



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)**

TABLE OF CONTENTS	Page
Number	
Our Vision/Values	1
Legal Objects	3
Strategic Report	
Strategic aims	4
Objectives for the year	5
Activities and achievements in the year	7
Key performance indicators	17
Future plans	17
Section 172 statement	18
Financial review	18
Principal risks and uncertainties	23
Structure and Governance	25
Trustees' Responsibilities	34
Statement of Disclosure to the Auditors	34
Appointment of Auditors	34
Administrative Details	35
Independent Auditors' Report	38
Consolidated Statement of Financial Activities	43
Consolidated Income and Expenditure Account	44
Consolidated and EDBF Balance Sheet	45
Consolidated Cash Flow Statement	47
Notes to the Consolidated Financial Statements	48

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

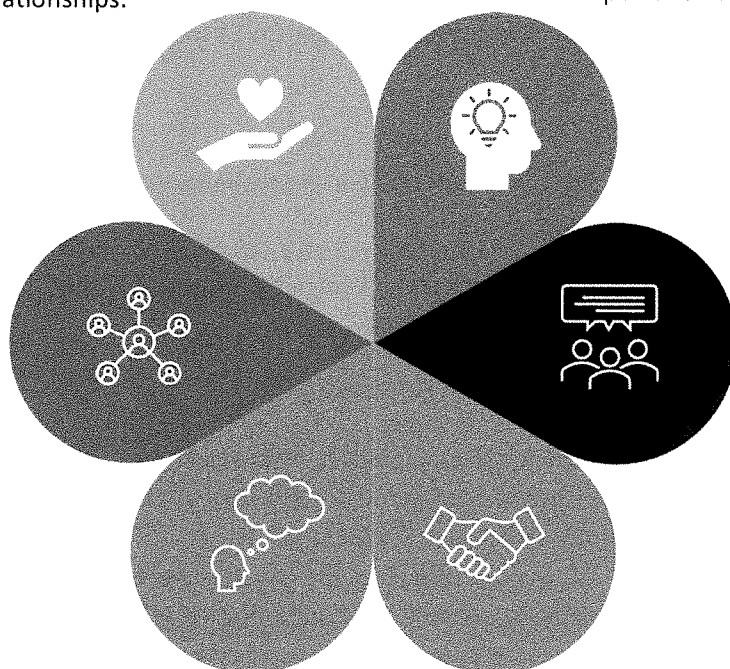
We seek God's face in all, believing that everyone is made in the image of God. Preferring others and not thinking too highly of ourselves, we are compassionate, approachable and build trusting relationships.

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

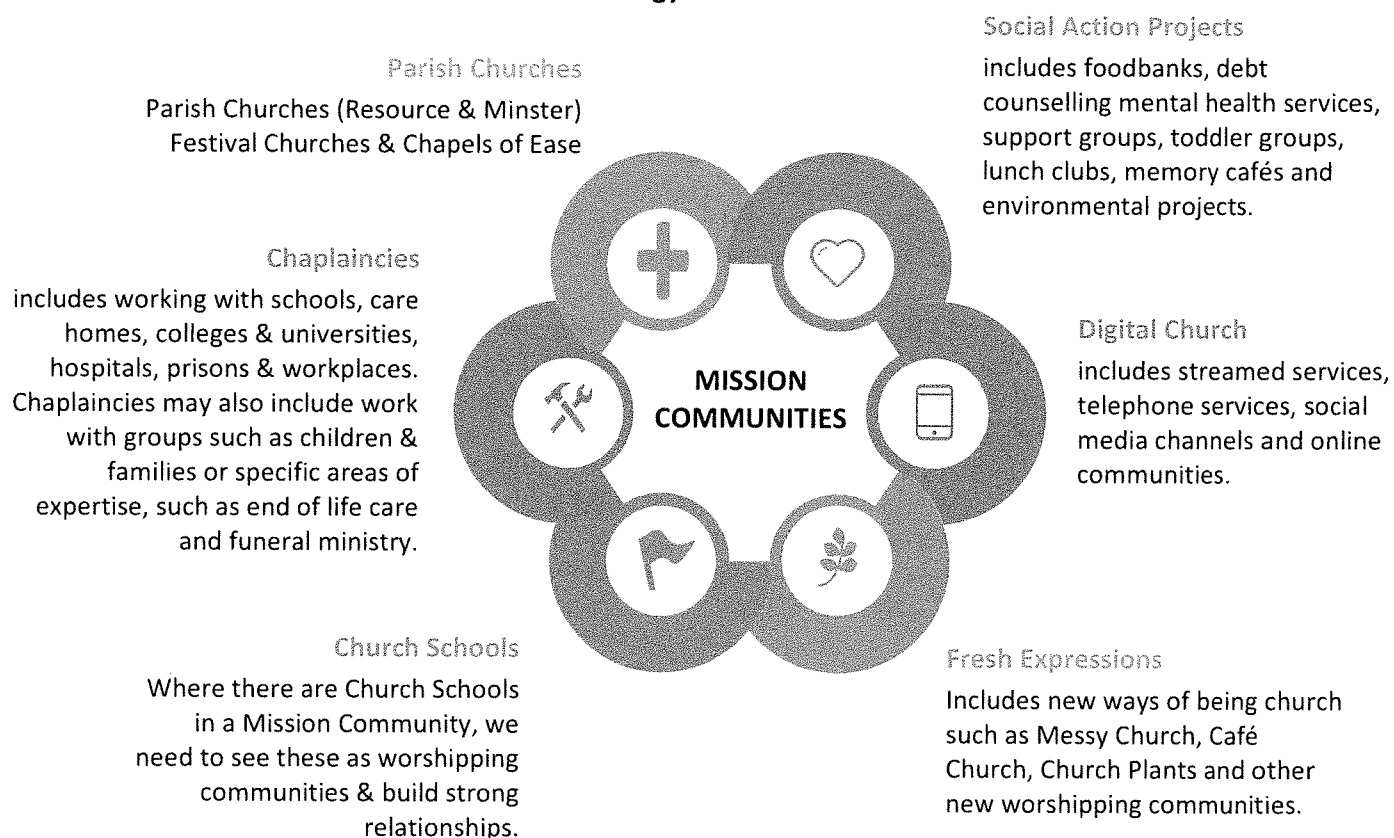
STRATEGIC AIMS

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.

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

OBJECTIVES FOR THE YEAR (continued)

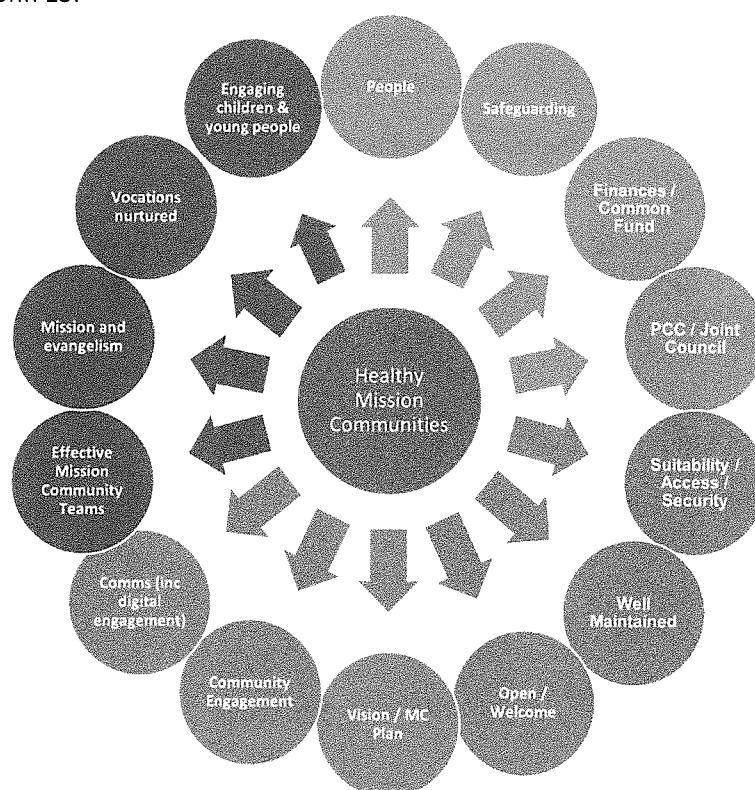
It is vital that our planning continues to reflect our priorities, whilst continuing to meet our statutory and operational requirements.

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.

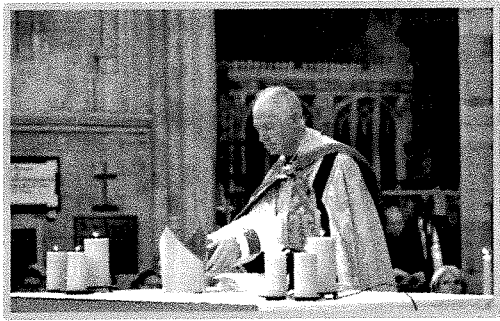
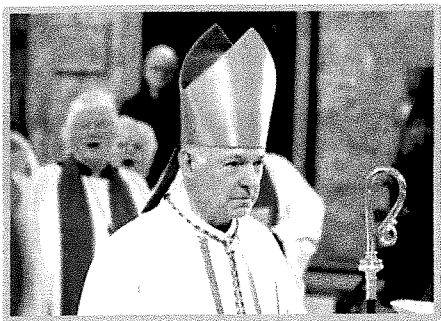
Healthy churches are shaped by the growth values of the Fruit of the Spirit: love, joy, peace, patience, kindness, generosity, faithfulness, gentleness and self-control. We are developing tools to help MCs identify where to put their efforts and resources in the short term and how best to plan for the 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.



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

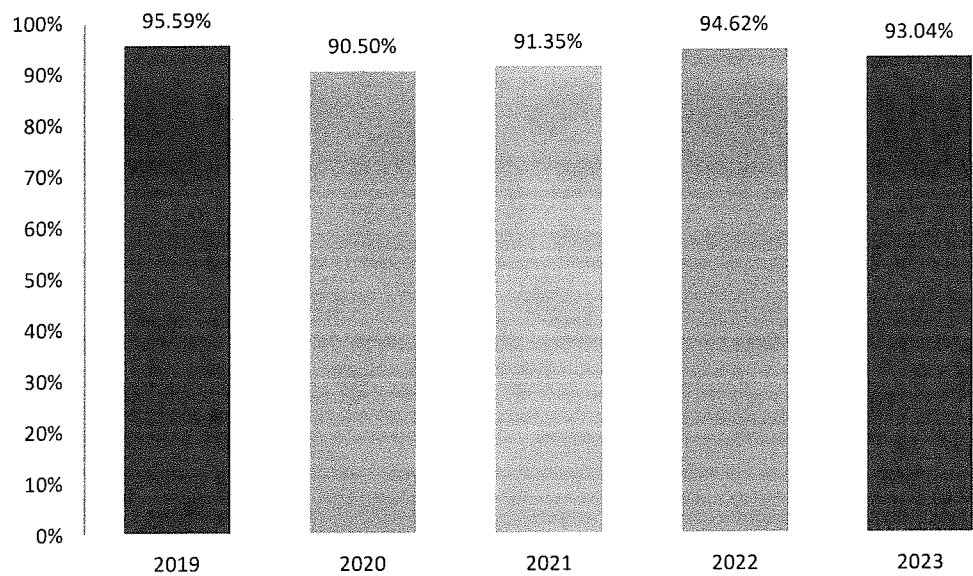
The most significant event in 2023 was the retirement of Bishop Robert at the end of September, after leading and serving our diocese since April 2014. It is testament to his leadership that the vision he shared with us in his installation sermon still underpins all that we do: to grow in prayer, to 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



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

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.

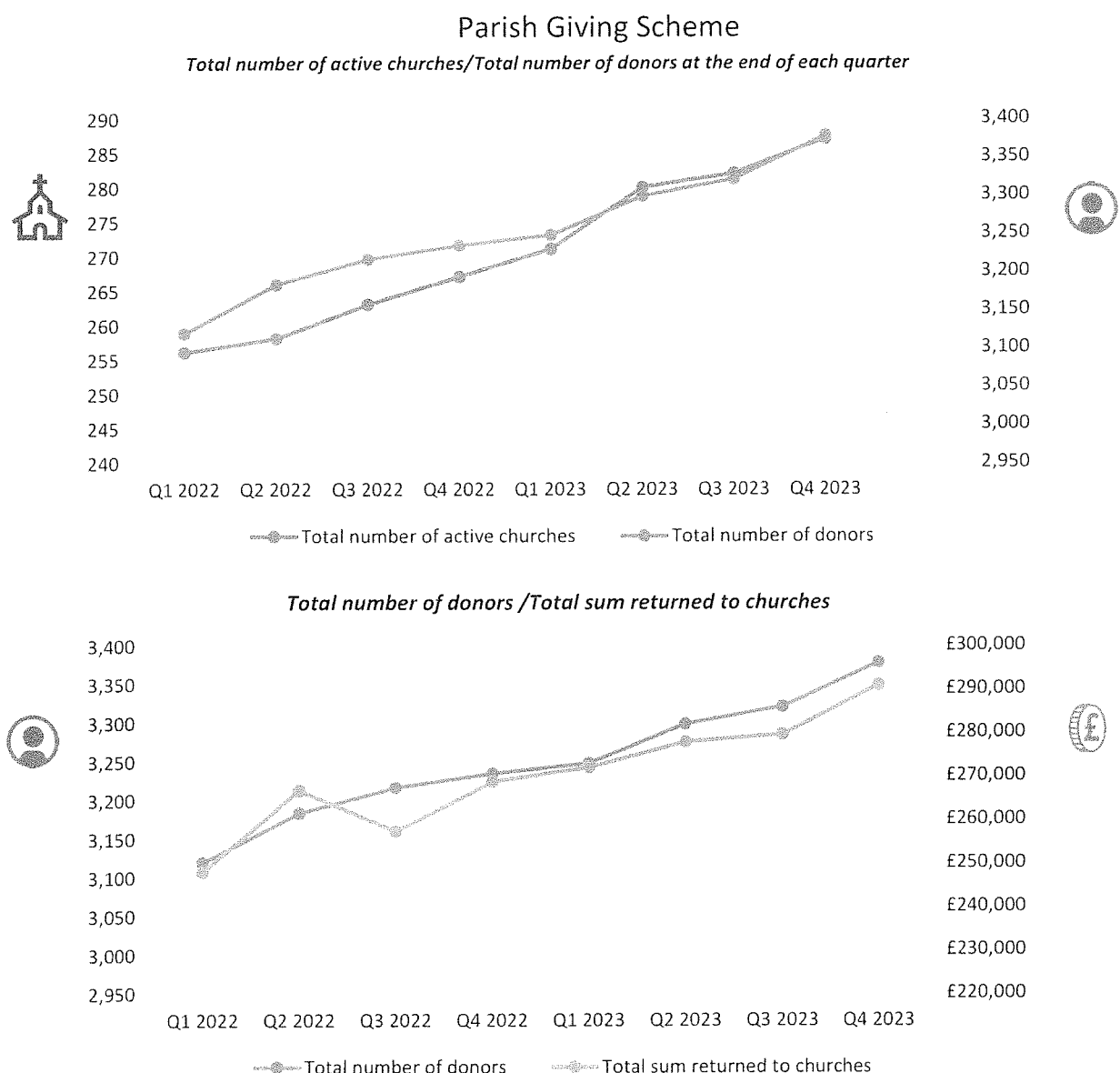
The National Church has received the recommendations of Professor Jay on the future of Safeguarding in the Church. The Church is currently consulting on this before deciding on next steps.

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

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).



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

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.

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

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.

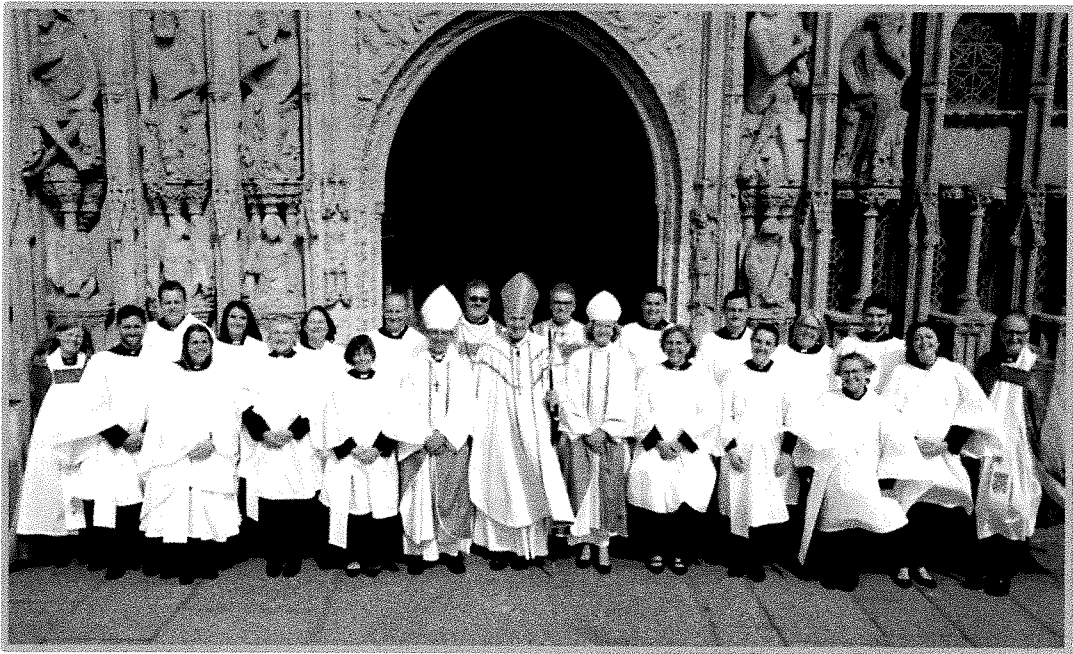
We have run 13 different Grow courses, and piloted video versions that can be accessed at any time. 130 people took part in these courses, with many more accessing material themselves. Grow is a suite of on-line courses that provide basic learning in a number of different roles. As an outcome of a training 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.

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

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



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

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.

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

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.



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

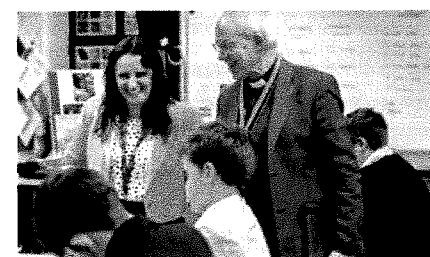
ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

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."



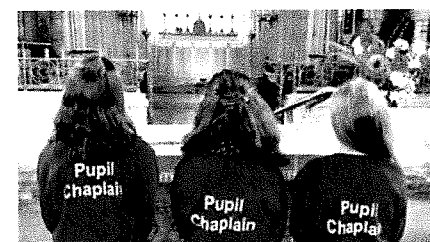
Archbishop brings 'Incredible Message of Hope': In November, the Archbishop of Canterbury visited two schools in North Devon: Ilfracombe C of E Academy and Ilfracombe C of E Junior School. During his visit to Ilfracombe Academy the Archbishop spoke with staff and students, and led collective worship 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.

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

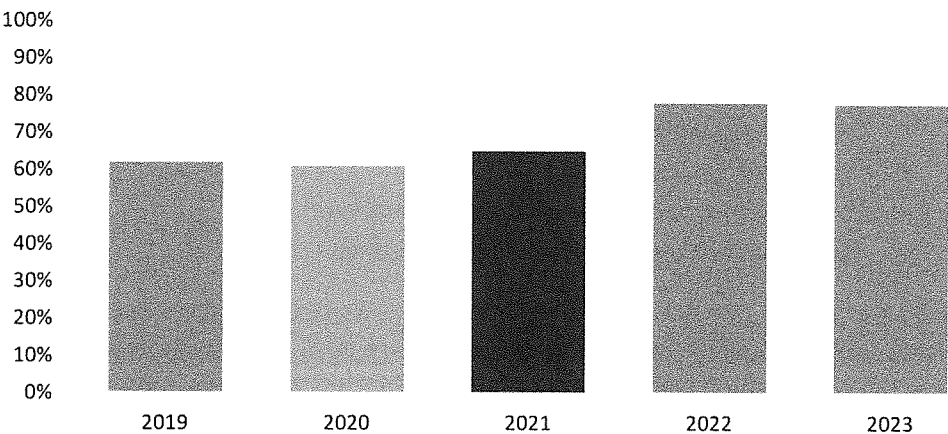
ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

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.

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

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.

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

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).

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

FINANCIAL REVIEW (continued)

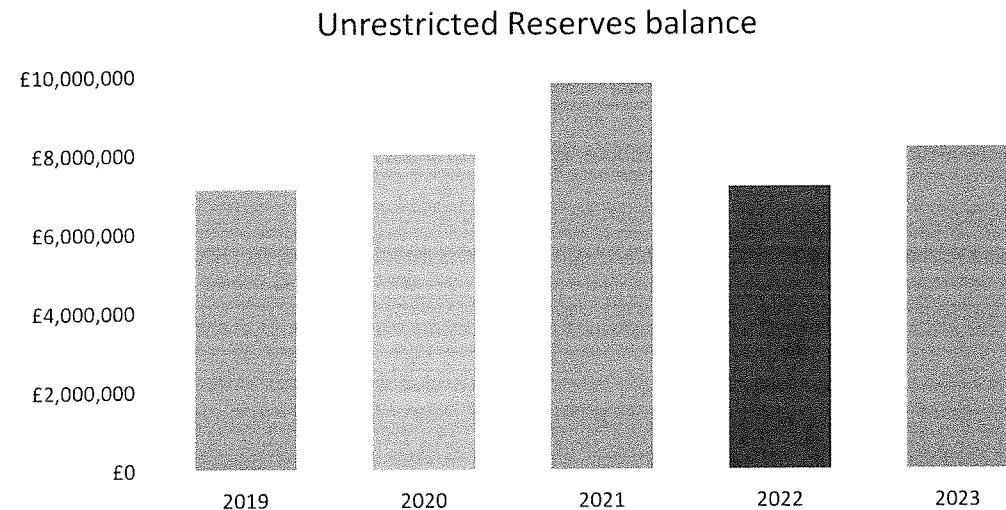
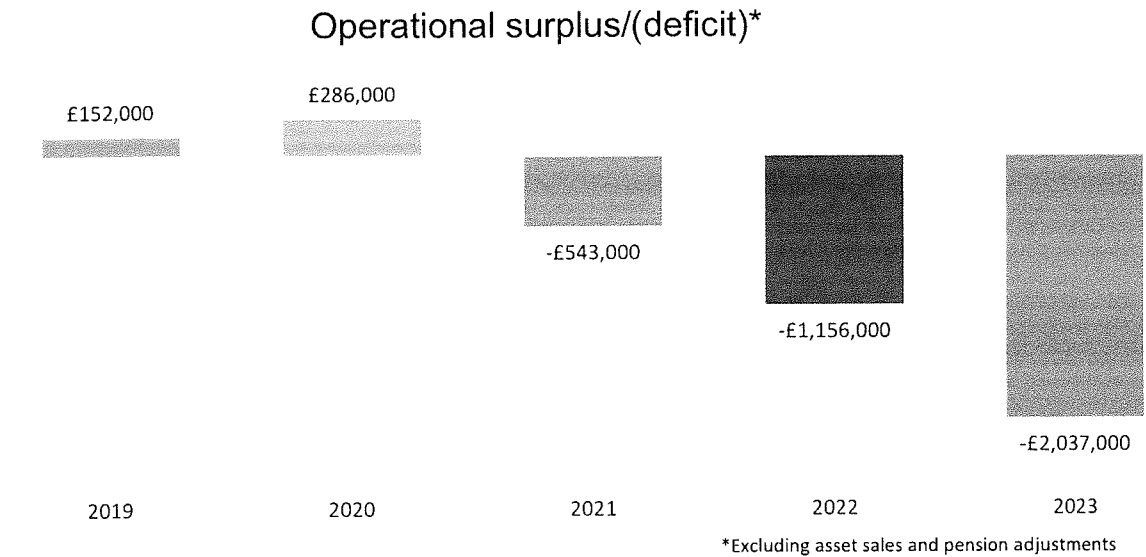
Financial performance (continued)

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.



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

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.

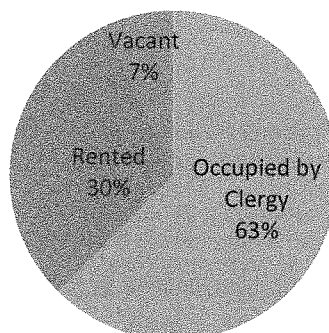
The long term aim continues to be to seek to maximise income returns and to adjust the balance of EDBF's asset holdings, but sales are required to underpin cashflow and to support the budget in the short term.

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



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

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
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2023

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.

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

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.

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

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

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

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.

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

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.

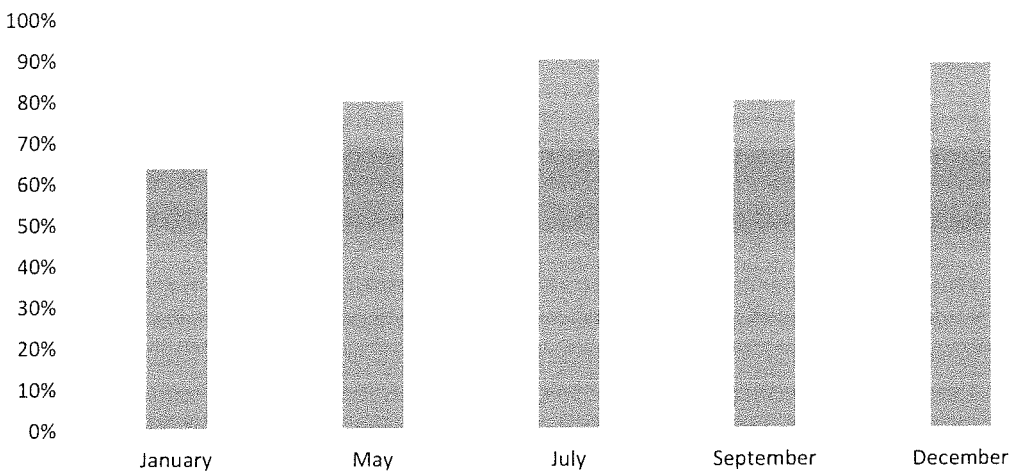
The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Diocesan Bishop. The Synod membership is elected every three years; the current members took office on 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.

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

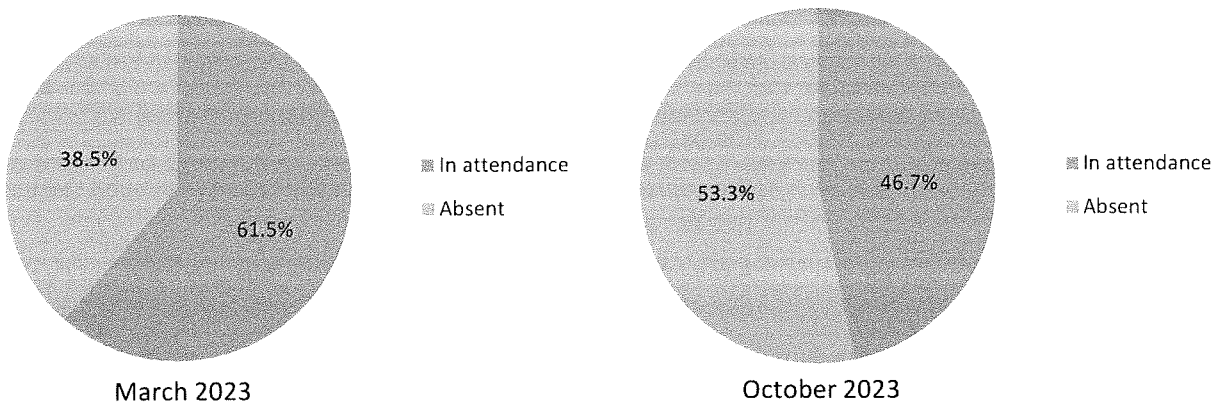
STRUCTURE AND GOVERNANCE (continued)

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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)

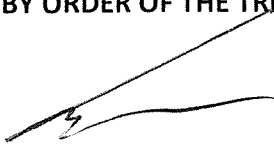
The directors and trustees of the Board's subsidiary undertakings who served throughout the year (unless otherwise stated) were as follows:

DIRECTORS OF EDPS LIMITED

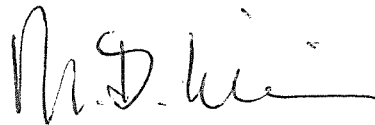
Mr Giles Frampton (Chair)
Mrs Jan Keliher
The Rev Canon Dr Michael Williams
Mr Neil Williams

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

A handwritten signature in black ink, appearing to be 'Giles Frampton', written over a horizontal line.

Giles Frampton
Chair
16 July 2024

A handwritten signature in black ink, appearing to be 'Michael Williams', written over a horizontal line.

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 General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000	Total funds 2022 £'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)
	<hr/>	<hr/>
Operating surplus/(deficit) for the year	(800)	(135)
 Net gain/(loss) on investments	 1,520	 (1,729)
	<hr/>	<hr/>
Net income for the year	720	(1,864)
 Other comprehensive income:		
Net assets transferred (to)/from endowments	(693)	(479)
	<hr/>	<hr/>
Total comprehensive income	<u>27</u>	<u>(2,343)</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 2023

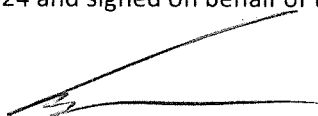
CONSOLIDATED AND EDBF BALANCE SHEETS
At 31 December 2023

<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		119,198	119,198	120,457	120,457
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		10,787	10,764	5,204	5,160
CREDITORS: amounts falling due within one year	18	(2,354)	(2,340)	(2,310)	(2,275)
NET CURRENT ASSETS		8,433	8,424	2,894	2,885
TOTAL ASSETS LESS CURRENT LIABILITIES		127,631	127,622	123,351	123,342
CREDITORS: amounts falling due after one year	19	(786)	(786)	(1,186)	(1,186)
TOTAL NET ASSETS		126,845	126,836	122,165	122,156
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	126,845	126,836	122,165	122,156

**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:

A handwritten signature in black ink, appearing to be 'Giles Frampton', written over a horizontal line.

**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

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)

- 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
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)

- **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.

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)

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	Endowment Funds	Total funds 2023	Total funds 2022
	General £'000	Designated £'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
	<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 Funds	Endowment Funds	Total funds 2023	Total funds 2022
	General £'000	Designated £'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.

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

2. DONATIONS (continued)

Other donations and grants

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2023	Total funds 2022
	General £'000	Designated £'000	£'000	£'000	£'000	£'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	Endowment Funds	Total funds 2023	Total funds 2022
	General £'000	Designated £'000	£'000	£'000	£'000	£'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	Endowment Funds	Total funds 2023	Total funds 2022
	General £'000	Designated £'000	£'000	£'000	£'000	£'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>

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

5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2023	Total funds 2022
	General £'000	Designated £'000	£'000	£'000	£'000	£'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	Endowment Funds	Total funds 2023	Total funds 2022
	General £'000	Designated £'000	£'000	£'000	£'000	£'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	Endowment Funds	Total funds 2023	Total funds 2022
	General £'000	Designated £'000	£'000	£'000	£'000	£'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>

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

8. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council						
Training for Ministry	346	-	-	-	346	346
National Church						
Responsibilities	203	-	-	-	203	212
Grants and provisions	36	-	-	-	36	29
Mission agency pension						
Costs	11	-	-	-	11	14
Retired clergy housing						
Costs	137	-	-	-	137	131
Pooling of ordinands						
maintenance grants	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	-	-	-	-	-	26
Development and Growth Fund						
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.

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

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>

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

11. ANALYSIS OF GRANTS MADE	No.	Individuals	Institutions	Total 2023	Total 2022
		£'000	£'000	£'000	£'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
	200	386	196	582	455
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	9	-	937	937	960
Total	209	386	1,911	2,297	2,191

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 2023

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

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.

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

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.

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

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
	<hr/>	<hr/>
	7,130	7,395
Pension costs - deficit reduction	-	(207)
	<hr/>	<hr/>
	7,130	7,188
	<hr/>	<hr/>

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)

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

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	-
	<u>120</u>
At 31 December 2023	<u>120</u>
Amortisation	
At 1 January 2023	61
Charge for the year	20
	<u>81</u>
At 31 December 2023	<u>81</u>
Net Book Value	
At 31 December 2023	<u>39</u>
At 31 December 2022	<u>59</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

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	57,512	322	362	58,196
Depreciation				
At 1 January 2023	-	282	188	470
Disposals	-	-	-	-
Charge for the year	-	13	15	28
At 31 December 2023	-	295	203	498
Net Book Value				
At 31 December 2023	57,512	27	159	57,698
At 31 December 2022	58,631	24	173	58,828

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	10,803	25,825	119	367	20,398	57,512

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.

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

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>

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

16. FIXED ASSETS INVESTMENTS (continued)

The corresponding historical cost figures are:	Group	EDBF	Group	EDBF
	2023	2023	2022	2022
	£'000	£'000	£'000	£'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.

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

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>

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

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
Total creditors: amounts falling due after more than one year	786	786	1,186	1,186

	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
	786	1,186

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.

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

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
	22,803	1	(108)	(1,190)	11	21,517
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
	5,314	4,068	(3,885)	(133)	280	5,644
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
	86,838	444	-	693	3,516	91,491
EDBF Total funds	122,156	17,005	(17,361)	-	5,036	126,836
Subsidiaries – General Funds						
EDPS Ltd	9	146	(146)	-	-	9
Group Total	122,165	17,151	(17,507)	-	5,036	126,845

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

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
	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

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

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)
	(24,076)	27,884	3,808
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:	(24,076)	27,815	3,739
At 31 December 2023	19,705	27,815	47,520

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.

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

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:

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

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.

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

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.

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

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 £'000	2022 £'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.

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

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).

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

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.

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

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.

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

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.

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

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.

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

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.

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

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
	<hr/>	<hr/>
Total assets held as custodian trustee	22,607	21,761
	<hr/>	<hr/>

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

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.

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

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>
 Assets and liabilities		
Current assets	116	218
Current liabilities	<u>(107)</u>	<u>(209)</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>

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

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	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	£'000	£'000	£'000	£'000	£'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.

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

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	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	£'000	£'000	£'000	£'000	£'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	Endowment	Total funds
	General	Designated	Funds	Funds	2022
	£'000	£'000	£'000	£'000	£'000
Lowest Income	-	-	1,190	-	1,190
Communities Funding	-	-	463	-	463
Parish Energy Support grants	-	-	318	-	318
Strategic Ministry funding	<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.

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

A2. DONATIONS (2022) (continued)

Other Donations and grants

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2022
	General £'000	Designated £'000	£'000	£'000	£'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	Endowment Funds	Total funds 2022
	General £'000	Designated £'000	£'000	£'000	£'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	Endowment Funds	Total funds 2022
	General £'000	Designated £'000	£'000	£'000	£'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>

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

A5. INVESTMENT INCOME (2022)

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	funds
	£'000	£'000	£'000	£'000	2022
					£'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	Endowment	Total
	General	Designated	Funds	Funds	funds
	£'000	£'000	£'000	£'000	2022
					£'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	Endowment	Total
	General	Designated	Funds	Funds	funds
	£'000	£'000	£'000	£'000	2022
					£'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>

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

A8. CHARITABLE ACTIVITIES (2022)

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2022
	General £'000	Designated £'000	£'000	£'000	£'000
Contributions to Archbishops' Council					
Training for Ministry National Church Responsibilities	346	-	-	-	346
Grants and provisions	212	-	-	-	212
Mission agency pension Costs	29	-	-	-	29
Retired clergy housing Costs	14	-	-	-	14
Pooling of ordinands' maintenance grants	131	-	-	-	131
	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>

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

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>

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

A11. ANALYSIS OF GRANTS MADE (2022)	Nbr.	Individuals	Institutions	Total 2022
		£'000	£'000	£'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
	153	340	115	455
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
	338	-	960	960
Total	497	340	1,851	2,191

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

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
	22,104	1	(176)	868	6	22,803
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
	5,743	3,976	(4,050)	-	(355)	5,314
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
	77,341	1,353	-	479	7,665	86,838
EDBF Total funds	115,002	17,614	(16,396)	-	5,936	122,156
Subsidiaries						
General Funds						
EDPS Ltd	9	181	(181)	-	-	9
Group Total	115,011	17,795	(16,577)	-	5,936	122,165

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.

