-	38	40
Clergy resettlement	29	70	-	70	70
Clergy removals	30	80	-	80	60
Clergy 1 st incumbency	9	22	-	22	27
Churches together in Devon	1	-	5	5	5
Church schools – Repairs/improvement	1	-	6	6	7
Support for lay workers	4	-	16	16	-
Transforming Plymouth Together	1	-	15	15	10
Strategic Development Fund-Plymouth	2	-	119	119	7
Partnership in Mission					
Other small grants	35	12	9	21	18
Adjustments for grants not claimed	-	-	-	-	(2)
	<u>151</u>	<u>304</u>	<u>170</u>	<u>474</u>	<u>374</u>
From restricted funds for various purposes within resourcing parish ministry:					
Cooper Legacy Fund	1	-	6	6	3
Cooper Armstrong Legacy	1	-	3	3	8
Growth & Mission Fund	2	-	11	11	17
Repairs and Maintenance Grant	2	-	3	3	15
Strategic Development Fund					
Plymouth Partnership in Mission	10	-	146	146	86
Exeter, St Matt's	3	-	132	132	133
Bay Church	1	-	111	111	-
Total	<u>20</u>	<u>-</u>	<u>412</u>	<u>412</u>	<u>262</u>
Total	<u>177</u>	<u>304</u>	<u>1,376</u>	<u>1,680</u>	<u>1,460</u>

Grants paid from designated funds have been included within unrestricted funds.

Cooper Legacy grants approved by the Board at 31 December 2021 but not yet disbursed at that date were £12k.

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13. STAFF COSTS

	2021	2020
	£'000	£'000
Employee costs during the year were as follows:		
Wages and salaries	1,934	2,009
National insurance contributions	187	190
Pension costs – current year	404	418
	<u>2,525</u>	<u>2,617</u>
Pension costs – deficit (decrease)/increase	-	(127)
	<u>2,525</u>	<u>2,490</u>

The average number of persons employed by the group during the year:

	2021	2020
	Number	Number
Administration and financial management	30	27
Grant funded projects	3	3
Property	4	4
Mission, Ministry and Stewardship	13	15
Safeguarding	4	3
Archdeacons' staff	1	5
Education and Schools	10	12
	<u>65</u>	<u>69</u>

The average number of persons employed by the group during the year based on full-time equivalents:

	2021	2020
	Number	Number
Administration and financial management	23.9	22.8
Grant funded projects	2.8	2.5
Property	3.4	3.2
Mission, Ministry and Stewardship	10.0	11.7
Safeguarding	3.4	2.5
Archdeacons' staff	0.5	2.1
Education and Schools	8.7	9.8
	<u>52.7</u>	<u>54.6</u>

The numbers of staff whose emoluments (including benefits in kind, but excluding pension contributions) amounted to more than £60,000 were as follows:

	2021	2020
	Number	Number
£60,001 - £70,000	3	3
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
	<u>5</u>	<u>4</u>

Pension payments of £55k (2020: £43k) were made for these employees.

During the year there were no redundancy benefits provided (2020: 2) costing (2020: £15k). All benefits are recognised when either a legal or contractual obligation arises.

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13. STAFF COSTS (continued)

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Diocese. The members of the Senior Management Team were:

Diocesan Secretary	Stephen Hancock
Assistant Diocesan Secretary	Ed Moffatt
Director of Mission & Ministry	Philip Sourbut
Director of Education	Sue Lockwood
Director of Finance and Company Secretary	Neil Williams
Director of People & Safeguarding	Anthea Carter-Savigear
Director of Property	Graham Davies
Director of Communications	Chloe Axford
Strategic Programme Manager	Rafael Krasnodebski
Operations Manager	Annemarie Kendell

Remuneration, pensions and expenses for these 10 employees amounted to £700k (2020: 11 employees, amounting to £695k).

Trustees' emoluments

No trustee received any remuneration for services as trustee (2020: none). 8 trustees received travelling and out of pocket expenses, totalling £17k (2020: 10 trustees received £17k) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as trustees.

EDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. EDBF is also responsible for the provision of housing for stipendiary clergy in the Diocese, including the suffragan bishops, but excluding the diocesan bishop and cathedral staff.

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13. STAFF COSTS (continued)

The following table gives details of those trustees who were in receipt of a stipend and/or housing and whether this was provided by EDBF during the year:

	Stipend	Housing
The Right Rev R Atwell	No	No
The Right Rev N McKinnel	No	Yes
The Right Rev J Searle	No	Yes
The Very Rev J Greener	No	No
The Ven A Beane	Yes	Yes
The Ven V Breed	Yes	Yes
The Ven D Dettmer	Yes	Yes
The Ven N Shutt	Yes	No
The Rev A Atkins	Yes	Yes
The Rev D Bailey	Yes	Yes
The Rev N Debney	Yes	Yes
The Rev S Franklin	Yes	Yes
The Rev E Hobbs	Yes	Yes
The Rev P March	Yes	Yes
The Rev M Partridge	Yes	Yes
The Rev S Stayte	Yes	Yes
The Rev J Taylor	Yes	Yes
The Rev Canon Dr M Williams	No	No

Clergy costs

EDBF paid an average of 190.84 full time equivalent (2020: 191.24) stipendiary clergy and stipendiary licensed lay workers as office holders holding parochial or diocesan appointments in the Diocese, and the costs were as follows:

	2021	2020
	£'000	£'000
Stipends	5,131	5,175
National insurance contributions	438	405
Pension costs - current year	1,923	1,874
	<u>7,492</u>	<u>7,454</u>
Pension costs - deficit reduction	(351)	(576)
	<u><u>7,141</u></u>	<u><u>6,878</u></u>

The above figures do not include contributions made towards stipends paid by other organisations, e.g. chaplaincies. During the year non-contractual severance benefits totalling £117k (2020: £15k) were provided to three clergy. All benefits are recognised when either a legal or constructive obligation arises.

In addition to the stipendiary clergy, the Diocese also has the following other licensed ministry:

- Self-supporting ministers 54 (2020: 55),
of which 15 (2020: 13) are in training curacies
- Readers 110 (2020: 101)
- Clergy holding licence under seal 38 (2020: 37)

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13. STAFF COSTS (continued)

Clergy costs (continued)

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £37,670 - £46,180 (2020 range: £37,670 - £46,180).

The annual rate of stipend, funded by EDBF, paid to Archdeacons in 2021 was £36,785 (2020: £36,647) and other clergy who were Trustees were paid £27,175 (2020: £27,040).

14. ANALYSIS OF TRANSFERS BETWEEN FUNDS	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
Improvements to Board properties	(359)	284	-	75
From Glebe to General Fund for Stipends	28	-	(28)	-
From General Fund to Clergy Housing Repairs	(345)	345	-	-
From General Fund for Clergy Conference	(30)	30	-	-
From General Fund to Miscellaneous Designated Funds for Grants	(28)	28	-	-
	<u>(734)</u>	<u>687</u>	<u>(28)</u>	<u>75</u>

15. INTANGIBLE FIXED ASSETS

	Website & Software £'000
Cost	
At 1 January 2021	81
Additions	33
At 31 December 2021	<u>114</u>
Amortisation	
At 1 January 2021	24
Charge for the year	18
At 31 December 2021	<u>42</u>
Net Book Value	
At 31 December 2021	<u>72</u>
At 31 December 2020	<u>57</u>

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16. TANGIBLE FIXED ASSETS

	Freehold Properties & Land £'000	Office Equipment £'000	Fixtures & Fittings (inc. PV Panels £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2021	58,290	290	369	10	58,959
Additions	358	8	-	-	366
Disposals	(301)	-	-	(10)	(311)
At 31 December 2021	58,347	298	369	-	59,014
Depreciation					
At 1 January 2021	-	256	164	7	427
Disposals	-	-	-	(7)	(7)
Charge for the year	-	18	14	-	32
At 31 December 2021	-	274	178	-	452
Net Book Value					
At 31 December 2021	58,347	24	191	-	58,562
At 31 December 2020	58,290	34	205	3	58,532

Freehold properties and land fall into a number of asset classes:

	Glebe Houses (Endowment) £'000	Parsonage Houses (Endowment) £'000	Education Property (Endowment) £'000	Other Houses (Restricted) £'000	Board Property (Designated/ Unrestricted) £'000	Total £'000
At 1 January 2021	11,571	25,340	119	367	20,893	58,290
Additions	10	64	-	-	284	358
Disposals	(125)	-	-	-	(176)	(301)
Transfers (note 14)	-	-	-	-	-	-
At 31 December 2021	11,456	25,404	119	367	21,001	58,347

All of the properties in the balance sheet are freehold and are vested in EDBF, except for benefice houses which are vested in the incumbent. Two properties (2020: 2) were previously purchased with the help of value-linked loans from the Church Commissioners; when disposed of the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £118k (2020: £118k).

Up to and including 31 December 1999 it was EDBF's policy to include freehold properties at their 31 December 1994 open market value. From 1 January 2000 EDBF adopted the policy not to revalue tangible fixed assets. Whilst previous valuations have been maintained they have not been updated.

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17. FIXED ASSETS INVESTMENTS

	At 1 January 2021 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	At 31 December 2021 £'000
Unrestricted funds						
Listed investments	6,685	4,300	(302)	-	1,202	11,885
Unlisted investments	5	-	-	-	-	5
	<u>6,690</u>	<u>4,300</u>	<u>(302)</u>	<u>-</u>	<u>1,202</u>	<u>11,890</u>
Restricted funds						
Listed investments	2,939	730	(730)	-	364	3,303
Endowment funds						
Investment property	14,475	-	(264)	-	1,342	15,553
Listed investments	21,992	2,975	(2,975)	-	3,060	25,052
	<u>36,467</u>	<u>2,975</u>	<u>(3,239)</u>	<u>-</u>	<u>4,402</u>	<u>40,605</u>
Total EDBF	<u>46,096</u>	<u>8,005</u>	<u>(4,271)</u>	<u>-</u>	<u>5,968</u>	<u>55,798</u>

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17. FIXED ASSETS INVESTMENTS (continued)

The corresponding historical cost figures are:	Group 2021 £'000	EDBF 2021 £'000	Group 2020 £'000	EDBF 2020 £'000
Unrestricted funds				
Listed investments	7,378	7,378	3,336	3,336
Unlisted investments	5	5	5	5
	<u>7,383</u>	<u>7,383</u>	<u>3,341</u>	<u>3,341</u>
Restricted funds				
Listed investments	1,800	1,800	1,797	1,797
Endowment funds				
Investment property	3,355	3,355	3,418	3,418
Listed investments	12,861	12,861	12,914	12,914
	<u>16,216</u>	<u>16,216</u>	<u>16,332</u>	<u>16,332</u>
Total	<u><u>25,399</u></u>	<u><u>25,399</u></u>	<u><u>21,470</u></u>	<u><u>21,470</u></u>

Investment property

- a) A full list of properties is available for inspection at The Old Deanery.
- b) All land and buildings held on 31 December 2021 are held on a freehold basis.
- c) Commercial investment properties were valued as at 31 December 2021 by Stratton Creber Commercial (Chartered Surveyors) on an open market basis and residential properties were revalued by the trustees on an open market value. Historic glebe was valued by Smith Gore, Michelmore Hughes and Philips, Smith and Dunn (all Chartered Surveyors) on an open market basis at 31 December 2017 and their value has been updated by the trustees to 31 December 2021, having regard to suitable indices.
- d) The investment properties form part of the Diocesan Stipends Capital Account – see notes 21 – 23.
- e) The income yield, net of fees/costs, on the value of the property investments held as fixed assets in the year was 2.60% (2020: 2.80%). The total return was 12.29% (2020: 6.33%).
- f) Investment properties are held to provide an investment return, rather than as programme investments.

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18. DEBTORS – GROUP and EDBF	Group	EDBF	Group	EDBF
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Due within one year				
Loans to parishes	115	115	82	82
Loan to St Mellitus College	40	40	-	-
Common Fund	199	199	200	200
Gift aid from EDPS Ltd	-	71	-	56
Current account with subsidiary company	-	87	-	59
Department for Education/ governors	700	700	650	650
Prepayments	200	200	194	194
Other debtors	861	843	778	684
	<u>2,115</u>	<u>2,255</u>	<u>1,904</u>	<u>1,925</u>
Due after more than one year				
Loans to parishes	61	61	76	76
Loan to St Mellitus College	-	-	40	40
Other debtors and prepayments	22	22	20	20
	<u>83</u>	<u>83</u>	<u>136</u>	<u>136</u>
Total debtors	<u><u>2,198</u></u>	<u><u>2,338</u></u>	<u><u>2,040</u></u>	<u><u>2,061</u></u>
19. CREDITORS: amounts falling due within one year				
	Group	EDBF	Group	EDBF
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Trade creditors	94	94	71	71
Taxation and social security	85	47	73	46
Other creditors and accruals	962	959	887	887
Proceeds of property sold by Board payable to external organisations	51	51	51	51
Receipts in advance	103	81	122	101
CBF Loans – Photovoltaic Panels (parsonages)	34	34	34	34
NatWest Loan – CBILS	133	133	133	133
Pension scheme liabilities				
Lay Defined Benefit Scheme	-	-	153	153
Clergy Pension Scheme	350	350	619	619
Total creditors: amounts falling due within one year	<u><u>1,812</u></u>	<u><u>1,749</u></u>	<u><u>2,143</u></u>	<u><u>2,095</u></u>

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20. CREDITORS: amounts falling due after more than one year

	Group 2021 £'000	EDBF 2021 £'000	Group 2020 £'000	EDBF 2020 £'000
Loan repayment instalments due after more than one year				
CBF Loans – Photovoltaic Panels (parsonages)	34	34	69	69
NatWest Loan – CBILS	1,733	1,733	1,867	1,867
Church Commissioners value-linked loans	119	119	119	119
	<u>1,886</u>	<u>1,886</u>	<u>2,055</u>	<u>2,055</u>
Pension Scheme liabilities				
Lay Defined Benefits Scheme	-	-	822	822
Clergy Pension Scheme	-	-	75	75
	<u>-</u>	<u>-</u>	<u>897</u>	<u>897</u>
Total creditors: amounts falling due after more than one year	<u><u>1,886</u></u>	<u><u>1,886</u></u>	<u><u>2,952</u></u>	<u><u>2,952</u></u>

	2021 £'000	2020 £'000
The maturity of the above loans may be analysed as follows:		
Between one and two years	167	168
Between two and five years	1,600	1,768
In five years and more	119	119
	<u>1,886</u>	<u>2,055</u>

The loans with CBF are repayable over 10 years by equal annual instalments. Interest is calculated on a daily basis and is payable semi-annually. All CBF loans are repayable within 5 years. The monthly interest rate is the average rate declared by the CCLA Deposit Fund over the month, plus 0.55%.

The loan with NatWest is repayable over 5 years by equal instalments, starting in September 2021. The interest rate is fixed at 2.66% per annum and the loan can be repaid early at any point without penalty. The loan is secured by a floating debenture over EDBF's assets.

Value-linked loans (VLLs) represent amounts advanced to EDBF for the purchase of two properties on an equity sharing basis and are repayable on the disposal of the related property. As at 31 December 2021 the Board had no intention of disposing of either of the properties funded via VLLs.

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21. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2021 £'000
UNRESTRICTED FUNDS						
General	8,021	11,591	(10,253)	(734)	1,189	9,814
Church Buildings Fund	672	-	-	-	13	685
Board Properties	19,864	-	-	284	-	20,148
Clergy Housing Repairs	220	-	-	345	-	565
Diocesan Mission Funds	276	-	-	-	-	276
Clergy Conference Fund	127	-	(1)	30	-	156
Burrington School Fund	27	7	-	-	-	34
Plymouth SDF Project	193	-	(119)	-	-	74
Miscellaneous Funds	138	-	-	28	-	166
	<u>21,517</u>	<u>7</u>	<u>(120)</u>	<u>687</u>	<u>13</u>	<u>22,104</u>
RESTRICTED FUNDS						
Diocesan Pastoral Account	3,791	82	(13)	-	344	4,204
Diocesan Stipends Income	26	2,148	(2,146)	(28)	-	-
Bampton School sale	314	-	-	-	-	314
Agricultural/Rural	10	-	-	-	-	10
Retired Clergy Housing	231	8	-	-	20	259
Growth & Mission Fund	1,023	1	(213)	-	-	811
Strategic Development Projects	8	595	(596)	-	-	7
Ministerial Education Training	-	311	(311)	-	-	-
Strategic Ministry Fund	-	162	(162)	-	-	-
Clergy Widows	99	-	-	-	-	99
Cooper Legacy	18	-	(2)	-	-	16
Cooper Armstrong Legacy	6	-	(6)	-	-	-
Miscellaneous Restricted Funds	3	49	(29)	-	-	23
	<u>5,529</u>	<u>3,356</u>	<u>(3,478)</u>	<u>(28)</u>	<u>364</u>	<u>5,743</u>
ENDOWMENT FUNDS						
Permanent						
Dr Nobbs	81	-	-	-	11	92
Expendable						
Diocesan Stipends Capital	40,830	504	-	10	3,871	45,215
Benefice Property	26,668	49	-	65	-	26,782
Church Schools	3,952	-	-	-	416	4,368
The Church College Hostel Trust	780	-	-	-	104	884
	<u>72,311</u>	<u>553</u>	<u>-</u>	<u>75</u>	<u>4,402</u>	<u>77,341</u>
EDBF Total funds	<u>107,378</u>	<u>15,507</u>	<u>(13,851)</u>	<u>-</u>	<u>5,968</u>	<u>115,002</u>
Subsidiaries						
General Funds						
EDPS Ltd	9	207	(207)	-	-	9
Group Total	<u>107,387</u>	<u>15,714</u>	<u>(14,058)</u>	<u>-</u>	<u>5,968</u>	<u>115,011</u>

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22. SUMMARY OF ASSETS BY FUND

	Tangible/ Intangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Unrestricted funds – General	1,023	11,779	(277)	(2,711)	9,814
Unrestricted - designated					
Church Buildings Fund	-	111	574	-	685
Board Properties	20,265	-	2	(119)	20,148
Clergy Housing Repairs	-	-	565	-	565
Diocesan Mission Funds	-	-	279	(3)	276
Clergy Conference Fund	-	-	156	-	156
Burrington School Fund	-	-	34	-	34
Plymouth SDF Project	-	-	74	-	74
Miscellaneous Designated Funds	-	-	166	-	166
	20,265	111	1,850	(122)	22,104
Restricted					
Diocesan Pastoral Account	-	3,128	1,077	(1)	4,204
Diocesan Stipends Income	-	-	124	(124)	-
Bampton School sale	-	-	314	-	314
Agricultural/Rural	-	-	10	-	10
Retired Clergy Housing	346	175	(262)	-	259
Growth & Mission Fund	-	-	816	(5)	811
Strategic Development Fund Projects	-	-	37	(30)	7
Ministerial Education Training	-	-	139	(139)	-
Strategic Ministry Fund	-	-	56	(56)	-
Clergy Widows	21	-	78	-	99
Cooper Legacy	-	-	16	-	16
Cooper Armstrong Legacy	-	-	-	-	-
Miscellaneous Restricted Funds	-	-	117	(94)	23
	367	3,303	2,522	(449)	5,743
Endowment					
Permanent					
Dr Nobbs	-	86	6	-	92
Expendable					
Diocesan Stipends Capital	11,456	35,947	(1,839)	(350)	45,215
Benefice Property	25,404	-	1,381	(3)	26,782
Church Schools	119	3,688	561	-	4,368
Church College Hostel Trust	-	884	-	-	884
	36,979	40,605	110	(353)	77,341
Total EDBF funds	58,634	55,798	4,205	(3,635)	115,002
Subsidiaries					
EDPS Ltd	-	-	72	(63)	9
Total Group funds	58,634	55,798	4,277	(3,698)	115,011

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23. DESCRIPTION OF FUNDS

General fund	The general fund is EDBF's unrestricted undesignated fund, available for any of EDBF's purposes without restriction.
Church building fund	This designated fund was created from the previous balances within the new church building and church building repair funds and is used to provide loans for parishes undertaking strategic reviews or major improvements of church buildings.
Board properties	This designated fund is the properties owned and used by EDBF in the furtherance of its work and includes curates housing.
Clergy housing repairs	This designated fund is used to support spending on the repair and maintenance of clergy housing.
Diocesan Mission funds	These designated funds are all part of the mission and ministry development fund, which provide funds for one-off projects to promote the ministry of the church and its overall mission in the Diocese. The growth fund, together with the mustard seed funds has been set aside specifically to fund initiatives in mission communities.
Clergy conference fund	This designated fund was established to provide funding for the diocesan clergy conference, held every three to five years.
Burrington School Fund	This designated fund was established to hold the net proceeds from the sale of the former Burrington School (in 2019), in order that the funds can be used to support educational purposes.
Plymouth SDF Project	This designated fund was established in 2019 to provide EDBF's agreed funding for the church planting SDF project in Plymouth.
Miscellaneous funds	This designated fund is used for holding monies received by EDBF for supporting specific projects/initiatives.
Diocesan Pastoral account	The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used under the more recent Diocesan and Pastoral Measure 2011 are: <ul style="list-style-type: none"> • To defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees; • To make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese;

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23. DESCRIPTION OF FUNDS (continued)

Diocesan Pastoral account (continued)

- Other purposes of the Diocese or any benefice or parish in the Diocese;
- To make grants or loans to any other Diocese; and
- To transfer funds to the diocesan stipends fund income or capital accounts.

Diocesan stipends income	This restricted fund represents the income from the Diocesan Stipends Capital account, which has not yet been applied to pay clergy stipends.
Bampton School sale	This restricted fund was created to separately identify the previous Bampton School sale proceeds from the general Church School funds.
Agricultural/rural funds	This restricted fund represents donations received to enable the Diocese to provide support to the farming community across the Diocese.
Retired clergy housing	This restricted fund represents the properties and any sale proceeds held for this purpose.
Growth and Mission fund	This restricted fund was established in 2015 to provide funding for specific growth initiatives across the Diocese. Three have so far been approved by Diocesan Synod – Growing the rural church, new housing areas and local mission community support.
SDF Projects	This restricted fund was established to hold any funding received or due in relation to those projects receiving Strategic Development Funding. EDBF is not deemed to have the benefit of the income associated with these projects until the expenditure has been incurred and claimed accordingly. Any changes to the original submission have to be approved by the Church Commissioners.
Ministerial Education Training	This restricted fund represents the balance at any time on the funding of ordinands training.
Strategic Ministry Fund	This restricted fund was established in 2020 to manage the grant funding received from the Archbishops' Council to support the appointment of additional stipendiary curates.
Clergy widows	This restricted fund represents properties purchased from donations to provide for clergy widows.

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23. DESCRIPTION OF FUNDS (continued)

Cooper legacy	This restricted fund, arising from the legacy of Mrs Cooper and is used to provide grants to assist parishes with church building repairs.
Cooper Armstrong legacy	This is restricted fund, arising from the legacy of Mrs Evie Cooper, is used to provide grants and support for work with families and the homeless, in line with the trustees' wishes.
Miscellaneous Restricted Funds	This restricted fund represents the unspent balance of donations received for parishes and for managing the ministry in Cranbrook.
Dr Nobbs	This is a permanent endowment held by EDBF for the support of clergy following marriage breakdown.
Diocesan stipends capital	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. The fund also represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses. The funds may be invested in the CBF Church of England Property, Investment or Fixed Interest Securities Funds, or simply held on deposit.
Benefice property fund	The benefice property fund consists of resources restricted to provision of benefice houses in the Diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses held on suspense by the Church Commissioners. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, EDBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of EDBF.
Church Schools funds	This fund represents premises and endowments vested in EDBF under the Education Act 1993.

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23. DESCRIPTION OF FUNDS (continued)

Church College Hostel Trust

This fund supports the Board of Education in all of its statutory powers and duties under various education acts together with the training of teachers in the principles of the Church of England.

24. CAPITAL COMMITMENTS

At 31 December 2021 EDBF had capital expenditure commitments authorised but not contracted for of £992,000 (2020: £890,000) and contracted for but not yet due of £101,000 (2020: £225,000).

25. OPERATING LEASES

At 31 December 2021 EDBF had future minimum lease commitments under non-cancellable operating lease as follows:

	2021	2020
	£'000	£'000
Non-Land & Buildings operating leases:		
Within one year of the balance sheet date	24	22
In the second to fifth years inclusive of the balance sheet date	3	27
	<u> </u>	<u> </u>

26. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

There were no post balance sheet events or contingent liabilities at the balance sheet date.

27. PENSIONS

EDBF participates in three pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of EDBF and the other participating employers. One of these is the **Church of England Funded Pensions Scheme** for stipendiary clergy. The other two are part of the **Church Workers Pension Fund**.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

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27. PENSIONS (continued)

These schemes are multi-employer last man standing defined benefit pension schemes for which EDBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of FRS102 requires EDBF to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for EDBF. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme

With effect from 1 January 1998, diocesan clergy became members of the Church of England Funded Pensions Scheme. This defined benefit scheme provides benefits based on the National Minimum Stipend in the year before their date of retirement and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Benefits are currently being accrued on the basis of half of the National Minimum Stipend (NMS) being paid as the normal pension on reaching the age of 68 on completion of maximum service of 41.5 years, or 1.25 times this amount for archdeacons, plus a lump sum of three times the pension based on the previous year's NMS payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 will be provided for by the Church Commissioners under the previous arrangements.

EDBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes 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 to be 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 each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme.

The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2021: £1,572k; 2020: £1,297k), plus the figures highlighted in the table below as being recognised in the SOFA, giving a total charge of £1,579k (2020: £1,345k). In addition, a further £42k (2020: £56k) has been charged in relation to EDBF employees who are also in this scheme.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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27. PENSIONS (continued)

Church of England Funded Pensions Scheme (continued)

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

- An average discount rate of 3.2% per annum;
- RPI inflation of 3.4% per annum (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% per annum; and
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI 2018 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% per annum.

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

% of pensionable stipends	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table above.

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021**

27. PENSIONS (continued)

Church of England Funded Pensions Scheme (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and 2021 is set out in the table below.

	2021	2020
Balance sheet liability at 1 January	694,000	1,222,000
Deficit contribution paid	(351,000)	(576,000)
Interest cost (recognised in SOFA)	1,000	10,000
Remaining change to the balance sheet liability* (recognised in SOFA)	6,000	38,000
Balance sheet liability at 31 December	350,000	694,000

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. In general, these are set by reference to the duration of the deficit recovery payments, but as at 31 December 2021, under accounting rules, the payments are not discounted since the remaining recovery plan is less than 12 months. No price inflation assumption is needed since pensionable stipends for the remainder of the recovery plan are already known.

	December 2021	December 2020	December 2019
Discount rate	0.0% pa	0.2% pa	1.1% pa
Price inflation	n/a	3.1% pa	2.8% pa
Increase to total pensionable payroll	-1.5% pa	1.6% pa	1.3% pa

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

Church Workers Pension Fund – Defined Benefits Scheme

EDBF participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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27. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Defined Benefits Scheme (“DBS”) section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, DBS is divided into sub-pools in respect of each participating employer, as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers’ sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SOFA during the year are contributions payable towards benefits and expenses accrued in that year (2021: £137k; 2020: £145k), plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SOFA, giving a net credit of £838k for 2021 (2020: total charge of £166k).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers’ sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers’ sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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27. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 51.3% of pensionable salary and expenses of £11,900 per year. Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2021	2020
Balance sheet liability at 1 January	975,000	1,081,000
Deficit contribution paid	-	(127,000)
Interest cost (recognised in SOFA)	5,000	14,000
Remaining change to the balance sheet liability* (recognised in SOFA)	(980,000)	7,000
Balance sheet liability at 31 December	-	975,000

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	December 2021	December 2020	December 2019
Discount rate	0.00%	0.50%	1.40%

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

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two subsections:

- A deferred annuity section known as Pension Builder Classic; and
- A cash balance section known as Pension Builder 2014

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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27. PENSIONS (continued)

Pension Builder Scheme (continued)

Pension Builder Classic provides a pension accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are the contributions payable (2021: £225k; 2020: £216k).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the on-going assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3%, following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the on-going assumptions used. There is no requirement for deficit payments at the current time.

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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28. RELATED PARTY TRANSACTIONS

There are no direct related party transactions involving trustees other than the provision of stipends, housing and expenses as set out in note 13 to the consolidated financial statements.

The wife of Giles Frampton (the Chair of the Board of Finance) is a Self-Supporting Minister (unpaid) leading one of our Mission Communities. A parsonage house is provided by EDBF for this role, with any expenses incurred being paid by the Mission Community.

The wife of the Venerable Andrew Beane has been paid to provide consultancy services for social media on the Growing the Rural Church project. She received £1,725 for the provision of this service.

29. FUNDS HELD AS CUSTODIAN TRUSTEE

EDBF acts as custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as EDBF does not control them.

The financial assets held in this way may be summarised as follows:

	2021	2020
	£'000	£'000
CBF Church of England Investment Fund income shares	14,821	13,011
CBF Church of England Investment Fund accumulation shares	748	694
CBF Church of England Fixed Interest Securities Fund shares	300	321
CBF Church of England Property Fund shares	1,080	946
CBF Global Equity Income Fund	1,280	1,101
Charifund – Income Units	2,747	2,422
Charibond Fixed Interest Income	8	8
Other common investment fund holdings	156	134
Direct holdings in UK gilts	41	45
Other fixed interest stocks	6	22
CBF Church of England Deposit Fund	1,238	2,446
Charles Stanley	812	772
Brewin Dolphin	1,400	1,261
Cash at bank	19	4
	<hr/>	<hr/>
Total assets held as custodian trustee	24,656	23,187
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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30. ANALYSIS OF NET DEBT

	As at 1 January 2021 £'000	Cash flows £'000	At 31 December 2021 £'000
Cash at bank and in hand	5,723	(3,678)	2,045
Cash equivalents	34	-	34
Debt due after 1 year	(2,055)	169	(1,886)
Debt due within 1 year	(167)	-	(167)
	3,535	(3,509)	26

31. MONEY HELD AS INTERMEDIARY AGENT FOR OTHERS

EDBF occasionally holds money as intermediary agents for others as follows:

- In respect of the Board of Education's involvement in the maintenance and improvement of Church of England schools' buildings, money is sometimes held in advance of work being undertaken. At the end of 2021 the sum of £1,706,000 (2020: £994,000) was held in the general bank account for this purpose; and
- The board also holds the Department for Education's Formula Capital funding on behalf of Church of England schools in Devon and the sum so held on 31 December 2021 amounted to £297,000 (2020: £413,000) and was also held in the general bank account for this purpose.

Neither of the above sums is included in the board's Balance Sheet at the year-end.

32. EDBF LIMITED – LIABILITY OF BOARD MEMBERS

The Exeter Diocesan Board of Finance Limited is a company limited by guarantee and as such has no share capital. In the event of winding-up, the liability of board members is limited to £1 each.

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33. SUBSIDIARY UNDERTAKING (EDPS Limited)

The wholly owned trading subsidiary, EDPS Limited, which is incorporated in the United Kingdom (Registered Company No. 4477446), provides services to Church of England academies and schools. EDBF owns 100% of the issued share capital of two ordinary shares of £1 each. A summary of the trading results is shown below:

Summary profit and loss account	2021 £'000	2020 £'000
Turnover	273	204
Cost of sales	<u>(204)</u>	<u>(152)</u>
Gross Profit	69	52
Other operating income	6	7
Administrative expenses	<u>(3)</u>	<u>(3)</u>
Operating profit	72	56
Gift made to parent company	(72)	(56)
Loss after tax	<u><u>-</u></u>	<u><u>-</u></u>
Assets and liabilities		
Current assets	230	176
Current liabilities	<u>(221)</u>	<u>(167)</u>
Total net assets	<u><u>9</u></u>	<u><u>9</u></u>
Capital and reserves		
Issued share capital and retained profit	<u><u>9</u></u>	<u><u>9</u></u>

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34. 2020 Comparative figures by fund

Due to space constraints within the main body of the accounts, this note shows the breakdown by fund for 2020 for the following notes:

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2020

	Note	Unrestricted funds General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000
Income and endowments from						
Donations	2					
Parish contributions		8,332	-	-	-	8,332
Archbishop's Council		455	-	1,289	-	1,744
Other donations		322	27	784	-	1,133
Charitable activities	3	568	-	39	-	607
Other trading activities	4	1,332	-	-	-	1,332
Investments	5	331	-	1,003	-	1,334
Other	6	973	-	3	1,049	2,025
Total income and endowments		12,313	27	3,118	1,049	16,507
Expenditure on						
Raising funds	7	179	-	50	-	229
Charitable activities	8	10,923	2	3,111	-	14,036
Total expenditure		11,102	2	3,161	-	14,265
Net income/(expenditure) before investment gains		1,211	25	(43)	1,049	2,242
Net gains on investments		395	(5)	119	1,611	2,120
Net income/(expenditure)		1,606	20	76	2,660	4,362
Transfers between funds	14	(726)	474	-	252	-
Net movement in funds		880	494	76	2,912	4,362
Total funds brought forward		7,150	21,023	5,453	69,399	103,025
Total funds carried forward	21	8,030	21,517	5,529	72,311	107,387

All activities derive from continuing activities.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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A2. DONATIONS

Parish Contributions

The majority of donations are collected from the parishes of the Diocese through the common fund system.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000
	General £'000	Designated £'000			
Current Year assessments	9,174	-	-	-	9,174
Shortfall in contributions	(871)	-	-	-	(871)
	<u>8,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,303</u>
Receipts for previous years	24	-	-	-	24
Receipts for future years	5	-	-	-	5
	<u>8,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,332</u>

Archbishop's Council

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000
	General £'000	Designated £'000			
Lowest Income Communities Funding	-	-	1,231	-	1,231
Transitional funding	105	-	-	-	105
Strategic Ministry funding	-	-	58	-	58
Sustainability funding	350	-	-	-	350
	<u>455</u>	<u>-</u>	<u>1,289</u>	<u>-</u>	<u>1,744</u>

The Lowest Income Communities Funding is the annual grant either for supporting specific parish mission and development projects or for clergy stipends.

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A2. DONATIONS (continued)

Other Donations and grants

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000
	General £'000	Designated £'000			
All Churches Trust Grant	169	-	-	-	169
Donations and grants	153	27	498	-	678
Resourcing Ministerial Education	-	-	286	-	286
	<u>322</u>	<u>27</u>	<u>784</u>	<u>-</u>	<u>1,133</u>

A3. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000
	General £'000	Designated £'000			
Statutory fees	456	-	-	-	456
Chaplaincy income	30	-	39	-	69
Feed in/Export Tariffs					
- PV panels	39	-	-	-	39
Course/training fees	19	-	-	-	19
Miscellaneous income	24	-	-	-	24
	<u>568</u>	<u>-</u>	<u>39</u>	<u>-</u>	<u>607</u>

A4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000
	General £'000	Designated £'000			
Housing income	1,105	-	-	-	1,105
Other rental income	16	-	-	-	16
Trading – EDPS Ltd	211	-	-	-	211
	<u>1,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,332</u>

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

A5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000
	General £'000	Designated £'000			
Dividends receivable	325	-	596	-	921
Interest receivable	6	-	-	-	6
Rents receivable	-	-	407	-	407
	<u>331</u>	<u>-</u>	<u>1,003</u>	<u>-</u>	<u>1,334</u>

A6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000
	General £'000	Designated £'000			
Gains on sale of Properties	973	-	3	1,049	2,025
	<u>973</u>	<u>-</u>	<u>3</u>	<u>1,049</u>	<u>2,025</u>

A7. COSTS OF RAISING FUNDS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000
	General £'000	Designated £'000			
Glebe agents' fees	-	-	30	-	30
Other glebe expenses	24	-	20	-	44
Trading activities – EDPS Ltd	155	-	-	-	155
	<u>179</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>229</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

A8. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000
	General £'000	Designated £'000			
Contributions to					
Archbishops' Council					
Training for Ministry	346	-	-	-	346
National Church					
Responsibilities	260	-	-	-	260
Grants and provisions	29	-	-	-	29
Mission agency pension					
Costs	13	-	-	-	13
Retired clergy housing					
Costs	124	-	-	-	124
Pooling of ordinands'					
maintenance grants	52	-	-	-	52
	<u>824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>824</u>
Resourcing Ministry and					
Mission					
Parish Ministry					
Stipends and national					
Insurance	3,346	-	2,234	-	5,580
Pension costs	1,241	-	56	-	1,297
Housing costs	1,987	-	-	-	1,987
Removal, resettlement					
and grants	198	-	-	-	198
Clergy Pension Fund Deficit	48	-	-	-	48
Other expenses	278	-	39	-	317
	<u>7,098</u>	<u>-</u>	<u>2,329</u>	<u>-</u>	<u>9,427</u>
Support for parish ministry					
Mission and Ministry	1,077	2	752	-	1,831
Church and Society	52	-	-	-	52
Mission and Ministry grants	-	-	16	-	16
Cooper Legacy grants	-	-	3	-	3
Cooper Armstrong Legacy	-	-	8	-	8
Support services	1,325	-	3	-	1,328
Lay Pension Deficit Fund	21	-	-	-	21
	<u>2,475</u>	<u>2</u>	<u>782</u>	<u>-</u>	<u>3,259</u>
	<u>9,573</u>	<u>2</u>	<u>3,111</u>	<u>-</u>	<u>12,686</u>
Expenditure on Education and Church of England Schools					
Support for church schools					
and parishes	526	-	-	-	526
	<u>10,923</u>	<u>2</u>	<u>3,111</u>	<u>-</u>	<u>14,036</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

A9. OTHER RESOURCES EXPENDED

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Loss on sale of assets	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

A10. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Pension Deficit	Total costs 2020 £'000
				Fund Adjustment £'000	
Raisings funds	229	-	-	-	229
Charitable activities:					
Contributions to Archbishop's Council	-	824	-	-	824
Resourcing parish ministry	10,701	636	1,328	21	12,686
Education	526	-	-	-	526
	<u>11,456</u>	<u>1,460</u>	<u>1,328</u>	<u>21</u>	<u>14,265</u>

Net income/(expenditure) for the year is stated after charging amortisation £5,000, depreciation £34,000 and audit fees EDBF £23,000, EDPS £3,000.

A11. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020 £'000
	General £'000	Designated £'000			
Central support/administration	1,198	-	3	-	1,201
Governance:					
External audit of EDBF	23	-	-	-	23
External audit of EDPS	3	-	-	-	3
Registrar and Chancellor	83	-	-	-	83
Synodical costs	18	-	-	-	18
	<u>1,325</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>1,328</u>

**The Exeter Diocesan Board of Finance Limited
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021**

A12. ANALYSIS OF GRANTS MADE	Nbr.	Individuals £'000	Institutions £'000	Total 2020 £'000
From unrestricted funds for national Church responsibilities:				
Contributions to Archbishop's Council	6	-	824	824
From unrestricted funds:				
Ordinands in training	42	132	-	132
Clergy ordination	16	40	-	40
Clergy resettlement	28	70	-	70
Clergy removals	30	60	-	60
Clergy 1 st incumbency	7	27	-	27
Churches together in Devon	1	-	5	5
Church schools – Repairs/improvements	1	-	7	7
Church schools – Learn Teach Read	-	-	-	-
Mustard Seed Fund	1	1	-	1
Unlimited Church	-	-	-	-
Growth and mission	3	-	17	17
Other small grants	28	14	13	27
Adjustments for grants not claimed	-	-	(2)	(2)
	<u>157</u>	<u>344</u>	<u>40</u>	<u>384</u>
From restricted funds for national Church responsibilities:				
Contributions to Archbishop's Council	-	-	-	-
From restricted funds for various purposes within resourcing parish ministry:				
Cooper Legacy Fund	1	-	3	3
Cooper Armstrong Legacy	1	-	8	8
Repairs and Maintenance Grant	1	-	15	15
Strategic Development Fund				
Plymouth Partnership in Mission	6	-	93	93
Exeter, St Matt's	3	-	133	133
Total	<u>12</u>	<u>-</u>	<u>252</u>	<u>252</u>
Total	<u>175</u>	<u>344</u>	<u>1,116</u>	<u>1,460</u>

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

A21 SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2020	Income	Expenditure	Transfers	Gains and Losses	Balances a 31 Decemb 2020
	£'000	£'000	£'000	£'000	£'000	£'000
UNRESTRICTED FUNDS						
General	7,141	12,158	(10,947)	(726)	395	8,021
Church Buildings Fund	677	-	-	-	(5)	672
Board Properties	19,486	-	-	378	-	19,864
Clergy Housing Repairs	191	-	-	29	-	220
Diocesan Mission Funds	274	-	2	-	-	276
Clergy Conference Fund	97	-	-	30	-	127
Burrington School Fund	-	27	-	-	-	27
Plymouth SDF Project	197	-	(4)	200	-	193
Miscellaneous Funds	101	-	-	37	-	138
	<u>21,023</u>	<u>27</u>	<u>(2)</u>	<u>474</u>	<u>(5)</u>	<u>21,517</u>
RESTRICTED FUNDS						
Diocesan Pastoral Account	3,597	71	(3)	-	126	3,791
Diocesan Stipends Income	26	2,159	(2,159)	-	-	26
Bampton School sale	314	-	-	-	-	314
Agricultural/Rural	10	-	-	-	-	10
Retired Clergy Housing	231	7	-	-	(7)	231
Growth & Mission Fund	1,130	101	(208)	-	-	1,023
Strategic Development Projects	11	387	(390)	-	-	8
Ministerial Education Training	-	287	(287)	-	-	-
Strategic Ministry Fund	-	48	(48)	-	-	-
Clergy Widows	99	-	-	-	-	99
Cooper Legacy	21	-	(3)	-	-	18
Cooper Armstrong Legacy	14	-	(8)	-	-	6
Miscellaneous Restricted Funds	-	58	(55)	-	-	3
	<u>5,453</u>	<u>3,118</u>	<u>(3,161)</u>	<u>-</u>	<u>119</u>	<u>5,529</u>
ENDOWMENT FUNDS						
Permanent						
Dr Nobbs	75	-	-	-	6	81
Expendable						
Diocesan Stipends Capital	38,938	216	-	168	1,508	40,830
Benefice Property	25,751	833	-	84	-	26,668
Church Schools	3,895	-	-	-	57	3,952
The Church College Hostel Trust	740	-	-	-	40	780
	<u>69,399</u>	<u>1,049</u>	<u>-</u>	<u>252</u>	<u>1,611</u>	<u>72,311</u>
EDBF Total funds	<u>103,016</u>	<u>16,352</u>	<u>(14,110)</u>	<u>-</u>	<u>2,120</u>	<u>107,378</u>
Subsidiaries						
General Funds						
EDPS Ltd	9	155	(155)	-	-	9
Group Total	<u>103,025</u>	<u>16,507</u>	<u>(14,265)</u>	<u>-</u>	<u>2,120</u>	<u>107,387</u>

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

A22. SUMMARY OF ASSETS BY FUND

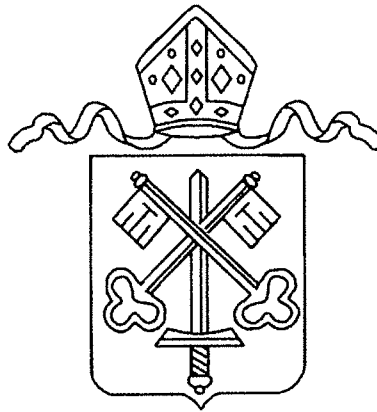
	Tangible/ Intangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Unrestricted funds – General	1,211	6,592	4,071	(3,853)	8,021
Unrestricted - designated					
Church Buildings Fund	-	98	574	-	672
Board Properties	19,981	-	3	(120)	19,864
Clergy Housing Repairs	-	-	220	-	220
Diocesan Mission Funds	-	-	279	(3)	276
Clergy Conference Fund	-	-	127	-	127
Burrington School Fund	-	-	27	-	27
Plymouth SDF Project	-	-	193	-	193
Miscellaneous Designated Funds	-	-	138	-	138
	19,981	98	1,561	(123)	21,517
Restricted					
Diocesan Pastoral Account	-	2,784	1,007	-	3,791
Diocesan Stipends Income	-	-	123	(97)	26
Bampton School Sale	-	-	314	-	314
Agricultural/Rural	-	-	10	-	10
Retired Clergy Housing	346	155	(270)	-	231
Growth & Mission Fund	-	-	1,029	(5)	1,024
Strategic Development Fund Projects	-	-	140	(133)	7
Ministerial Education Training	-	-	37	(37)	-
Strategic Ministry Fund	-	-	6	(6)	-
Clergy Widows	21	-	78	-	99
Cooper Legacy	-	-	18	-	18
Cooper Armstrong Legacy	-	-	6	-	6
Miscellaneous Restricted Funds	-	-	79	(76)	3
	367	2,939	2,576	(353)	5,529
Endowment					
Permanent					
Dr Nobbs	-	75	6	-	81
Expendable					
Diocesan Stipends Capital	11,571	32,340	(2,387)	(694)	40,830
Benefice Property	25,340	-	1,348	(20)	26,668
Church Schools	119	3,272	561	-	3,952
Church College Hostel Trust	-	780	-	-	780
	37,030	34,467	(472)	(714)	72,311
Total EDBF funds	58,589	46,096	7,736	(5,043)	107,378
Subsidiaries					
EDPS Ltd	-	-	61	(52)	9
Total Group funds	58,589	46,096	7,797	(5,095)	107,387

For Fund Descriptions, please see note 23 on pages 62 – 65.

THE EXETER DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249798

Accounts



THE EXETER DIOCESAN BOARD OF FINANCE LIMITED

ANNUAL REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020

**Company limited by guarantee (No. 00186001)
Registered charity (No. 249798)**

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Key to abbreviations

EDBF	The Exeter Diocesan Board of Finance Limited
EDPS	EDPS Limited – the Board's Trading Company
SOFA	Statement of Financial Activities
SORP	Charities SORP (Statement of Recommended Practice) 'Accounting and Reporting by Charities' 2019
PCC	Parochial Church Council

**The Exeter Diocesan Board of Finance Limited
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OUR VISION

'I know the plans I have for you, says the Lord, plans for your welfare and not for harm, to give you a future with hope.' Jeremiah 29.11

We seek to be people who together are:

Growing in prayer

We want to grow in prayer, living a life close to God. This means taking risks as we become more honest with ourselves and more honest with God. Prayer opens up deep places within us to God's grace, which is why it is such a life-giving activity. Growing in prayer is essential if we are to witness to God's Kingdom and become the people God has called us to be.

Making new disciples

A disciple is someone who follows Jesus Christ. With him as our companion and guide, we can travel through life differently, and we hope others will share the adventure with us. We want to be more faithful in our discipleship and allow God to shape our priorities and values. The Christian gospel is good news, and we need to find new ways of telling the story, of explaining the faith and giving a reason for the hope that is in us.

Serving the people of Devon with joy

We want to make a difference in the world and witness to God's love and justice, especially in the communities and schools where we live. Working in partnership with others who are transforming lives, we seek to address the global issues confronting our generation so that everyone may flourish.

+ Robert Exon

(Bishop of Exeter)

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

The trustees, who are also directors for the purposes of company law, present their annual report, together with the audited consolidated financial statements, for the year ended 31 December 2020.

The directors/trustees are the same and in signing as Trustees, they are offering the strategic report sections in their capacity as directors.

The combined report satisfies the legal requirements for:

- A Directors Report of a charitable company;
- A Strategic Report under the Companies Act 2006; and
- A Trustees Annual Report under the Charities Act 2011.

LEGAL OBJECTS

The objects of the Diocese of Exeter cover the entire county of Devon.

The principal object of The Exeter Diocesan Board of Finance (EDBF) is to promote, assist and advance the work of the Church of England in the Diocese of Exeter by acting as the financial executive of the Exeter Diocesan Synod.

EDBF has the following statutory responsibilities:

- i. The management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976 and the Church Property Measure 2018;
- ii. The repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972 and the Church Property Measure 2018;
- iii. The management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 1991; and
- iv. The custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of EDBF are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Exeter. To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally, and to implementation of the outcomes. This includes a series of consultations on specific matters relating to the priorities for the forthcoming year and further ahead and taking forward the commitments arising from the Diocesan Synod and church nationally, including the Diocesan Budget.

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STRATEGIC REPORT

STRATEGIC AIMS

The main role of EDBF is to identify and manage the financial aspects of the provision of ministry within the Diocese so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, Deaneries, Mission Communities and parishes to further the mission and strategic priorities of the Diocese and in particular the strategic priorities set out in the Vision Statement, which can be found on the diocesan website at www.exeter-anglican.org.

We seek to work together in Mission Communities

Communities are how we relate to one another. We discover both what we need from others and what we can offer so that all may flourish. In the same way Mission Communities help us as the Church to work together across boundaries and break down any sense of isolation. They enable us to be flexible in our mission and more adept at responding to the different contexts and cultures of Devon.

Not every parish can offer every aspect of the Church's life and ministry, but by joining in partnership with neighbouring churches and forming a Mission Community we can work together more effectively.

There are 119 mission communities across the Diocese of Exeter. We aim to be mission-oriented, community-focussed and locally rooted. As God's people we are called to live out our faith and continue the mission of God as revealed in the life, death and resurrection of Jesus Christ.

The strategy of the Trustees for achieving these priorities is to maintain a sound financial structure which will enable EDBF to resource ministry and mission.

Each year a request is made to every parish for contributions towards the Common Fund, the parish share scheme, which is designed to distribute the financial costs of the Diocese equitably. The Common Fund pays for a significant proportion of the clergy stipends, their pension and housing, clergy and lay training, safeguarding and central support, but it only works properly if each parish in each Mission Community contributes regularly and fully. We support all PCCs and Mission Communities in their financial administration to develop efficient ways to collect and manage resources including through the Parish Giving Scheme.

The Board reviews the financial plan on an annual basis, and this was most recently undertaken in May 2019, with the current plan covering the years 2019 to 2024. The plan requires stringent cost control across all areas of the budget and includes a planned increase in the number of unpaid licensed ministers (self-supporting clergy and readers) and unpaid lay people involved in ministry, alongside a reduction in the number of stipendiary clergy working within the Diocese. One of the key aims is to increase vocations, including the number of self-supporting ministers deployed. This should also now be read in the context of the Covid-19 Financial update on pages 16 to 18.

**The Exeter Diocesan Board of Finance Limited
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OBJECTIVES FOR THE YEAR

The strategic aims were established by the Diocesan Synod in March 2016 and refreshed in June 2019. The aims have informed and will continue to inform decisions and policies at all levels. The vision is what we would like the future to look like and the strategy sets out how we seek to work together in Mission Communities to enable this to happen. It is vital that our planning continues to reflect our priorities, whilst continuing to meet our statutory and operational requirements.

Following an initial review with the Bishop's Strategy Group, four strategic focus groups were set up to consider how we can build on the positive work that has been taking place in our Mission Communities. These groups looked at how we may continue to bring more people to Christ and make new disciples across four key demographic groups:

- **Children, young people and families**
 - Establish a 'platform' to hear and respond to the views of children and young people;
 - Coordinate a group of church schools to provide additional leadership, support and resources for parents and grandparents; and
 - Provide support to better equip existing and future clergy to minister more effectively with children, young people and families.
- **17 – 25 year olds**
 - Invite key leaders (lay and clergy) to refine the strategy and build a 17 – 25 focus group;
 - Develop a digital engagement strategy and create a Media Advisory Group to support social media/digital giving; and
 - Explore and develop possible lay chaplaincies for Further Education colleges by identifying key colleges and facilitating links to local church.
- **People over the age of 55**
 - Welcome and hospitality at a range of events, such as 'Retirement' sessions led by Bishop Robert and Bishops in Mission;
 - Focus on grandparents with annual 'Grandparents' days' in schools with church engagement; and
 - Addressing social isolation by exploring 'Anna Chaplains' roles, social engagement hubs and sharing of good practice in pastoral care.
- **Fringe Christians**
 - Know your church and community by using Growing the Rural church resources for community and church audits;
 - Enable effective outward-facing leadership by reviewing Continuing Ministerial Development to focus on collaborative models; and
 - Plan pathways and stepping stones from encounter to engagement by reviewing and redefining our understanding of participation, including key life events such as Baptism.

Diocesan Synod approved these priorities at the meeting held on 15 June 2019 and these strategic actions are being implemented over the next five to seven years.

**The Exeter Diocesan Board of Finance Limited
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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

“Growing in Prayer, making new disciples and serving the people of Devon with joy” was adopted by Synod as an integral part of our diocesan vision and strategy in March 2016, although it was from the very first moment the vision which Bishop Robert has called us to, and the vision and strategy flows naturally from it.

Many of our activities were curtailed in the period March – June 2020, as we all adjusted to the first national lockdown. As an organisation we transitioned to the majority of staff working from home, whilst at the same time we took full advantage of the Job Retention Scheme, with 40% of staff initially being placed on Furlough when church buildings were closed. As parishes, churches and schools started to open-up again in the summer, staff were able to return to work, although the offices remained closed to all but essential visits.

Following the major consultation across the Diocese on Common Fund, which concluded in 2019, Diocesan Synod reviewed the findings and recommendations at its meeting held in June 2019 and approved a number of changes to the existing system, rather than opting for the alternative cost of clergy model. These relatively minor changes were implemented in 2020.

Having seen a welcome increase in the contribution rate for Common Fund in 2019, the pandemic had a major impact in many parishes. Those parishes with established regular giving schemes, particularly the Parish Giving Scheme, fared significantly better than those reliant on church service collections and fund raising. As a result, the total contributions received by the end of February 2021 were £8.3m (2019: £9.0m), which represented 90.50% (2019: 95.59%) of the amount requested from parishes. As ever, we are very grateful to the continuing generosity of the people in our worshipping communities, particularly in the current climate.

The number of those going forward into training for diaconal/priestly ministry in 2020 was 20 – 15 women and 5 men (2019: 13 – 8 women and 5 men). Stipends were paid to an average of 191 clergy, which was broadly in line with the budget.

Safeguarding continued to have a high priority, with the Diocese providing training courses, advice to parishes, case management, formal risk assessment work and active support of Mission Community leaders. The following training was provided in 2020: Level C0/C1: 493 (2019: 216) and Level C2: 396 (2019: 458). The Past Cases Review 2, with an independent review of all case files, commenced in the second half of 2019 and continued throughout 2020. Progress on the review was slowed by the pandemic but remains on track to be completed within the specified timescale.

The Parish Giving Scheme has continued to grow across the Diocese, following the launch in March 2015, encouraging a deeper understanding of generous giving, streamlining administration in parishes, improving parishes’ cash flows by returning gift aid to parishes every month, and giving donors the option to increase their future giving in line with inflation. In December 2020 there were 2,935 (2019: 2,708) people in our Diocese making donations to 236 (2019: 216) churches, contributing a total (excluding gift aid) equivalent to £2.2m (2019: £2.1m) during the year. The average gift (excluding gift aid) was £14.02 per week (2019: £14.35). EDBF does not carry out any significant fundraising activities.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

The Mission and Ministry team continue to work in close collaboration with Growing the Rural Church, Communications and Mission Resources teams. The team's purpose is to support mission communities as they seek to live out the diocesan vision. In 2020 the team said farewell to Jon Marlow who joined the Diocese of Canterbury as Director of Ordinands and to Penny Doe who left the Mission Community Development team.

The pandemic has severely curtailed opportunities for the Mission and Ministry team to get out and about. However, the team adapted remarkably well to online working and provided a range of training opportunities for both lay and ordained participants online. Indeed, the numbers of clergy and licensed lay ministers attending training courses has increased by approximately 100% as participants have found benefits in not having to travel and great value in opportunity for interaction during a time of isolation. We introduced the Living in Love and Faith process to nearly 300 clergy and readers in an ambitious one-day event on Zoom in November 2020 and were the first diocese in the country to do so.

The Foundations in Christian Ministry Course began again on Zoom with a new cohort of 25 in September (a lower number than in the previous year due to the pandemic).

We continue to have close links with our two local ministry training providers, South West Ministry Training Course and St Mellitus College. Our own in-house training provision has expanded as we have been able to offer a series of Grow courses to equip lay people as a follow on to the Grass Roots discipleship course. In 2020, 160 people used Grassroots and 105 people participated in Grow courses on Pastoral Care, Administration, Small Group Leadership and Administration. This process continues as part of our commitment to the national process of the Setting God's People Free agenda.

Work with children and youth was particularly affected by Covid, with so much face-to-face work unable to continue and online ministry particularly challenging with young people. Yet many churches were brilliantly creative with their online provision especially for children from virtual story times to outdoor services. With the reduction in physical children's work, Clare Cook, our part time 0-5s adviser spent some time on Furlough, returning in August for the arrival of Helen Williams, our new part time 5-11s adviser. They have both worked hard at supporting and encouraging the work. Highlights include a much-appreciated online retreat for workers. South West Youth Ministries (SWYM) also quickly adapted to virtual provision and continued to support, resource and advise, as well as providing online events and opportunities.

Our part-time Church & Society/Environment Officer has also mixed physical and online activities. Thankfully 'The Big Green Event', run in partnership with the cathedral, was able to happen in February 2020: over 200 people attended the day, including the national lead bishop for the environment, and national/local workshop leaders; profit was given to A Rocha's Eco Church initiative. Following General Synod's carbon net zero 2030 resolution, there has been co-ordination of initial scoping consultation responses, planning and synod updates; and oversight and promotion of local and national training opportunities on climate and biodiversity.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

On other social crises, the diocesan officer has chaired or been active in various diocesan, ecumenical and secular groups, including on: mental health (commissioning subsidised or free first aid awareness training available to all church leaders/members ecumenically in Devon, and developing diocesan protocols and wider adviser plans); Anna Chaplaincy for older people (meeting national lead and developing plans for a 2021 pilot); food poverty and mutual aid (collating, mapping and promoting providers, used by DCC); homelessness; rural issues; fair trade; refugee community sponsorship. Promotional work has included webpage development, social media, chapter/PCC meetings, and training sessions for CMD and SWMTC.

The Diocesan Board of Education (DBE) has had a successful year working with our 133 Church of England schools, despite changes in team personnel and the Covid-19 pandemic. The Diocesan Director of Education, John Searson, retired in August and Sue Lockwood took over as Acting Director until a substantive recruitment takes place.

Covid-19 has at times resulted in school buildings closing to all but the most vulnerable students and to the children of key workers, with teaching and learning moving online. In a period of ever-changing expectations and requirements for schools, the team has provided practical support groups and resources; opportunities for leaders to reflect and focus on their own personal wellbeing; and a comprehensive programme of training and forums for staff and for those in governance.

Whilst responding to the challenges created by Covid, the Education Team has supported schools in their reflections on how their response has been shaped by their Christian vision. In every case this will provide strong evidence to feed into their self-evaluation in preparation for their SIAMS (Statutory Inspection of Anglican and Methodist Schools).

Graded inspections halted in March and did not restart in 2020. Outcomes at the end of December 2020 at good or better levels are 86% for Ofsted and 98% for SIAMS, with 84% achieving good or better in both measures (2019: Ofsted 87%, SIAMS 95%, both 86%).

The DBE continue to work jointly with system leaders to ensure schools are providing the best education for children and young people so that all can flourish. Where schools would benefit from increased capacity for improvement, we assist in the brokering of partnerships. In December 2020, 100 church schools were in formal partnerships (federation or Multi-Academy Trusts). Many are in multi-school groupings with community schools meaning 99 community schools are sharing in foundation governance. Through these relationships, the connections and influence of the Diocesan Board of Education has increased.

The communications and engagement team suddenly had a new role in 2020, helping churches rapidly upskill to be able to provide live and recorded church services online when church buildings were closed, or most people were staying away. Digital church suddenly became the norm, and it was exciting to see how churches rose to the challenge and new ways of doing church emerged. We produced monthly diocesan online services, using themes like Sea Sunday, the anniversary of the NHS and the anniversary of VE Day. The communications team also worked hard to livestream the September ordination and priesting services in Exeter Cathedral and across Devon.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

We had the January 2020 launch of the Be A Governor campaign and the February launch of the Family Fun Cooking Club and the first Joy2020 weekend in North Devon. Sadly, most of the other events had to be cancelled. We continued to receive good media coverage as there was a lot of interest in centuries-old church traditions having to move online. We began producing a weekly e-newsletter "Roots and Shoots" to keep people informed during the pandemic. This replaced the previous monthly newsletter "Roots" and the monthly online diocesan magazine.

KEY PERFORMANCE INDICATORS

Comprehensive quarterly operational reports are produced, and these are presented to the trustees following the end of each quarter, through the Bishop's Diocesan Council, and shared more widely with staff and other key stakeholders. The reports are also available on the diocesan website. The key measures are shown in the table below:

Area	Target for 2020	Actual delivery in 2020
Common Fund collection rate	96.0%	90.5%
Total number of parishes signed up as members of the Parish Giving Scheme (based on 10% per annum target increase)	238	236
Total EDBF Income (excluding asset sales and revaluations)	£13,188k	£12,835k
Total EDBF Expenditure (excluding capital works and asset revaluations)	£14,383k	£13,108k

Please note that the income and expenditure figures in the table above are based on EDBF's management accounts, which show net income/expenditure for some services.

FUTURE PLANS

The strategic aims were reviewed by Diocesan Synod in June 2019 and the review will continue to guide where EDBF's resources are focussed over the next five years. Sadly, the Covid-19 pandemic has prevented progress being made in 2020 and the plans will need to be refreshed and recalibrated once we have a clearer idea what the post-Covid-19 future looks like (see the section on the impact of Covid-19 on pages 16 to 18).

It is important to remain focussed on our key aims to make new disciples, grow in prayer and serve the people of Devon with joy. The current situation gives us the opportunity to think differently and try new things, whilst being mindful of the financial challenges that our parishes will continue to face. Setting a budget for 2021 was a major challenge, and Diocesan Synod initially agreed an interim budget for 2021 in October 2020, with a final budget being approved in May 2021, which makes assumptions about the continuing reduced level of contributions from our parishes. The final budget shows a potential deficit in 2021 of £1.2m, with an additional £600k being required to continue meeting the deficit on the clergy pension scheme.

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FUTURE PLANS (continued)

We were delighted to receive confirmation in April 2021 of our successful application for £1.5m of Strategic Development Funding to support mission in Torbay. Bay Church will be launched in 2021, as we look to grow the church in one of our more socially deprived areas.

SECTION 172(1) STATEMENT

The Trustees act in good faith to continually balance the success of EDBF against many other factors, including ensuring that:

- Business is conducted morally and ethically, in line with the EDBF's Code of Conduct;
- Short term gains do not have an adverse consequence on EDBF's long-term strategy, success and benefits;
- Employee and clergy welfare, training and interests are taken care of;
- Supplier relationships are strong, mutually beneficial and comply with EDBF's policies;
- Good relationships exist with our Parochial Church Councils; and
- Any community and environmental impacts as a result of EDBF's operations are considered.

There have been no major changes to any of the above areas in 2020. The only exception was an extension in the scope of the services available through the Employee Assistance Programme, to provide additional advice and support during the Covid-19 pandemic.

FINANCIAL REVIEW

Financial performance

The Consolidated Statement of Financial Activities (page 35) for the year shows that the income (before investment gains) totalled £16.5m (2019: £15.2m) and expenditure amounted to £14.3m (2019: £12.9m) resulting in net income (before investment gains/losses) of £2.2m (2019: £2.3m). Expenditure in 2019 included a credit of £2.1m in respect of the Church of England's Funded Pension Scheme (for clergy). This credit arose as a consequence of a change to the basis of assessing the Scheme's value for the purposes of the triennial valuation of the Scheme as at 31 December 2018 (see note 27).

The net income, after allowing for net investment gains of £2.1m on investment properties and financial investments, resulted in a net increase in funds amounting to £4.4m. Total fund balances increased from £103.0m to £107.4m over the year.

The Covid-19 pandemic had a major impact on the ability of parishes to make the full Common Fund contribution requested in 2020, leading to a shortfall of £871k. To mitigate this predicted shortfall, decisions were taken in March 2020 to reduce the level of expenditure:

- The programme of quinquennial improvements to our clergy housing stock was suspended, leading to a one-off saving in 2020 of £450k;
- All non-essential clergy and lay vacancies were frozen;
- Appropriate use was made of the government's Job Retention Scheme;

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FINANCIAL REVIEW (continued)

Financial performance (continued)

Further actions were taken in the second half of 2020 to improve the cash position:

- It had been previously agreed that 8 surplus clergy houses would be sold, and the proceeds re-invested to improve the financial return. The decision to re-invest the proceeds has been paused until the longer-term financial plan is clearer;
- A number of redundancies were made in late 2020, removing 9 posts (6 FTE) from the lay staffing budget;
- A loan for £2m was taken from the NatWest bank under the Coronavirus Business Interruption Loan Scheme (CBILS) government scheme; and
- A successful application was made to the Archbishops' Council for £350k of Sustainability Funding.

The net operating surplus in 2020, excluding the surplus from sale of property was £200k.

At 31 December 2020 the unrestricted reserves (see Notes 21 and 22) amounted to £8.0m (2019: £7.1m).

Income from listed securities totalled £921k together with interest on cash balances of £6k. Net rental income received from glebe property amounted to £407k.

There was an aggregate gain on the revaluation of investment assets of £2.1m, based on the value at the start of the year of £1.6m (5.5%) for listed investments and £0.5m (3.4%) for investments held as property.

Significant Property Transactions

No properties were purchased during the year. Notwithstanding, our policy continues to be:

- To replace unsuitable properties;
- To accommodate the changing geographical deployment of clergy within the Diocese; and
- To realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

In relation to the last bullet point, the development of surplus vicarage land, which includes the provision of a new vicarage, commenced on one site and a major extension/alteration scheme was completed on another in the year.

In addition to the repairs programme of works, £167k was invested in improving existing properties. However, due to the pandemic, planned capital improvement schemes had to be deferred and whilst reactive repairs continued largely as normal, the planned work undertaken through quinquennial repairs was put on hold and the schemes due in 2020 will be undertaken in 2021. Thirty in-going schemes were undertaken in advance of newly appointed clergy taking occupation.

Eight houses were sold within the year. The long-term aim continues to be to seek to maximise income return and to adjust the balance of EDBF's asset holdings, but sales have also assisted cashflow in the short-term.

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FINANCIAL REVIEW (continued)

Balance sheet position

The Trustees consider that the balance sheet together with details in note 22 show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £107.4m (2019: £103.0m) it must be remembered that included in these totals are properties, mostly in use for the ministry, whose carrying value amounted to £58.3m (2019: £59.3m). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot be used for the general purposes of EDBF.

Reserves policy

Unrestricted reserves

EDBF needs unrestricted reserves for the following purposes:

- a) To cover Common Fund shortfalls in the short-term;
- b) To ensure that funds are available to cover the legal employment entitlements of all employees and stipendiary clergy;
- c) To cover expenditure during the time it would take for the Diocese to adjust to a major change resulting from external and irresistible forces;
- d) To provide a fund for specific aspects of diocesan work earmarked as coming from reserves; and
- e) Excess reserves being necessary in an individual year, in line with the expectations in the long-term finance plan.

The Diocese aims for an ongoing level of unrestricted reserves of 25% to 30% of annual budgeted expenditure, in order to cover items a) to c), above. Any amounts required to cover items d) and e), above, are considered on an annual basis. The unrestricted reserves as at 31 December 2020 are outside this range at 56.6% of the 2021 budgeted expenditure of £14.2m. This is mainly the result of selling property assets that were previously in the designated fund (in order to improve the income return). EDBF also holds endowment and restricted reserves which are legally limited in use to specific purposes. Both EDBF's reserve policy and the level of reserves are reviewed annually.

Reserves tied up in fixed assets

The general (unrestricted) fund comprises net assets amounting to £8.0m of which £1.2m is tied up in intangible and tangible fixed assets.

Designated funds

The Trustees may, with the approval of the Board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in note 23. At 31 December 2020 total designated reserves were £21.5m (2019: £21.0m), of which £20.0m was tied up in tangible fixed assets.

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FINANCIAL REVIEW (continued)

Restricted and endowment funds

As set out in note 21 to 23 EDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2020 restricted funds totalled £5.5m (2019: £5.5m) and endowment funds totalled £72.3m (2019: £69.4m). Neither is available for the general purposes of EDBF.

Grant making and donations policies

All grants and donations are made in furtherance of EDBF's strategic aims and objectives – see note 12.

The policies on the making of principal grants are:

- Ordinands – grants for living expenses are paid to ordinands against an assessment of need in line with national policy;
- Removal and resettlement grants – grants normally covering the full cost of removal expenses and resettlement grants in line with national guidelines are available to stipendiary clergy on moving to or within the Diocese;
- Archbishops' Council – the Board continues to contribute to the various costs of the national church as requested; and
- Strategic Development Fund – grants made from this fund relate to grants received from the Archbishops' Council for specific projects.

All grants are taken into account when a non-cancellable commitment to pay has arisen.

Investment policy

All investments held by EDBF have been acquired under powers available to the Trustees.

The investment of diocesan funds aims to achieve the income requirements of the diocesan budget, whilst maintaining, so far as possible, the purchasing power of the investments, year-on-year. Investment decisions will take account of the ethical considerations implicit in investing on behalf of the Diocese.

	Funds at 31 December 2020 £'000	Proportion of Portfolio	Income yield in year	Total Return in year
CCLA Managed				
CBF Investment Fund	27,611	87.3%	2.85%	+9.95%
CBF Property Fund	2,722	8.6%	4.75%	-0.45%
CBF Deposit Fund	1,283	4.1%	0.49%	+0.49%
Other Funds	5	0%		
	31,621	100.0%		

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FINANCIAL REVIEW (continued)

Investment policy (continued)

EDBF also holds investment properties, in the form of three commercial properties and historic glebe land and property. These are all held within the Diocesan Stipends Capital Account (see notes 21 – 23).

	Funds at 31 December 2020 £'000	Income yield in year	Total Return in year
Investment Properties	14,475	2.80%	6.33%

Operational relationships

EDBF fosters relationships with the Parishes across the Diocese, through the provision of clergy, support and training and by engaging with them where it is important to obtain their views, particularly where there are Common Fund considerations. EDBF fosters relationships with suppliers by seeking to work with them to build mutually beneficial relationships and by paying invoices within agreed credit terms.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and or management of risk and have carried out a formal risk management process to assess business risks and to implement risk management strategies.

To help achieve this, a register of all the risks identified is maintained (the Risk Register) and, alongside it, a management and mitigation strategy formed. This is reviewed annually by the Trustees.

The above process has been delegated to the Assets Group with the responsibility for delivery of the mitigation identified by the annual review being delegated to the Diocesan Director of Finance.

The Risk Register identifies the types of risks that EDBF faces, prioritising them in terms of potential impact and likelihood of occurrence, and the means of mitigating them. The Assets Group in conjunction with officers keep under review known risks and seek to identify new circumstances which may pose a risk to EDBF as part of their ongoing work.

The risks were fully reviewed in the light of the current Covid-19 pandemic and continue to be reviewed by a small group on a monthly basis.

The current principal risks and the steps taken by senior management to mitigate them are as follows:

- EDBF becoming responsible for (multiple) church buildings where there is no longer a PCC;
 - Through Growing the Rural Church initiative and pastoral reorganisation, the Church Buildings Strategy group ensures that information and support is available for the extended use of church buildings.

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- A continuing fall in the number of people within our worshipping communities;
 - Clear statement of our vision and strategy is constantly reinforced by the Bishops and the senior leadership team
 - Provision of additional diocesan-wide support through the Lay Discipleship project and support to Mission Communities
 - A number of mission initiatives have been adopted to encourage and improve participation in church life, with support through Strategic Development Funding
- Unexpected departure or protracted unavailability of a key member of management team;
 - Members of staff have been trained to a level where should this situation arise, there is resource available to cover key areas of responsibility
 - Annual appraisals and regular one to one meetings provide support and high-level communication, with reviews of workload pressures
 - Pastoral care and counselling services are available to all members of staff
- A stock market collapse;
 - EDBF's portfolio is diversified to help minimise risk
 - A statement of Investment Principles was adopted in January 2015
 - Regular review of the financial position is performed by the Assets Group
- Affordability of Pension Scheme Deficits (both clergy and lay);
 - Actuarial valuations (quantifies scale of risk)
 - Review of affordability by EDBF
 - Review of staff terms and conditions (lay)
 - National lobbying (clergy)
- Insufficient people with the necessary qualities offering themselves for ministerial training;
 - Increased provision through Vocations Development Officer, backed by a team of voluntary vocations advisers
 - National drive to encourage younger vocations
- Claims under child protection and safeguarding legislation (including schools);
 - Risks are minimised through an up-to-date, comprehensive Safeguarding policy and training, backed by appropriate insurance policies
 - Disclosure & Barring Service checks are carried out on appropriate staff and volunteers

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- Failure of multi-academy trusts;
 - St Christopher’s MAT set-up as standalone company
 - EDBF protected from financial failure through the oversight and ownership of any issues by EDEN
 - Maintain a strong network of MAT CEOs with transparent communication and best practice shared
 - Shared opportunities to work with strategic partners to find the best Church of England solutions
- EDEN directors and/or EDEN member representative act individually and not corporately;
 - Review and publish EDEN members’ guidance
 - Provide training and address non-attendance
 - Regular communication and guidance
- Covid-19 implications for staff/student well-being in our schools;
 - Signposting to mental health and well-being support/resources
 - Pastoral support for leaders
 - Support group for practical support and collaborations
 - Regular communication
- Software corruption or loss of data integrity;
 - Contracts with IT consultant and external support provider
 - Regular software updates, firewall and virus protection
 - IT policies and password controls and IT policies
- Theft of data (hacking, denial of service attacks, etc.);
 - Contracts with IT consultant and external support provider
 - Regular software updates, firewall and virus protection
 - IT policies and password controls and IT policies
- Unauthorised access to network systems and inappropriate use of public Wi-Fi;
 - Provision of basic public network
 - Procedures for access to public Wi-Fi
 - Passwords changed regularly
- Security risk associated with “Bring Your Own Device” and access to emails on non-diocesan equipment.
 - Working towards solely using diocesan IT equipment for home working

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

As a result of the Covid-19 pandemic, all risks were reviewed and the biggest change to the risks identified related to the impact of a potential shortfall in the Common Fund request, which accounts for approximately 70% of our income:

- A shortfall in the Common Fund request;
 - Regular communication of our vision and strategy by the Bishops and the senior leadership team
 - Support provided by the Mission Resources Team to parishes and Mission Communities
 - Promotion of the Parish Giving Scheme as an effective means of regular giving
 - Development of Diocesan Giving Strategy

The trustees are satisfied that all major risks have been reviewed and systems or procedures have been established to manage these risks.

COVID-19 FINANCIAL UPDATE

The impact of the Covid-19 global pandemic started to be felt within the Diocese of Exeter in the second half of March 2020. Following national government guidance our offices were closed with effect from 23 March 2020, with all staff working from home. It was possible to partially re-open the office in September 2020, but subsequent restrictions meant the work from home arrangements continue and this is likely to be the case until the summer of 2021.

The first priority was to ensure the safety of our staff, so significant time was invested in enabling staff to work remotely. This went remarkably smoothly, despite encountering local problems with internet connectivity in some locations. After an initial settling in period, the majority of staff have been able to work successfully from home, making use of Zoom and Microsoft Teams for both internal and external meetings.

In the early days of the first national lockdown, EDBF saw an initial drop in many people's workloads, so was able to take advantage of the government's Job Retention Scheme (Furlough), with 40% of employees being placed in the scheme. The Senior Management Team continued to meet remotely each week to review the situation and plan the appropriate response to what seemed to be daily changes in the early days of that initial lockdown.

The Finance team focussed on the anticipated impact of the pandemic on EDBF's income, recognising that 70% comprises Common Fund contributions from our parishes, who would themselves be affected by the consequences of the lockdown. Significant time was invested in reviewing the cashflow projections and modelling possible scenarios, to come up with a set of working assumptions, which were initially reviewed on a weekly basis and subsequently monthly. The initial cashflow projections showed that cash could become an issue in the second half of 2020 without some action being taken.

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COVID-19 FINANCIAL UPDATE (continued)

The following steps were taken to address the potential shortfall in the second half of 2020:

- The Archbishops' Council agreed to pay the remaining balance of the 2020 Lowest Income Communities funding support due for the remainder of the year to the qualifying dioceses (which includes Exeter) in advance;
- The government's Job Retention Scheme (Furlough) was used where possible;
- All non-essential spending on clergy housing properties was paused; and
- The NatWest bank was approached to provide loan funding support under the government's scheme, with a facility of £2m being subsequently secured.

Unsurprisingly, PCC finances and therefore parishes' ability to continue making the requested Common Fund contributions was impacted in the first half of 2020, when church buildings were closed, and it was not possible to hold any in-person fund raising. However, many parishes quickly adapted and came up with innovative ways to continue meeting with their local community and also to continue raising funds for the church. The use of digital technology for church services and telephone conference calls enabled many to keep meeting as a church family. The early signs were very positive, although those with a greater reliance on local collections and fund raising struggled more than those with a higher proportion of regular giving through the bank by standing order or the Parish Giving Scheme.

Two surveys were undertaken with parishes during 2020 to determine the extent of the local pressures on PCC finance and also to understand the outlook for PCC finance in 2021. The overall position was that total PCC income in the first half of 2020 was down about 20%, compared with 2019. Following the surveys, the projected Common Fund shortfall for 2020 was 10%. The final contributions by the end of February 2021 were 9.5%, which was better than the initial fears. The outlook for 2021 remains uncertain, but a revised shortfall assumption of 10% for 2021 has been included in the budget for 2021.

Whilst there was an initial sharp fall in the value of EDBF's investments, the market responded strongly in the second half of 2020, with EDBF seeing a 5.7% increase in the value compared to December 2019. The investment returns have fallen, but this is not significant. EDBF has not seen any impact on property values.

Prior to the Covid-19 pandemic, EDBF had earmarked 8 properties as being available for sale, and a number were under offer. Following an initial freeze on all property transactions by the government, all of those where offers were received have now moved to completion, which has significantly helped the cashflow position and crystallised gains of £2m. The original plan was to re-invest these funds to achieve a greater return, but these plans have been paused.

An initial £2m loan was secured from the NatWest bank under the government's Coronavirus Business Interruption Loan Scheme (CBILS) in August 2020, with this being interest free for the first 12 months. This loan then converts to a 5-year interest bearing loan in August 2021 if it is not repaid. The current plan is that this loan will not be repaid, as a favourable fixed interest rate has been secured and the funds are required to support the cashflow position in 2021/22.

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COVID-19 FINANCIAL UPDATE (continued)

Planning a budget for 2021 has proved incredibly challenging, as the full impact of 2020 on PCC finances is still being assessed, before we even consider the on-going impact of the more recent lockdowns in early 2021. The Bishop's Diocesan Council and Diocesan Synod initially approved an interim budget in the autumn of 2020, with a final budget being agreed in May 2021. The final budget for 2021 assumes a deficit for the year of £1.2m, with a further £600k required for the clergy pension fund deficit.

EDBF lay staffing was reviewed in the second half of 2020 and it was clear from the review that there was no slack in the current system, but that the current financial pressures dictated that reductions were nonetheless required. In the end a total of 9 posts were removed from the structure (out of 75). The Full Time Equivalent numbers were 6 FTE (out of 60). One person was redeployed into a revised role and a second was redeployed to the clergy budget (to provide ministry support). Three people were subsequently made redundant and 4 vacant posts were deleted. The above changes equate to a net reduction in the lay staff workforce of 11% and a budget reduction of £231k (8.5%).

Whilst many challenges lie ahead for EDBF, the measures already taken mean there are currently no concerns about the immediate viability of the company.

STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is the established church, and HM The Queen is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 dioceses. Each diocese is a See under the care of a bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the diocese.

The National Church has a General Synod comprised of ex-officio and elected representations from each diocese and it agrees and lays before Parliament, Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for clergy and lay workers. Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that responsibility as bishop within the Diocesan Synod. The Diocese of Exeter is itself divided into twenty-two deaneries, each with its own synod and within each parish there is a parochial church council which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod.

Whilst each diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each diocese to seek support from and application for partnership with neighbouring dioceses.

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STRUCTURE AND GOVERNANCE (continued)

Organisational structure

EDBF is a company limited by guarantee (No. 00186001) registered in England & Wales and a registered charity (No. 249798) governed by its Memorandum and Articles of Association.

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Exeter. It was established in its present form in 1922 and is successor in title to the Exeter Diocesan Trustees.

Governance and policy of EDBF is the responsibility of the trustees, who are also members of the company and trustees for the purposes of charity law.

The trustees/directors of EDBF can comprise:

- Eleven ex-officio members consisting of the diocesan and two suffragan bishops, the dean, four archdeacons and the chairs of the Synod House of Clergy and Synod House of Laity and the Chair of the Board;
- Four clergy elected from the house of clergy from among their number on the basis of one per archdeaconry;
- Eight lay persons elected by members of the house of laity on the basis of two per archdeaconry; and
- A minimum of three and a maximum of five members nominated by the diocesan bishop.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Staff Team. The Synod membership is elected every three years, with the current members elected to take office from 1 August 2018. Whilst EDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 EDBF is subject to the direction of the Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Governance Update 2020

In terms of governance within the Diocese, the approval of the Church Representation and Ministers Measure 2019 and the coming into effect of its provisions, including by means of the Church Representation Rules (CRR) 2020, had a significant impact. This latest edition of the CRR ushered in a wide range of substantive changes across the governance system, with the aim of increased local flexibility and simplification of arrangements in a number of different contexts including in respect of PCCs, APCMs and elections. Importantly the quoracy requirements for PCCs were enhanced and a new arrangement for sharing governance at an inter-parish level, the Joint Council, was introduced. During 2020 work was invested in the development and approval of template schemes for Joint Councils that it is anticipated will be taken forward locally for approval in 2021. It is hoped that such Joint Councils will help to improve governance and reduce time spent on administrative processes particularly in multi-parish benefices.

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STRUCTURE AND GOVERNANCE (continued)

Governance Update 2020 (continued)

That said, the impact of the pandemic on the governance system was very substantial and it interacted awkwardly with the provisions of the CRR, including some of those that had recently been introduced. For example, a number of parishes suddenly found themselves at risk of their PCCs becoming inquorate, whether by membership or attendance. Remedial actions were undertaken to enable necessary functions to be discharged legally while longer-term solutions were sought (for example by means of pastoral reorganisation). Work was started to identify parishes at risk and an action plan developed, in order to encourage planning for an appropriate solution before remedial action was required. In addition, a number of other significant actions had to be undertaken in order to comply with national coronavirus regulations, including the following:

- APCMs were delayed to until autumn 2020 by Bishop's Instrument;
- National elections to General Synod were delayed by a year to summer 2021;
- The start of the deanery synod triennium was delayed until December 2020; and
- Temporary measures were put in place to enable remote meetings in all governance contexts (PCC, deanery synod, diocesan synod, BDC and EDBF).

In relation to this final point, it was agreed that given the uncertainty of the duration of the pandemic, the perceived increase risk of pandemics in the future and an unwillingness to rely on short-term legal arrangements at the behest of the Government, changes should be made to the DBF Articles of Association and Diocesan Synod Standing Orders to secure this flexibility on an on-going basis. These processes were completed by September 2020 in respect of the Articles of Association and March 2021 in respect of the Standing Orders.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Exeter are set by the Diocesan Synod and EDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary.

EDBF meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by EDBF.

The Trustees, meeting within the context of the Bishop's Diocesan Council, hold up to six meetings during the year to formulate and coordinate policies on mission, ministry and finance by:

- Initiating proposals for action by the Synod and advising it on matters of policy;
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with Synod Standing Orders;
- Acting as the Trustees of EDBF;
- Planning the business of the Synod, preparing the agenda for its session, and circulating to members information about matters for discussion;

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

- Advising the Bishop on any matters he may refer to the committee;
- Initiating consideration of any restructuring of Synod Committees and Departments which may appear necessary and for the establishment of ad hoc review groups, their terms of reference and membership;
- Carrying out such other functions as the Synod delegates to it; and
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod.

Other than the Board's Standing Committee, which may make urgent decisions on behalf of the Board between meetings and has responsibility for staffing and personnel matters, EDBF has the following sub committees, each of which have written terms of reference:

Assets Group

This Group has responsibility for monitoring all diocesan income and expenditure and the investment and protection of assets.

The Bishop's Strategy Group

This Group comprises the Bishop's Staff Team, the Chairs of both the House of Clergy and Laity, the Chair and Vice Chairs of the Board of Finance and members of the Senior Management Team, who attend as required, depending on the subject matter. The Group has a strategic focus and the subjects discussed are in line with the Diocesan Vision & Strategy. The Group's decisions will be directed by the Board and Bishop's Diocesan Council in accordance with the policies agreed by the Diocesan Synod. The Group is also responsible for considering and advising the Board on key financial considerations and the annual budget setting process.

In addition to these sub-committees EDBF is assisted in its work by the following other committees:

Exeter Diocesan Board of Education

The Board has a responsibility to promote or assist in the advancement of education, which is consistent with the faith and practice of the Church of England, and in the promotion and assistance of religious education and religious worship in schools. In our 133 Church of England schools, of which 68 are academies and 65 are maintained schools (32 Voluntary Aided and 33 Voluntary Controlled), the Board has a responsibility to assist and advise governors on matters affecting church schools, and to promote co-operation between the Board and others involved with education in the Diocese. As part of this, the Diocese is keen to ensure the Christian distinctiveness of all Church of England schools is protected and enhances their community.

**The Exeter Diocesan Board of Finance Limited
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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

Parsonages Committee

This committee, which has the same membership as the Assets Group, is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting policy for buying, repairing, maintaining and any disposal of parsonage houses, team vicarages and houses owned by EDBF. There are four archidiaconal parsonage committees which exercise delegated powers for the day-to-day decisions on clergy housing.

Glebe Committee

This committee, which has the same membership as the Assets Group, is responsible for determining policy and making decisions concerning the management of glebe property and investments for the benefit of the diocesan stipends fund.

Diocesan Mission and Pastoral Committee

This committee, which has the same membership as the Bishop's Diocesan Council and the Trustees of EDBF, is responsible for the reorganisation of parishes, benefices, church buildings, deaneries and archdeaconries, taking account of available clergy numbers and making use of new patterns of ministry.

Diocesan Advisory Committee for the Care of Churches

This committee advises on matters affecting churches and places of worship such as the granting of faculties, architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

Exeter Diocesan Board of Patronage

The Board is constituted under the provisions of the Patronage (Benefices) Measure 1986 and is sole patron or joint patron of a number of benefices.

Church Building Strategy Committee

This committee carries out statutory functions with regard to churches, which either have been closed for regular worship, or where that option is being considered.

Vacancy in See Committee

This committee under the Vacancy in See Regulations 1993 (as amended) assumes certain responsibilities in the event of any vacancy in the post of diocesan bishop.

Diocesan Synod

The Diocese of Exeter has its origins in the creation of a diocese for Devon in 909AD and took broadly its present form in 1877 when the Diocese of Truro was created as a separate diocese. The ecclesiastical boundaries of the Diocese equate almost exactly to the county of Devon, which covers an area of 6,707 square kilometres (2,589 square miles).

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STRUCTURE AND GOVERNANCE (continued)

Diocesan Synod (continued)

Devon is predominantly rural, with two major moorland areas, but also includes the two cities of Plymouth and Exeter and the urban area of Torbay. The overall resident population of the county is 1.19 million (based on mid-2019 estimates), with the north and south coastal areas attracting many tourists in the summer months.

The governance of the Diocese provides for elected clergy and lay members alongside the Bishop in Diocesan Synod, which also includes ex-officio members such as Suffragan Bishops, Archdeacons and the Dean, as well as co-opted members appointed for their skill or experience. Diocesan Synod is presided over by the Diocesan Bishop. Its role is to:

- Consider matters affecting the Church of England in the Diocese;
- Act as a forum for debate of Christian opinion on matters of religious or public interest;
- Advise the Diocesan Bishop where requested;
- Deal with matters referred to it by General Synod; and
- Provide for the finances of the Diocese through EDBF.

At archdeaconry and deanery levels

The Diocese consists of 488 parishes arranged into 21 deaneries within the four archdeacons of Exeter, Totnes, Barnstaple and Plymouth. Within these parishes there are 596 Church of England places of worship in the Diocese, the 4th highest number in England.

Each deanery has a Synod consisting of a house of clergy and a house of laity. The Synod is chaired jointly by the Lay Chair, elected by the lay members from among their number, and the Rural Dean, who is appointed by the clergy and commissioned by the Diocesan Bishop.

The role of the Deanery Synod is to:

- Give effect to the decisions made by Diocesan Synod;
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- Raise with Diocesan Synod such matters as it considers appropriate; and
- Elect members of the deanery to Diocesan Synod and of the Diocese to General Synod.

Mission Communities

Whilst Mission Communities are a central part of the structure and governance of the Diocese, they are not of themselves, legal entities.

Mission Communities will vary from place to place, but will usually involve 150 or more worshipping adults, together with children and young people, in order to form a critical mass. The commitment to work together may be formalised as a united benefice, as a single parish, as a team ministry, or be expressed through a looser partnership.

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STRUCTURE AND GOVERNANCE (continued)

Mission Communities (continued)

Each Mission Community is encouraged to have a Mission Action Plan. This should be a working document which helps the local church look outwards, to grow in prayer, to make new disciples and to serve the people of Devon with joy.

At a parish level

Each ecclesiastical parish has a Parochial Church Council (PCC), whose members include the local parochial clergy, locally elected members of the Diocesan and Deanery Synods, the Churchwardens, a number of elected representatives and, possibly, a small number of co-opted members. Its members are trustees and therefore have trustee responsibilities.

Under current charity law, PCC's with an income of under £100,000 a year are classified as charities but excepted from registration with the Charity Commission. PCC's with an income in excess of £100,000 in any year are required to register as charities with the Charity Commission. The financial transactions and balances of PCC's are not reflected in these financial statements.

Exeter Cathedral

The Cathedral is the seat of the Bishop and a centre of worship, teaching and mission. It has its own separate legal charitable constitution and prepares its own financial statements, copies of which may be obtained from the Cathedral Office, 1 The Cloisters, Exeter, EX1 1HS. Exeter Cathedral does not form part of EDBF group for accounting purposes.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out above. Trustees are given induction at the beginning of each three-year term (triennium) and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest.

Standing Committee of the Exeter Diocesan Board of Finance

Emoluments of senior employees are determined by the Standing Committee of the Bishop's Council, consisting of the Chair of EDBF, the Diocesan Secretary (non-voting), and up to four other Directors (normally the Chairs of the three Houses of Synod or their deputies, plus one further member elected by EDBF).

The terms of reference for this group is established by the Bishop's Diocesan Council and include: agreeing the annual increases in salaries for all lay staff; considering and determining changes in the grading of any lay staff; to respond to requests from staff to alter working hours, levels of responsibility or other elements of their employment contract; to make recommendations regarding staffing levels, needs or problems in any area; to assess options and proposals for structural changes in the way in which EDBF operates;

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STRUCTURE AND GOVERNANCE (continued)

Standing Committee of the Exeter Diocesan Board of Finance (continued)

and to take decisions on behalf of EDBF on matters which must be decided urgently and for which it is impossible for the normal processes to apply.

Delegation of day-to-day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and his colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of EDBF in accordance with the policies framed by the Trustees.

Funds held as Custodian Trustee

EDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are PCCs and others. These assets are not aggregated in the financial statements as they do not form part of EDBF's assets. They are segregated from EDBF's own assets in separate bank and investments accounts and are accounted for separately.

Further details of financial trust assets, whose market value amounted to £23.2m at 31 December 2020 (2019: £21.7m), are available from EDBF on request, and are summarised in note 30. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by EDBF's solicitor, Stephens Scown LLP.

Funds held on behalf of schools

The Board of Education (as incorporated within EDBF) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amounts included in creditors as at 31 December 2020 were:

- £994,000 (2019: £887,000) received from governors and the Department for Education in advance of repairs and improvements to schools, held in the general bank account; and
- £413,000 (2019: £542,000) held in a separate CCLA deposit account on behalf of the governors of Church of England schools in respect of building funds devolved from the Department for Education.

The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £2.1m and £2.3m respectively in 2020 (2019: £1.4m and £2.3m). The Excess expenditure over income in the year is due to the timing of receipt of funding (mainly in advance) in prior years for school capital projects.

**The Exeter Diocesan Board of Finance Limited
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TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of EDBF for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements, unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and parent charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the group and parent charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

In so far as the Trustees are aware:

- a) There is no relevant audit information of which EDBF's auditor is unaware; and
- b) The Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that EDBF's auditor is aware of that information.

APPOINTMENT OF AUDITORS

The re-appointment of Bishop Fleming LLP as auditors to EDBF will be proposed at the Annual General Meeting.

**The Exeter Diocesan Board of Finance Limited
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ADMINISTRATIVE DETAILS

Trustees

The Trustees and Directors of EDBF are either ex-officio, nominated, elected or appointed as detailed in the standing orders of Exeter Diocesan Synod, a copy of which can be inspected at EDBF's registered office. The following were directors throughout the year (unless otherwise stated):

Ex officio

The Rt Rev Robert Atwell, Lord Bishop of Exeter
The Rt Rev Nicholas McKinnel, Bishop of Plymouth
The Rt Rev Jacqueline Searle, Bishop of Crediton
The Ven Andrew Beane, Archdeacon of Exeter
The Ven Mark Butchers, Archdeacon of Barnstaple (until 5 September 2020)
The Ven Douglas Dettmer, Archdeacon of Totnes
The Ven Nicholas Shutt, Archdeacon of Plymouth
The Very Rev Jonathan Greener, Dean of Exeter
The Rev Preb Michael Partridge (Chair, House of Clergy)
Mr Giles Frampton (nominated by the Bishop as Chair)
Mrs Annie Jefferies (Chair, House of Laity)

Appointed by the Bishop

The Rev Preb Simon Franklin
Mr Robert Mills (Vice Chair)
The Rev Jacqueline Taylor
The Rev Canon Dr Michael Williams (Vice Chair)
Dr Michael Wykes

Elected by Barnstaple Archdeaconry

Mrs Marguerite Shapland
Mr Raymond Shapland
The Rev Samantha Stayte

Elected by Exeter Archdeaconry

Mrs Antoinette Foreman
The Rev Edward Hobbs
Mr Philip Mumby

Elected by Plymouth Archdeaconry

The Rev David Bailey
Mr Michael Jefferies
Mr Julian Payne

Elected by Totnes Archdeaconry

The Rev Nicholas Debney (from 18 September 2020)
Ms Hannah Dunn
The Rev William Hazlewood (until 15 July 2020)
Mr Stephen Macey

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ADMINISTRATIVE DETAILS (continued)

Senior staff and advisers

Diocesan Secretary	Stephen Hancock
Assistant Diocesan Secretary	Ed Moffatt
Director of Mission & Ministry	Philip Sourbut
Director of Education (until 31 August 2020)	John Searson
Acting Director of Education (from 1 September 2020)	Sue Lockwood
Director of Finance and Company Secretary	Neil Williams
Director of People & Safeguarding	Anthea Carter-Savigear
Director of Property	Graham Davies
Director of Communications	Chloe Axford
Strategic Programme Manager	Rafael Krasnodebski
Operations Manager	Annemarie Kendell

Registered Office: The Old Deanery
The Cloisters
Exeter. EX1 1HS

Bankers: NatWest Bank plc
59 High Street
Exeter. EX4 3DP

Auditors: Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor, Stratus House,
Emperor Way, Exeter Business Park
Exeter. EX1 3QS

Solicitors: Stephens Scown LLP
Curzon House
Southernhay West
Exeter. EX1 1RS

Investment advisers: CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London. EC4V 4ET

Insurance brokers: PIB Insurance Brokers
Poppleton Grange
Low Poppleton Lane
York. YO26 6GZ

Main Insurers: Ecclesiastical Insurance Group plc
Montpellier House
Montpellier
Gloucester. GL1 1LF

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ADMINISTRATIVE DETAILS (continued)

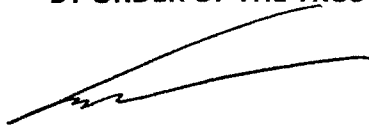
The directors and trustees of the Board's subsidiary undertakings who served throughout the year (unless otherwise stated) were as follows:

DIRECTORS OF EDPS LIMITED

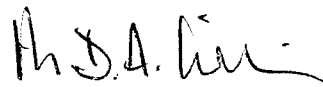
Mr Giles Frampton (Chair)
Mrs Jan Keliher
The Rev Canon Dr Michael Williams
Mr Neil Williams

In approving this Annual Report, the Trustees are also approving the Strategic Report included on pages 3 – 18 within their capacity as company directors.

BY ORDER OF THE TRUSTEES



Giles Frampton
Chair
22 June 2021



Michael Williams
Vice Chair

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN BOARD OF FINANCE LIMITED

We have audited the financial statements of the Exeter Diocesan Board of Finance Limited (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 31 December 2020 which comprise the consolidated statement of the financial activities, the consolidated income and expenditure account, the consolidated and EDBF balance sheets, the consolidated cashflow statement and 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 United Kingdom 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 the parent charitable company's affairs as at 31 December 2020, and of the groups incoming resources and application of resources, including its income and expenditure, 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 requirements of the Companies Act 2006.

Basis of 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 and parent charitable company 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 trustees' 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 group's or parent charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

**The Exeter Diocesan Board of Finance Limited
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Other information

The other information comprises the information included in the annual report and consolidated financial statements, 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN BOARD OF FINANCE LIMITED (continued)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 26, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and parent charitable company'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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditors under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We have considered the nature of the sector, control environment and financial performance of the group and parent charitable company;
- We have considered the results of enquiries with management and Directors in relation to their own identification and assessment of the risk of irregularities within the group and parent charitable company;

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN BOARD OF FINANCE LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisations for fraud and identified incorrect revenue recognition to be a significant risk. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override of controls, including through the use of journal entries, this being a further significant risk.

We have also obtained understanding of the legal and regulatory frameworks that the group and parent charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Acts, Church Measures, FRS 102, the Charities SORP and tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent charitable company's ability to operate or avoid a material penalty. These included employment and health and safety legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of Bishop's Diocesan Council meetings;
- Enquiring of management and those charged with governance in relation to actual and potential claims or litigations;
- Reviewing the financial statements disclosures and testing to supporting documentation to assess the recognition of revenue; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXETER DIOCESAN
BOARD OF FINANCE LIMITED (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

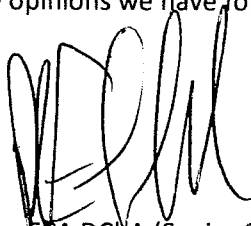
We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

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.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and group and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Borton FCA DCHA (Senior Statutory Auditor)

For and on behalf of:

Bishop Fleming LLP, Chartered Accountants & Statutory Auditors

2nd Floor, Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS

16 September 2021

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2020

	Note	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
		General	Designated	Funds	Funds	2020	2019
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations	2						
Parish contributions		8,332	-	-	-	8,332	9,079
Archbishop's Council		455	-	1,289	-	1,744	1,360
Other donations		322	27	784	-	1,133	1,229
Charitable activities	3	568	-	39	-	607	756
Other trading activities	4	1,332	-	-	-	1,332	1,437
Investments	5	331	-	1,003	-	1,334	1,318
Other	6	973	-	3	1,049	2,025	-
Total income and endowments		12,313	27	3,118	1,049	16,507	15,179
Expenditure on							
Costs of raising funds	7	179	-	50	-	229	261
Charitable activities	8	10,923	2	3,111	-	14,036	12,642
Other	9	-	-	-	-	-	2
Total expenditure		11,102	2	3,161	-	14,265	12,905
Net income/(expenditure) before investment gains		1,211	25	(43)	1,049	2,242	2,274
Net gain/(loss) on investments	17	395	(5)	119	1,611	2,120	3,441
Net income/(expenditure)		1,606	20	76	2,660	4,362	5,715
Transfers between funds	14	(726)	474	-	252	-	-
Net movement in funds		880	494	76	2,912	4,362	5,715
Total funds brought forward		7,150	21,023	5,453	69,399	103,025	97,310
Total funds carried forward	21	8,030	21,517	5,529	72,311	107,387	103,025

All activities derive from continuing activities. The notes on pages 40 to 84 form part of the financial statements.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2020**

	Total 2020 £'000	Total 2019 £'000
Total incoming resources	15,458	15,179
Resources expended	14,265	12,905
	<hr/>	<hr/>
Operating surplus/(deficit) for the year	1,193	2,274
Net gain/(loss) on investments	509	1,204
	<hr/>	<hr/>
Net income for the year	1,702	3,478
Other comprehensive income:		
Net assets transferred from/(to) endowments	(252)	(487)
	<hr/>	<hr/>
Total comprehensive income	<u>1,450</u>	<u>2,991</u>

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

CONSOLIDATED AND EDBF BALANCE SHEETS
At 31 December 2020

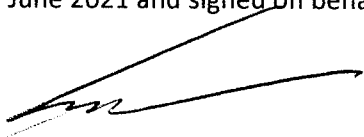
Company Number – 186001

		2020		2019	
	Note	Group £'000	EDBF £'000	Group £'000	EDBF £'000
FIXED ASSETS					
<i>Intangible Assets</i>	15	57	57	6	6
<i>Tangible assets</i>	16	58,532	58,532	59,561	59,561
<i>Investments</i>	17	46,096	46,096	44,088	44,088
Total fixed assets		<u>104,685</u>	<u>104,685</u>	<u>103,655</u>	<u>103,655</u>
CURRENT ASSETS					
<i>Debtors</i>	18	2,040	2,061	1,530	1,561
<i>Cash on deposit</i>		34	34	34	34
<i>Cash at bank and in hand</i>		5,723	5,645	1,103	1,017
Total current assets		<u>7,797</u>	<u>7,740</u>	<u>2,667</u>	<u>2,612</u>
CREDITORS: amounts falling due within one year	19	<u>(2,143)</u>	<u>(2,095)</u>	<u>(1,542)</u>	<u>(1,496)</u>
NET CURRENT ASSETS		<u>5,654</u>	<u>5,645</u>	<u>1,125</u>	<u>1,116</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		110,339	110,330	104,780	104,771
CREDITORS: amounts falling due after one year	20	<u>(2,055)</u>	<u>(2,055)</u>	<u>(224)</u>	<u>(224)</u>
NET ASSETS excluding Pension Liability due after one year		108,284	108,275	104,556	104,547
<i>Defined Benefit Pension scheme liabilities</i>	20	(897)	(897)	(1,531)	(1,531)
TOTAL NET ASSETS		<u><u>107,387</u></u>	<u><u>107,378</u></u>	<u><u>103,025</u></u>	<u><u>103,016</u></u>
FUNDS					
Endowment funds					
<i>(Including investment revaluation reserve of £20,136k (2019: £18,657k))</i>		72,311	72,311	69,399	69,399
Restricted income funds					
<i>(Including investment revaluation reserve of £1,141k (2019: £1,024k))</i>		5,529	5,529	5,453	5,453
Unrestricted income funds:					
<i>General Funds (Including investment revaluation reserve of £3,356k (2019: £2,960k))</i>		8,021	8,021	7,141	7,141
<i>Designated Funds (Including investment revaluation reserve of (£7k) (2019: (£2k))</i>		21,517	21,517	21,023	21,023
<i>Trading subsidiary</i>		9	-	9	-
TOTAL CHARITY FUNDS	22	<u><u>107,387</u></u>	<u><u>107,378</u></u>	<u><u>103,025</u></u>	<u><u>103,016</u></u>

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

**CONSOLIDATED AND EDBF BALANCE SHEETS (continued)
At 31 December 2020**

The Cash Flow Statement and the notes on pages 40 to 84 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 22 June 2021 and signed on behalf of the Board by:



**Giles Frampton
Chair of the Board**

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

**CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2020**

	2020		2019	
	£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating Activities		(2,958)		(2,632)
Cash flows from investing activities				
Dividends, interest and rent from investments	2,455		2,486	
Proceeds from the sale of:				
Tangible fixed assets	3,307		278	
Fixed asset investments	-		4,085	
Purchase of:				
Tangible fixed assets for the use of the EDBF	(233)		(1,174)	
Fixed asset investments	-		(4,085)	
Net cash provided by/(used in) investing Activities		5,529		1,590
Cash flows from financing activities				
Loans repaid by the EDBF	(34)		(35)	
New lending by EDBF	(60)		(125)	
Loans repaid to EDBF	143		275	
Cash inflow from new borrowing	2,000		-	
Net cash provided by/(used in) financing Activities		2,049		115
Change in cash and cash equivalents in the reporting period		4,620		(927)
Cash and cash equivalents at 1 January		1,137		2,064
Cash and cash equivalents at 31 December		5,757		1,137
Reconciliation of net movements in funds to net cash flow from operating activities				
Net movement in funds for the year ended 31 December		2,242		2,274
Adjustments for:				
Depreciation charges		41		42
Dividends, interest and rent from investments		(2,455)		(2,486)
Surplus/(deficit) on sale of functional assets		(2,025)		2
Decrease/(increase) in debtors		(593)		523
(Decrease)/increase in creditors		(168)		(2,987)
Net cash provided by/(used in) operating activities		(2,958)		(2,632)
Analysis of cash and cash equivalents				
Cash in hand		5,723		1,103
Notice deposits (less than 3 months)		34		34
		5,757		1,137

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020**

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019 (FRS 102)), the Companies Act 2006 and applicable accounting standards (FRS 102) (effective 1 January 2019).

EDBF meets the definition of a public benefit entity under FRS 102. It is a company limited by guarantee and is constituted under a memorandum and articles of association. The company is also a registered charity. The address of the registered office is given in the administrative details on page 28. The nature of the charity's operations and its principal activities are set out in the annual report.

These financial statements consolidate the results of the company and its wholly owned subsidiaries (see Note 33) on a line-by-line basis. A separate Statement of Financial Activities and income and expenditure account for the company has not been presented because the company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The principal accounting policies and estimation techniques are as follows:

a) Income

All income is included in the Statement of Financial Activities (SOFA) when EDBF is legally entitled to the income or capital respectively, ultimate receipt is more likely than not and the amount to be recognised can be quantified with reasonable accuracy.

- i) **Common Fund (Parish contributions)** is recognised as income of the year in respect of which it is receivable, with a cut-off date of 28 February 2021 for the 2020 year.
- ii) **Rental income** is brought into the accounts when receivable.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v) **Statutory Parochial fees** are recognised as income of the year to which they relate with a cut-off date of 28 February 2021 for the 2020 year.
- vi) **Donations** other than grants are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the EDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other resources expended.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020**

1. ACCOUNTING POLICIES (continued)

b) Expenditure

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category.

- i) **Expenditure on raising funds** is constrained to costs relating to the investment management costs of glebe and any other investment properties and the running costs of EDPS Ltd, EDBF's trading subsidiary.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, and expenditure on education and Church of England schools in the Diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient, except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of EDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** EDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pension Scheme (see note 27). The pension costs charged as resources expended represent EDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which EDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year, with any adjustments required reflected in the SOFA.
- vi) **Redundancy and termination payments** are recognised when EDBF is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date, or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.
- vii) **Irrecoverable VAT** is charged as a cost against the activity for which the expenditure was incurred.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

c) Tangible fixed assets and depreciation

Freehold properties

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. EDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence.

In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the original value of the related loan at the balance sheet date.

Investment properties

Glebe properties which are held for investment purposes and rented out have been included at their fair value.

Parsonage houses

EDBF has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. EDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their historic cost value.

d) Other tangible fixed assets

All capital expenditure over £1,000 is capitalised and depreciated as follows. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:

Motor vehicles	25% per annum	reducing balance basis
Fixtures and fittings	10% per annum	straight line basis
Equipment	25% per annum	straight line basis
Telephone system	10% per annum	straight line basis
Photovoltaic panels	4% per annum	straight line basis

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

- e) **Fixed asset investments** are included in the balance sheet at fair value and the gain or loss taken to the Statement of Financial Activities. The investments in the subsidiary undertaking are valued at cost less any provisions for impairment.
- f) **Leases.** EDBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause whichever is shorter in time.
- g) **Debtors.** Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.
- h) **Cash at bank and in hand and cash on deposit.** Cash at bank and in hand and cash on deposit includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening.
- i) **Creditors and provisions.** Creditors and provisions are recognised where the charity 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.
- j) **Financial instruments.** EDBF only has material financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.
- k) **Fund balances**
Fund Balances are split between unrestricted (general and designated), restricted and endowment funds.
- **Unrestricted funds** are EDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of EDBF. There are two types of unrestricted funds:
 - **General funds** which EDBF intends to use for the general purposes of EDBF; and
 - **Designated funds** set aside out of unrestricted funds by EDBF for a purpose specified by the Trustees.
 - **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020**

1. ACCOUNTING POLICIES (continued)

- **Endowment funds** are those held on trust to be retained for the benefit of the charitable company or group as a capital fund. In the case of the endowment funds administered by EDBF (Stipends Fund Capital, Benefice Properties and Schools), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

Trusts where EDBF acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the notes to the financial statements.

- l) **Preparation of the accounts on a going concern basis.** Having undertaken a review of the impact of the Covid-19 pandemic (see Strategic Report, pages 16 to 18), the Trustees have no concerns about the ability of EDBF to meet its liabilities and on that basis the company is a going concern.
- m) **Significant accounting estimates.** The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Revaluation of investment properties

EDBF carries its investment property at fair value, with changes in fair value being recognised in the Statement of Financial Activities. Commercial investment properties are revalued each year by an independent valuation specialist. Glebe property is revalued by an independent valuation specialist every five years, with annual reviews of fair value made by management with reference to appropriate indices, or to reflect any changes in the status of the property.

Pension and other post-employment benefits

The liabilities in respect of defined benefit pension schemes and other pension related provisions are determined using actuarial calculations. The calculations involve making assumptions about discount rates, future salary increases, mortality rates and future pension increases.

Depreciation of freehold properties

The board does not depreciate its freehold properties as it judges any depreciation charge to be immaterial on the basis of the long life of the asset and high residual value on the basis of the board policy of regular maintenance. The board carries out an annual impairment review.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020**

1. ACCOUNTING POLICIES (continued)

Benefice houses recognition

Benefice houses are legally vested in the incumbent of the benefice. However, the board recognises these as functional assets of the board on the basis that the board carries both obligations in terms of maintenance and improvement and beneficial entitlements of ownership.

2. DONATIONS

Parish Contributions

The majority of donations are collected from the parishes of the Diocese through the common fund system.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
	General £'000	Designated £'000				
Current Year assessments	9,174	-	-	-	9,174	9,377
Shortfall in contributions	(871)	-	-	-	(871)	(414)
	<u>8,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,303</u>	<u>8,963</u>
Receipts for previous years	24	-	-	-	24	116
Receipts for future years	5	-	-	-	5	-
	<u>8,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,332</u>	<u>9,079</u>

Current year common fund receipts represent 90.50% of the total assessed (2019: 95.59%).

Archbishop's Council

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
	General £'000	Designated £'000				
Lowest Income Communities Funding	-	-	1,231	-	1,231	1,265
Transitional funding	105	-	-	-	105	95
Strategic Ministry funding	-	-	58	-	58	-
Sustainability funding	350	-	-	-	350	-
	<u>455</u>	<u>-</u>	<u>1,289</u>	<u>-</u>	<u>1,744</u>	<u>1,360</u>

The Lowest Income Communities Funding is the annual grant for either supporting specific parish mission and development projects or for clergy stipends.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

2. DONATIONS (continued)

Other donations and grants

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
	General £'000	Designated £'000				
All Churches Trust Grant	169	-	-	-	169	180
Donations and grants	153	27	498	-	678	818
Resourcing Ministerial Education	-	-	286	-	286	231
	<u>322</u>	<u>27</u>	<u>784</u>	<u>-</u>	<u>1,133</u>	<u>1,229</u>

The donations and grants figures above include the following: Government Job Retention Scheme (£99k); Donations (£46k); Strategic Development Funding (£513k); Past Cases Review (£17k) and Other grants (£2k).

3. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
	General £'000	Designated £'000				
Statutory fees	456	-	-	-	456	591
Chaplaincy income	30	-	39	-	69	75
Feed in/Export Tariffs						
- PV panels	39	-	-	-	39	26
Course/training fees	19	-	-	-	19	24
Miscellaneous income	24	-	-	-	24	40
	<u>568</u>	<u>-</u>	<u>39</u>	<u>-</u>	<u>607</u>	<u>756</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
	General £'000	Designated £'000				
Housing income	1,105	-	-	-	1,105	1,155
Other rental income	16	-	-	-	16	13
Trading – EDPS Ltd	211	-	-	-	211	269
	<u>1,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,332</u>	<u>1,437</u>

The Exeter Diocesan Board of Finance Limited
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
	General £'000	Designated £'000				
Dividends receivable	325	-	596	-	921	954
Interest receivable	6	-	-	-	6	6
Rents receivable	-	-	407	-	407	358
	<u>331</u>	<u>-</u>	<u>1,003</u>	<u>-</u>	<u>1,334</u>	<u>1,318</u>

6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
	General £'000	Designated £'000				
Gains on sale of: Properties	973	-	3	1,049	2,025	-
	<u>973</u>	<u>-</u>	<u>3</u>	<u>1,049</u>	<u>2,025</u>	<u>-</u>

7. COSTS OF RAISING FUNDS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
	General £'000	Designated £'000				
Glebe agents' fees	-	-	30	-	30	34
Other glebe expenses	24	-	20	-	44	39
Trading activities – EDPS Ltd	155	-	-	-	155	188
	<u>179</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>229</u>	<u>261</u>

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8. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
	General £'000	Designated £'000				
Contributions to						
Archbishops' Council						
Training for Ministry	346	-	-	-	346	346
National Church						
Responsibilities	260	-	-	-	260	275
Grants and provisions	29	-	-	-	29	29
Mission agency pension						
Costs	13	-	-	-	13	4
Retired clergy housing						
Costs	124	-	-	-	124	118
Pooling of ordinands						
maintenance grants	52	-	-	-	52	80
	<u>824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>824</u>	<u>852</u>
Resourcing Ministry and						
Mission						
Parish Ministry						
Stipends and national						
Insurance	3,346	-	2,234	-	5,580	5,513
Pension costs	1,241	-	56	-	1,297	1,284
Housing costs	1,987	-	-	-	1,987	2,480
Removal, resettlement						
and grants	198	-	-	-	198	176
Clergy Pension Fund Deficit	48	-	-	-	48	(2,149)
Other expenses	278	-	39	-	317	297
	<u>7,098</u>	<u>-</u>	<u>2,329</u>	<u>-</u>	<u>9,427</u>	<u>7,601</u>
Support for parish ministry						
Mission and Ministry	1,077	2	752	-	1,831	2,194
Church and Society	52	-	-	-	52	41
Mission and Ministry grants	-	-	16	-	16	-
Cooper Legacy grants	-	-	3	-	3	18
Cooper Armstrong Legacy	-	-	8	-	8	16
Support services	1,325	-	3	-	1,328	1,271
Lay Pension Fund Deficit	21	-	-	-	21	25
	<u>2,475</u>	<u>2</u>	<u>782</u>	<u>-</u>	<u>3,259</u>	<u>3,565</u>
	<u>9,573</u>	<u>2</u>	<u>3,111</u>	<u>-</u>	<u>12,686</u>	<u>11,166</u>
Expenditure on Education and Church of England Schools						
Support for church schools						
and parishes	526	-	-	-	526	624
	<u>10,923</u>	<u>2</u>	<u>3,111</u>	<u>-</u>	<u>14,030</u>	<u>12,642</u>

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The year-on-year decrease of £362k within Mission & Ministry is the result of reduced spending on the Strategic Development funded projects due to less funding being required for capital works being carried out in the year, less spend on employment costs due to the restructuring of the Mission and Ministry team and, due to the pandemic, a reduction in costs associated with staff expenses and post licensing training. The restricted expenditure relates to Theological Ministerial Training (£286k) and Strategic Development Funded projects (£468k). The reduced expenditure on Education is the result of the vacancy following the retirement of the Director of Education and lower spend on consultancy support during the Covid-19 pandemic.

9. OTHER RESOURCES EXPENDED

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Loss on sale of assets	-	-	-	-	-	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly	Grant Funding of Activities	Support Costs	Pension Funds Deficit Adjustment	Total costs 2020	Total costs 2019
Raisings funds	230	-	-	-	230	261
Charitable activities:						
Contributions to Archbishop's Council	-	824	-	-	824	852
Resourcing parish ministry	10,699	636	1,327	21	12,683	11,166
Education	526	-	-	-	526	624
Other resources expended	-	-	-	-	-	2
	<u>11,455</u>	<u>1,460</u>	<u>1,327</u>	<u>21</u>	<u>14,263</u>	<u>12,905</u>

Net income/(expenditure) for the year is stated after charging amortisation £5k (2019: £6k), depreciation £34k (2019: £36k) and audit fees EDBF £23k, EDPS £3k (2019: EDBF £23k, EDPS £3k).

11. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Central support/administration	1,197	-	3	-	1,200	1,124
Governance:						
External audit of EDBF	23	-	-	-	23	23
External audit of EDPS	3	-	-	-	3	3
Registrar and Chancellor	83	-	-	-	83	90
Synodical costs	18	-	-	-	18	31
	<u>1,324</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>1,327</u>	<u>1,271</u>

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12. ANALYSIS OF GRANTS MADE	No.	Individuals	Institutions	Total	Total
		£'000	£'000	2020	2019
				£'000	£'000
From unrestricted funds for national Church responsibilities:					
Contributions to Archbishop's Council	6	-	824	824	734
From unrestricted funds:					
Ordinands in training	42	132	-	132	137
Clergy ordination	16	40	-	40	35
Clergy resettlement	28	70	-	70	58
Clergy removals	30	60	-	60	77
Clergy 1 st incumbency	7	27	-	27	17
Churches together in Devon	1	-	5	5	5
Church schools – Repairs/improvement	1	-	7	7	8
Church schools – Learn Teach Read	-	-	-	-	35
Mustard Seed Fund	1	1	-	1	4
Unlimited Church	-	-	-	-	15
Growth and mission	3	-	17	17	51
Other small grants	28	14	13	27	10
Adjustments for grants not claimed	-	-	(2)	(2)	(36)
	<u>157</u>	<u>344</u>	<u>40</u>	<u>384</u>	<u>416</u>
From restricted funds for national Church responsibilities:					
Contributions to Archbishop's Council	-	-	-	-	118
From restricted funds for various purposes within resourcing parish ministry:					
Cooper Legacy Fund	1	-	3	3	18
Cooper Armstrong Legacy	1	-	8	8	16
New Church Schools	-	-	-	-	15
Repairs and Maintenance Grant	1	-	15	15	-
Strategic Development Fund					
Plymouth Partnership in Mission	6	-	93	93	98
Exeter, St Matt's	3	-	133	133	427
Total	<u>12</u>	<u>-</u>	<u>252</u>	<u>252</u>	<u>574</u>
Total	<u>175</u>	<u>344</u>	<u>1,116</u>	<u>1,460</u>	<u>1,842</u>

The contribution to the Archbishops' Council for the retired clergy housing scheme (CHARM) is now funded from the unrestricted fund, due to insufficient funds now being available in the previous restricted fund.

Cooper Legacy grants approved by the Board at 31 December 2020 but not yet disbursed at that date were £18k.

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13. STAFF COSTS

	2020	2019
	£'000	£'000
Employee costs during the year were as follows:		
Wages and salaries	2,009	1,965
National insurance contributions	190	188
Pension costs – current year	418	422
– deficit (decrease)/increase	(127)	(119)
	<u>2,490</u>	<u>2,456</u>

The average number of persons employed by the group during the year:

	2020	2019
	Number	Number
Administration and financial management	27	25
Grant funded projects	3	4
Property	4	4
Mission, Ministry and Stewardship	15	16
Safeguarding	3	4
Archdeacons' staff	5	5
Education and Schools	12	14
	<u>69</u>	<u>72</u>

The average number of persons employed by the group during the year based on full-time equivalents:

	2020	2019
	Number	Number
Administration and financial management	22.8	20.7
Grant funded projects	2.5	2.9
Property	3.2	3.4
Mission, Ministry and Stewardship	11.7	12.3
Safeguarding	2.5	3.3
Archdeacons' staff	2.1	2.1
Education and Schools	9.8	10.3
	<u>54.6</u>	<u>55.0</u>

The numbers of staff whose emoluments (including benefits in kind, but excluding pension contributions) amounted to more than £60,000 were as follows:

	2020	2019
	Number	Number
£60,001 – £70,000	3	3
£70,001 – £80,000	-	2
£80,001 – £90,000	1	1
	<u>4</u>	<u>6</u>

Pension payments of £43k (2019: £56k) were made for these employees.

During the year redundancy benefits were provided to two members of staff (2019: 1) totalling £15k (2019: £2k). All benefits are recognised when either a legal or contractual obligation arises.

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13. STAFF COSTS (continued)

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Diocese. There members of the Senior Management Team were:

Diocesan Secretary	Stephen Hancock
Assistant Diocesan Secretary	Ed Moffatt
Director of Mission & Ministry	Philip Sourbut
Director of Education (until 31/08/20)	John Searson
Acting Director of Education (from 01/09/20)	Sue Lockwood
Director of Finance and Company Secretary	Neil Williams
Director of People & Safeguarding	Anthea Carter-Savigear
Director of Property	Graham Davies
Director of Communications	Chloe Axford
Strategic Programme Manager	Rafael Krasnodebski
Operations Manager	Annemarie Kendell

Remuneration, pensions and expenses for these 11 employees (2019: 11) amounted to £695k (2019: £692k).

Trustees' emoluments

No Trustee received any remuneration for services as Trustee (2019: none). Ten Trustees received travelling and out of pocket expenses, totalling £17k (2019: £38k) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as Trustees. The year-on-year decrease is due to less expenses being incurred due to the Covid-19 pandemic.

EDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. EDBF is also responsible for the provision of housing for stipendiary clergy in the Diocese, including the suffragan bishops, but excluding the diocesan bishop and cathedral staff.

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13. STAFF COSTS (continued)

The following table gives details of those Trustees who were in receipt of a stipend and/or housing and then whether this was provided by EDBF during the year:

	Stipend	Housing
The Right Rev R Atwell	No	No
The Right Rev N McKinnel	No	Yes
The Right Rev J Searle	No	Yes
The Very Rev J Greener	No	No
The Ven A Beane	Yes	Yes
The Ven M Butchers	Yes	Yes
The Ven D Dettmer	Yes	Yes
The Ven N Shutt	Yes	Yes
The Rev D Bailey	Yes	Yes
The Rev N Debney	Yes	Yes
The Rev S Franklin	Yes	Yes
The Rev W Hazlewood	Yes	Yes
The Rev E Hobbs	Yes	Yes
The Rev M Partridge	Yes	Yes
The Rev S Stayte	Yes	Yes
The Rev J Taylor	Yes	Yes
The Rev Canon Dr M Williams	No	No

Clergy costs

EDBF paid an average of 191.24 full time equivalent (2019: 190.68) stipendiary clergy and stipendiary licensed lay workers as office holders holding parochial or diocesan appointments in the Diocese, and the costs were as follows:

	2020	2019
	£'000	£'000
Stipends	5,175	5,050
National insurance contributions	405	397
Pension costs - current year	1,874	1,857
- deficit reduction	(576)	(573)
	6,878	6,731
	6,878	6,731

The above figures do not include contributions made towards stipends paid by other organisations, e.g. chaplaincies. During the year non-contractual severance benefits totalling £15k (2019: £23k) were provided to two clergy. All benefits are recognised when either a legal or constructive obligation arises.

In addition to the stipendiary clergy, the Diocese also has the following other licensed ministry:

- Self-supporting ministers 55 (2019: 53),
of which 13 (2019: 18) are in training curacies
- Readers 101 (2019: 158)
- Clergy holding licence under seal 37 (2019: 39)

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £37,670 - £46,180 (2019 range: £36,930 - £45,270). The annual rate of stipend, funded by EDBF, paid to Archdeacons in 2020 was £36,647 (2019: £35,933) and other clergy who were Trustees were paid £27,040 (2019: £26,510).

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14. ANALYSIS OF TRANSFERS BETWEEN FUNDS	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
Improvements to Board properties	(164)	13	-	151
Property transfers from Benefice to Board	-	70	-	(70)
Property transfers from Glebe to Board	-	310	-	(310)
From Designated/Glebe Funds to General Fund for properties earmarked for sale	62	(15)	-	(47)
From General Fund to Clergy Housing Repairs	(29)	29	-	-
From General Fund for Clergy Conference	(30)	30	-	-
From General fund to Stipends endowment for reduction of pensions deficit	(528)	-	-	528
From General Fund to Miscellaneous Designated Funds for Lambeth conferences and Hold Land visit	(15)	15	-	-
From General Fund to Miscellaneous Designated Funds for Grants	(22)	22	-	-
	<u>(726)</u>	<u>474</u>	<u>-</u>	<u>252</u>

15. INTANGIBLE FIXED ASSETS

	Website & Software £'000
Cost	
At 1 January 2020	25
Additions	56
	<u>81</u>
At 31 December 2020	
Amortisation	
At 1 January 2020	19
Charge for the year	5
	<u>24</u>
At 31 December 2020	
Net Book Value	
At 31 December 2020	<u>57</u>
At 31 December 2019	<u>6</u>

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16. TANGIBLE FIXED ASSETS

	Freehold Properties & Land £'000	Office Equipment £'000	Fixtures & Fittings (inc. PV Panels £'000	Motor Vehicles & Car Park £'000	Total £'000
Cost					
At 1 January 2020	59,290	280	369	16	59,955
Additions	167	10	-	-	177
Disposals	(1,167)	-	-	(6)	(1,173)
At 31 December 2020	58,290	290	369	10	58,959
Depreciation					
At 1 January 2020	-	235	149	10	394
Disposals	-	-	-	(3)	(3)
Charge for the year	-	21	15	-	36
At 31 December 2020	-	256	164	7	427
Net Book Value					
At 31 December 2020	58,290	34	205	3	58,532
At 31 December 2019	59,290	45	220	6	59,561

Freehold properties and land fall into a number of asset classes:

	Glebe Houses (Endowment) £'000	Parsonage Houses (Endowment) £'000	Education Property (Endowment) £'000	Other Houses (Restricted) £'000	Board Property (Designated) £'000	Total £'000
At 1 January 2020	12,028	25,726	119	368	21,049	59,290
Additions	-	154	-	-	13	167
Disposals	(147)	(471)	-	-	(549)	(1,167)
Transfers (note 14)	(310)	(70)	-	-	380	-
At 31 December 2020	11,571	25,339	119	368	20,893	58,290

All of the properties in the balance sheet are freehold and are vested in EDBF, except for benefice houses which are vested in the incumbent. Two properties (2019: 2) were previously purchased with the help of value-linked loans from the Church Commissioners; when disposed of the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £118k (2019: £118k).

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17. FIXED ASSETS INVESTMENTS

	At 1 January 2020 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	At 31 December 2020 £'000
Unrestricted funds						
Listed investments	6,295	-	-	-	390	6,685
Unlisted investments	5	-	-	-	-	5
	<u>6,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>390</u>	<u>6,690</u>
Restricted funds						
Listed investments	2,820	-	-	-	119	2,939
Endowment funds						
investment property	14,108	-	(112)	-	479	14,475
Listed investments	20,860	-	-	-	1,132	21,992
	<u>34,968</u>	<u>-</u>	<u>(112)</u>	<u>-</u>	<u>1,612</u>	<u>36,468</u>
Total EDBF	<u>44,088</u>	<u>-</u>	<u>(112)</u>	<u>-</u>	<u>2,120</u>	<u>46,096</u>

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17. FIXED ASSETS INVESTMENTS (continued)

The corresponding historical cost figures are:	Group 2020 £'000	EDBF 2020 £'000	Group 2019 £'000	EDBF 2019 £'000
Unrestricted funds				
Listed investments	3,336	3,336	3,336	3,336
Unlisted investments	5	5	5	5
	<u>3,341</u>	<u>3,341</u>	<u>3,341</u>	<u>3,341</u>
Restricted funds				
Listed investments	1,797	1,797	1,797	1,797
Endowment funds				
Investment property	3,418	3,418	3,443	3,443
Listed investments	12,914	12,914	12,914	12,914
	<u>16,332</u>	<u>16,332</u>	<u>16,357</u>	<u>16,357</u>
Total	<u>21,470</u>	<u>21,470</u>	<u>21,495</u>	<u>21,495</u>

Investment property

- a) A full list of properties is available for inspection at The Old Deanery.
- b) All land and buildings held on 31 December 2020 are held on a freehold basis.
- c) Commercial investment properties were valued as at 31 December 2020 by Stratton Creber Commercial (Chartered Surveyors) on an open market basis and residential properties were revalued by the trustees on an open market value. Historic glebe was valued by Smith Gore, Michelmore Hughes and Philips, Smith and Dunn (all Chartered Surveyors) on an open market basis at 31 December 2017 and their value has been updated by the trustees to 31 December 2020, having regard to suitable indices.
- d) The investment properties form part of the Diocesan Stipends Capital Account – see notes 21 – 23.
- e) The income yield on the value of the property investments held as fixed assets in the year was 2.80% (2019: 2.54%). The total return was 6.33% (2019: 1.29%).
- f) Investment properties are held to provide an investment return, rather than as programme investments.

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18. DEBTORS – GROUP and EDBF	Group	EDBF	Group	EDBF
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Due within one year				
Loans to parishes	82	82	137	137
Common Fund	200	200	201	201
Gift aid from EDPS Ltd	-	56	-	80
Current account with subsidiary company	-	59	-	-
Department for Education/ governors	650	650	149	149
Prepayments	194	194	215	215
Other debtors	778	684	665	616
	<u>1,904</u>	<u>1,925</u>	<u>1,367</u>	<u>1,398</u>
Due after more than one year				
Loans to parishes	76	76	98	98
Loan to St Mellitus College	40	40	40	40
Other debtors and prepayments	20	20	25	25
	<u>136</u>	<u>136</u>	<u>163</u>	<u>163</u>
Total debtors	<u><u>2,040</u></u>	<u><u>2,061</u></u>	<u><u>1,530</u></u>	<u><u>1,561</u></u>
19. CREDITORS: amounts falling due within one year				
	Group	EDBF	Group	EDBF
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Trade creditors	71	71	82	82
Taxation and social security	73	46	73	48
Other creditors and accruals	887	887	464	461
Proceeds of property sold by Board payable to external organisations	51	51	51	51
Receipts in advance	122	101	66	48
CBF Loans – Photovoltaic Panels (parsonages)	34	34	34	34
NatWest Loan – CBILS	133	133	-	-
Pension scheme liabilities				
Lay Defined Benefit Scheme	153	153	153	153
Clergy Pension Scheme	619	619	619	619
Total creditors: amounts falling due within one year	<u><u>2,143</u></u>	<u><u>2,095</u></u>	<u><u>1,542</u></u>	<u><u>1,496</u></u>

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20. CREDITORS: amounts falling due after more than one year

	Group 2020 £'000	EDBF 2020 £'000	Group 2019 £'000	EDBF 2019 £'000
Loan repayment instalments due after more than one year				
CBF Loans – Photovoltaic Panels (parsonages)	69	69	103	103
NatWest Loan – CBILS	1,867	1,867	-	-
Church Commissioners value-linked loans	119	119	119	119
Other creditors and accruals	-	-	2	2
	<u>2,055</u>	<u>2,055</u>	<u>224</u>	<u>224</u>
Pension Scheme liabilities				
Lay Defined Benefits Scheme	822	822	928	928
Clergy Pension Scheme	75	75	603	603
	<u>897</u>	<u>897</u>	<u>1,531</u>	<u>1,531</u>
Total creditors: amounts falling due after more than one year	<u><u>2,952</u></u>	<u><u>2,952</u></u>	<u><u>1,755</u></u>	<u><u>1,755</u></u>

	2020 £'000	2019 £'000
The maturity of the above loans may be analysed as follows:		
Between one and two years	168	35
Between two and five years	1,768	68
In five years and more	119	119
	<u>2,055</u>	<u>222</u>

The loans with CBF are repayable over 10 years by equal annual instalments. Interest is calculated on a daily basis and is payable semi-annually. All CBF loans are repayable within 5 years. The monthly interest rate is the average rate declared by the CCLA Deposit Fund over the month, plus 0.55%.

The loan with NatWest is repayable over 5 years by equal instalments, starting in September 2021. The interest rate is fixed at 2.66% and the loan can be repaid early at any point without penalty. The loan is secured by a floating debenture over EDBF's assets.

Value-linked loans (VLLs) represent amounts advanced to EDBF for the purchase of two properties on an equity sharing basis and are repayable on the disposal of the related property. As at 31 December 2020 the Board had no intention of disposing of either of the properties funded via VLLs.

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21. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at December 2020 £'000
UNRESTRICTED FUNDS						
General	7,141	12,158	(10,947)	(726)	395	8,021
Church Buildings Fund	677	-	-	-	(5)	672
Board Properties	19,486	-	-	378	-	19,864
Clergy Housing Repairs	191	-	-	29	-	220
Diocesan Mission Funds	274	-	2	-	-	276
Clergy Conference Fund	97	-	-	30	-	127
Burrington School Fund	-	27	-	-	-	27
Plymouth SDF Project	197	-	(4)	-	-	193
Miscellaneous Funds	101	-	-	37	-	138
	<u>21,023</u>	<u>27</u>	<u>(2)</u>	<u>474</u>	<u>(5)</u>	<u>21,517</u>
RESTRICTED FUNDS						
Diocesan Pastoral Account	3,597	71	(3)	-	126	3,791
Diocesan Stipends Income	26	2,159	(2,159)	-	-	26
Bampton School sale	314	-	-	-	-	314
Agricultural/Rural	10	-	-	-	-	10
Retired Clergy Housing	231	7	-	-	(7)	231
Growth & Mission Fund	1,130	101	(208)	-	-	1,023
Strategic Development Projects	11	387	(390)	-	-	8
Ministerial Education Training	-	287	(287)	-	-	-
Strategic Ministry Fund	-	48	(48)	-	-	-
Clergy Widows	99	-	-	-	-	99
Cooper Legacy	21	-	(3)	-	-	18
Cooper Armstrong Legacy	14	-	(8)	-	-	6
Miscellaneous Restricted Funds	-	58	(55)	-	-	3
	<u>5,453</u>	<u>3,118</u>	<u>3,161</u>	<u>-</u>	<u>119</u>	<u>5,529</u>
ENDOWMENT FUNDS						
Permanent						
Dr Nobbs	75	-	-	-	6	81
Expendable						
Diocesan Stipends Capital	38,938	216	-	168	1,508	40,830
Benefice Property	25,751	833	-	84	-	26,668
Church Schools	3,895	-	-	-	57	3,952
The Church College Hostel Trust	740	-	-	-	40	780
	<u>69,399</u>	<u>1,049</u>	<u>-</u>	<u>252</u>	<u>1,611</u>	<u>72,311</u>
EDBF Total funds	<u>103,016</u>	<u>16,352</u>	<u>(14,110)</u>	<u>-</u>	<u>2,120</u>	<u>107,378</u>
Subsidiaries						
General Funds						
EDPS Ltd	9	155	(155)	-	-	9
Group Total	<u>103,025</u>	<u>16,507</u>	<u>(14,265)</u>	<u>-</u>	<u>2,120</u>	<u>107,387</u>

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22. SUMMARY OF ASSETS BY FUND

	Tangible/ Intangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Unrestricted funds – General	1,211	6,592	4,071	(3,853)	8,021
Unrestricted - designated					
Church Buildings Fund	-	98	574	-	672
Board Properties	19,981	-	3	(120)	19,864
Clergy Housing Repairs	-	-	220	-	220
Diocesan Mission Funds	-	-	279	(3)	276
Clergy Conference Fund	-	-	127	-	127
Burrington School Fund	-	-	27	-	27
Plymouth SDF Project	-	-	193	-	193
Miscellaneous Designated Funds	-	-	138	-	138
	19,981	98	1,561	(123)	21,517
Restricted					
Diocesan Pastoral Account	-	2,784	1,007	-	3,791
Diocesan Stipends Income	-	-	123	(97)	26
Bampton School sale	-	-	314	-	314
Agricultural/Rural	-	-	10	-	10
Retired Clergy Housing	346	155	(270)	-	231
Growth & Mission Fund	-	-	1,029	(5)	1,024
Strategic Development Fund Projects	-	-	140	(133)	7
Ministerial Education Training	-	-	37	(37)	-
Strategic Ministry Fund	-	-	6	(6)	-
Clergy Widows	21	-	78	-	99
Cooper Legacy	-	-	18	-	18
Cooper Armstrong Legacy	-	-	6	-	6
Miscellaneous Restricted Funds	-	-	79	(76)	3
	367	2,939	2,576	(353)	5,529
Endowment					
Permanent					
Dr Nobbs	-	75	6	-	81
Expendable					
Diocesan Stipends Capital	11,571	32,340	(2,387)	(694)	40,830
Benefice Property	25,340	-	1,348	(20)	26,668
Church Schools	119	3,272	561	-	3,952
Church College Hostel Trust	-	780	-	-	780
	37,030	34,467	(472)	(714)	72,311
Total EDBF funds	58,589	46,096	7,736	(5,043)	107,378
Subsidiaries					
EDPS Ltd	-	-	61	(52)	9
Total Group funds	58,589	46,096	7,797	(5,095)	107,387

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23. DESCRIPTION OF FUNDS

General fund	The general fund is EDBF's unrestricted undesignated fund, available for any of EDBF's purposes without restriction.
Church building fund	This designated fund was created from the previous balances within the new church building and church building repair funds and is used to provide loans for parishes undertaking strategic reviews or major improvements of church buildings.
Board properties	This designated fund is the properties owned and used by EDBF in the furtherance of its work and includes curates housing.
Clergy housing repairs	This designated fund is used to support spending on the repair and maintenance of clergy housing.
Diocesan Mission funds	These designated funds are all part of the mission and ministry development fund, which provide funds for one-off projects to promote the ministry of the church and its overall mission in the Diocese. The growth fund, together with the mustard seed funds has been set aside specifically to fund initiatives in mission communities.
Clergy conference fund	This designated fund was established to provide funding for the diocesan clergy conference, held every three to five years.
Burrington School Fund	This designated fund was established to hold the net proceeds from the sale of the former Burrington School (in 2019), in order that the funds can be used to support educational purposes.
Plymouth SDF Project	This designated fund was established in 2019 to provide EDBF's agreed funding for the church planting SDF project in Plymouth.
Miscellaneous funds	This designated fund is used for holding monies received by EDBF for supporting specific projects/initiatives.
Diocesan Pastoral account	The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used under the more recent Diocesan and Pastoral Measure 2011 are: <ul style="list-style-type: none"> • To defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees; • To make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese;

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23. DESCRIPTION OF FUNDS (continued)

Diocesan Pastoral account (continued)	<ul style="list-style-type: none"> • Other purposes of the Diocese or any benefice or parish in the Diocese; • To make grants or loans to any other Diocese; and • To transfer funds to the diocesan stipends fund income or capital accounts.
Diocesan stipends income	This restricted fund represents the income from the Diocesan Stipends Capital account, which has not yet been applied to pay clergy stipends.
Bampton School sale	This restricted fund was created to separately identify the previous Bampton School sale proceeds from the general Church School funds.
Agricultural/rural funds	This restricted fund represents donations received to enable the Diocese to provide support to the farming community across the Diocese.
Retired clergy housing	This restricted fund represents the properties and any sale proceeds held for this purpose.
Growth and Mission fund	This restricted fund was established in 2015 to provide funding for specific growth initiatives across the Diocese. Three have so far been approved by Diocesan Synod – Growing the rural church, new housing areas and local mission community support.
SDF Projects	This restricted fund was established to hold any funding received or due in relation to those projects receiving Strategic Development Funding. EDBF is not deemed to have the benefit of the income associated with these projects until the expenditure has been incurred and claimed accordingly. Any changes to the original submission have to be approved by the Church Commissioners.
Ministerial Education Training	This restricted fund represents the balance at any time on the funding of ordinands training.
Strategic Ministry Fund	This restricted fund was established in 2020 to manage the grant funding received from the Archbishops’ Council to support the appointment of additional stipendiary curates.
Clergy widows	This restricted fund represents properties purchased from donations to provide for clergy widows.

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23. DESCRIPTION OF FUNDS (continued)

Cooper legacy	This restricted fund, arising from the legacy of Mrs Cooper and is used to provide grants to assist parishes with church building repairs.
Cooper Armstrong legacy	This is restricted fund, arising from the legacy of Mrs Evie Cooper, is used to provide grants and support for work with families and the homeless, in line with the trustees' wishes.
Miscellaneous Restricted Funds	This restricted fund represents the unspent balance of the parish mission fund received from the Church Commissioners. The balance on this fund is usually zero.
Dr Nobbs	This is a permanent endowment held by EDBF for the support of clergy following marriage breakdown.
Diocesan stipends capital	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. The fund also represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses. The funds may be invested in the CBF Church of England Property, Investment or Fixed Interest Securities Funds, or simply held on deposit.
Benefice property fund	The benefice property fund consists of resources restricted to provision of benefice houses in the Diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses held on suspense by the Church Commissioners. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, EDBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of EDBF.
Church Schools funds	This fund represents premises and endowments vested in EDBF under the Education Act 1993.

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23. DESCRIPTION OF FUNDS (continued)

Church College Hostel Trust

This fund supports the Board of Education in all of its statutory powers and duties under various education acts together with the training of teachers in the principles of the Church of England. The Church College Hostel is also a registered charity.

24. CAPITAL COMMITMENTS

At 31 December 2020 EDBF had capital expenditure commitments authorised but not contracted for of £890,000 (2019: £1,217,000) and contracted for but not yet due of £225,000 (2019: £130,000).

25. OPERATING LEASES

At 31 December 2020 EDBF had future minimum lease commitments under non-cancellable operating lease as follows:

	2020	2019
	£'000	£'000
Non-Land & Buildings operating leases:		
Within one year of the balance sheet date	22	22
In the second to fifth years inclusive of the balance sheet date	27	47
	<u>22</u>	<u>47</u>

26. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

There were no post balance sheet events or contingent liabilities at the balance sheet date.

27. PENSIONS

EDBF participates in three pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of EDBF and the other participating employers. One of these is the **Church of England Funded Pensions Scheme** for stipendiary clergy. The other two are part of the **Church Workers Pension Fund**.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

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27. PENSIONS (continued)

These schemes are multi-employer last man standing defined benefit pension schemes for which EDBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of FRS102 requires EDBF to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for EDBF. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme

With effect from 1 January 1998, diocesan clergy became members of the Church of England Funded Pensions Scheme. This defined benefit scheme provides benefits based on the National Minimum Stipend in the year before their date of retirement and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Benefits are currently being accrued on the basis of half of the National Minimum Stipend (NMS) being paid as the normal pension on reaching the age of 68 on completion of maximum service of

41.5 years, or 1.25 times this amount for archdeacons, plus a lump sum of three times the pension based on the previous year's NMS payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 will be provided for by the Church Commissioners under the previous arrangements.

EDBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes 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 to be 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 each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme.

The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2020: £1,298k; 2019: £1,284k), plus the figures highlighted in the table below as being recognised in the SOFA, giving a total net charge of £1,346k (2019: net credit of £865k). In addition, a further £56k (2019: £66k) has been charged in relation to EDBF employees who are also in this scheme.

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27. PENSIONS (continued)

Church of England Funded Pensions Scheme (continued)

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

- An average discount rate of 3.2% per annum;
- RPI inflation of 3.4% per annum (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% per annum; and
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI 2018 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% per annum.

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

% of pensionable stipends	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the table above.

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

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27. PENSIONS (continued)

Church of England Funded Pensions Scheme (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and 2020 is set out in the table below.

	2020	2019
Balance sheet liability at 1 January	1,222,000	3,944,000
Deficit contribution paid	(576,000)	(573,000)
Interest cost (recognised in SOFA)	10,000	77,000
Remaining change to the balance sheet liability* (recognised in SOFA)	38,000	(2,226,000)
Balance sheet liability at 31 December	694,000	1,222,000

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount rate	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6% pa

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

Church Workers Pension Fund – Defined Benefits Scheme

EDBF participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

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27. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

The Defined Benefits Scheme (“DBS”) section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer, as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers’ sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SOFA during the year are contributions payable towards benefits and expenses accrued in that year (2020: £145k; 2019: £202k), plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SOFA, giving a total charge of £166k for 2020 (2019: £227k).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers’ sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers’ sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £26.2m.

A valuation as at 31 December 2019 was underway as at 31 December 2020. The contributions agreed at that valuation will be reflected in the figures disclosed in the 2021 accounts.

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27. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 39% of pensionable salary and expenses of £10,800 per year. In addition, deficit payments of £152,796 per year have been agreed for 9.25 years from 1 April 2018 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer’s financial statements. Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2020	2019
Balance sheet liability at 1 January	1,081,000	1,175,000
Deficit contribution paid	(127,000)	(119,000)
Interest cost (recognised in SOFA)	14,000	24,000
Remaining change to the balance sheet liability* (recognised in SOFA)	7,000	1,000
Balance sheet liability at 31 December	975,000	1,081,000

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount rate	0.50%	1.40%	2.20%

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

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

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27. PENSIONS (continued)

Pension Builder Scheme (continued)

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable (2020: £216k; 2019: £154k).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was underway as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the on-going assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the on-going assumptions used. There is no requirement for deficit payments at the current time.

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

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28. RELATED PARTY TRANSACTIONS

There are no direct related party transactions involving trustees other than the provision of stipends, housing and expenses as set out in note 13 to the consolidated financial statements.

The wife of Giles Frampton (the Chair of the Board of Finance) is a Self-Supporting Minister (unpaid) leading one of our Mission Communities. A parsonage house is provided by EDBF for this role, with any expenses incurred being paid by the Mission Community.

29. ANALYSIS OF NET DEBT

	As at 1 January 2020 £'000	Cash flows £'000	At 31 December 2020 £'000
Cash at bank and in hand	1,103	4,620	5,723
Cash equivalents	34	-	34
Debt due after 1 year	(222)	(1,833)	(2,055)
Debt due within 1 year	(34)	(133)	(167)
	<u>881</u>	<u>2,654</u>	<u>3,535</u>

30. FUNDS HELD AS CUSTODIAN TRUSTEE

EDBF acts as custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as EDBF does not control them.

The financial assets held in this way may be summarised as follows:

	2020 £'000	2019 £'000
CBF Church of England Investment Fund income shares	13,011	12,237
CBF Church of England Investment Fund accumulation shares	694	635
CBF Church of England Fixed Interest Securities Fund shares	321	310
CBF Church of England Property Fund shares	946	995
CBF Global Equity Income Fund	1,101	925
Charifund – Income Units	2,422	2,941
Charibond Fixed Interest Income	8	8
Other common investment fund holdings	134	134
Direct holdings in UK gilts	45	41
Other fixed interest stocks	22	16
CBF Church of England Deposit Fund	2,446	1,308
Charles Stanley	772	809
Brewin Dolphin	1,261	1,279
Cash at bank	4	34
	<u>23,187</u>	<u>21,672</u>
Total assets held as custodian trustee	<u>23,187</u>	<u>21,672</u>

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31. MONEY HELD AS INTERMEDIARY AGENT FOR OTHERS

EDBF occasionally holds money as intermediary agents for others as follows:

- In respect of the Board of Education's involvement in the maintenance and improvement of Church of England schools' buildings, money is sometimes held in advance of work being undertaken. At the end of 2020 the sum of £994,000 (2019: £887,000) was held in the general bank account for this purpose; and
- The board also holds the Department for Education's Formula Capital funding on behalf of Church of England schools in Devon and the sum so held on 31 December 2020 amounted to £413,000 (2019: £542,000) and was also held in the general bank account for this purpose.

Neither of the above sums is included in the Board's Balance Sheet at the year-end.

32. EDBF LIMITED – LIABILITY OF BOARD MEMBERS

The Exeter Diocesan Board of Finance Limited is a company limited by guarantee and as such has no share capital. In the event of winding-up, the liability of Board members is limited to £1 each.

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33. SUBSIDIARY UNDERTAKINGS

33.1. EDPS Limited

The wholly owned trading subsidiary, EDPS Limited, which is incorporated in the United Kingdom (Registered Company No. 4477446), provides services to Church of England academies and schools. EDBF owns 100% of the issued share capital of two ordinary shares of £1 each. A summary of the trading results is shown below:

Summary profit and loss account	2020 £'000	2019 £'000
Turnover	204	261
Cost of sales	<u>(152)</u>	<u>(185)</u>
Gross Profit	52	76
Administrative expenses	(3)	(3)
Other operating income	<u>7</u>	<u>8</u>
Operating profit	56	81
Gift made to parent company	(56)	(81)
Loss after tax	<u>-</u>	<u>-</u>
 Assets and liabilities		
Current assets	176	136
Current liabilities	<u>(167)</u>	<u>(127)</u>
Total net assets	<u>9</u>	<u>9</u>
 Capital and reserves		
Issued share capital and retained profit	<u>9</u>	<u>9</u>

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33. SUBSIDIARY UNDERTAKINGS (continued)

33.2. The Church College Hostel Trust

The Diocesan Board of Education was the managing trustee of the Church College Hostel Trust charity (Registered Charity No. 306935). EDBF, on behalf of the Board of Education, was the sole financial beneficiary. A summary of the results for the year is shown below:

	2020	2019
	£'000	£'000
Summary receipts and payments accounts		
Investment income	-	21
Grants transferred to The Diocesan Board of Education	-	(21)
Surplus/(deficit) for the year	-	-
Gains/(losses) on investments	-	94
Net movement in funds	-	94
Funds		
Market value of investments at 1 January	-	646
Net realised and unrealised gains on investments	-	94
Transfer of investments to EDBF Ltd	-	(740)
Market value of investments at 31 December	-	-

On the 22 February 2017, the trustees approved a resolution to wind up the trust and transfer the funds to EDBF to be invested and the income used to fulfil the original purpose of the trust. The formal process of winding up the trust was finalised on 31 December 2019 and all funds transferred to EDBF.

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34. 2019 Comparative figures by fund

Due to space constraints within the main body of the accounts, this note shows the breakdown by fund for 2019 for the following notes:

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2019

	Note	Unrestricted funds General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2019 £'000
Income and endowments from						
Donations	2					
Parish contributions		9,079	-	-	-	9,079
Archbishop's Council		95	-	1,265	-	1,360
Other donations		217	-	1,012	-	1,229
Charitable activities	3	716	-	40	-	756
Other trading activities	4	1,437	-	-	-	1,437
Investments	5	339	-	979	-	1,318
Total income and endowments		11,883	-	3,296	-	15,179
Expenditure on						
Raising funds	7	212	-	49	-	261
Charitable activities	8	9,204	(18)	3,456	-	12,642
Other	9	-	-	2	-	2
Total expenditure		9,416	(18)	3,507	-	12,905
Net income/(expenditure) before investment gains		2,467	18	(211)	-	2,274
Net gains on investments		908	(2)	298	2,237	3,441
Net income/(expenditure)		3,375	16	87	2,237	5,715
Transfers between funds	14	378	(665)	(200)	487	-
Net movement in funds		3,753	(649)	(113)	2,724	5,715
Total funds brought forward		3,397	21,672	5,566	66,675	97,310
Total funds carried forward	21	7,150	21,023	5,453	69,399	103,025

All activities derive from continuing activities.

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A2. DONATIONS

Parish Contributions

The majority of donations are collected from the parishes of the Diocese through the common fund system.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2019 £'000
	General £'000	Designated £'000			
Current Year assessments	9,377	-	-	-	9,377
Shortfall in contributions	(414)	-	-	-	(414)
	<u>8,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,963</u>
Receipts for previous years	116	-	-	-	116
Total Income	<u>9,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,079</u>

Archbishop's Council

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2019 £'000
	General £'000	Designated £'000			
Lowest Income Communities Funding	-	-	1,265	-	1,265
Transitional funding	95	-	-	-	95
	<u>95</u>	<u>-</u>	<u>1,265</u>	<u>-</u>	<u>1,360</u>

The Lowest Income Communities Funding is the annual grant either for supporting specific parish mission and development projects or for clergy stipends.

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A2. DONATIONS (continued)

Other Donations and grants

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2019 £'000
	General £'000	Designated £'000			
All Churches Trust Grant	180	-	-	-	180
Donations and grants	37	-	781	-	818
Resourcing Ministerial Education	-	-	231	-	231
	<u>217</u>	<u>-</u>	<u>1,012</u>	<u>-</u>	<u>1,229</u>

A3. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2019 £'000
	General £'000	Designated £'000			
Statutory fees	591	-	-	-	591
Chaplaincy income	35	-	40	-	75
Feed in/Export Tariffs - PV panels	26	-	-	-	26
Course/training fees	24	-	-	-	24
Miscellaneous income	40	-	-	-	40
	<u>716</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>756</u>

A4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2019 £'000
	General £'000	Designated £'000			
Housing income	1,155	-	-	-	1,155
Other rental income	13	-	-	-	13
Trading – EDPS Ltd	269	-	-	-	269
	<u>1,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,437</u>

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A5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2019 £'000
	General £'000	Designated £'000			
Dividends receivable	333	-	621	-	954
Interest receivable	6	-	-	-	6
Rents receivable	-	-	358	-	358
	<u>339</u>	<u>-</u>	<u>979</u>	<u>-</u>	<u>1,318</u>

A6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2019 £'000
	General £'000	Designated £'000			
Gains on sale of Properties	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

A7. COSTS OF RAISING FUNDS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2019 £'000
	General £'000	Designated £'000			
Glebe agents' fees	-	-	34	-	34
Other glebe expenses	24	-	15	-	39
Trading activities – EDPS Ltd	188	-	-	-	188
	<u>212</u>	<u>-</u>	<u>49</u>	<u>-</u>	<u>261</u>

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A8. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000
Contributions to Archbishops' Council					
Training for Ministry National Church	346	-	-	-	346
Responsibilities	275	-	-	-	275
Grants and provisions	29	-	-	-	29
Mission agency pension Costs	4	-	-	-	4
Retired clergy housing Costs	-	-	118	-	118
Pooling of ordinands' maintenance grants	80	-	-	-	80
	<u>734</u>	<u>-</u>	<u>118</u>	<u>-</u>	<u>852</u>
Resourcing Ministry and Mission					
Parish Ministry					
Stipends and national Insurance	3,322	-	2,191	-	5,513
Pension costs	1,268	-	16	-	1,284
Housing costs	2,480	-	-	-	2,480
Removal, resettlement and grants	176	-	-	-	176
Clergy Pension Fund Deficit	(2,149)	-	-	-	(2,149)
Other expenses	257	-	40	-	297
	<u>5,354</u>	<u>-</u>	<u>2,247</u>	<u>-</u>	<u>7,601</u>
Support for parish ministry					
Mission and Ministry Church and Society	1,170	(18)	1,042	-	2,194
Cooper Legacy grants	41	-	-	-	41
Cooper Armstrong Legacy	-	-	18	-	18
Support services	-	-	16	-	16
Lay Pension Deficit Fund	1,271	-	-	-	1,271
	25	-	-	-	25
	<u>2,507</u>	<u>(18)</u>	<u>1,076</u>	<u>-</u>	<u>3,565</u>
	<u>7,861</u>	<u>(18)</u>	<u>3,323</u>	<u>-</u>	<u>11,166</u>
Expenditure on Education and Church of England Schools					
Support for church schools and parishes					
	609	-	15	-	624
	<u>9,204</u>	<u>(18)</u>	<u>3,456</u>	<u>-</u>	<u>12,642</u>

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A9. OTHER RESOURCES EXPENDED

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2019
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Loss on sale of assets	-	-	2	-	2
	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>

A10. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly	Grant Funding of Activities	Support Costs	Pension Deficit Fund Adjustment	Total costs 2019
Raisings funds	261	-	-	-	261
Charitable activities:					
Contributions to Archbishop's Council	-	852	-	-	852
Resourcing parish ministry	11,029	990	1,271	(2,124)	11,166
Education	624	-	-	-	624
Other resources expended	2	-	-	-	2
	<u>11,916</u>	<u>1,842</u>	<u>1,271</u>	<u>(2,124)</u>	<u>12,905</u>

Net income/(expenditure) for the year is stated after charging amortisation £6,000, depreciation £36,000 and audit fees EDBF £23,000, EDPS £3,000.

A11. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2019
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Central support/administration	1,124	-	-	-	1,124
Governance:					
External audit of EDBF	23	-	-	-	23
External audit of EDPS	3	-	-	-	3
Registrar and Chancellor	90	-	-	-	90
Synodical costs	31	-	-	-	31
	<u>1,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,271</u>

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A12. ANALYSIS OF GRANTS MADE	Nbr.	Individuals	Institutions	Total
		£'000	£'000	2019
				£'000
From unrestricted funds for national Church responsibilities:				
Contributions to Archbishop's Council	5	-	734	734
From unrestricted funds:				
Ordinands in training	38	137	-	137
Clergy ordination	14	35	-	35
Clergy resettlement	26	58	-	58
Clergy removals	33	77	-	77
Clergy 1 st incumbency	7	17	-	17
Churches together in Devon	1	-	5	5
Church schools – Repairs/improvements	1	-	8	8
Church schools – Learn Teach Read	1	-	35	35
Mustard Seed Fund	10	-	4	4
Unlimited Church	1	-	15	15
Growth and mission	13	-	51	51
Other small grants	26	5	5	10
Adjustments for grants not claimed	-	-	(36)	(36)
	<u>171</u>	<u>329</u>	<u>87</u>	<u>416</u>
From restricted funds for national Church responsibilities:				
Contributions to Archbishop's Council	1	-	118	118
From restricted funds for various purposes within resourcing parish ministry:				
Cooper Legacy Fund	6	-	18	18
Cooper Armstrong Legacy	1	-	16	16
New Church Schools	1	-	15	15
Strategic Development Fund	5	-	525	525
Total	<u>13</u>	<u>-</u>	<u>574</u>	<u>574</u>
Total	<u>190</u>	<u>329</u>	<u>1,513</u>	<u>1,842</u>

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A21 SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2019	Income	Expenditure	Transfers	Gains and Losses	Balances a 31 Decemb 2019
	£'000	£'000	£'000	£'000	£'000	£'000
UNRESTRICTED FUNDS						
General	3,388	11,695	(9,228)	378	908	7,141
Church Buildings Fund	679	-	-	-	(2)	677
Board Properties	20,294	-	-	(808)	-	19,486
Clergy Housing Repairs	282	-	-	(91)	-	191
Diocesan Mission Funds	253	-	21	-	-	274
Clergy Conference Fund	67	-	-	30	-	97
Plymouth SDF Project	-	-	(3)	200	-	197
Miscellaneous Funds	97	-	-	4	-	101
	<u>21,672</u>	<u>-</u>	<u>18</u>	<u>(665)</u>	<u>(2)</u>	<u>21,023</u>
RESTRICTED FUNDS						
Diocesan Pastoral Account	3,224	71	-	-	302	3,597
Diocesan Stipends Income	26	2,163	(2,163)	-	-	26
Bampton School sale	329	-	(15)	-	-	314
Agricultural/Rural	10	-	-	-	-	10
Retired Clergy Housing	346	9	(120)	-	(4)	231
Growth & Mission Fund	1,258	117	(245)	-	-	1,130
Strategic Development Projects	206	664	(659)	(200)	-	11
Ministerial Education Training	-	231	(231)	-	-	-
Clergy Widows	99	-	-	-	-	99
Cooper Legacy	38	1	(18)	-	-	21
Cooper Armstrong Legacy	30	-	(16)	-	-	14
Miscellaneous Restricted Funds	-	40	(40)	-	-	-
	<u>5,566</u>	<u>3,296</u>	<u>(3,507)</u>	<u>(200)</u>	<u>298</u>	<u>5,453</u>
ENDOWMENT FUNDS						
Permanent						
Dr Nobbs	64	-	-	-	11	75
Expendable						
Diocesan Stipends Capital	37,013	-	-	-	1,925	38,938
Benefice Property	25,264	-	-	487	-	25,751
Church Schools	3,688	-	-	-	207	3,895
The Church College Hostel Trust	-	740	-	-	-	740
	<u>66,029</u>	<u>740</u>	<u>-</u>	<u>487</u>	<u>2,143</u>	<u>69,399</u>
EDBF Total funds	<u>96,655</u>	<u>15,731</u>	<u>(12,717)</u>	<u>-</u>	<u>3,347</u>	<u>103,016</u>
Subsidiaries						
General Funds						
EDPS Ltd	9	188	(188)	-	-	9
Expendable endowment						
The Church College Hostel Trust	646	-	(740)	-	94	-
Elimination of intergroup transactions	-	(740)	740	-	-	-
Group Total	<u>97,310</u>	<u>15,179</u>	<u>(12,905)</u>	<u>-</u>	<u>3,441</u>	<u>103,025</u>

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A22. SUMMARY OF ASSETS BY FUND	Tangible/ Intangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Unrestricted funds – General	1,724	6,197	924	(1,704)	7,141
Unrestricted - designated					
Church Buildings Fund	-	103	574	-	677
Board Properties	19,602	-	2	(118)	19,486
Clergy Housing Repairs	-	-	191	-	191
Diocesan Mission Funds	-	-	281	(7)	274
Clergy Conference Fund	-	-	97	-	97
Plymouth SDF Project	-	-	197	-	197
Miscellaneous Designated Funds	-	-	101	-	101
	<u>19,602</u>	<u>103</u>	<u>1,443</u>	<u>(125)</u>	<u>21,023</u>
Restricted					
Diocesan Pastoral Account	-	2,659	939	(1)	3,597
Diocesan Stipends Income	-	-	123	(97)	26
Bampton School Sale	-	-	329	(15)	314
Agricultural/Rural	-	-	10	-	10
Retired Clergy Housing	347	161	(277)	-	231
Growth & Mission Fund	-	-	1,135	(5)	1,130
Strategic Development Fund Projects	-	-	13	(2)	11
Ministerial Education Training	-	-	1	(1)	-
Clergy Widows	21	-	78	-	99
Cooper Legacy	-	-	21	-	21
Cooper Armstrong Legacy	-	-	14	-	14
Miscellaneous Restricted Funds	-	-	66	(66)	-
	<u>368</u>	<u>2,820</u>	<u>2,452</u>	<u>(187)</u>	<u>5,453</u>
Endowment					
Permanent					
Dr Nobbs	-	69	6	-	75
Expendable					
Diocesan Stipends Capital	12,028	30,944	(2,812)	(1,122)	38,938
Benefice Property	25,726	-	37	(12)	25,751
Church Schools	119	3,215	561	-	3,895
Church College Hostel Trust	-	740	-	-	740
	<u>37,873</u>	<u>34,968</u>	<u>(2,208)</u>	<u>(1,234)</u>	<u>69,399</u>
Total EDBF funds	<u>59,567</u>	<u>44,088</u>	<u>2,611</u>	<u>(3,250)</u>	<u>103,016</u>
Subsidiaries					
EDPS Ltd	-	-	56	(47)	9
Total Group funds	<u><u>59,567</u></u>	<u><u>44,088</u></u>	<u><u>2,667</u></u>	<u><u>(3,297)</u></u>	<u><u>103,025</u></u>

For Fund Descriptions, please see note 23 on pages 62 – 65.

